

**REFORM OF THE CHOICE OF  
LAW RULE RELATING TO  
TORTS**

**A Report of the  
Law Reform Committee of the  
*Singapore Academy of Law***

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## EXECUTIVE SUMMARY

### INTRODUCTION

- [A] An act done abroad is actionable as a tort in Singapore if it is both actionable as a tort according to the law of Singapore and the law where the act was done. This double actionability rule which requires actionability by the law of Singapore *even though the act in question was done abroad*, was first enunciated in the 19<sup>th</sup> century when proof of foreign law was difficult and unfamiliarity with and perhaps suspicion of foreign law was inevitable. The UK, Australia, and Canada have replaced the rule with a more ‘international’ choice of law rule which reflects changes in communications, trade and cross-border intercourse and makes it easier for a plaintiff to obtain redress in respect of a tort committed abroad. In this report we propose reform of the double actionability rule in Singapore of a fairly similar nature, as well as further reforms with particular reference to the protection of intellectual property (IP) rights by way of torts and related actions.

### Part I. DOUBLE ACTIONABILITY

- [B] The double actionability rule for torts requires the plaintiff to show both that the act of the defendant would be actionable in the forum had it been committed in the forum and that it attracts civil liability by the law where the act was committed. There is a flexible exception to this rule which enables the court to displace either the law of the forum or the law where the act was done in exceptional circumstances. This choice of law rule has been accepted as part of Singapore law by the Court of Appeal, but the court did not have the benefit of extensive arguments based on developments in other countries.
- [C] We are of the view that the law governing the actionability of an act as a tort should be the law where the act was done exclusively and that the requirement of actionability by the law of the forum should be abrogated. The requirement of actionability by the law of the forum is inappropriate to a time of globalisation and regionalisation. It puts Singapore out of alignment with major Commonwealth jurisdictions. Further, the historical justification for the requirement, namely the difficulty of proof of foreign law, is obsolete while substantive concerns about unknown or unjust foreign wrongs can and should be addressed directly in terms of public policy instead of requiring actionability according to the law of the forum.
- [D] We are also of the view that there should be a flexible exception that may be invoked in exceptional circumstances to enable justice to be done in cases where the connections with the place of the act are so insignificant and insubstantial that it would be unjust to apply the law where the act was done as the governing law.
- [E] **We recommend:**
- a. **That the requirement for actionability by the law of the forum be abrogated, so that the choice of law rule is the law where the act was done.**
  - b. **That a flexible exception to the choice of law rule may be invoked in exceptional circumstances, allowing the court to apply the law of a country that is significantly more substantially connected with the tort.**

## Part II. DEFAMATION

- [F] We recognise that personal defamation can raise issues of public policy more starkly than other torts because of differences in the laws of different countries reflecting their own unique balance between freedom of expression and protection of reputation. In such cases, abrogation of the requirement of actionability by the law of Singapore would require the courts to make difficult decisions on the acceptability of foreign law relating to freedom of speech in relation to the policy of the law of Singapore. We are not convinced that these are decisions which the courts would be in a position to make and therefore recommend that personal defamation continue to be subject to the common law double actionability rule. The effect is that a foreign act of defamation will only be actionable as a tort in Singapore if it would also be actionable as defamation according to the law of Singapore.
- [G] **We recommend that claims based on the tort of personal defamation should be exempted from the choice of law regime proposed for torts in Part I.**

## Part III. APPLICATION TO INTELLECTUAL PROPERTY

- [H] Presently, the double actionability rule taken together with the principle that IP rights are territorial in nature implies that the courts can do very little to protect plaintiffs against infringements of IP rights outside the country of creation or registration. This is because a plaintiff who complains of infringement of his IP rights outside Singapore cannot rely on the breach of any foreign IP statute to show actionability by the law of the forum, and cannot rely on any Singapore IP statute to show civil liability by the law of the place of the act. One solution suggested in an English case has been to apply the exception to the double actionability rule to displace the law of the forum so that the tort is governed exclusively by the law of the place of the act, but this would be turning the common law rule on its head in applying the exception as a general rule in all cases involving infringement of foreign IP rights.
- [I] We think that the rule which we have proposed as the general governing law rule will serve very well in cases of infringements of IP rights. Although we have recommended that the rule should have a flexible exception, this will not give rise to any difficulties since the flexible exception will have no relevance in the context of statutory IP rights, and is unlikely to be successfully invoked in the case of non-statutory IP rights. Accordingly, we propose that infringements of IP rights should be brought under the same recommended choice of law regime.
- [J] **We recommend that no special provision be made for choice of law purposes for torts of infringement of IP rights, so that they are subject to the general tort choice of law regime as proposed to be reformed under Part I.**

## Part IV. JURISDICTION

- [K] Our proposal to modernise the choice of law rules for torts in general does not require significant changes to be made to the rules of jurisdiction. However, we think that there is a case for creating a new head for service out of jurisdiction based on the

infringement, wherever occurring, of IP rights in works that can be said to have originated in Singapore. In the case of copyright, this will be the case where a work originating in Singapore is for that reason protected by foreign legislation either pursuant to the Berne Convention or other international instruments. In the case of patents and trademarks, this will be the case where Singapore is the place of international filing of an application under the Patent Co-operation Treaty and the Madrid Protocol respectively, and Singapore is designated as a country of protection. The proposed jurisdiction will serve to facilitate the provision of a one-stop venue for the creation and protection of IP rights. The exercise of the jurisdiction will of course be subject to considerations of natural forum.

- [L] In line with the proposed modernisation of choice of law rules, and for the avoidance of doubt generally (in view of some authorities suggesting to the contrary from other jurisdictions) and more specifically in the context of IP infringements, which often include breaches of statutory rights and sometimes involve breaches of non-contractual obligations of confidence, we are recommending that Order 11 r 1(f) be expanded to include wrongs founded on statute or cognisable in the equitable jurisdiction.
- [M] We also recommend that the courts in Singapore should have the same jurisdictional bases in respect of torts that are anticipated to occur where they would have jurisdiction if the torts had actually occurred. This will broaden the courts' competence to provide injunctive relief in respect of imminent torts, and will enable the courts to provide more complete relief where the plaintiff is suing in respect of both past and imminent conduct.
- [N] **We recommend:**
- a. **That Order 11 r 1(f) of the Rules of Court be amended to create a special head of jurisdiction to permit service of writ against defendants abroad with the leave of court in the case of infringements, wherever occurring, of copyrights, patent rights and trademarks originating in Singapore.**
  - b. **That Order 11 r 1(f) be amended to clarify that "tort" for the purpose of the rule is not restricted to the strict sense of wrongs originating in the jurisdiction of the common law courts but also includes analogous wrongs in equity and under statute.**
  - c. **That Order 11 r (1)(f) be amended to permit service of writ out of jurisdiction where the plaintiff is seeking injunctive relief in respect of a tort anticipated to occur, in situations where the heads of jurisdiction would have been applicable had the tort actually occurred.**

## **Part V. JUSTICIABILITY**

- [O] The *Moçambique* rule at common law is a justiciability bar that prohibits the court from adjudicating on issues of title to foreign immovable property, including the issue of trespass to foreign immovable property. While there are strong policy reasons to maintain the rule in respect of questions directly relating to title to foreign immovables, the bar on trespass is hard to justify, and has been removed by statute in

England. Accordingly we recommend the removal of this aspect of the *Moçambique* rule.

[P] With particular reference to IP rights, we are of the view that issues of infringement of IP rights should no longer be seen as non-justiciable by the courts in Singapore. We recognise that IP rights can involve important issues of localised economic policies, and so generally issues of validity and scope of protection would best be decided by the court of the country which has created the rights in question. Moreover, where an IP right is created by registration, and the creation is adjudged invalid, the forum can never make any effective order for the rectification of the foreign register. However, we believe that these issues of localised economic policies and absence of power to make an effectual order should be dealt with by a stay of the proceedings in Singapore in favour of the country of creation instead of a blanket prohibition in terms of justiciability. This is because there are cases where the Singapore court can competently decide on some issues of validity either because the foreign law is similar to Singapore law or the issues do not raise highly localised policies. Moreover, challenges to validity are a frequent defence to infringement claims, and it would be all too easy for a defendant to an infringement claim to preclude its determination by a Singapore court by the simple expedient of challenging validity, even though Singapore may otherwise be the natural forum to try the claim.

[Q] **We recommend:**

- a. **That the common law justiciability bar in respect of trespass to foreign immovable property be removed; and**
- b. **That it is clarified that the justiciability bar does not apply to IP rights, so that the Singapore court is competent to adjudicate not only upon the issue of infringement of these rights, but also the question of the validity of these rights, subject to the limitation that the court has no power to order the rectification of foreign registers.**

## **Part VI. COMPLEMENTARY TORTS**

[R] The proposed single choice of law rule in favour of the law where the act was done will serve adequately where the plaintiff is seeking redress in relation to complementary torts, ie torts which complement actions based on infringements of statutory IP rights. Recognising the need to provide a one-stop forum where claims based on infringements of statutory IP rights and complementary torts can be adjudicated in the same set of proceedings, we recommend clarification of the jurisdictional rules so that the courts will have power to provide a full resolution to disputes between parties involving infringements of both statutory and non-statutory IP rights.

[S] **We recommend that no special choice of law rule be designed for torts complementary to statutory IP rights, and that they are subject to the proposed amended choice of law rule under Part I. However, the jurisdictional basis for claims based on non-contractual breach of confidence should be clarified in accordance with our recommendations under Part IV.**

## INTRODUCTION

- [1] An act done abroad is actionable as a tort in Singapore if it is both actionable as a tort according to the law of Singapore and the law where the act was done. This rule, also known as the double actionability rule, requiring actionability by the law of Singapore even though the acts in question are done abroad,<sup>1</sup> was first enunciated in the 19<sup>th</sup> century when proof of foreign law was difficult and unfamiliarity with and perhaps suspicion of foreign law was inevitable. In the UK, Australia, and Canada the rule has either been statutorily or judicially abrogated and replaced by a more ‘international’ choice of law rule which reflects changes in communications, trade and cross-border intercourse and makes it easier for a plaintiff to obtain redress in respect of a tort committed abroad which may not amount also to a tort according to Singapore law. In Part I of this report, we discuss the reform of the double actionability rule, and make recommendations for its abrogation and replacement by a single choice of law rule. Part II discusses the problems raised by acts of personal defamation committed abroad and contains our recommendations with reference to such acts. Part III is concerned with application of the general rules of applicable law to acts of infringement of intellectual property rights (IP rights). In Singapore, as in other common law jurisdictions, IP rights are protected in an important manner through the law of torts. In this part, we discuss the difficulties which the double actionability rule poses for obtaining redress in Singapore in respect of international infringement actions before recommending that the proposed choice of law rule in relation to torts be extended to actions in tort to enforce IP rights. Part IV considers jurisdictional issues peculiar to such actions and contains our recommendations for the creation of a new head of Order 11 jurisdiction to cater specially to a subset of such actions. Part V is concerned with issues of justiciability. In this part, we recommend that questions of international infringement of IP rights be made justiciable in Singapore. Part VI considers the proposed reform in relation to torts complementary to infringement actions such as passing off, malicious falsehood and business defamation.

### Part I. DOUBLE ACTIONABILITY

#### A. Genesis of the Modern Rule

- [2] When is an act done in a foreign country actionable as a tort in Singapore? The answer to this question is of general application and is applicable to acts of infringement of foreign IP rights outside Singapore<sup>2</sup> as well as acts of infringement of Singapore IP rights outside Singapore. In other words, there is no specialised rule applicable to infringement actions.
- [3] In *Phillips v Eyre*<sup>3</sup> the question was answered as follows: an act done in a foreign country is a tort and actionable as such only if it is both actionable as a tort according

<sup>1</sup> See eg *House of Spring Gardens Ltd v Waite* [1991] 1 QB 241 at 253; *Molnlycke AB v Procter & Gamble Ltd* [1992] 1 WLR 1112 at 1117.

<sup>2</sup> In the case of an act done in Singapore which is alleged to be an infringement of a foreign IP right, it could be argued that the tort, if it exists, is a domestic tort and the question which we have posed is irrelevant. This was the view taken in *Metall und Rohstoff AG v Donaldson Lufkin & Jenrette Inc* [1990] 1 QB 391.

<sup>3</sup> (1870) LR 6 QB 1.

to English law, if the act had been done in England, (*first limb*) and not justifiable according to the law where the act was done (*second limb*).<sup>4</sup>

- [4] Although diverse views have been expressed on the several points raised by *Phillips v Eyre*, it is widely accepted that the tort choice of law rule took its modern form in the House of Lords decision in *Chaplin v Boys*.<sup>5</sup> In that case, an English army serviceman had been injured whilst stationed in Malta and riding as a pillion rider on another serviceman's motorcycle. Back in England, he sued the other for pain and suffering. English law gave him this redress, but not Maltese law. It was unanimously held that he should be awarded damages for pain and suffering. The reasoning, however, why he should be so awarded varied considerably.
- [5] On the question whether the issue of recovery for pain and suffering was a substantive or procedural issue, the court by a majority of three to two decided that it was substantive.
- [6] On the question whether the two limbs of the rule in *Phillips v Eyre* were jurisdictional or choice of law propositions, the court was unanimous that they were choice of law propositions.
- [7] On the question whether the second limb contemplated that criminal liability in the place of the act was sufficient to establish actionability as a tort if the act was also actionable by the law of the forum, a majority of four to one agreed it did not contemplate criminal liability as being sufficient.
- [8] However, there was no ratio on what the second limb of the rule in *Phillips v Eyre* required as positive elements of liability. Lord Donovan thought that as long as there was some civil liability under the law where the act was done, the act should be actionable as a tort if it was actionable according to the law of the forum. Lord Hodson and Lord Wilberforce shared the view that there must be actionability of the same kind under the law where the act was done.
- [9] On the question whether there was an exception to the rule, Lord Hodson thought that the rule in *Phillips v Eyre* was only a general rule. He would be prepared to dispense with the requirement of actionability of the same kind under the law where the act was done if the occurrence in question and the parties were most closely and significantly connected to the forum. Lord Wilberforce expressed the view that on a particular issue, particularly one that delimited, negated or qualified the liability, the court might refuse to apply the second limb if the interests of the place where the act was done would not be undermined or seriously impaired by the refusal to do so.
- [10] In 1993, the decision in *Chaplin v Boys* was examined by the Privy Council in *Red Sea Insurance Co Ltd v Bouygues SA*.<sup>6</sup> It was held that the decision in that case required the conduct to be both actionable as a tort according to the law of the forum

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<sup>4</sup> Perhaps no single proposition of law engendered more diverse interpretations and controversy. In the wake of the decision, questions were raised as to whether the first limb was jurisdictional, and the second a choice of law rule; whether both were jurisdictional requirements, leaving the choice of law rule open for decision; whether if the rule was a choice of law rule, the second limb was a condition upon which the law of the forum supplied the governing law; whether if the rule was a choice of law rule, it was sufficient that there was criminal liability for the act in question under the law of the place of the act; whether the rule as a choice of law rule applied distinctly to every contested tortious issue or whether it applied to the whole claim once it was clear that on the facts pleaded, the ingredients of the action would be regarded as satisfied.

<sup>5</sup> [1971] AC 356.

<sup>6</sup> [1994] 3 All ER 749.



if it had been committed in the forum and actionable in civil proceedings according to the law of the country where the act was done, but exceptionally a plaintiff could rely exclusively on the law where the act was done even if under the law of the forum his claim would not be actionable. The Privy Council added an important qualification, namely that the exception to the general rule could be applied not only to specific isolated issues but also to the whole claim.<sup>7</sup>

- [11] In *Parno v SC Marine Pte Ltd* our Court of Appeal accepted this formulation of the tort choice of law rule by the Privy Council.<sup>8</sup> The plaintiff had been injured whilst working on board a dumb barge off the coast of Myanmar. The plaintiff alleged that the cause was the failure to provide a safe system of work in accordance with the Factories Act of Singapore, or in the alternative in accordance with the common law duties of an employer. It was held that the statute did not confer extra-territorial rights to sue for a tort committed abroad. In the alternative, the court held, applying the double actionability rule, and treating the failure to prove the foreign law as giving rise to the presumption of similarity of laws, that the act which was done in Myanmar was actionable as a tort in Singapore.

## B. Reform of Double Actionability Rule in UK, Australia and Canada

- [12] Although *Parno v S C Marine Pte Ltd* was decided only a little over two years ago, the Court of Appeal did not have the benefit of a thorough ventilation of the recent developments in the pertinent law. These developments show a growing consensus in the Commonwealth that the double actionability rule should be rejected in favour of an exclusive law where the act was done. In 1994, the Supreme Court of Canada in *Jensen v Tolofson*<sup>9</sup> (not cited to our Court of Appeal in the case earlier mentioned) rejected the double actionability rule. In 2002, the Australian High Court in *Regie National des Usines Renault SA v Zhang*<sup>10</sup> also rejected the double actionability rule.
- [13] Much earlier, in 1990, the Law Commission of England had concluded that there was neither reason in justice nor on principle to retain the requirement of actionability in accordance with the law of the forum when it made recommendations to repeal the double actionability rule.<sup>11</sup> Its recommendations were adopted and the new tort choice of law rule is the statutory rule contained in Part III of the Private International Law (Miscellaneous Provisions) Act of 1995. That rule provides that in all tortious actions,

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<sup>7</sup> The plaintiffs were insurers contractually bound to pay the insured builder an indemnity for loss and expense incurred in respect of repairing and replacing structural damage to buildings being constructed for the Saudi government. Structural damage was discovered and the insured claimed the indemnity. There was evidence that a sub-contractor, PCG, had supplied as was alleged defective precast concrete units for the buildings to the insured and the insurers counterclaimed against PCG. PCG applied to strike out the counterclaim. There was no doubt that the tort was not actionable under the law of the forum, the law of Hong Kong, since the insurers, not having paid the indemnity, could not claim directly against the tortfeasor by right of subrogation to the rights of suit of the insurer. But the Privy Council held that the insurers could rely solely on the law of Saudi Arabia in sustaining the counterclaim. In the circumstances, all the significant factors in the claim had either occurred in Saudi Arabia or were connected with that country or were governed by the law of Saudi Arabia. The exception to the double actionability rule could be applied to the case as a whole.

<sup>8</sup> [1999] 4 SLR 579.

<sup>9</sup> [1994] 3 SCR 1022.

<sup>10</sup> (2002) 187 ALR 1.

<sup>11</sup> Law Commission Report No 193 (1990).

save defamation and malicious falsehood, the applicable law is the law of the place of the tort subject to a flexible exception.<sup>12</sup>

- [14] The need for a flexible exception has also been questioned. The courts recognise that there is a ‘conflict between, on the one hand, the desirability of a rule which is certain and clear on the basis of which people can act and lawyers advise and, on the other hand, the desirability of the courts having the power to avoid injustice by introducing an element of flexibility into the rule.’ In order to reduce uncertainty in the flexible exception, some courts have insisted that there must be clear and satisfactory grounds to depart from the general rule.<sup>13</sup>
- [15] The UK and Canada<sup>14</sup> have chosen to retain the flexible exception. In the former, the courts are directed to apply the law of another country if from a comparison of the significance of the relevant factors connecting the tort to the place of the tort and that country, it is more appropriate to apply the law of that country.<sup>15</sup>
- [16] In contrast, in *Regie National des Usines Renault SA v Zhang*<sup>16</sup> a vast majority of the Australian High Court rejected the flexible exception. In their opinion, the fact that the applicable law is the law where the act was done is necessarily subject to public policy and the public policy requirement would appear to be an adequate response to any need for flexibility.<sup>17</sup>
- [17] In the latest case on the subject *Kuwait Airways Corp v Iraqi Airways Co (Nos 4 & 5)*<sup>18</sup> the question was whether “there is sufficient flexibility in the double actionability rule to enable this aspect of the *lex loci delicti* to be excluded and the question of IAC’s title to the aircraft to be decided exclusively by the *lex fori*.” The court held that there was such flexibility when it would be contrary to English public policy to apply the law where the act was done. The court in effect applied the public policy defence as part of the flexible exception.

### C. Recommendations on General Rule

#### (i) Abrogation of actionability by the law of the forum

- [18] We recommend that the applicable law for determining whether an act done abroad is actionable as a tort in Singapore be the law where the act was done. We recommend abrogation of actionability according to the law of Singapore for the following reasons.
- [19] First, the requirement of actionability according to the law of Singapore is “inappropriate to a time of global and regional dealings, technological advances that increase conflictual situations and attitudinal changes that reject, or at least reduce,

<sup>12</sup> See Appendix 1 for a selection of the provisions of this Act.

<sup>13</sup> *Warren v Warren* [1972] Qd R 386.

<sup>14</sup> In the case of international torts only.

<sup>15</sup> Private International Law (Miscellaneous Provisions) Act 1995 s 12(1).

<sup>16</sup> (2002) 187 ALR 1.

<sup>17</sup> Kirby J was less adamant about the dispensability of the flexible exception. However, he would not press his doubts to a dissent.

<sup>18</sup> [2002] 2 WLR 1353.

xenophobic opinions about the worth and applicability of the law of other jurisdictions.”<sup>19</sup>

- [20] Second, in continuing to require actionability by the law of the forum our law is increasingly out of alignment with the rest of the common law world and that the general case for reform of the double actionability rule is very strong.
- [21] Third, to the extent that the law of the forum is a default law and that it allows parties to offer no proof of foreign law and to circumvent the problem of proof of foreign law, this role is obsolete.
- [22] Fourth, to the extent that actionability under the law of the forum rules out unknown causes, ‘[t]he fact that a wrong would not be actionable within the territorial jurisdiction of the forum if committed there might be a factor better weighed in considering the issue of *forum non conveniens* or whether entertaining the action would violate the public policy of the forum jurisdiction’.
- [23] Fifth, to the extent that ‘the first limb upholds the right and duty of every nation to protect its own subjects against injuries, resulting from the unjust and prejudicial influence of foreign laws; and to refuse its aid to carry into effect any foreign laws, which are repugnant to its own interests and polity’, it is too blunt an instrument and fails to identify those true and proper cases in which the law of forum should be applied in order to uphold or protect the forum’s vital and compelling interests. It is more appropriate and efficient to deal with such laws directly in terms of public policy than via a blanket requirement of actionability according to the law of the forum.

(ii) Adoption of a flexible exception

- [24] We recommend adoption of a flexible exception for the following reasons.
- [25] A flexible exception,<sup>20</sup> if suitably formulated, will not ‘open the door to a resourceful advocate and solicitor to attempt to change the application of the law’ but will enable justice to be done in a proper case by applying the law of the country with which the tort is most closely and significantly connected. Given that the general rule in favour of the law where the act was done already reflects the greater importance of activity related factors, the flexible exception will not be readily invocable since personal factors are normally less significant than activity-related factors in relation to tortious claims. But in the exceptional cases where the activity related factors are insignificant and the personal factors are considerably more significant, the exception will enable justice to be done. The availability of such exception will in addition reflect well on the openness of the local jurisprudence and signal a strong commitment to doing justice as between the parties, be they local or foreigners, on the part of the courts. So

<sup>19</sup> According to Kirby J in *Regie National des Usines Renault SA v Zhang* (2002) 187 ALR 1 at [132].

<sup>20</sup> In European Commission, *Consultation on a Preliminary Draft Proposal for a Council Regulation on the Law Applicable to Non-Contractual Obligations*, available at: [http://europa.eu.int/comm/justice\\_home/unit/civil/consultation/index\\_en.htm](http://europa.eu.int/comm/justice_home/unit/civil/consultation/index_en.htm), the latest draft (of 2002) circulated, a three step approach is advocated for finding the applicable law of a tort: (1) as a general rule, it is the law of the place where the loss is directly sustained; (2) but it is the law of the common habitual residence of the claimant and the defendant where they are the same; and (3) in either event, the law of another country may apply if it has a substantially closer connection with the obligation and there is no significant connection between the obligation and the applicable law as found in (1) or (2). However, a three-step approach may be unwieldy. Although the proposal makes it more difficult to invoke the exception than the common law, it is unclear how the connections are defined.

as to avoid difficulties of proof, the exception could be formulated along the lines of section 12(1) of the Private International Law (Miscellaneous Provisions) Act 1995 of England so that whenever the exception is relied on, the courts in Singapore would only be required to determine whether it is more appropriate to apply the law advocated by the defendant as opposed to the law advocated by the plaintiff. The courts would not be required to consider on their own motion which system of law has in fact the closest and most significant connection to the tort.<sup>21</sup>

- [26] An alternative reform possibility is to discard the exception and provide that the courts in Singapore shall have a judicial discretion to apply Singapore law where there is a substantial and close relationship between the parties and the forum and application of the law of the place of the tort would be fundamentally alien to the administration of justice in Singapore. Under this proposal, the courts will have no discretion to apply a third country law. This would be unattractive in drawing an artificial line between the law of Singapore and the law of a third country although one or the other should be applied in the interests of justice.
- [27] Another possible reform is to abrogate the exception and whilst accepting that the courts have a residual role to protect Singapore residents and domiciliaries from unjust and unfair laws, deal with the need for a residual flexibility to do justice to Singapore residents and domiciliaries by enlarging and giving more prominence to the public policy rule. Under this proposal, the courts will have no discretion to apply a third country law but may take domestic public policy into account in order to give effect to Singapore law instead of the law of the place of the tort. This alternative may offer little gain in terms of reduction in uncertainty if the result, which is likely, is that the courts will end up comparing the public policies at stake in the various countries with an interest in having their laws applied to the dispute between the parties.

#### **D. Implications for Pleadings**

- [28] In making the recommendations in paragraphs 18 and 25, we are aware that a practical difficulty can arise where the plaintiff and defendant disagree on the applicable law and thus prepare their cases on the basis of two different sets of applicable laws. This situation can conceivably arise where one party believes that the flexible exception would apply to oust the law where the act was done, or where the tort occurs over several jurisdictions giving several choices for locating the place of the act. Where the parties disagree on the applicable law, regardless of which law is finally held to be applicable by the trial court, there can be confusion and also wasted costs for getting up because at least one party may prepare for trial on the basis of the wrong applicable law.
- [29] Such problems can be avoided or at least anticipated if the parties state the applicable law in their pleadings at the outset of the matter. Presently, the Rules of Court do not make it mandatory for parties to plead the applicable law for actions having a foreign element. Nevertheless, the courts<sup>22</sup> have often suggested that if a party intends to rely on an applicable foreign law, this should first be pleaded and subsequently evidence should be adduced at trial of the material differences between the applicable foreign

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<sup>21</sup> See also Section D below.

<sup>22</sup> *Goh Chok Tong v Tang Liang Hong* [1997] 2 SLR 641 at 666, *The HI56* [1999] 3 SLR 756 at 761, *Parno v SC Marine Pte Ltd* [1999] 4 SLR 579 at 595.

law and the law of the forum. Parties are therefore encouraged (but not required) to plead the applicable law from the outset.

- [30] Be that as it may, we do not recommend an amendment to the Rules of Court to require pleading of the applicable law (in actions involving a foreign element) as the correct applicable law may not be determinable anyway until trial. In some cases, it may be suitable for a party to make an application under Order 14, Rule 12 of the Rules of Court for a ruling on the applicable law prior to trial. This would avoid wasted getting up on a misconceived notion of the applicable law. However, as the correct applicable law depends on facts to be proved at trial, in cases where those facts are in dispute or are unexpectedly changed under cross-examination, the applicable law cannot be determined prior to a full trial of the matter. For this reason, we recommend that parties should continue to be encouraged to plead the applicable law but we do not recommend that pleading the applicable law be made mandatory under the Rules of Court.

### E. Summary of Recommendations

- [31] **We recommend:**
- a. **That the requirement for actionability by the law of the forum be abrogated, so that the choice of law rule is the law where the act was done.**
  - b. **That a flexible exception to the choice of law rule may be invoked in exceptional circumstances, allowing the court to apply the law of a country that is significantly more substantially connected with the tort.**

## Part II. DEFAMATION

- [32] In this part, we consider whether the proposed law of the place of the tort rule should apply to personal defamation actions.

- [33] There have not been many actions in defamation brought in Singapore in respect of acts done abroad. One such action was *Loke Wan Tho v Lachie, MacDonald*.<sup>23</sup> In that case, the plaintiff, a Singapore resident, claimed damages for an alleged libel contained in an article in the Daily Mail. He applied for a writ to be served out of jurisdiction and an order to that effect was made and upheld. The court could anticipate a plea of justification and/or fair comment, and, ‘as the events out of which such a plea could arise took place in Malaya or Singapore, the issues of fact could only be tried efficiently in either Singapore or Malaya. On the other hand, a trial in London would impose hardship and injustice on the plaintiff.’

- [34] Another case was *Goh Chok Tong v Tang Liang Hong*,<sup>24</sup> where ‘the plaintiff, the Prime Minister of Singapore, claimed [among other things] damages for slander committed by the defendant in a telephone conversation with a journalist from *The Straits Times*. In the course of the interview which took place in Malaysia on 10 January 1997, the defendant sought to explain his absence from Singapore and his views on a number of defamation actions commenced against him following the Parliamentary General Elections. The court held, among other things, that the

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<sup>23</sup> [1949] 1 MLJ 293.

<sup>24</sup> [1997] 2 SLR 641.

defendant and not the plaintiff had the burden of proving that that the words uttered in the interview were not actionable according to the law of Malaysia.

- [35] Although the cases involving personal defamation committed abroad against Singaporeans are few, they highlight the burden which the courts of Singapore have to protect forum residents and domiciliaries against unjust acts done abroad but directed against the Singaporean plaintiff in Singapore.
- [36] On the other hand, it would be undesirable to provide for redress of foreign defamatory conduct merely because the conduct is actionable where it occurred. The redress of such a wrong as perceived by the foreign country may be incompatible with the principles of free speech and freedom of the press accepted in Singapore.
- [37] The solution to this problem which has been adopted in the UK is to preserve the double actionability rule and Part III of the 1995 Act of England accordingly retains the double actionability rule for actions for libel and slander. In choosing to retain the double actionability rule, the UK legislature rejected two alternative proposals which would involve discarding the double actionability rule. One was to exclude the foreign law whenever it would be against the domestic public policy of the forum to apply it. The other was to apply the law of the forum equally to defamation published simultaneously in the forum and abroad. In the end, the choice of retaining the double actionability was not compelling and not the result of its intrinsic superiority to the alternative proposals but the result of intense lobbying by the press. The decision to retain the double actionability rule has also been criticised for failing to distinguish between personal defamation and defamation of a business competitor on the ground that the latter does not raise issues of free speech and freedom of the press and should have been excluded from the retention proposal.
- [38] In our view, the proposal to apply the law of the forum to defamation simultaneously published in the forum and abroad may be unworkable. To avoid application of the law of the forum, a defendant intending to publish defamation in Singapore and abroad need only ensure that a few days elapse before the second publication is made abroad and the court would be obliged to avoid the simultaneous publication rule. To be completely logical, the proposal would have to be extended to cover non-simultaneous publications; Singapore law would then apply to both the publication in Singapore and that abroad. However, although attractive, this proposal will create a distinction between defamation which is partly published in Singapore and defamation which is entirely foreign. We believe that such a distinction is artificial. Moreover, although the proposal to apply the law of the place of the tort subject to displacement by the flexible exception or by the law of the forum on grounds of public policy is attractive in logic, it would require the courts to make difficult comparisons between the policies of the forum and those of the country of the applicable law respecting freedom of speech and expression and the protection of reputation. It would also require the courts to develop the notion of public policy in an area in which such a notion has hitherto not been necessary, being avoided by the requirement of actionability according to the law of the forum. We are not convinced that the courts would be in a position to decide on the acceptability of a foreign country's unique balance between freedom of speech and protection of reputation in relation to the policy of the law of Singapore. Prolonged litigation would be a likely consequence of adopting the proposal. Our recommendation accordingly is that the proposed reform of imposing the law of the place of the tort as governing or applicable law should not cover personal defamation but that the common law double

actionability rule should continue to apply to claims in personal defamation. Claims in business defamation are not subject to the difficulties we have highlighted and the proposed single choice of law rule should extend to such claims.

#### **A. Summary of Recommendations**

- [39] **We recommend that claims based on the tort of personal defamation should be exempted from the choice of law regime proposed for torts in Part I.**

### **Part III. APPLICATION TO INTELLECTUAL PROPERTY**

- [40] In this part, we consider whether the proposed reform should extend to infringement of IP rights actions.

#### **A. Role of international conventions**

- [41] As a preliminary consideration, it is necessary to consider whether the conventions to which Singapore is a party adequately address the enforcement of such IP rights as are in the common law protected by the law of torts.

- [42] Singapore is a party to the Berne Convention 1886,<sup>25</sup> the Paris Convention for the Protection of Industrial Property 1883,<sup>26</sup> the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks 1957,<sup>27</sup> the Patent Cooperation Treaty 1970,<sup>28</sup> the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure 1977,<sup>29</sup> the TRIPS Accord,<sup>30</sup> and more recently, the Madrid Protocol concerning the International Registration of Marks.<sup>31</sup> Two of the above conventions have no relevance to the present subject of reform; namely the Nice Agreement which binds Singapore to follow and adopt an international system of classifying goods and services for trade mark purposes and the Budapest Treaty which deems patent deposits made with an International Depositary Authority to satisfy patent disclosure requirements in all contracting states. Both conventions are silent on the manner in which protection is given to goods and services which have been classified and deposits which have been made.

- [43] The Berne Convention 1886 is a convention on copyright. Where it applies, the courts in Singapore are obliged to accord national treatment in protecting the work of a person who is a national of a member state or where the state of first publication is in a member state or in the case of a cinematographic work, where the headquarters or habitual residence of the maker or in the case of works of architecture, the headquarters or habitual residence of the architect is in a member state. So, if the question is whether, given that the work is an original work according to the law of the country of origin, infringing copies are being sold in Singapore or whether, given that the copyright includes the right to receive the rental of a copy according to the

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<sup>25</sup> As of 21 December 1998.

<sup>26</sup> As of 23 February 1995.

<sup>27</sup> As of 18 March 1999.

<sup>28</sup> As of 23 February 1995.

<sup>29</sup> As of 23 February 1995.

<sup>30</sup> As of 1 January 1995.

<sup>31</sup> As of 31 October 2000.

law of the country of origin, copies of the work are hired out in Singapore, the Singapore courts will apply the Singapore law if the maker is a national of or the place of first publication or the habitual residence of the maker of the film is in a member state.<sup>32</sup> The law of the country of origin determines whether there is an IP right, but the law of the protecting country (ie the country in which the right is being used or exploited) gives it the protection accorded to national holders of an IP right there created.<sup>33</sup>

- [44] The Paris Convention for the Protection of Industrial Property 1883 is a convention on patents and trademarks, unfair competition and industrial designs. It adopts the same notion of national treatment for the holder of a foreign patent. It also results in the fact that the foreign holder is entitled to register his patent as if it were a local patent and clarifies that the revocation of one registered patent does not affect any other patent registered elsewhere.<sup>34</sup>
- [45] The Patent Cooperation Treaty 1970 provides a system for filing an international patent application which confers the possibility of protection as a national patent in countries which are signatories to the treaty. An applicant files an application in standard format with a single patent office and may designate any one or more contracting states in which he wishes his patent to be protected. The Treaty assumes the national treatment principle is applicable.
- [46] The TRIPS (Trade Related Aspects of Intellectual Property Rights) Accord also adopts the national treatment principle.<sup>35</sup> As a general rule, the applicable law is the law of the protecting country but a different law may exceptionally be applied to a specific issue if there is specific provision to this effect in the Accord. The Accord indirectly incorporates the articles of the Berne Convention and Paris Convention.
- [47] The Madrid Protocol concerning the International Registration of Marks provides a system for filing an international marks application which confers the possibility of protection as a national mark in signatory countries. An applicant files an application in standard format with a single trademark office and may designate any one or more contracting states in which he wishes his mark to be protected. If the trademark office of a designated country does not refuse trademark protection within a prescribed period, the mark must be protected as if it had been registered by that office.

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<sup>32</sup> See *Warner Bros Inc v Christiansen* [1988] ECR 2605.

<sup>33</sup> The Convention lays down certain minimum standards of protection. When the law of the protecting country confers higher standards in excess of these minimum standards, the benefits of the higher standards are enjoyed as a result of the principle of national treatment. There are some restrictions on the principle of national treatment. Art 2(7) deals with industrial designs and models. If the country of origin has a special regime of protection, the protecting state will apply the special regime if there is one in that state. Art 7(8) deals with term of protection and the protecting state may limit the term to that given by the law of origin where the law of origin gives a shorter term of protection than the law of the protecting state. Art 14ter deals with the *droit de suite* (or right to a share in a later sale of an original copy of the work). The protecting state will grant this right if the law of the country to which the author belongs also permits it. Note that there is an alternative argument that the choice of law rules laid out in the Convention are merely unilateral conflict rules which determine when the national law will be applied by the national court. On this view, the Convention does not determine what is the applicable law when the dispute involves the use of a work elsewhere than in the forum. The argument goes that the applicable law is the law of the country of origin of the work.

<sup>34</sup> Art 4bis and 6(2).

<sup>35</sup> See art 3. 'Protection' is defined to include 'matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement'.



## B. Requirement of actionability under the law of the forum

- [48] The foregoing review sufficiently shows that the conventions do not cover infringements of IP rights. The conventions demand national treatment of qualifying IP rights in the sense that the scope and validity of these rights should be acknowledged and protected by local law but they do not define or prescribe the acts which are infringing or alleged to be infringing. These are to be determined in accordance with the law of the protecting country. The fact is and remains that where Singapore is the protecting country, the law of Singapore contemplates exclusively acts of infringement committed within Singapore. This is also true of most, if not all the, countries which are signatories to the conventions. The result is that the conventions merely have the effect that actions for infringement may be brought in the jurisdiction for acts committed within the jurisdiction which according to the law of that jurisdiction amount to infringement of the protected IP right. Actions brought in the jurisdiction in respect of acts of infringement occurring outside the jurisdiction are beyond the scope of the conventions and their success or failure must be determined in accordance with the double actionability rule.
- [49] In recent cases, it has become plain that the double actionability rule is a very serious barrier to being able to obtain redress for infringement outside the forum of IP rights.
- [50] It is clear that the Singapore court will be able to redress a Singapore infringement of a Singapore IP right.
- [51] It is also clear that the Singapore court will be able to redress a Singapore infringement of a foreign IP right entitled to local protection under a convention.
- [52] However, under the double actionability rule, the courts in Singapore will be unable to redress an infringement overseas of a Singapore IP right. The first obstacle is that the pertinent Singapore legislation has no extra-territorial effect. It merely defines when an act is an infringing act when done in Singapore. Secondly, even if the law where the act was done regards the act as being infringing, the requirement of actionability according to the law of the forum will preclude a successful action in Singapore. The fact that Singapore law contemplates exclusively acts committed within Singapore is an obstacle to satisfaction of the requirement. ‘The activity abroad could never be an infringement of [Singapore] intellectual property rights and, for this purpose, could not be treated as if it had taken place here.’<sup>36</sup>
- [53] Again, under the double actionability rule, the courts in Singapore will be unable to redress an infringement overseas of a foreign IP right.<sup>37</sup> The reason is that the requirement of actionability by the law of the forum is in the way. Suppose the acts of infringement occur in country X and the IP rights are created under the laws of country Y. No action can be maintained in Singapore for the infringement of IP rights in X for the reason that the acts would not be actionable according to Singapore law. In addition, the acts would not be actionable according to the law where the act was done, assuming that that law takes the view that IP rights are strictly territorial.<sup>38</sup>

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<sup>36</sup> *Coin Controls Ltd v Suzo International (UK) Ltd* [1999] Ch 33. See also *Norbert Steinhardt and Son Ltd v Meth* (1960) 105 CLR 440.

<sup>37</sup> See *Norbert Steinhardt and Son Ltd v Meth* (1960) 105 CLR 440.

<sup>38</sup> There is in fact a recent decision that an act of infringement of a foreign IP right in the country of its creation is actionable as a tort in the forum. In *Pearce v Ove Arup Partnership Ltd* [1997] 2 WLR 779, it was held that an action could be brought in England for infringement in the Netherlands of a Dutch copyright. However, the reasoning in that case has been criticised as ‘clearly erroneous’ in treating the

### C. Our recommendations

- [54] We consider that there are several instances in which a plaintiff may properly wish to sue in Singapore for infringement of IP rights in the foreign country of their creation and where, if by the applicable law the act complained of is actionable, the courts should be able to give redress in accordance with that law. One such instance is where both plaintiff and defendant are domiciled in Singapore and both are agreeable that the action should proceed in Singapore. Another instance is where the foreign infringement laws are similar to Singapore law so that the courts in Singapore are well able to give adequate consideration to the issues which arise. A third instance is where there is a parallel action in Singapore raising identical issues as the dispute abroad and the parties concerned desire consistency of verdict. The fourth instance is where the infringement is part of a wider tort of conspiracy or intentional inducing of breach of contract and the multiple actions are best tried together in Singapore. The requirement of actionability according to the law of the forum which forms the first limb of the double actionability rule makes it impossible to give uniform and consistent relief in respect of these actions, even though the law where the act was done would provide the relief.
- [55] The arguments for being able to give redress in respect of infringement of foreign IP rights in the country of their creation are equally valid in cases where the acts of infringement of a Singapore IP right occur in a country which is obliged by an international convention to accord it national treatment, and where the acts of infringement of a foreign IP right occur in a country which is obliged by an international convention to accord it national treatment. In both cases, the law where the act was done would provide local protection but the courts in Singapore are precluded by the requirement of actionability according to the law of the forum from giving that protection.
- [56] We are of the view that the proposed reform to abrogate the requirement of actionability by the law of the forum will serve very well the strong case for according in Singapore such protection in respect of foreign infringements of IP rights as the courts in the country of infringement would have afforded in the first place if the infringement action had been instituted there. Application of the proposed law of the place of the tort rule without the requirement of actionability by the law of the forum would also be compatible with international comity. It would not be a breach of international comity to permit the courts to consider giving redress in all the cases mentioned in paragraph [54] provided that blatant forum shopping is not tolerated. The now well-developed doctrine of the natural forum is firmly ensconced in our law and is well able to deal with the problems occasioned by blatant forum shopping. Where the doctrine is unable to cope, and this must be a very rare case, the courts can

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double actionability rule as a rule of jurisdiction (Fawcett and Torremans *Intellectual Property and Private International Law* (1998) at 610). Indeed, the jurisdictional view was rejected on appeal ([2000] Ch 403, 442-445). However, having ruled that the claim was neither barred by the jurisdictional rule nor the justiciability rule (See Part V. below), the Court of Appeal appeared willing to apply the exception to double actionability to disregard the law of the forum and apply solely the law where the act was done (ie the infringement), merely because had the infringement occurred in the forum, it would have constituted an infringement of the forum's own territorial IP legislation (at 444). However, if this argument is correct, the exception is no longer an exception but a rule of general application. There is some doubt whether the exception can be employed in so extensive a manner.

fall back on the requirements of public policy and decline to give redress on grounds of public policy.

- [57] We therefore recommend that the proposed rule favouring the law where the act was done be applied to infringement actions. We do not think that the flexible exception will be relevant in the context of statutory IP rights. These rights have strict territorial limits and an act of infringement could never result in liability under the law of a third country other than that in which the right was infringed; therefore there could never be liability under the law of the third country even if the flexible exception could be invoked in favour of that law. Although the exception remains theoretically applicable to non-statutory IP rights, we are of the view that it is highly unlikely that the significance of the place of infringement will be overridden by personal connections with another country so as to justify applying that country's law under the flexible exception.<sup>39</sup>

#### **D. Infringement of parallel rights**

- [58] Is there a special case for singling out infringement of parallel rights? So far as giving redress is concerned, it would not be justifiable to enact a tort choice of law rule which applies one system of law, namely the law of the country of origination of the IP right, to all acts of infringement wherever they may occur. While '[t]here is much to be said, from the user's point of view, for a system where an international patent application leads to a patent having international effect and which needs only to be litigated in one country',<sup>40</sup> we consider that acts of infringement cannot be judged exclusively by standards prevailing in the place of first origination. It would be too great a breach of international comity as presently understood and accepted in the conventions to countenance giving redress according to Singapore law to the holder of a Singapore IP right for infringing acts wherever they may have occurred regardless whether that right would be entitled to national treatment in the place of infringement, by reason only that Singapore is the country of origination of the IP right. The same is true of a foreign IP right which is infringed in several countries outside the country of origination. We therefore do not recommend special treatment of parallel infringements of IP rights according to the law of the country of origination.

#### **E. Summary of Recommendations**

- [59] **We recommend that no special provision be made for choice of law purposes for torts of infringement of IP rights, so that they are subject to the general tort choice of law regime as proposed to be reformed under Part I.**

### **Part IV. JURISDICTION**

- [60] The rest of this paper is concerned with consequential changes to the rules of jurisdiction and justiciability which are desirable in order to ensure that the proposed reform of the tort choice of law rule in relation to IP rights infringements will be efficacious. Other kinds of actions in tort do not raise similar issues and we do not have to make recommendations in that respect. Consequential changes are desirable

<sup>39</sup> For example, we are not aware of any decided cases on the tort of passing off where the flexible exception to the double actionability rule has been applied.

<sup>40</sup> *Coin Controls Ltd v Suzo International (UK) Ltd* [1999] Ch 33.

on two fronts, namely the jurisdictional and the justiciability issues. In this part, we first discuss the situations in which presently the courts would have jurisdiction to try actions for international infringements of IP rights under the proposed reform, if the provisions were left unchanged. We next deal with the question whether there should be introduced an additional ground of jurisdiction based on Singapore as the place of origination of an IP right which is intended to have international effect. We finally make recommendations for the creation of a dedicated head of jurisdiction to cater to IP rights.

### A. Existing law generally

- [61] The conventions have nothing to say about or do not deal with jurisdiction, being focussed on according national treatment to valid IP rights. Accordingly, the jurisdiction to try an infringement action is to be established according to the provisions of Singapore law without the assistance of any convention.
- [62] According to those provisions, grounds of jurisdiction are either general (and as of right) or specific (and discretionary).
- [63] One ground of general jurisdiction that is likely to be relevant is that the defendant is served with a writ in Singapore. If this ground is relied on, and if the reform which has been advocated above is carried out, then subject to the doctrine of the natural forum, the plaintiff will be able to pursue in Singapore a claim in infringement against a defendant in respect of acts of infringement overseas of Singapore IP rights entitled to national treatment in the country of infringement as well as a claim in infringement against a defendant in respect of acts of infringement in the place of creation of the IP right in question.
- [64] The ground of specific jurisdiction that is likely to be relied on when the defendant threatens to commit an infringing act is that a permanent<sup>41</sup> injunction is sought ordering the defendant to do or refrain from doing anything within the jurisdiction.<sup>42</sup> In practice, this ground is not commonly invoked mainly because the ground is restricted to grants of a permanent injunction and a permanent injunction is impractical in infringement cases.
- [65] Two grounds of jurisdiction are likely to be relied on when the defendant is absent from Singapore. The first is that the defendant is domiciled or resides in Singapore.
- [66] The second ground of specific jurisdiction that is likely to be relied on when the defendant is absent from Singapore and is not domiciled in Singapore is that the claim of the plaintiff is founded on a tort which is constituted in part by an act occurring in Singapore or damage is felt or suffered in Singapore as a result of a tortious act or omission wherever occurring.<sup>43</sup>

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<sup>41</sup> It has been held that an interlocutory injunction is not contemplated in this order. See *The Siskina* [1979] AC 210; *James North & Sons Ltd v North Cape Textiles Ltd* [1984] 1 WLR 1428.

<sup>42</sup> Ord 11 r 1(b).

<sup>43</sup> Rule 1(f) refers to “(i) the claim is founded on a tort, wherever committed, which is constituted, at least in part, by an act or omission occurring in Singapore; or (ii) the claim is wholly or partly founded on, or is for the recovery of damages in respect of, damage suffered in Singapore caused by a tortious act or omission wherever occurring”.

## B. Our recommendations

- [67] The existing rules of jurisdiction permit a plaintiff to bring an international infringement action in very limited circumstances. There is only clear jurisdiction to try an infringement action based on an infringing act done abroad if the defendant is served with a writ within the jurisdiction or is domiciled or resident in Singapore and the court grants leave to serve a writ outside the jurisdiction on him.
- [68] We are of the view that there is justification for conferring extraterritorial jurisdiction in respect of international IP infringements in the two situations: (1) where the acts of infringement of a foreign IP right in its country of creation or in a country which would accord protection to that right result in damage within the jurisdiction; or (2) where a Singapore IP right has been infringed overseas, wherever the damage is suffered, at least where the validity or scope of the originating Singapore right is in issue.
- [69] The first is reasonably easy to justify. Indeed, such cases would fall within the present Ord 11 r 1(f)(ii), at least where the plaintiff is claiming only damages in respect of the damage suffered within Singapore.<sup>44</sup> It is arguable that this should also be the extent of the jurisdiction: the reason for asserting jurisdiction being damage suffered within the jurisdiction, the damage also limits the extent of the jurisdiction.
- [70] However, claims in respect of foreign infringements of Singapore IP rights may be outside the scope of the discretionary extraterritorial jurisdiction of the court as it is presently formulated. We think that it is consistent with international comity to create a new head of jurisdiction based on the infringement anywhere of what can be regarded as protected works originating in Singapore. This position will be analogous to Order 11 r 1(d)(iii) enabling the Singapore courts to assume jurisdiction in respect of contracts governed by Singapore law. Although such a provision will provide a broad nexus for the assumption of jurisdiction, it will necessarily be controlled by the mechanism of natural forum considerations. Such a rule will enable the courts to try an action against an absent defendant and complement the ground of general jurisdiction based on presence.
- [71] We are of the view that protected works can be regarded as originating in Singapore in a meaningful sense in certain situations in the case of copyrights, patents and trademarks.<sup>45</sup> Where the literary or artistic work in question originated in Singapore in the sense accorded to the phrase “country of origin” under the Berne Convention and is thereby accorded protection abroad by foreign legislation giving effect to the Convention, or, in like fashion, a work other than a literary and artistic work originating in Singapore is accorded protection under other international instruments (eg, TRIPS) by the legislation of the foreign country where the infringement takes place, then it is appropriate for the Singapore court to have the power and discretion to allow service of writ outside the jurisdiction. In the case of patents and trademarks, it is suggested that Singapore can be regarded as the country of origin where patent and trademark in question was registered through the mechanism set up by the Patent

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<sup>44</sup> The phrase “wholly or partly founded on” in Ord 11 r 1(f)(ii) applies only to claims founded on damage, which is generally not the case for intellectual property infringements.

<sup>45</sup> We considered the incipient area “famous marks”, but thought that the only relevance in the international context of “famous marks” lies in the rectification of trademark registers and related injunctive relief (and not infringement), so that it would not be proper for the Singapore court to assert jurisdiction on the basis that the mark originated from Singapore.

Co-operation Treaty and the Madrid Protocol respectively, the international application was filed in Singapore, and Singapore is designated as a country for the protection of the patent and trademark. In these cases, the signal is sent to creators of intellectual property that Singapore can be a one-stop venue for the creation and protection of intellectual property rights, and such protection can extend to infringements abroad of the same intellectual property rights, subject, of course, to considerations of choice of law.

### C. Special jurisdiction for parallel rights infringement

[72] Infringement actions commonly involve complaints of multiple acts of infringement by the same defendant in several jurisdictions or similar acts of infringement by multiple defendants in several jurisdictions. At present, the only Order 11 nexus which is able to cater to multiple infringement cases is rule 1(c) which permits necessary and proper parties to be joined when the claim is brought against a person duly served within or out of Singapore. Rule 1(c) typically addresses cases where there are acts of infringement by multiple defendants. If some acts occur within Singapore, some person will have been served within or out of Singapore. It is then permissible to join other persons as necessary and proper parties if they have also been guilty of related acts of infringement provided that these acts have occurred in Singapore.<sup>46</sup> Rule 1(c) is unable to respond to cases where none of the related acts has been committed within the jurisdiction.

[73] The question is whether there is need for a special jurisdiction which addresses the problem of parallel rights infringement and which will serve to concentrate actions involving parallel rights infringement in Singapore in a manner which is beyond the reach of rule 1(c). Suppose Singapore to be the country of origin of an IP right and the plaintiff to have registered this IP right in several countries; A, B and C. This IP right is infringed in each of the several countries by different defendants, none of whom is resident or domiciled in Singapore. If it is already the case that the court shall have jurisdiction where the infringing act of a Singapore IP right is done in a foreign country which accords protection to that right, there will be jurisdiction to try actions for infringing the plaintiff's right in A, B and C; and if the issues are similar, these actions may be consolidated. Our view therefore is that it would not be right to confer a special jurisdiction to try all parallel infringements whether or not the issues are similar or dissimilar.

### D. Anticipatory relief

[74] It has been noted in paragraph [64] above that the permanent injunction is not commonly sought in IP litigation because of its impracticality. This impracticality is greater in international litigation because of the inability to enforce the order directly in the foreign countries where the infringement is taking place. However, the permanent injunction may be useful when *specific* and *impending* acts of infringements are threatened by the defendant, and the plaintiff wants to prevent these acts.

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<sup>46</sup> See eg *The Washburn and Moen & C Co v The Cunard Steamship Co and J C Parkes & Sons* (1889) 5 TLR 592. See *Beecham Group plc v Norton Healthcare Ltd* [1997] FSR 81 at 86.

- [75] As a consequence of the proposed choice of law reform, the courts will have general jurisdiction to make injunctive orders in respect of infringements in foreign countries when the writ is served on a defendant present within the jurisdiction or served abroad on a defendant domiciled or resident in Singapore (Order 11 r 1(a)), but not when the specific head of jurisdiction for injunctions (Order 11 r 1(b)) is relied on. The specific head, as presently worded, only applies to acts sought to be restrained within Singapore and would therefore not apply to infringements in foreign countries. It is necessary therefore to make consequential amendments to Order 11 r 1(b).
- [76] Again, the existing specific head for torts (Order 11 r 1(f)), while capable of applying to infringements in foreign countries, does not apply to torts that are anticipated but have not occurred. While the strategic litigational objective of the plaintiff in infringement cases is more likely to involve interlocutory than permanent injunctions (see next section), the availability of both requires the court to have jurisdiction in respect of anticipated torts. Moreover, it is likely that the plaintiff wants a legal outcome with regard to both past and imminent future infringements. In order to provide a one-stop litigational venue, the court should be provided with jurisdiction over anticipated infringements in cases where it thinks jurisdiction would be justified had the infringements occurred.
- [77] Accordingly, we recommend that the courts be given the jurisdiction to grant anticipatory injunctive relief in respect of threatened infringements by an absent defendant of the plaintiff's intellectual property rights. As this jurisdiction should not be confined to threatened infringements of intellectual property rights, we further recommend that the courts be given the jurisdiction to grant anticipatory injunctive relief in respect of torts that are anticipated but have not occurred.

(i) Interim relief

- [78] In infringement cases (especially infringement of trade mark cases), interim or interlocutory relief is more significant than final relief not the least because notwithstanding it is of an interim nature, it is very likely to dispose of the whole action. At present, the interim relief provided under Order 29 of the Rules of Court 1997 presupposes the existence of an action claiming substantive relief which the court has jurisdiction to grant. If the requirement of actionability by the law of the forum is abrogated, the plaintiff will be able to enforce his foreign IP right which is infringed elsewhere or his Singapore IP right which is infringed elsewhere if there is actionability by the law where the act was done and it follows that interim relief will be available under Order 29. However, a plaintiff in Singapore will still be unable to obtain interim relief in support of his infringement proceedings begun abroad to protect his IP rights. This is not a serious omission if interim relief is available in the country of infringement. On the whole, it does not appear that the problem of not being able to grant interim relief absent substantive proceedings in Singapore does not appear to be sufficiently serious to warrant reform along the lines of Article 31 of the Brussels Regulation and section 25 of the Civil Jurisdiction and Judgments Act 1982 (UK)<sup>47</sup> which empower the court to grant interim relief in cases proceeding in other courts. Accordingly, we do not make any recommendations for the adoption of reform along those lines.

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<sup>47</sup> Extended to countries apart from the contracting states to the Brussels Regulation and the Lugano Convention by SI 1997 No 302.

## E. Complementary Torts

- [79] Reference must also be made to torts which are complementary to infringements of statutory rights.<sup>48</sup>
- [80] Claims in respect of business defamation and malicious falsehoods are torts for which jurisdiction may be founded under Ord 11 r 1(f). Passing off is an amalgam of common law tort and equitable intervention, but there is no difficulty in seeing it as a tort for jurisdictional purposes.<sup>49</sup> Claims in respect of passing off in foreign jurisdictions fall under the present Ord 11 r 1(f).
- [81] Breach of confidence claims present greater difficulty for jurisdictional purposes, because their origin in domestic law, where not contractual, is exclusively equitable. Thus, the English Court of Appeal has expressed doubt whether such claims can be classified as a “tort” for the purpose of assuming jurisdiction under the Brussels Convention.<sup>50</sup> If this view is adopted in Singapore, then claims in respect of breach of confidence will not fall within Ord 11 r 1(f). If an account for profits is sought, the claim might be seen as “restitutionary” thus falling within Ord 11 r 1(o), but then the claim will be limited to cases where the liability arises out of acts done in Singapore. One possible solution is to clarify that breach of confidence is a “tort”<sup>51</sup> for jurisdictional purposes and so treat such claims on the same footing as other intellectual property infringement actions. Another possible solution is to create a special head of jurisdiction for breach of confidence claims.
- [82] We recommend that a bold step be taken to clarify that “tort” for the purpose of jurisdiction under Order 11 r 1(f) includes any claim based on the wrongful conduct of the defendant, whether the wrong is founded in the common law, in equity, or on statutory<sup>52</sup> provisions.

## F. Natural Forum

- [83] In our view, the proposed widening of jurisdiction will not lead to a proliferation of inconvenient litigation in Singapore. This is because the doctrine of the natural forum will continue to be available to sift litigation which is more appropriately conducted elsewhere.

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<sup>48</sup> See Part VI. below.

<sup>49</sup> *Modus Vivendi Ltd v The British Products Sanmex Co Ltd* [1996] FSR 79. Cf *10th Cantanae Pty Ltd v Shoshana Pty Ltd* (1987) 79 ALR 299 distinguishing (in the domestic law context) the common law from the equitable elements in passing off, effectively recognising two separate causes of action within passing off.

<sup>50</sup> *Kitechnology BV v Unicor GmbH Plastmaschinen* [1995] FSR 765. Now the Brussels Regulation. Cf *Casio Computer Co Ltd v Sayo* [2001] EWCA Civ 661 (CA) holding that equitable wrongs in domestic law may be “torts” for jurisdictional purposes. And cf *A-G for Hong Kong v Zauiyah Wan Chik* [1995] 2 MLJ 620 where the Malaysian CA characterised a claim in breach of confidence as a “tort” for choice of law purposes.

<sup>51</sup> Breach of confidence is treated as a tort in Dugdale, *Clerk and Lindsell on Torts* (18<sup>th</sup> ed 2000) and Heuston and Buckley, *Salmond and Heuston on the Law of Torts* (21<sup>st</sup> ed 1996). See also North, ‘Breach of Confidence: Is There a New Tort?’ (1972) JSPTL 149.

<sup>52</sup> Where the English cases have generally characterised breaches of intellectual property statutes as torts for jurisdictional as well as choice of law purposes, but it had been decided in an Australian case (*Williams v The Society of Lloyd's* [1994] 1 VR 274 (SC, Victoria)) that actions based on breaches of statutory duties are not “torts” for the purpose of service out of jurisdiction. More recently, the Australian High Court in *John Pfeiffer Pty Limited v Rogerson* (2000) 172 ALR 625 clarified that torts for choice of law purposes included wrongs founded on statutory provisions.



- [84] It is true that abrogation of the requirement of actionability by the law of the forum without more will result in a widening of jurisdiction under Order 11 rule 1(1)(f). Potentially, the courts will be able to determine a question of infringement of a foreign IP right in the country of its creation as well as in the country of its recognition under some convention. But whether they will exercise the jurisdiction or not will turn on the doctrine of the natural forum.
- [85] Potentially also, the courts will be able to determine a question of infringement of a Singapore IP right in a foreign country which recognises and protects it. But again, whether they will exercise the jurisdiction or not will turn on the doctrine of the natural forum.
- [86] One important aspect of the exercise of determination of the natural forum is the balance of advantages and disadvantages of trial in Singapore versus trial abroad, in particular, the question whether justice will be denied if the Singapore court were to decline jurisdiction. Arguments on the relative efficiency of court systems are generally frowned up, but courts are more receptive to arguments based on the denial of the plaintiff's juridical advantages in having trial in the forum. One important juridical advantage is the range of remedies available in the forum. Common law jurisdictions like Singapore employ powerful equitable remedies, like the injunction and the account for profits,<sup>53</sup> which may be an attraction to foreign plaintiffs, and which may also be regarded as the plaintiff's legitimate juridical advantages of starting an action in the forum, the denial of which will not be lightly allowed. There is an important question whether the award of an account of profits in infringement actions is or should be a matter for the applicable law rather than the law of the forum. The question is not suitable at the present time for statutory reform and is best left to the process of judicial development.

## G. Summary of Recommendations

- [87] **We recommend:**
- a. **That Order 11 r 1(f) of the Rules of Court be amended to create a special head of jurisdiction to permit service of writ against defendants abroad with the leave of court in the case of infringements, wherever occurring, of copyrights, patent rights and trademarks originating in Singapore.**
  - b. **That Order 11 r 1(f) be amended to clarify that "tort" for the purpose of the rule is not restricted to the strict sense of wrongs originating in the jurisdiction of the common law courts but also includes analogous wrongs in equity and under statute.**

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<sup>53</sup> While these are clearly remedies of the forum, the extent of their correlation to foreign substantive rights is unclear. In theory, remedies ought to be granted to give best effect to the substantive rights as defined under their governing law: *Phrantzes v Argenti* [1960] 2 QB 19, 35-36. However, the conventional wisdom is reflected in the observation of Lord Pearson in *Boys v Chaplin* that the forum could award an injunction or account of profits for a foreign wrong where the remedy was not available under foreign law: [1971] AC 356, 394. *Baschet v London Illustrated Standard Co* [1900] 1 Ch 73 is authority that the forum can grant an injunction to protect foreign copyright given national treatment in the forum even if the injunction is unavailable under the foreign law. More recently however in *Kuwait Oil Tanker Co SAK v Al Bader (No 3)* [2000] 2 All ER Com 271 (CA), defendants were held liable to account for profits only after they were found liable to disgorge their gains under the foreign law governing the restitutionary claim.

- c. That Order 11 r (1)(f) be amended to permit service of writ out of jurisdiction where the plaintiff is seeking injunctive relief in respect of a tort anticipated to occur, in situations where the heads of jurisdiction would have been applicable had the tort actually occurred.

## Part V. JUSTICIABILITY

[88] This part of the report addresses the question of justiciability in local courts of foreign intellectual property rights. Put another way, despite having jurisdiction over the parties, should a Singapore court be able to adjudicate matters relating to foreign IP rights?

### A. Existing law

[89] The question of justiciability has been the subject of decision in several Australian and English cases. First was the case of *Potter v The Broken Hill Proprietary Co Ltd*.<sup>54</sup> This was an appeal from the Supreme Court of Victoria and involved an action relating to an infringement in New South Wales of a New South Wales patent.<sup>55</sup> The defendant had challenged the validity of the patent. The High Court of Australia held that the plaintiff's cause of action was not justiciable in Victoria.

[90] It is useful to note two points here. First, the court reached its decision by drawing an analogy between patents and immovables. By drawing an analogy between patent rights and immovables, the Court applied the rule in *British South Africa Co v Companhia de Moçambique*<sup>56</sup> to patent rights. In the *Moçambique*, the House of Lords had made a distinction between actions which were local and those which were transitory. Local actions occurring outside the forum could not be heard by courts of the forum.<sup>57</sup> The court in *Potter* similarly based its decision on the distinction between a local and a transitory action. However, it defined a local action as one which involved an inquiry into the validity of an act of executive power of a foreign state. Since a foreign patent right is a creation of the sovereign power of that foreign State, the validity of such acts done under that sovereign power are not examinable by the courts of another State.<sup>58</sup> Presumably, these comments relating to patent rights would be equally applicable to trademark rights.

[91] The second point, and this flows from the first, is that the High Court specifically stated that if the issue of validity of a patent arises incidentally to the infringement action, then it is permissible for the Court to entertain the matter.<sup>59</sup> This is significant because where validity of an IP right is not in issue, the courts of the forum should be able to hear that matter relating to infringement.<sup>60</sup>

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<sup>54</sup> (1906) 3 CLR 479.

<sup>55</sup> For the court's purpose, it was dealing with a foreign infringement of a foreign IP right.

<sup>56</sup> [1893] AC 602 (HL).

<sup>57</sup> This distinction arose from a historical requirement that juries had to be drawn from a particular location where the facts relied upon took place. A local action was one where the venue was a fact material to the action. Actions relating to title to land or trespass to land was therefore local and could only be heard by the court of the state in which the land was located.

<sup>58</sup> Above n 54, 494-495.

<sup>59</sup> Same reference, 499.

<sup>60</sup> This will be discussed later in this part.

- [92] In *Tyburn Productions Ltd v Conan Doyle*,<sup>61</sup> the subject-matter limitation was extended to copyrights. In this case, the plaintiffs applied for a declaration that the defendant had no rights under the copyright, trade mark or unfair competition laws of the United States. The defendant applied for the application to be struck out. The court held that it could not hear a matter relating to the copyright laws of a foreign state. The decision was similarly based on the distinction between transitory and local actions.
- [93] The limitation also applied where there was a foreign infringement of a local right. In *Def Lepp Music v Stuart-Brown*<sup>62</sup> there were remarks suggesting that an action in respect of infringement of a UK IP right overseas is a local action. In *LA Gear Inc v Gerald Whelan & Sons Ltd*<sup>63</sup> the court said: “An action for infringement of [a UK trade-mark] is local and not transitory in nature.’ In *Atkinson Footwear Ltd v Hodgskin International Services Ltd*<sup>64</sup> the New Zealand High Court said: “an assertion that acts done or threatened to be done outside New Zealand constitute an infringement of the copyright law of another country is not justiciable in the New Zealand courts”.
- [94] The most recent development came with *Pearce v Ove Arup Partnership Ltd*.<sup>65</sup> The plaintiff had commenced an action in the English courts for, among other things, a Dutch infringement of a Dutch copyright. The actual decision involved considerations of various Articles of the Brussels Convention.<sup>66</sup> However the Court of Appeal also made a number of comments which are pertinent to our present query under the common law.
- [95] First, the Court drew a distinction between jurisdiction and justiciability. The former related to whether a plaintiff can procedurally bring proceedings against the defendants. The latter referred to whether the court will substantively entertain the action.<sup>67</sup>
- [96] Secondly, the court explored the distinction between local and transitory actions and the historical reasons for this development.<sup>68</sup>
- [97] Thirdly, the court noted that of the two limbs of the *Moçambique* rule, the second limb, relating to trespass had come under criticism and had been abrogated by Section 30(1) of the Civil Jurisdiction and Judgments Act 1982.<sup>69</sup> Since then, the English courts have not been precluded from entertaining actions for trespass even where the land in question is foreign land.
- [98] Finally, the court surveyed the various cases and distinguished *Tyburn* on the basis that the parties in that case required the court to adjudicate not only on the issue of

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<sup>61</sup> [1991] Ch. 75.

<sup>62</sup> [1986] RPC 273.

<sup>63</sup> [1991] FSR 670.

<sup>64</sup> (1994) 31 IPR 186.

<sup>65</sup> [2000] Ch 403.

<sup>66</sup> In short, the operation of the (now) Brussels Regulation made the *Moçambique* rule inapplicable in cases where, among other things, the defendant was domiciled in England. Of course, this analysis is not as useful to us as the Brussels Regulation does not apply to Singapore. The Brussels Regulation provides specifically for exclusive jurisdiction in case of land (Art 22(1)). In the case of intellectual property, exclusive jurisdiction is given to the country of the place of registration in proceedings “concerned with the registration or validity” of such rights (Art 22(4)).

<sup>67</sup> Above n 65, 424.

<sup>68</sup> Same reference, 428.

<sup>69</sup> Same reference, 432. Also see Appendix II.

infringement, but also on the issue of validity. As such, it was entirely appropriate for the court to refuse the declaration sought. The court in *Pearce* therefore disregarded the impact of *Tyburn* as a precedent in a case where validity of the IP right was not in question.<sup>70</sup>

- [99] No Singapore cases exist that directly address the question of justiciability. The closest related case is *Alteco Chemical Pte Ltd v Chong Yean Wah t/a Yamayo Stationery Manufacturer*<sup>71</sup> where the High Court opined that the defendant had infringed the plaintiff's Japanese copyright locally. However, it was not the Japanese copyright that was enforced but the Singapore copyright conferred by the Singapore Copyright Act and the Copyright (International Protection) Regulations. Thus, this was a case of a local infringement of a foreign IP right enforceable in the forum by national treatment.

## B. Reform considerations: The *Moçambique* Rule

- [100] A strict view of justiciability can lead to unsatisfactory situations. For example, if both parties were Singaporean and the suit related to a foreign infringement of a foreign IP right (assuming the place of creation and infringement were the same), it would be unfortunate to have to require the parties to go to that foreign jurisdiction to adjudicate the matter.<sup>72</sup> Further, this problem is compounded if there are infringements in multiple jurisdictions. Where it would make sense for the Singapore court to consolidate actions brought in respect of multiple infringements, the subject-matter limitation effectively requires plaintiff to commence proceedings in multiple jurisdictions.<sup>73</sup> The shrinking global context and the increasing reach of the internet increase the chances of IP infringements in foreign jurisdictions occurring; maintaining the subject-matter limitation would fly in the face of this reality.
- [101] Two views on whether reform is needed exist. The first is that there is no need to reform the law since our courts are likely to adopt the view in *Pearce v Ove Arup Partnership Ltd* notwithstanding there is no local repeal of the second limb of the *Moçambique* rule. In *Potter* also, the High Court apparently thought there was no difficulty in entertaining an infringement action as long as there were no issues of validity. However, and this leads to the second view: this would mean that while the court could adjudicate upon issues relating to infringements of IP rights, it would not be entitled to adjudicate upon a question of trespass to foreign land due to the operation of the second limb of the *Moçambique* rule. This situation would be illogical. It seems preferable to repeal the second limb of the *Moçambique* rule so that both cases relating to trespass and infringements of IP rights are free from its effects.
- [102] From the perspective of principle, the local/transitory action distinction upon which the *Moçambique* rule is based<sup>74</sup> is archaic and has little, if any, applicability in the current context.

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<sup>70</sup> Same reference, 439-440.

<sup>71</sup> [2000] 1 SLR 119.

<sup>72</sup> This is one of three policy arguments that Arnold presents in favour of removing the subject-matter limitation. See "Cross-Border Enforcement: The Latest Chapter" (1999) 4 IPQ 389, 418-419.

<sup>73</sup> Same reference, 419-420.

<sup>74</sup> There is an alternative view that the non-justiciability of the validity of foreign patents is founded on the 'act of state' doctrine, where the forum cannot question of the validity of acts of a foreign sovereign within its own territory: Thomas, 'Litigation Beyond the Technological Frontier: Comparative Approaches to Multinational Patent Enforcement, Law and Policy in International Business (1996)

- [103] Furthermore, the analogy between IP rights and land was simply that: an analogy. IP rights are not land. Traditionally, statutory IP rights are seen as flowing from the royal privilege. In the modern context, IP rights are for all practical purposes personal and commercial rights. That some types of IP rights require registration is not determinative of its true characterisation. Some jurisdictions may have registration requirements for property like shares or chattels. That, however, does not prevent the courts of the forum adjudicating upon them. As such, IP rights, like any other personal or commercial right, should be justiciable in the courts of the forum. This argument is supported by the reality of an increasingly shrinking world.<sup>75</sup>
- [104] It has been argued, in favour of the limitation, that judgments relating to foreign infringements of foreign IP rights would be difficult to enforce. This argument is not convincing. An infringement action gives rise to a remedy against the person and is enforceable against him, wherever he can be found.<sup>76</sup> It is only a judgment as to the validity of the foreign IP rights which will be difficult to enforce and we deal with judgments as to validity below.
- [105] Another argument for non-justiciability is that allowing the courts of the forum to hear matters relating to foreign infringements will increase costs and complexity.<sup>77</sup> However, there is no proof that this will be the case. If there are infringements in multiple jurisdictions. It would certainly be more expensive for the plaintiff to have to commence actions in all those jurisdictions than for the court of the forum to try consolidated actions.
- [106] There is also the public interest argument that IP laws impact upon a country's economical and social fabric. Applying those laws requires a delicate balancing between free competition and protecting an IP owner's exclusive right of exploitation, which is best done by the courts of the country where those IP laws reside.<sup>78</sup> This is a strong argument against another court deciding matters relating to the existence or validity of an IP right, but not where the matter in question relates to issues of infringement. Deciding upon infringement is a matter of proving and applying the foreign IP laws relating to infringement, a familiar process in the conflict of laws.
- [107] The final policy argument for non-justiciability is the avoidance of forum shopping.<sup>79</sup> This is a generic consideration in the conflict of laws and while valid, is often satisfactorily addressed by the natural forum doctrine.<sup>80</sup>

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Law and Policy in International Business 277, 315-316, Blumer, 'Patent Law and International Private Law on Both Sides of the Atlantic', WIPO Forum on Private International Law and Intellectual Property, WIPO/PIL/01/03 (17 January 2001) at 9. However, this over-emphasises the historical origin of intellectual property rights as direct bargains between the creator of a work and the sovereign. Moreover, the better view is that the doctrine, at least as understood in English law, is based on judicial restraint because of the absence of manageable standards to determine the dispute: *Kuwait Airways Corp v Iraqi Airways Co* [2002] UKHL 19, at [24]-[25]. In any event, the doctrine yields to contrary Parliamentary intention: *R v Bow Street Metropolitan Stipendiary Magistrate* [1998] 3 WLR 1456, 1498.

<sup>75</sup> This is Arnold's second policy point in favour of removing the limitation. This is that increasing globalisation means that "intellectual property litigation is acquiring an increasingly international character". If this statement is correct, then retaining a subject-matter limitation would be going against this trend. Same reference, 419.

<sup>76</sup> See the analogous case of injunctions to restrain foreign proceedings which only bind the respondent personally. The courts will not issue such an order if it is clear that it will be futile to do so.

<sup>77</sup> Above n 72, 418.

<sup>78</sup> Same reference, 417-418.

<sup>79</sup> Same reference, 418-419.

### C. Reform considerations: Issues of Validity?

- [108] There remains the question: Where issues of validity arise (other than incidentally), should the courts of the forum be able to adjudicate on the matter? This question is irrelevant in cases involving overseas infringement of Singapore IP rights but is potentially very relevant in cases involving infringements abroad of foreign IP rights.
- [109] As noted in paragraph [106], matters of validity should generally be adjudicated by the courts of the jurisdiction where that IP right was allegedly created. However, as a matter of practice, if there is a blanket prohibition against entertaining issues of validity, defendants may be expected to raise them as a matter of course and thereby derail proceedings which are essentially claims to enforce infringements by the defendant of the plaintiff's IP rights.
- [110] We therefore recommend that matters relating foreign IP rights be generally justiciable in the courts, without distinction between issues of validity and issues of infringement of rights. No doubt, if the proceedings are substantially about the question of the existence of the IP rights claimed by the plaintiff, the courts will decline to exercise their jurisdiction in accordance with the doctrine of natural forum or upon the simpler ground that they will not act in vain in making an order which requires execution in another country.<sup>81</sup>

### D. Summary of Recommendations

- [111] **We recommend:**
- a. **That the common law justiciability bar in respect of trespass to foreign immovable property be removed; and**
  - b. **That it is clarified that the justiciability bar does not apply to IP rights, so that the Singapore court is competent to adjudicate not only upon the issue of infringement of these rights, but also the question of the validity of these rights, subject to the limitation that the court has no power to order the rectification of foreign registers.**

## Part VI. COMPLEMENTARY TORTS

### A. Application of tort choice of law rule

- [112] This final part of the report considers in outline the reform of the double actionability rule as it applies to torts which are complementary to the tort of infringement.

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<sup>80</sup> Arnold does consider this and argues that in situations which is governed by the Brussels Regulation, the courts (of England) do not have the flexibility to decline jurisdiction. However, this is not a useful argument for our consideration. Where the Brussels Regulation does not prevent the application of the doctrine, even Arnold acknowledges that the doctrine has much to commend it. Same reference, 420.

<sup>81</sup> For example, where the validity issue relates to a formal requirement like registration, the forum court is well able to determine whether the formal requirements of the foreign jurisdiction have been factually satisfied. But where the issue is whether the foreign registration authority should correctly, as a matter of law, register or refuse to register an IP right, then it is not for the courts of the forum to adjudicate upon this. There may be matters of administrative review involved which are clearly inappropriate for the forum to adjudicate. Here, the courts may decline to adjudicate upon the matter.

- [113] Litigation in respect of complementary torts is likely to raise difficult issues of classification because they are classified differently by common law and civil law countries. The common law recognises acts of malicious falsehood, passing-off and defamation of another's business or products as constituting separate torts. In contrast, under the civil law, these acts are likely to give rise simply to an action in unfair competition. It is unlikely that a satisfactory statutory solution to problems of classification can be or can presently be found and reliance must continue to be placed on judicial solutions.<sup>82</sup> Be that as it may, continued adherence to the requirement of actionability by the law of the forum will exacerbate the problem of classification since a decision will have to be made as to whether the particular act of unfair competition complained of would be actionable as a tort if the act had been done in the forum. This is another argument for its removal.
- [114] Elimination of the requirement of actionability by the law of the forum will not lead to the Singapore court giving redress to all causes of action unknown to Singapore law. The court can reject a cause of action unknown to Singapore law whenever it would be contrary to public policy to enforce or give relief in respect of it.
- [115] In relation to the jurisdiction to try actions in complementary torts, it is desirable to introduce some changes to the rules of jurisdiction so as to make better provision for breach of non contractual obligations of confidence by avoiding the present uncertainty as to its classification. (See **Part IV.** ) There is no problem of justiciability where complementary torts are concerned.

## **B. Summary of Recommendations**

- [116] **We recommend that no special choice of law rule be designed for torts complementary to statutory IP rights, and that they are subject to the proposed amended choice of law rule under Part I. However, the jurisdictional basis for claims based on non-contractual breach of confidence should be clarified in accordance with our recommendations under Part IV.**

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31 December 2002

<sup>82</sup> But see paragraph [115] below.

## Appendix I

### Private International Law (Miscellaneous Provisions) Act 1995

#### PART III: CHOICE OF LAW IN TORT AND DELICT

- Purpose of Part III.
- 9.**(1) The rules in this Part apply for choosing the law (in this Part referred to as “the applicable law”) to be used for determining issues relating to tort or (for the purposes of the law of Scotland) delict.
- (2) The characterisation for the purposes of private international law of issues arising in a claim as issues relating to tort or delict is a matter for the courts of the forum.
- (3) The rules in this Part do not apply in relation to issues arising in any claim excluded from the operation of this Part by section 13 below.
- (4) The applicable law shall be used for determining the issues arising in a claim, including in particular the question whether an actionable tort or delict has occurred.
- (5) The applicable law to be used for determining the issues arising in a claim shall exclude any choice of law rules forming part of the law of the country or countries concerned.
- (6) For the avoidance of doubt (and without prejudice to the operation of section 14 below) this Part applies in relation to events occurring in the forum as it applies in relation to events occurring in any other country.
- (7) In this Part as it extends to any country within the United Kingdom, “the forum” means England and Wales, Scotland or Northern Ireland, as the case may be.
- (8) In this Part “delict” includes quasi-delict.
- Abolition of certain common law rules.
- 10.** The rules of the common law, in so far as they -
- (a) require actionability under both the law of the forum and the law of another country for the purpose of determining whether a tort or delict is actionable; or
- (b) allow (as an exception from the rules falling within paragraph (a) above) for the law of a single country to be applied for the purpose of determining the issues, or any of the issues, arising in the case in question,
- are hereby abolished so far as they apply to any claim in tort or delict which is not excluded from the operation of this Part by section 13 below.



Choice of applicable law: the general rule.

**11.**(1) The general rule is that the applicable law is the law of the country in which the events constituting the tort or delict in question occur.

(2) Where elements of those events occur in different countries, the applicable law under the general rule is to be taken as being -

- (a) for a cause of action in respect of personal injury caused to an individual or death resulting from personal injury, the law of the country where the individual was when he sustained the injury;
- (b) for a cause of action in respect of damage to property, the law of the country where the property was when it was damaged; and
- (c) in any other case, the law of the country in which the most significant element or elements of those events occurred.

(3) In this section “personal injury” includes disease or any impairment of physical or mental condition.

Choice of applicable law: displacement of general rule.

**12.**(1) If it appears, in all the circumstances, from a comparison of-

- (a) the significance of the factors which connect a tort or delict with the country whose law would be the applicable law under the general rule; and
- (b) the significance of any factors connecting the tort or delict with another country, that it is substantially more appropriate for the applicable law for determining the issues arising in the case, or any of those issues, to be the law of the other country, the general rule is displaced and the applicable law for determining those issues or that issue (as the case may be) is the law of that other country.

(2) The factors that may be taken into account as connecting a tort or delict with a country for the purposes of this section include, in particular, factors relating to the parties, to any of the events which constitute the tort or delict in question or to any of the circumstances or consequences of those events.

Exclusion of defamation claims from Part III.

**13.**(1) Nothing in this Part applies to affect the determination of issues arising in any defamation claim.

(2) For the purposes of this section “defamation claim” means-

- (a) any claim under the law of any part of the United Kingdom for libel or slander or for slander of title, slander of goods or other malicious falsehood and any claim under the law of Scotland for verbal injury; and
- (b) any claim under the law of any other country corresponding to or otherwise in the nature of a claim mentioned in paragraph (a) above.

Transitional provision and savings.

- 14.**(1) Nothing in this Part applies to acts or omissions giving rise to a claim which occur before the commencement of this Part.
- (2) Nothing in this Part affects any rules of law (including rules of private international law) except those abolished by section 10 above.
- (3) Without prejudice to the generality of subsection (2) above, nothing in this Part-
- (a) authorises the application of the law of a country outside the forum as the applicable law for determining issues arising in any claim in so far as to do so-
- (i) would conflict with principles of public policy; or
- (ii) would give effect to such a penal, revenue or other public law as would not otherwise be enforceable under the law of the forum; or
- (b) affects any rules of evidence, pleading or practice or authorises questions of procedure in any proceedings to be determined otherwise than in accordance with the law of the forum.
- (4) This Part has effect without prejudice to the operation of any rule of law which either has effect notwithstanding the rules of private international law applicable in the particular circumstances or modifies the rules of private international law that would otherwise be so applicable.

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## Appendix II

### Civil Jurisdiction and Judgments Act 1982

#### PART IV MISCELLANEOUS PROVISIONS: PROVISIONS RELATING TO JURISDICTION

Proceedings in England and Wales or Northern Ireland for torts to immovable property

- 30.** (1) The jurisdiction of any court in England and Wales or Northern Ireland to entertain proceedings for trespass to, or any other tort affecting, immovable property shall extend to cases in which the property in question is situated outside that part of the United Kingdom unless the proceedings are principally concerned with a question of the title to, or the right to possession of, that property.