

Pacific Internet Ltd v Catcha.com Pte Ltd
[2000] SGHC 83

Case Number : Suit 1730/19993
Decision Date : 10 May 2000
Tribunal/Court : High Court
Coram : Lai Kew Chai J
Counsel Name(s) : Andre F Maniam and Lawrence Tan (Wong Partnership) for the defendants/appellants; Thio Shen Yi and Yvonne Lee (Thio Su Mien & Partners) for the plaintiffs/respondents
Parties : Pacific Internet Ltd — Catcha.com Pte Ltd

Civil Procedure – Pleadings – Striking out part of statement of claim – Governing principles – Important or difficult point of law raised in statement of claim – Complexity and novelty of case justified full trial – Plaintiffs' averments neither ridiculous nor incredible – Claim of trespass into plaintiffs' internet properties – O 18 r 19 Rules of Court 1997

: Following the defendants' linking of their web sites to subsidiary web pages, which the plaintiffs described as commercially exploitative at their expense, the plaintiffs commenced these proceedings against the defendants. They asserted four causes of action, namely: (1) copyright infringement; (2) passing off; (3) breach of statutory duty involving s 188 of the Copyright Act; and (4) the common law tort of trespass.

The defendants applied for an order, amongst others, that pursuant to O 18 r 19 of the Rules of Court and the inherent jurisdiction of the court the plaintiffs' claim for trespass under paras 25 to 27 of the statement of claim and paras (22) to (27) of the relief claimed be struck out as (a) they disclose no reasonable cause of action; (b) they are frivolous or vexatious; (c) they may prejudice, embarrass or delay the fair trial of the action; or (d) they are otherwise an abuse of the process of the court. Although it was not made clear, ground (a) in the main was relied upon. The learned assistant registrar dismissed this prayer. Dissatisfied with the decision the defendants appealed.

On 3 March 2000 I heard the appeal and judgment was reserved. Since then, the solicitors of the defendants wrote to this court on 31 March 2000 drawing attention to a decision of US Federal Judge Harry Hupp in ***Ticketmaster Corp v Tickets.Com Inc*** in which Ticketmaster sued Tickets.Com to protect their web sites from unauthorised incursions. Solicitors for the plaintiffs immediately responded and correspondence including written submissions ended with letters of both solicitors which are both dated 19 April 2000. The defendants repeated essentially their arguments canvassed before the learned assistant registrar and I will revert to them and the effect of ***Ticketmaster*** after setting out the background, the averments in the statement of claim which the defendants attempted to strike out in limine and the law and practice of striking out.

The trespass claim as pleaded

Under this claim, the plaintiffs assert that they are owners of what they compendiously described as the 'Plaintiffs' Movies Property'. These are comprised of a number of items, which, I was told by learned counsel for the plaintiffs, Mr Thio Shen Yi, may arguably in law be described as either personal property or property akin to real property. I will, with respect, adopt the language of the pleadings. They are as follows: (i) the proprietary frames (ie windows that appear on the web surfer's computer screen) on the plaintiffs' Movies Online ('MOL') web site and all corresponding web pages which web surfers may access by clicking upon any of the HREFs; (ii) the HTMLs underlying the plaintiffs' MOL

web site; (iii) the HTMLs underlying each subsidiary web page which appears on the web surfer's computer screen when the web surfer clicks on each HREF comprised within the plaintiffs' MOL web site; (iv) the selection, compilation and arrangement of date, in respect of each movie comprised within the plaintiffs' MOL web site and its subsidiary web pages; (v) the content, commentary and write ups in respect of each movie comprised within the plaintiffs' MOL web site and its subsidiary web pages; and (vi) the artistic work in the designs comprised within the plaintiffs' MOL web site and its subsidiary web pages.

In the same context, the plaintiffs also assert that they are owners of five categories of property, either personal or analogous to real property, in relation to their 'Tatler Property'. First, they claim proprietary interest in the proprietary frames on the main web site at the URL of their 'Tatler Property': <http://www.bigwok.com.sg> and all subsidiary web pages. Secondly, they claim property in the underlying HTMLs. Thirdly, they claim property in the HTMLs underlying the search engines for foods and restaurants comprised within the web site at the abovementioned URL. Next, they claim property in the selection, compilation and arrangement of data, within the search engine and database available at the web site at the aforesaid URL and the subsidiary web pages. Finally, like those relating to the MOL site, they claim property in the artistic work in the design comprised within their 'Tatler' web site and its subsidiary web pages. Both groups of property were collectively described in the pleadings as the 'plaintiffs' properties'.

By para 26 it was pleaded that the defendants had during 1999 wrongfully without authorisation and permission entered and crossed into the plaintiffs' properties by accessing the plaintiffs' MOL web site and the plaintiffs' Tatler web site and entering therein with the unauthorised intent to copy the relevant HTMLs and reproduce such relevant HREFs for the defendants' own commercial benefit. By an amendment effected after the hearing before the learned Assistant Registrar, the plaintiffs further assert that the defendants had committed the acts of trespass with the unauthorised intent to 'use, take and/or copy, and used, took and/or copied' the relevant HTMLs and reproduced the relevant HREFs 'without the plaintiffs' consent'.

The acts of trespasses were alleged to have taken place 'prior to' the defendants' alleged acts of copyright infringements pleaded earlier in the statement of claim. Again by an amendment effected after the hearing before the learned assistant registrar, the plaintiffs elaborated on their assertion that the defendants had accessed their web sites 'in order to create a link thereto' and must have unravelled the HTMLs, HREFs, source codes and/or request forms underlying the plaintiffs' web pages. The defendants had to unravel them, as was averred in the amendments, to create the defendants' HREFs, the plaintiffs' MOL search bar link in the defendants' Movies web site B, the plaintiffs' Tatler Top 125 restaurants search engines in the defendants' Food n' Entertainment web site and the respective links from the defendants' Movies web site A, the defendants' Movies web site B, to the relevant subsidiary web pages of the plaintiffs' MOL web site.

In terms of damages the plaintiffs claim those acts of trespass have caused confusion in the minds of the public between the defendants' 'works' and the plaintiffs' 'works'. They have also enhanced the value of the defendants' home page, the defendants' Movies web site A, the defendants' Movies web site B, and the defendants' Food n' Entertainment web site, and in the process diluting and diminishing the revenue generating features and value of the plaintiffs' home page, the plaintiffs' MOL web site, the plaintiffs' Tatler web site and the related businesses which are packed with advertising and commercial offers. The losses of 'eyeballs' or 'hits' in respect of the plaintiffs' homepage and web sites led to losses in advertising revenue and other revenue generating opportunities.

The plaintiffs also complain that the defendants 'captured' web surfers within their web sites 'in

that the defendants' acts of trespass by-passed the plaintiffs' homepage, the plaintiffs' MOL web site and/or the plaintiffs' Tatler web site (as the case may be), thereby creating 'stickiness' within the defendants' web sites. In other words, it would be easier for web surfers to stay within the defendants' web sites, notwithstanding that the content or search engine being viewed or used belonged to the plaintiffs.

In the premises, the plaintiffs in respect of the claim in trespass seek a declaration that the defendants are not entitled to enter or cross the plaintiffs' properties with the unauthorised intent to copy the relevant HTMLs and reproduce the relevant HREFs for the defendants' own commercial benefit, an injunction, damages, interest and costs.

The law and practice of striking out

Generally, the approach of courts in exercising our powers under any one of the grounds in O 18 r 19 is not to grant an application to strike out unless there is a very clear case making out one of the grounds under O 18 r 19. We would only strike out 'when it is manifest that there is an answer immediately destructive of whatever claim to relief is made': see Jeffrey Pinsler, ***Civil Practice in Singapore and Malaysia*** at para XVI[121] and [121.1].

The rationale underlying O 18 r 19 was spelt out clearly in the Canadian case of ***Hunt v Carey Canada Inc*** (Sup Ct, Can, 1990, Lexis 155) at p 13: 'In England then, the test that governs an application under RSC O 18 r 19 has always been and remains to be a simple one: it is "plain and obvious" that the plaintiffs' statement of claim discloses no reasonable cause of action? ... But if there is a chance that the plaintiff might succeed, then that plaintiff should not be "driven from the judgment seat". Neither the length nor complexity of issues of law and fact that might have to be addressed nor the potential for the defendant to present a strong defence should prevent a plaintiff from succeeding with his or her case.'

One pronouncement in ***Hunt v Carey*** at p 23 is particularly poignant in the context of the present appeal. That context contains the elements that it has to do with a difficult question of law in the evolution of the common law. That evolution has been markedly characterised by the hallmarks of pragmatism and incrementalism, both of which have served the common law of England well and it is not conventional wisdom to suggest that we in Singapore at the threshold of the cyber age should also embrace pragmatism and incrementalism since they have been effective handmaidens in the evolution of our common law. Justice Wilson said: 'The fact that a pleading reveals "an arguable, difficult or important point of law" cannot justify striking out part of the statement of claim. Indeed, I would go so far as to suggest that where a statement of claim reveals a difficult and important point of law, it may well be critical that the action be allowed to continue to evolve to meet the legal challenges that arise in our modern industrial society.' This approach was approved and followed in ***Re Belanger & Associates v Stadium Corp of Ontario Ltd*** (CA, Ont, 1991, Lexis 301) at p 4:

... Matters of law which have not been settled fully in our jurisprudence should not be disposed of at this stage of the proceedings. Reference should be made to Hunt v Carey ...

Drawing from what I could comprehend from the technical details relating to deep linking of web sites in internet with which this case is concerned, it may be obviously platitudinous to observe that the complexity in the present case is also to be found in the technical details of deep linking and the technology of its prevention. This complexity is in addition to and is quite apart from the vexed

question of law whether what is pleaded may be encompassed within the concept of the common law trespass. There is therefore novelty in both law and the technology of deep linking of web sites, both of which require the most rigorous examination and scrutiny which only a full trial can ensure. As was observed in **Rhone-Poulenc Canada Inc v Reichhold Ltd** [1998] ACWSJ 138258 at p 6:

*Novelty of the claim, by itself, is not sufficient to justify granting the motion [to strike out] and the truth of all allegations of fact, unless patently ridiculous or incapable of proof, must be accepted: **Hunt v Carey Canada Inc** [1990] 2 SCR 959, 977 and 980 ... I believe that the question should be whether the court is satisfied that the issue can be determined correctly without the full factual background that would be obtained at the trial. If the point of law is difficult because it depends on the construction and effect of legislation that is both novel and complex, it will usually be desirable that it should be considered in the light of the specific factual context that will be revealed with completeness only after all the evidence has been given.*

Defendants` grounds to strike out

In the first place, the defendants submitted that the intention to carry out an unauthorised act did not transform their lawful access into the plaintiffs` web sites into trespass. They pointed to the fact that the plaintiffs had themselves made their web sites available to users on the Internet. They relied on **Byrne v Kinematograph Renters Society** [1958] 2 All ER 579 for the proposition that persons entering a cinema not to see the performance but for the purpose of calculating the number of patrons did not commit trespass. Reliance was also placed on **Sports and General Press Agency v `Our Dogs` Publishing Co** [1917] 2 KB 125 where it was held that the action to stop a photographer attending the dog show was unsustainable because an exclusive right to take photographs was not a form of property known to the law. It was commented, albeit by the way, that the promoters could have acquired such a right by making the necessary conditions as to admissions to the shows.

The defendants further advanced the argument that where what is done would be legal if due to a proper motive does not become illegal because it is prompted by a motive which is improper or even malicious. Thus, in **Bradford v Pickles** [1895] AC 587 the owner of the land, who had the right to divert or appropriate the percolating water within his own land, could exercise those rights so as to deprive his neighbour. It was held that his right remained the same whatever his motive, even if his motive was maliciously to injure his neighbour or to induce his neighbour to buy him out.

I am of the view that there is no merit in these submissions. From first to last the access was unauthorised, as the plaintiffs have averred and therefore it is arguable that a claim for actionable trespass may succeed. In an application to strike out a pleading, we must take the averments as proved so long as they are not ridiculous or incredible or patently incapable of proof. The arguments do not address the fact that it will be a central issue in this case whether, as the plaintiffs have averred, the defendants had no right to access the plaintiffs` web sites or whether the defendants have such a right, as they contend. It is not incredible and certainly not ridiculous to assert that the plaintiffs have consented to a visit to the web sites, and even downloaded a copy of it for personal use, but have not consented to the kind of commercial exploitation as alleged, in which case the access may be unlawful. The defendants may successfully set up an implied licence or custom as a defence. But those issues are eminently for the trial judge to adjudicate upon. Whether such a cause of action ultimately succeed will very much depend on the technical matrix of the case, and this is a matter for determination at trial.

In my view, **Byrne** `s case does not assist the defendants. Access to the ticket holders was permitted. That they did not watch the performance but counted heads was immaterial. In the instant case, however, the prior and basic issue was whether the defendants` access was authorised in view of their motives which were transformed into the alleged deep linking for commercial benefit without the consent of the plaintiffs. The self-same distinction sets **Our Dogs** ` case apart from this piece of litigation. As for **Bradford** `s case, learned counsel for the plaintiffs rightly pointed out that Lord Halsbury at p 594 in that case ruled that the decision did not apply in cases `in which the state of mind of the person doing the act can affect the right to do it.` Intention is an element in the tort of trespass and in my view the defendants` motives are crucial in determining the legality of what they have done.

I now turn to the other arguments which together form another basis upon which the defendants have grounded their application to strike out trespass as a cause of action. They say that the plaintiffs are in essence claiming intellectual property in their web sites without any legal basis. The law of trespass, they say, does not cover intellectual property and the plaintiffs are precluded from preventing the `copying` of works through a cause of action that is independent of a copyright claim.

The starting point of these arguments which are said to `pre-empt` a claim in trespass is s 4 of the Copyright Act (Cap 63) which states:

Subject to the provisions of this Act, no copyright shall subsist otherwise than by virtue of this Act.

There is a short answer which would dispose of the arguments. I agree entirely with learned counsel for the plaintiffs when he submitted that there is a fundamental flaw in the reasoning underlying the defendants` arguments. The plaintiffs` claims in trespass has to do with unauthorised access into property. As such, it is entirely different from a claim for copyright infringement which is concerned with, inter alia, the unauthorised reproduction of copyright material and other activities which come under the exclusive rights of the copyright owner, as set out in s 26 of the Copyright Act. They are therefore very independent and distinct causes of action.

In this connection, I would refer to the consequentialist argument of the defendants that to allow the plaintiffs to run the parallel claim of trespass would assist the plaintiffs to avoid having to meet copyright requirements and limits of such rights. Learned counsel points out by way of elaboration that it would not matter if the plaintiffs met the requirements for enjoying copyright in the first place. Apart from the irrelevance of copyright subsistence, it is stressed that issues of expiry of copyright, infringement and defences would be rendered irrelevant. These submissions do point to serious policy considerations which can only be adequately considered after a full trial.

Finally, I turn to **Ticketmaster** `s case. Ticketmaster offered for sale event tickets over which they had an exclusive right to sell. Typically, their home page featured advertisements and a directory of interior event or subsidiary pages, which had useful basic information such as a concert`s time, place and date. They complained that Tickets.Com had deeply hyperlinked their subsidiary web sites, bypassing their home pages and other pages. They asserted ten causes of action and Tickets.Com filed a motion to dismiss all ten legal claims. They included claims in contract, forms of unfair competition such as passing off and `reverse passing off`, misappropriation and trespass. It is clear that Judge Harry Hupp had dismissed the claim in trespass on the ground that it is `preempted` under s 301 of the US Copyright Act (Federal law). As I understand it, preemption is the name given to a constitutional doctrine that invalidates a state law or judicial doctrine because it interferes with or is

otherwise inconsistent with some aspect of a federal statute or constitutional provision. In our context s 301 of the Federal Copyright Act of 1976 establishes a uniform regime of federal protection for copyrightable works and, inter alia, it replaces state law protection for most unpublished works. One starts off with the general comment that the preemption doctrine in USA is not equivalent to what is provided by s 4 read with s 26 of our Copyright Act, as the defendants have argued. Solicitors for the defendants rely on the dicta of Judge Harry Hupp who said: `In addition, it is hard to see how entering a publicly available web site could be called a trespass, since all are invited to enter.` I agree with the point made by Mr Thio Shen Yi that the learned judge had struck out the claim in trespass under the preemption doctrine; the learned judge`s remarks did not form any part of the reasoning bearing on the striking out of the claim in trespass. On the facts, some distinctions could be drawn and these are best ventilated at the trial. First, the defendants had by an e-mail requested the plaintiffs to enter into a partnership relating to the activities in question. Secondly, the defendants had proceeded in the absence of any consent from the plaintiffs.

For these reasons the appeal is dismissed with costs.

Outcome:

Appeal dismissed.