

Golden Season Pte Ltd and others

v

Kairos Singapore Holdings Pte Ltd and another

[2015] SGHC 38

Decision Date: 9 Feb 2015

Issues: Defamation; Copyright infringement; Passing off

Background facts

Golden Season Pte Ltd (“**Golden Season**” or “**the Plaintiff**”) alleged that in October 2011, it had entered a verbal agreement with Kairos Singapore Holdings Pte Ltd (“**Kairos**” or “**the Defendant**”) to become the exclusive reseller of the Defendant’s boats, outboard motors and electrical pumps. The Plaintiff alleged that the Defendant gave the Plaintiff permission to use its photos of the boats, and allowed the Plaintiff to remove the logo on such photos so that the Plaintiff could market the goods as their own. The Defendant also agreed to remove their prices from the Internet and not to publish their prices anymore. However, the relationship between parties broke down from November 2011. The Defendant used Facebook postings, emails and SMS texts to expose the Plaintiff’s alleged wrongdoings to the public. At the same time, the Plaintiff started to distribute brochures modified on the ones designed by an employee of the Defendant to advertise the sales of the boats under the name of “Golden Season”. The brochures included technical specifications, descriptions and photos of the boats, pumps and other products.

The Plaintiff instituted legal proceedings against the Defendant for defamation. The Defendant filed counterclaims that the Plaintiff infringed copyright in the brochures and misrepresented/passed off the Defendant’ boats by using the photos of their boats without the Defendant’s logo.

Finding

The High Court found the Plaintiff’s action in defamation succeeded in part. The Defendant’s counterclaim for copyright infringement succeeded, while the counterclaim for passing off failed.

Reasoning

A. Copyright infringement

1. The originality and authorship of the brochures

It is held that despite some parts of Golden Season’s brochures were copied from Saturn Inflatable’s website, the brochure as a whole is an original literary work. This is because the photos and textual materials have been re-organized and presented in a different way (from website to brochure) for a different purpose (promotion of the boats) (at [177]). It is emphasized that minimum originality and independent creation are sufficient to confer copyrights on the brochure (*Auvi Pte Ltd v Seah Siew Tee*

[1991] 2 SLR (R) 786 (at [178]). Regarding the authorship, it is held that the brochure is a work-for-employment (at [179]).

2. Is there any infringement of the copyrights in the brochures designed by the Defendant?

This involves a two-stage inquiry: (1) did the Plaintiff copy from Defendant's copyright works? (2) Was the copied material a substantial part of the copyright works? As to the first inquiry, access and substantial similarity need to be established (*LB Plastics Ltd v Swish Products Ltd* [1979] RPC 551 at 619 and *Creative Technology Ltd v Aztech Systems Pte Ltd* [1997] 1 SLR 621 at 634) (at [180]). With comparisons of the photos, the Court held the Plaintiff have copied from the Defendant's brochures and photographs (at [187]).

As to the second inquiry, based on the principle of the idea/expression dichotomy, the Court employed a qualitative approach to examine whether the copy was substantial. The Court held that the Plaintiff mostly copied the technical specifications from the Defendant's brochures. The Court employed the merger doctrine which applies to the situations where the ways to express an idea are very limited, so the expression and idea "merge" into one that makes the distinction between the two concepts meaningless. The Court concluded that the copy of the technical specifications was non-substantial because the same expression was unavoidable in describing the same product.

3. Is there any defense to the copyright infringement?

The Plaintiff raised the defense that the Exclusive Reseller Agreement allowed the Plaintiff to develop brochures of the Defendant's boats without their logo, thus in effect granted an implied license for them to copy the brochures. The Court held that since the existence of the verbal agreement could not be established solely based on the parties' email communications where no explicit intent to reach a resell agreement from the Defendant can be found. Thus, the reproduction of the photos was not under an implied license (at [196]); the Plaintiff has infringed upon the Defendant's copyrights in the photos.

B. Trademark infringement

Since the Defendant's pleadings relied only on the common law tort of passing off without referring to the Trade Marks Act (Cap 332, 2005 Rev Ed), the Court considered the issues solely based on the common law of passing off.

The Court held that the Defendant must establish the "classical trinity" of goodwill, misrepresentation and damage (*Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR (R) 216 AT 37) in order to institute a passing off claim (at [205]). Although this case is an "inverse passing off" one, the three elements are still applicable, as affirmed by the Singapore Court of Appeal in *Tessensohn Denyse Bernadette v John Robert Powers School* [1994] 3 SLR 308 (at [207]).

The Court considered the following factors: the strength of goodwill and reputation, the nature of the goods and the extent to which any indicia of origin is used in determining whether there is a misrepresentation to the ordinary consumer. The Court opined that inverse passing off must be established on harm to goodwill arising from a misrepresentation. In this case, the Plaintiff had not represented that they were Kairos or that they were passing themselves off as being Kairos as to harm the Kairos goodwill. The Defendant was not the manufacturer of the boats which were actually supplied by a Chinese manufacturer. Moreover, even if the Plaintiff may have used the photos of Kairos boats in some communications, it had, anyways, purchased a few boats from the Defendant. Therefore, the Court concluded the Plaintiff were not liable for passing off.