

THE 12th LAWASIA INTERNATIONAL MOOT

KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION

2017

Asamura International Development Co., Ltd.

(CLAIMANT)

v.

Shwe Pwint Thone Co., Ltd.

(RESPONDENT)

MEMORIAL FOR CLAIMANT

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LIST OF ABBREVIATIONS

&	And
Arb.	Arbitration
Art	Article
AID	Asamura International Development Co.,Ltd
AIR	All India Reports
AJIL	American Journal of International Law
ALJR	Australian Law Journal Reports
App.	Appellate
CEGAT	Customs, Excise And Service Tax Appellate Tribunal
Civ	Civil
CLR	Commonwealth Law Report
Co.	Company
Corp.	Corporation
Del.	Delhi
e.g.	Example
Ed.	Edition
ER	England Law Report
F. 2d	Federal Reporter
Govt.	Government

Inc.	Incorporation
Ltd	Limited
No.	Number
N.Y	New York
NZSC	Supreme Court of New Zealand
Pg.	Page Number
Para	Paragraph
PECL	Principle of European Contract Law
SC	Supreme Court
Seq.	Sequence
SPT	Shwe Pwint Thone Co., Ltd.
Tex.	Texas
TRIPS	Trade Related Aspect of Intellectual Property.
U.K	United Kingdom
U.S.A	United States of America
UNSWLJ	University of New South Wales Law Journal
v.	Versus
WLR	Washington law Report

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STATEMENT OF JURISDICTION

Asamura International Development Co. Ltd has the honor to submit the present dispute and its memorandum before the Kuala Lumpur Regional Centre for Arbitration seated in Tokyo, Japan under Rule 1 of the KLRCA i- Arbitration Rules which states that:

Where parties have agreed in writing to arbitrate their disputes in accordance with the Rules, then:

- a) Such disputes shall be settled or resolved by arbitration in accordance with the Rules; and
- b) The arbitration shall be conducted and administered by the Kuala Lumpur Regional Centre for Arbitration (hereinafter referred to as “KLRCA”) in accordance with the Rules.

QUESTIONS PRESENTED

The Parties agreed that the issues to be decided in the arbitration are as follows:

1. Whether the termination of agreement by SPT was valid?
2. Whether AID has the ownership of the jade-mining machinery and equipment?
3. Whether there subsists any right in the JADEYE software and if any, who has the ownership of rights in it?

STATEMENT OF FACTS

1. **Asamura International Development Co., Ltd.** (AID or the CLAIMANT) was founded in Tokyo, Japan and is represented by Dr. Yugi Asamura.
2. **Shwe Pwint Thone Co., Ltd.** (SPT or RESPONDENT) is represented by U Thein Kyaw. It started with the aim of providing secular and vocational training to students from underprivileged families. SPT's main objectives were to develop new skill sets for its students, create jobs for the local community, to increase the revenues of SPT so that it can be channeled back to the training centers.
3. U Thein Kyaw approached Dr. Yugi Asamura to discuss the prospects of a partnership between SPT and AID as he had zero experience in jade exploration and production, although he was familiar with jade carving and polishing techniques.
4. The time line of dispute is mentioned below:
 - On **9 September 2008**, U Thein Kyaw and Dr. Yugi Asamura entered into a partnership and drafted their own contract. See Annexure 1. Under the arrangement, AID sourced for second hand machinery and equipment from Japan, purchased them, and reconditioned them. SPT handled all the visa and accommodation requirements of AID's employees. SPT also obtained the necessary jade mining and equipment permit from the government. The jadeite venture involves four main business activities:
 - (i) exploration and extraction;
 - (ii) breaking and cutting;
 - (iii) processing and production;
 - (iv) distribution and sales.

- In **January, 2009**, machinery and equipments were then imported into Myanmar by SPT. 25 of AID's employees were also placed in SPT's base on secondment from Japan. AID's employees operated the equipment, while imparting technical knowledge to SPT's employees and students. They trained them how to operate and maintain the jade- mining equipment and machinery.
- In **March 2009**, AID and SPT injected capital contributions of USD 1.5 million and USD 2.5 million respectively to bear the operation cost, because AID felt burdened when it bore the operational cost alone. The funds were held in SPT's bank account.
- On **11 April 2012**, AID's finance executives, Joe Yamashita, informed Dr. Yugi Asamura that his process optimization and operations management software named "JADEYE" was ready to be used which once installed on the computer systems and mining equipment, will allow the user to test the quality and viability of the jade at 99% its statistical and optimization algorithms, JADEYE can expedite assessment work, also assisting in the determination of scalability and economic value of the site. Trial tests yielded positive accuracy and software was installed in all the computers and equipment used on the sites.
- On **4 January 2013** Joe Yamashita during his resignation handed the source code of JADEYE to Head of Finance of AID in Tokyo.
- In **October 2016**, Dr. Yugi Asamura was approached by Yuri Hashimoto regarding sourcing jades from Hpakant for her company, Hashimoto Co., Ltd (HCL) won the contract to produce official jadeite souvenirs and merchandise for the Tokyo Olympics in 2020. U Thein Kyaw, told Yugi Asamura to proceed with the engagement via AID.
- On **1 November 2016**, AID and HCL then entered into a USD 1.2 million contract, wherein AID will supply jades from the Hpakant mines to HCL for the next one year.

- On **21 November 2016**, U Thein Kyaw was approached by Patrick Green, a very successful American businessman, who expressed his interest in forming a new partnership with SPT in regard to the jade business.
 - On **10 January 2017**, U Thein Kyaw made up his mind and informed AID about his decision to end the partnership. He offered to have SPT bear all relocation costs for AID's employees in Myanmar. Dr Yugi Asamura protested, saying that SPT had no right to terminate the agreement like that, and that even in the event of a termination, AID has to compensate SPT more than just on the relocation costs.
5. The men then argued over the ownership of the jade-mining machinery, equipment, and in particular the JADEYE software. When refused to be provided with the source code to JADEYE, U Thein Kyaw informed Yugi Asamura that SPT will reverse engineer or create their own version of JADEYE.
 6. Unable to settle their differences parties consider going for arbitration at the Kuala Lumpur Regional Centre for Arbitration in Malaysia. Parties eventually agreed to attend arbitration in Tokyo using the KLRCA i-Arbitration.

SUMMARY OF PLEADINGS

1. Whether the termination of agreement by SPT was valid?

Firstly, the termination of the contract by SPT is invalid as that it is in violation of the principle of estoppel. By sanctioning the formation of a contract between AID and HCL; SPT forfeited its right to terminate the partnership agreement, as it is barred from asserting any claims that have the potential to frustrate the performance of AID's obligation towards HCL. Furthermore, SPT is responsible for breach of the partnership agreement to do jade business with AID. The authorisation granted by SPT to AID to contract with HCL has accorded specificity to the minimum duration for which the agreement shall remain in force and the termination of agreement in this scenario amounts to a breach, imposing liability on SPT. The termination is also invalid on the ground that it violates the requirement to accord utmost supremacy to the Joint Venture's interest, does not fulfil the good faith requirement owed by SPT to AID under the partnership agreement and fails to comply with the requisite fiduciary duties. Finally, it is submitted that, on account of the invalidity of the termination and the resulting loss in profits to AID, SPT is required to pay compensation to AID over and above the relocation costs of the workers.

2. Whether AID has the ownership of the jade-mining machinery and equipment?

The ownership of jade mining machinery and equipment lies with Asamura International Development co. Ltd, because, the jade- mining machinery and equipment were transferred only for the term of agreement and there existed no contract of sale with SPT transferring them the said equipment. Further, the jade mining machinery and equipment never formed a part of

partnership property as the property was never paid for by the firm, and the record of SPT being the importer of machinery and equipment does not transfer ownership rights to SPT and also the machinery and equipment formed a part of AID's obligation under the contract and thus remain the property of AID.

3. Whether there subsists any right in the JADEYE software and if any, who has the ownership of rights in it?

Copyright subsists in source codes of JADEYE, as it is an original work of Joe Yamashita, the employee of AID. He has exhibited skill, judgement and labour to create JADEYE. The ownership of JADEYE vests with AID as it was developed wholly by its employee for the purpose of its obligation under the agreement also, no contract was entered into by AID and SPT transferring the ownership of the software. Further, if an employee, in course of their employment creates any IPR, the ownership of the same vest with the employer. Since the ownership of JADEYE vests with AID, consequently the rights also vests with AID. Also if SPT reverse engineers the JADEYE or creates its own version it will be an infringement of AID's reproduction rights. SPT's own version will be used for commercial purpose negating the doctrine fair use.

WRITTEN SUBMISSIONS

I. THE VALIDITY OF THE TERMINATION OF THE AGREEMENT BY SPT

The termination by SPT of the agreement is invalid because, (A) it is in breach of the principle of estoppel, also (B) it amounts to a breach of SPT's contractual obligation arising out of the partnership agreement. (C) The termination of the agreement was unreasonable and arbitrary in nature and it violates the fiduciary obligation arising of this relationship.

A. **The termination of contract by SPT is invalid as it is in breach of the principle of estoppel.**

Under Common Law, Estoppel is defined to be an admission, or something which the law treats as equivalent thereto, of a nature so high and conclusive that the party whom it affects is not permitted to aver against it, or offer evidence to controvert it.¹

So, where a party by his acts or words causes another to believe in the existence of a certain state of things, and induces him to act on that belief so as to alter his own previous condition, he, and also a person for whom he is acting as agent, will be precluded from averring anything to the contrary against the party so altering his condition.²

In the case at hand, U Thein Kyaw's authorization to AID to enter into a contract with HCL for supply of jade³, formed the basis for the promulgation of the contract between AID and HCL, the termination of partnership between AID and SPT has the effect of rendering the performance of the obligation undertaken by AID at the behest of U Thein Kyaw impossible. And hence, under the law of estoppel, SPT is barred from terminating the contract by asserting

¹2 Sm. Lead. Cas. 581, 582. Arnold v. Gornman, 5(0 Penn. St. 361; Richardson v. Chickering, 41 N. H. 380; Martin v. Righter, 10 N. J. Eq. 510; Cowle v. Bacon, 21 Conn. 451; Cairn v. Larimer, 3 Macq. H.L. Cas. 829; ante, p. 682, Art. 2, § 2.

²Chouteau v. Goddin, 39 Mo. 229 (1866).

³Moot Problem, Para 35, Pg. 6.

that his team is unable to work with AID because his workers and students are unable to look past the interview with the Asian influencers.⁴

Furthermore, where an agent or partner makes a representation of a fact outside the terms of his power, and which, from its nature, rests peculiarly within his knowledge, upon the faith of which another party acts, the principal or firm is precluded from controverting the fact so alleged.⁵

In the present case, in representing SPT as he did, U Thein Kyaw, exercised agency⁶, by nature of which the knowledge of status of morale of the workers rests peculiarly with him. He is not allowed to aver contrary to the representation so made.⁷

B. The validity of termination is challenged on the ground that it amounts to a breach of contract.

A breach of contract occurs when a party thereto renounces his liability under it, or by his own act makes it impossible that he should perform his obligations.⁸ A declaration of termination by the contracting party of his intention not to fulfil the contract entitles the injured party the remedy of specific performance or that of damages.⁹ Where no duration is expressly specified but can be determined by necessary implication, the contract cannot be terminated prior to such time limit.¹⁰

While the partnership agreement between AID and SPT does not stipulate a specific time period till which the partnership is to extend, such duration can be safely deduced from the duration that will be required to fulfil the undertakings and obligations arising as a result of the

⁴Moot Problem, Para 41, Pg. 7.

⁵Griswold v. Haven, 25 N. Y. (11 Smith) 595, 6 WILLIAM WAIT, A TREATISE UPON THE LAW OF ESTOPPEL, 679, (1885).

⁶Moot Problem, Para 1, Pg.9.

⁷Smith v. McNeal, 109 U.S. 426 (1883).

⁸Associated Cinemas of America Inc. v. World Amusement Co, 201 Min 94 (Minnesota SC) (1937).

⁹Sunrise Associates v. Govt. of NCT of Delhi, (2006) 5 SCC; Section 73, The Contract Act, 1872, The Burma Code, 1957.

¹⁰Hoyt v. Smith, 23 Conn. 177(1854).

agreement. The authorization provided by SPT to AID to take advantage of the opportunity to earn profit¹¹ that would accrue from contracting with AID amounts to an automatic extension of the contract at least till November 2017, till which time jade souvenirs extracted from the Hpakant site are to be supplied to HCL.¹²

Since as per the duties and obligations arising out of the terms of the agreement, the minimum duration of the agreement can be specified to be November 2017, the termination of the agreement by SPT on 10 January 2017 is a premature termination amounting to breach of contract. AID being the aggrieved party is thus entitled to claim damages for breach of contract from SPT.¹³

C. Termination is invalid as it was unreasonable and arbitrary in nature and violates the fiduciary obligation arising of this relationship.

Joint ventures are business arrangements whereby parties collaborate in a one-off enterprise "usually (but not necessarily) contributing, money, property or skill" in a "particular trading commercial, mining or other financial undertaking" to achieve certain outcomes which might include containing costs, limiting exposure to risk, increasing market strength, generating a product which will yield each party a separate profit or otherwise more generally sharing profits, whether equally or not.¹⁴

In the present case, both SPT and AID have decided to become business partners for the jade business in Hpakant, Kachin state.¹⁵ As stated in the agreement, the objective of this alliance is to help the local people of Myanmar, to improve their livelihoods, to help them to be competitive and compatible with the evolving world and economy.¹⁶ AID and SPT also share

¹¹Additional Clarification No.5, Pg. 2.

¹²Moot Problem, Para 35, Pg. 6.

¹³Bowdell v. Parsons, 10 East 358: 103 ER 811 (1808).

¹⁴United Dominion Corporation Ltd v. Brian Pty Ltd (1985) 157 CLR 1, at 10.

¹⁵Moot Problem, Para 2, Pg. 9.

¹⁶Moot Problem, Para 5, Pg. 9.

profits of the business wherein 65% goes to SPT, and 35% goes to AID¹⁷. As the agreement between SPT and AID fulfils the requisites of a joint venture collaboration, their relationship is categorised as a joint venture and will be governed by the rights, duties and liabilities arising thereof.

A joint venture with a view to sharing profit is characterised as inherently fiduciary, given that it is "indistinguishable from a single transaction partnership"¹⁸. Joint adventurers, like co-partners, owe to one another, while the enterprise continues the duty of finest loyalty.¹⁹

Once a person has been designated a fiduciary, Equity's most intense standard of conduct is imposed. The distinctive feature of this standard is the absolute prohibition on self-interested behaviour. "Fiduciary" is therefore a descriptive term for all relationships where the law totally proscribes self-interested conduct and imposes on one party to the relationship a duty to act with the utmost loyalty in the interests of the other party or in the joint interest in the case of a partnership or joint venture.²⁰

The distinguishing obligation of the fiduciary is loyalty. This core liability has several facets:

- A fiduciary must act in good faith;
- he must not make a profit out of his trust;
- he must not place himself in a position where his duty and his interest may conflict;
- he may not act for his own benefit or for the benefit of a third person without the informed consent of his principal.

This is not intended to be an exhaustive list, but it is sufficient to indicate the nature of fiduciary obligations. They are the defining characteristics of the fiduciary.²¹

¹⁷Moot Problem, Para 7, Pg. 9.

¹⁸Chirnside v. Fay NZSC 68 (2006).

¹⁹Meinhard v. Salmon 164 N.E. 545 (1928).

²⁰Paul Desmond Finn "Contract and the Fiduciary Principle" 12 UNSWLJ 76, 83 (1989).

²¹Bristol and West Building Society v. Mothew 2 WLR 436 (1997).

A fiduciary must not engage in conduct in which it may have a personal interest in conflict with those of the other participants; the fiduciary will be liable if there has been a conflict between its interests and those of the joint venture it is a part of.²²

Being a joint venture collaboration, the relationship between AID and SPT is fiduciary in nature and imposes upon both parties duties to act in accordance with their fiduciary obligations. The law governing fiduciary duties imposes acuteness in the standard of conduct and both AID and SPT are bound to uphold it. It is the submission of the CLAIMANTS that, SPT is in violation of the fiduciary duty it owed to AID by engaging in a conduct for his own benefit at the cost of the interests of the joint undertaking between AID and SPT and also at the cost of the interests of AID in the venture.

It is submitted that, SPT in not informing AID about the incidents of Green's proposal pertaining to the jade trade, which had material implications on the joint venture as well as on AID's interests in the venture, has violated the fiduciary obligation of placing itself in a position where a conflict between its duty towards the joint venture and its own personal interest has arisen.

While fiduciary duties required SPT to accord utmost importance to the joint venture, circumstances surrounding the termination of agreement²³ suggest that SPT acted in selfish interest to the detriment of the venture. It is the submission of the claimants that it was only in light of Patrick Green's lucrative proposal that U SoeMyint informed U TheinKyaw about the degrading morale of the workers and students towards AID²⁴, indicating that in the absence of such a proposal, the fact in isolation would not have amounted to sufficient cause for termination. Furthermore, it is submitted that as it is, SPT's premise to terminate the agreement

²²Birtchnell v. Equity Trustees, Executors & Agency Co. 42 CLR 384 (1929).

²³Moot Problem, Para.37, Pg. 6.

²⁴Moot Problem, Para. 38, Pg. 6.

on the pretext of the inability of the workers to continue working, was waived by it upon becoming beneficiary to the profits of the contract between HCL and AID.²⁵

The conduct of SPT in the present scenario is a violation of the duty to disclose information pertaining to the joint venture and also the violation of the duty to act in good faith as the cause of termination was governed by a mala-fide intention to further personal gains and secretly advantage itself over its partner²⁶. Consequently, the termination of agreement by SPT is rendered invalid and SPT is liable to pay damages to AID for breach of its fiduciary obligations.

II. THE OWNERSHIP OF THE JADE- MINING MACHINERY AND EQUIPMENT.

The ownership of jade mining machinery and equipment lies with Asamura International Development co. Ltd, because of the following reasons:

A. The machinery and equipment were provided only for the term of the agreement.

In the case of *Coddington v. Paleologo*²⁷, it was held that all contracts must be construed according to the real intention of the parties, to be collected from the language used by them, and be given effect. Every word is to be interpreted according to its natural and ordinary meaning, unless such construction would be contrary to the manifest intention of the parties.²⁸

The intention of the parties, as manifested in the contract itself is the paramount principle governing the contract.²⁹ Simultaneously, if there is no intention to transfer the property in the goods to the transferee, then no such property passes.³⁰

²⁵Moot Problem, Para. 35, Pg. 6.

²⁶*J Leo Jhonson Inc. v. Carmer*, 156 A.2d 499 (Del.) (1959).

²⁷*Coddington v. Paleologo*, L.R. 2 Ex. Ca. 193,200 (1867).

²⁸*Steel Brothers & Co. Ltd. v. TokerseeMooljee*, (1932) ILR 10 RANG 372.

²⁹*Bettini v. Gye* (1876) 1 QBD 183; *Poussard v. Spiers* (1876) 1 QBD 410; *Bentson v. Taylor, Sons & Co.* (1893) 2 QB 274.

³⁰*East West Corp. v. DKBS* (2003) QB 1509.

Also, the doctrine of Replevin (revendication) refers to a lawsuit that enables a person to get back personal property taken wrongfully or unlawfully, pending a final determination by a court of law, and get compensation for resulting losses. Replevin has been recognized as a remedy stemming from common law.³¹

It is a principle of general law that if there is a breach in a contract, then the party alleging the breach can seek return of the equipment given to be used under the terms of the contract, plus damages which the party breaching the contract is obliged to pay as the contract no more exists for which the equipment were given.³² Furthermore, the issue of what a wrongful termination of contract entails was raised in *Pav-Saver Corp. v. Vasso Corp*³³ wherein it was held that the contract equipment must be returned on termination of the contract.

In the present case, the parties never intended to transfer the ownership of the machinery from AID to SPT. Nowhere in the partnership agreement³⁴ can it be seen that the intention of the parties was to transfer the ownership of the machinery which was supplied by AID. Further AID bought and provided all equipment required, and provide technical expertise for the term of the agreement only thus, on the termination of the agreement by SPT, AID is entitled to receive back its property.

B. There exists no contract of sale entitling SPT the rights over the machinery and equipment.

In *Official Assignee v. Subala Dasi*³⁵, the High Court of Rangoon held that for a transaction of sale to be valid, there must exist a consideration, without which, the transaction would be

³¹Drug Task Force v. Hoffman, (2003) 353 Ark. 182, 114 S.W.3d 213.

³²Relational Funding Corporation v. Teim Services, Inc., 2002 (D.Del. 2002).

³³*Pav-Saver Corp. v. Vasso Corp*, 143 Ill. App. 3d 1013 (2002).

³⁴Moot Problem, Pg. 9-10.

³⁵*Official Assignee v. Subala Dasi* AIR 1935 Rangoon 98 (1935).

invalidated. A sale that lacks consideration is void from the beginning and produces no legal effect.³⁶

It is an established principle of sale of goods that sale is complete only when there is a consideration in its effect. Even under the Myanmar law, § 2(7) of the Myanmar Sale of Goods Act 1930, 'goods' mean every kind of moveable property other than actionable claims and money. § 2(10) defines 'price' as the money consideration for a sale for goods. Under § 4(1) of the Act, a contract for sale of goods is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price. The formalities which are to be complied with in a contract of sale are that there must be an offer to buy or sell for a price and the acceptance of such an offer.³⁷

In the present case, there existed no contract between AID and SPT stipulating the sale of the goods. Further on, no consideration was either stipulated in the agreement, or paid by SPT to AID in lieu of the machinery that was supplied by AID. As can be inferred from above, there must exist a consideration that must be paid in lieu of the sale. No sale exists without any consideration and the title remains unchanged. Hence, we can say that the transaction involving the jade mining machinery and equipment does not fall under the ambit of sale. The ownership of the same would thereby rest in the person who has paid a consideration for the same, which, in this case is AID, as the invoice and purchase receipts had the name of AID.³⁸

C. The domestic regulations of Myanmar prevented AID from importing the jade mining machinery and equipment.

AID in no way could have imported the machinery itself into Myanmar without the help of SPT because of the strict internal regulations of the state. Hence, the agreement stipulated that

³⁶Catindig v. Vda de Meneses, GR No. 165851/Roxas Sr. vs. CA, GR No. 168875, 02 February 2011.

³⁷Section 5(1), Myanmar Sale of Goods Act, 1930.

³⁸Additional Clarification No.27, Pg. 5.

it would be SPT's obligation to obtain and settle all the permits, requirements and all related matters with the government of Myanmar and this would not entitle it to become the owner.

When the agreement was entered into by the parties in 2008, the existing Investment Law in Myanmar was the Union of Myanmar Foreign Investment Law (1988) under which there was a ban³⁹ on direct investment in mining activities by foreign nationals. It was permitted only under a joint venture with a Myanmar national. Since the contract was entered into in 2008, there was a ban on the direct investment in mining activities, hence obtaining a certificate for the same would have been impossible for AID, hence, SPT was bestowed with the obligation of arranging the requisite permissions as it was owned by a Myanmar national.

There existed other restrictions as well which prevented AID from directly importing the machinery into Myanmar. In order to import goods into Myanmar, a business must first register as a company authorized to engage in international trade with the Directorate of Investment and Company Administration (DICA), Ministry of Planning and Finance.⁴⁰ Also, only Myanmar nationals are allowed to engage in international trade and import transactions. However, imports by foreign manufacturing firms that have registered under the Foreign Investment Law and are also registered as an importer with the Directorate of Trade are accepted, meeting this nationality requirement.⁴¹ At the time of the agreement, even though AID had a registered company in Myanmar, it could not have imported the machinery as the same was a 100% owned subsidiary of a foreign firm (AID). Furthermore, the import license in Myanmar is only granted to a Myanmar national or a foreign manufacturing firm. AID

³⁹Wendy Zeldin, Burma Amended Foreign Investment Law, (<http://www.loc.gov/law/foreign-news/article/burma-amended-foreign-investment-law-published/>) (last updated July 8, 2017).

⁴⁰National Trade Portal Myanmar, Guide to importing goods into Myanmar, (<http://www.myanmartradeportal.gov.mm/index.php?r=site/display&id=792#ImportLicenses>) (last updated July 8, 2017).

⁴¹Ibid

(subsidiary company in Myanmar) being neither of the two, could not have procured the import license.

Finally, the Myanmar Ministry of Commerce, Directorate of Trade, had strictly prohibited the import of used/second hand machinery in the country.⁴² It only allows the import of brand new or reconditioned machineries as they believe that the developed countries dump their used machines in Myanmar in order to avoid becoming concentrated in their country; albeit from March 2015, the Myanmar Ministry of Commerce has allowed used machineries⁴³ in the country but with several exceptions. The import was done in the present matter in the year 2008 when there was a strict prohibition on the import of used machines. Hence, under such circumstances, both the parties being aware about the rule, still went ahead with the agreement on the confidence shown by SPT about settling all the permits, requirements and all related matters with the government of Myanmar. 'Settling' under the agreement would have referred to the ways in which SPT would arrange for the permits and others matters with the government to do the jade mining business. AID, being a foreign company could not have possibly been in a position to 'settle' the same.

D. Record of SPT as an importer or consignee of machinery and equipment does not make it the owner.

An importer if does not pay for the goods then the supplier continues to remain the owner of the goods and that he can transfer the document of title to another person and thereafter the other person will be entitled to clear the goods.⁴⁴

⁴²Ibid.

⁴³Communique relating to export and import (2/2015), dated 9th March 2015.

⁴⁴Union of India v. Sampat Rai Dugar, (1992) 58 ELT 163 (SC); Savitri Electronics Co. v. Collector of Customs, 62 ELT 395 (1992); Bin Sabt Jewellery v. Commissioner of Customs, New Delhi, 120 ELT 169 (2000).

Further, in the case of *UOI v. Sampat Raj Dugar*⁴⁵, the Supreme Court held that the exporter is outside the country, while the importer, i.e. the licensee is in India. It is at the instance of the licensee that the goods are imported into this country. Whether or not he is the owner of such goods in law, the Imports (Control) Order creates a fiction that he shall be deemed to be the owner of such goods from the time of their import till they are cleared through Customs. This fiction is created for the proper and effective implementation of the said order and the Imports and Exports (Control) Act. The fiction however cannot be carried beyond that. It cannot be employed to attribute the ownership of the imported goods to the importer even in a case where he abandons them, that is, in a situation where he does not pay for and receive the documents of title.

Further, when a Bill of Lading (hereinafter B/L) is issued in Original to a named consignee, it is referred to as a 'Straight B/L,' which is a non-negotiable and non-transferable document. Release of cargo at the destination is issued only to the named consignee and upon the surrender of at least one of the original bills issued. This B/L does not serve as a document for the title to the goods as the document is neither negotiable nor transferable.⁴⁶ A bill of exchange does not give the transferee a better title than the transferor.⁴⁷ In the United States and United Kingdom, a straight (non-negotiable) B/L is not a document of title.⁴⁸ The B/L issued in the present case takes the form of an Original B/L as it non-negotiable and non-transferable. Hence, the present B/L does not serve as a document for the title to the goods.

In order to transfer the title in the goods to from AID to SPT, the bill of lading must be essentially negotiable in nature which is not so in the present case. Also, AID never intended

⁴⁵*Union of India v. Sampat Rai Dugar*, 58 ELT 163 SC (1992).

⁴⁶PROF. STEPHEN GIRVIN, *CARRIAGE OF GOODS BY SEA*, 89 (Oxford University Press, 2011).

⁴⁷*MacWilliam Co. Inc. v. Mediterranean Shipping Co. SA* (2005) UKHL 11; *Kum v. Wah Tat Bank* (1971) 1 Lloyd's Rep 439 (PC), 446 (Lord Devlin); *Gurney v. Behrend* (1845) 3 El & Bl 622, 633; *Thompson v. Dominy* (1845) 14 M&W 403, 408.

⁴⁸M.L. HENDRIKSE, *ASPECTS OF MARITIME LAW: CLAIMS UNDER BILLS OF LADING*, 24 (Kluwer Law International, 2008).

to transfer the title of the machinery to SPT; neither did the partnership agreement between the two contemplated for the transfer of ownership of the machinery to SPT. Therefore, it can be concluded that the B/L does not act as a document for the title of the machinery which lawfully belongs to AID.

E. The jade mining machinery and equipment never formed a part of partnership property.

A property belonging to a person in absence of an agreement to the contrary does not become the property of partnership merely because it is used for the business of partnership.⁴⁹ It would become a property of partnership only if there is an agreement, express or implied, that the property under the agreement of partnership to be treated as property of partnership.⁵⁰

Further, the factors relevant in deciding whether a property is a partnership property or separate property of the partner, the relevant factors will be the circumstances of the acquisition, with particular reference to the source from which it is financed.⁵¹

Thus, it is contended in the matter at hand AID had sourced for the second hand machinery and equipment from Japan, purchased them and reconditioned them.⁵² Also, no payment was made by SPT to AID in respect of the machinery and equipment imported into Myanmar by SPT.⁵³

Property may be used for purposes of the partnership and yet may not be part of the partnership property.⁵⁴ If a property is used by the partnership does not necessarily make it a partnership property, it has to be seen whether the asset was both used and treated as partnership property.

Mere use in itself is insufficient to bring about a change in the status of such asset.⁵⁵ Further, if

⁴⁹Boda Narayana Murthy & sons v. Valluri Venkata, (1978) AIR AP 257.

⁵⁰Noor Mohd. Mir v. Qadir Mir, (1983) AIR NOC 181.

⁵¹MARK BLACKETORD SARAH HAREN, PARTNERSHIP LAW, Bloomsbury Publishing 108 (2011).

⁵²Moot Problem, Para 16, Pg. 3.

⁵³Clarification No. 5, Pg. 2.

⁵⁴SIR ARTHUR, UNDERHILL'S LAW OF PARTNERSHIP 94 – 98 (10th ed. Butterworths Publisher 1975).

⁵⁵ Miles v. Clarke 1 All ER 779 (1953); Kelly v. Kelly 64 A.L.J.R. 234 (1990); Lukin v. Lovrinov S.A.S.C. 6614 (1998).

a property is purchased in the name of one partner, and not paid for by the firm, is the property of the partner.⁵⁶ Here, no payment was made by SPT to AID in respect of the machinery and equipment imported to Myanmar by SPT.⁵⁷ Thus, it remains the property of AID.

F. The machinery and equipment formed a part of AID's obligation under the contract.

A venture, in the commercial sense and in present day accepted legal terminology, is expressed by the desire of two or more people, needing some of each other's capabilities or assets for a limited period of time and effort, to unite the effect of their individual efforts or capital in a single enterprise for divisible profit, without anything more.⁵⁸

The rights, duties, and obligations of joint venturers, as between themselves, depend primarily upon the terms of the contract by which they assume that relationship. When a joint venture is dissolved, a co-venturer gets the advanced capital returned.⁵⁹ And even if co-venturers share profits from a property owned by a joint venture, it does not make the co-venturers joint owners of the property. It would depend on the agreement made by the venturers.⁶⁰

Further, it is to be seen that where a person lawfully does anything for another person, or delivers anything to him, not intending to do so gratuitously, and such other person enjoys the benefit thereof, the latter is bound to restore, the thing so done or delivered.⁶¹

The partnership agreement states that the business is divided into four parts; extracting the jade, cutting the jade, processing the jade and then selling the jade. Based on both the sides expertise, the control of activities will be split. For extracting and cutting AID will take charge and give

⁵⁶Forster v. Hale 5 Ves.Jr.308 (1800); Bathurst v. Scarborough EWCA CW 411 67 (2004).

⁵⁷Clarification No. 5, Pg. 2.

⁵⁸ROWLEY MODERN LAW OF PARTNERSHIP 168 (1916); MECIEM, ELEMENTS OF PARTNERSHIP § 43 (2d ed. 1920); McKee v. Capitol Dairies, 164 Ore. 1,99 P. 2d 1013 (1940).

⁵⁹Reed & Noyce, Inc. v. Municipal Contractors, Inc., 106 Mich. App. 113 (1981).

⁶⁰Martin v. Morrison, 260 S.W. 893 Tex. Civ. App. (1924).

⁶¹Section 70, The Contract Act 1872, The Burma Code, 1957.

direction and instruction. Further, the machine and equipment in dispute were employed in exploration, extraction, breaking and cutting at the Hpakant site.⁶²

Thus, it can be concluded that the machinery and equipment that were involved to complete the aforementioned procedures were the obligations of AID. Therefore, after the dissolution, AID is to be returned its contribution.

III. SUBSISTENCE AND OWNERSHIP OF RIGHTS IN THE JADEYE SOFTWARE.

The subsistence and ownership of the rights in the JADEYE software lies with AID because, **(A)** JADEYE will be protected under the copyright laws since it is a subject matter of copyright further, **(B)** the ownership of Copyright on the JADEYE software vests with AID.

A. JADEYE will be protected under the copyright laws since it is a valid subject matter for copyright protection.

It is well established, for a work to acquire copyright protection three requirements must be fulfilled (a) the work should be a copyrightable subject matter; (b) the work must be original and a result of author's skill and creativity; (c) the work must be reduced to material form.⁶³ Furthermore (d) copyright protection exists without registration.

It is humbly submitted that JADEYE fulfils all the three criteria- (a), (b), (c), and since registration is not a compulsory requirement for copyright, all rights from copyright subsist in the software.

⁶²Additional Clarification No. 11, Pg. 3.

⁶³Copyright Act, 17 U.S.C. §102 (1976) (U.S.A.); Trade-Related Aspects of Intellectual Property Rights, Article9, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement]; MICHAEL A. EPSTEIN, Epstein on Intellectual property 4-6 (5th ed. 2008).

a. Literary works are copyrightable subject matter under the laws of Myanmar.

1. JADEYE was created within Myanmar.

The Myanmar Copyright Act of 1914⁶⁴ provides for copyright for original literary, dramatic and artistic work if: (a) in the case of a published work, the work was first published within Myanmar; and (b) in the case of an unpublished work, the author was a citizen of Myanmar or “within” Myanmar when the work was created. The law defines publication as offering for distribution or actually distributing copies of a work to the public by sale or other transfer of ownership or by rental, lease, or lending.⁶⁵

The JADEYE software was created by Joe Yamashita mainly in Myanmar⁶⁶. The work was installed in all the computers and equipment used on the sites.⁶⁷

Therefore it is humbly submitted that the JADEYE was created within Myanmar and it was employed to personal use under and by the partnership. Hence it is evidently an unpublished work and should be given copyright protection under section 10(b) of The Burma Copyright Act.

2. Literary work under section 10 of The Burma Copyright Act should include computer programmes.

TRIPS Agreement states that Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971).⁶⁸ Courts have time and again held that source codes are literal work⁶⁹ protected from unauthorised copying under the

⁶⁴The Burma Copyright Act, 1914, § 1.

⁶⁵Ferris v. Forhman, 233 U.S. 424 (1912).

⁶⁶Additional Clarification No. 15, Pg. 3.

⁶⁷Ibid.

⁶⁸TRIPS Agreement, Art. 10(1).

⁶⁹Gates v. Swift (1982) RPC 339 (UK); Sega Enterprises v. Richards (1983) FSR 73 (UK); Thrustcode v. WW Computing (1983) FSR 502 (UK); Computer Assocs. Int’l, Inc v. Altai, Inc., 982 F.2d 693, 702 (2d Cir. 1992) (U.S.A.).

copyright laws.⁷⁰ This position is entrenched in the European and international intellectual property law.⁷¹

It is submitted that Myanmar being a signatory to TRIPS Agreement, should protect computer software under its copyright laws. Common law has been interpreted generally to include computer programmes under literary work.⁷² Similarly the term literary work under section 10 should also be interpreted broadly to include computer programmes as a valid subject for copyright protection.

Also, Copyright laws contain categories of works that may be copyrightable.⁷³ These are considered as “work of authorship”. These categories include literary, musical, artistic work etc but this is not an exhaustive list.⁷⁴ Hence, if anything can be regarded as work of authorship, it will form a valid subject matter of copyright.

A “computer program” is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result,⁷⁵ whereas source code refers to a set of high level instructions that computer programmers typically use to write programmes. The source codes are understandable to humans as they are expressed in English or algebraic expression.⁷⁶

Computer programmes can be regarded as work of authorship.⁷⁷

Therefore it is humbly submitted that source codes to JADEYE should be protected as literary works under the laws of Myanmar.

⁷⁰Apple Computers, Inc. v. Franklin Computer Corp., 714 F. 2d 1240 (1983) (U.S.A.).

⁷¹Software Directive, 2009 (EU); Copyright Designs and Patent Act, 1988, § 3(1)(b) (UK); TRIPS Agreement, Art.10(1); WIPO Copyright Treaty Art. 4, 1996 (UK).

⁷²Ibid.

⁷³TRIPS Agreement, Art. 1; Copyright Act, 17 U.S.C. §102 (1976) (U.S.A.); Indian Copyright Act, 1957, § 13.

⁷⁴MICHAEL A. EPSTEIN, EPSTEIN ON INTELLECTUAL PROPERTY 4-6 (5th ed. 2008).

⁷⁵Ibid.

⁷⁶MICHAEL A. EPSTEIN, EPSTEIN ON INTELLECTUAL PROPERTY 11-13 (5th ed. 2008).

⁷⁷ Ibid.

b. *Source codes to JADEYE satisfy the test of originality and creativity as Joe Yamashita had expended his judgement, skill and labour to create the software.*

The term originality means that the work should be independently created by the author (as opposed to copied from other works)⁷⁸ and it should possess some minimal degree of creativity.⁷⁹ According to *Walter v. Lane*⁸⁰ and *University of London Press v. University Tutorial Press*⁸¹, originality is not related to the expression of a novel or an inventive thought but merely requires the work to originate from the author. Originality requirement is one with low threshold.⁸² In the *University of London Press* case⁸³ the mere selection and arrangement of questions were held to be creative.

Joe Yamashita had been working on the development of the software he named JADEYE⁸⁴. According to him, this software will allow the user to test the quality and viability of the jade at 99% accuracy. Through its statistical and optimisation algorithm, JADEYE can expedite assessment work, also assisting in the determination of scalability and economic value of the site.⁸⁵ Abovementioned facts verify with certainty that-

- The work was independently created by Joe Yamashita as he was himself working on the development of the software.⁸⁶

⁷⁸CRAIG NARD & DAVID BARNES & MICHAEL MADISON, *THE LAW OF INTELLECTUAL PROPERTY* 343 (Vicki Been ed., Aspen Publishers 2006).

⁷⁹1 M, NIMMER & D. NIMMER, *NIMMER ON COPYRIGHT* §§ 2.01 [A] 565 (Matthew Bender & Company, Inc. 1978).

⁸⁰(1900) AC 539 (UK); *Hyperion Records Ltd. v. Sawkins*, (2005) EWCA 1530 (Ch) (UK).

⁸¹(1916) 2 Ch 601 (UK).

⁸²*Alfred Bell & Co. Ltd v. Catalda Fine Arts, Inc.*, 191 F.2d 99, 102-03 (2d Cir. 1951) (U.S.A.); Cf *Foot ball Dataco Ltd & Ors. v. Yahoo! UK Ltd & Ors*, 2 CMLR 24, 703 [2012] (U.S.A.); *Sunset Lamp Corp. v. Alsy Corp.*, 698 S.D.N.Y. 1146, 1151 (1988) (U.S.A.).

⁸³*Ibid.*

⁸⁴Moot Problem, Para 21, Pg. 4.

⁸⁵*Ibid.*

⁸⁶*Ibid.*

- There existed minimal amount of creativity, since Joe Yamashita had employed his skills to programme the software. He had arranged the codes in a manner that it would efficiently check the viability and scalability and carry out the intended actions.

The present matter is no different from the University of London Press case; Joe Yamashita had definitely employed some creativity in arrangement of codes so that such arrangement derives the desired result from the programme.

The work also satisfies the 'labour, skill and judgement' doctrine which is well accepted in various jurisdictions including Canada⁸⁷, Australia⁸⁸ and India⁸⁹. According to the doctrine the work must be the product of the author's independent skill and effort.

It is submitted that Joe Yamashita had expended his skill and effort to make JADEYE. Without applying judgement in creating the source codes, the JADEYE would have not been able to deliver the expected performance.

In this context Peterson J. created the popular aphorism: "What is worth copying is worth protecting."⁹⁰ As is clear from the facts that SPT wanted the source codes to JADEYE so much so that they were ready to reverse engineering or create their own version of the same⁹¹ only supplements the argument that JADEYE is a work of creativity and is worthy of protection.

Thus it is humbly submitted that the source codes are original works of Joe Yamashita in view of the fact that he expended his skill, effort, creativity and judgement for the formulation of

⁸⁷CHH Canadian Ltd v. Upper Law Society of Canada, (2004) 1 SCR 399 (Canada).

⁸⁸Nine Network Australia Pty Ltd v. Ice TV Pty Ltd (2007) FCA 1172 (Australia).

⁸⁹*Indian Express Newspaper (Bombay) Pvt Ltd v. Jagmohan, AIR 1985 Bom 229 (India).*

⁹⁰University of London Press v. University Tutorial Press, (1916) 2 Ch 601(UK); 7 PLANCK MAX, WTO- TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY 257 (Peter T. Stoll ed., 2009).

⁹¹Moot Problem, Para 44, Pg. 8.

source codes for JADEYE in a manner to facilitate the performance of anticipated actions. Moreover the fact that the work originated from the author himself proves that it is original.⁹²

c. Source codes to JADEYE were reduced to material form as they were stored in the hard disk.

In order for a work to be protectable, it must be fixed in a tangible medium of expression. It should be an expression of ideas.⁹³ A work is considered fixed when it is stored on some medium in which it can be perceived, reproduced, or otherwise communicated. The crucial element is that there is a physical embodiment of work.⁹⁴

The work on which protection is to be obtained, which is the source code of JADEYE, is put down in a tangible form in a hard disk which is in possession of AID. During the exit clearance process, the source code of JADEYE was saved in a hard disk drive and handed to Head of Finance of AID in Tokyo.⁹⁵

Hence, it is humbly submitted that the requirement of reducing it to some physical manner in the form of expression of idea stands fulfilled.

d. Copyright protection subsists with JADEYE since no formal requirements of registration is required for copyright protection.

Copyright must be granted automatically, and not based upon any "formality," such as registrations, as specified in the Berne Convention.⁹⁶ In the UK, the copyright system was unified in the 1911 Copyright Act⁹⁷. This law did not contain any formalities as those were

⁹²Walter v. Lane, (1900) AC 539 (UK); Ladbroke (football) Ltd. v. William Hill (football) Ltd., (1964) 1 WLR 273 (UK).

⁹³MICHAEL A. EPSTEIN, EPSTEIN ON INTELLECTUAL PROPERTY 4-6 (5th ed. 2008).

⁹⁴Black Press, Inc. v. Public Bldg. Com'n, 320 F. Supp. 1303 (1970) (U.S.A.).

⁹⁵Moot Problem, Para 22, Pg. 4.

⁹⁶Article 9, TRIPS Agreement.

⁹⁷UK Copyright Act, 1911.

eliminated following the introduction of prohibition on formalities in the Berne Convention in 1908. There is no prerequisite for copyright.⁹⁸

1914 Copyright Act in Myanmar is still the existing law relating to copyright protection in Myanmar. The legal provisions contained in the Act are mainly based on the Copyright Act of the United Kingdom which was enacted in 1911. No registration procedure has been instituted till now in Myanmar.⁹⁹

Hence it is submitted that no formal registration is required for copyright protection in Myanmar. On the basis of the “non-formality” principle, source codes to JADEYE must be given copyright protection.

Therefore it is humbly submitted that the source code of JADEYE, satisfy all the above essentials and hence copyright subsist in the sources codes of JADEYE.

In Arguendo, it is submitted that JADEYE would be given copyright protection under the Japanese Copyright Act. JADEYE falls under the ambit of protection of the Japanese Copyright Act, 1970 under Article 6(i), wherein protection is granted to the works of Japanese nationals¹⁰⁰ and under Article 10(ix) of the same Act, it has been given that the term 'works' includes computer program works. There are no formal requisites for creation of copyright protection under the Japanese Copyright Act. Authors automatically enjoy both copyright protection and moral rights protection.¹⁰¹

B. Copyright on JADEYE software vests with AID.

It is humbly submitted that the copyright and consequently the ownership of JADEYE software is with AID because, (a) the software was developed wholly by one venture i.e., AID; (b) the

⁹⁸Kaplan, The Registration of Copyright 334 (Arthur Fisher memorial edition.,1958) .

⁹⁹Copyright System in Myanmar (Myanmar Country Report), (http://www.ipophil.gov.ph/images/IPKnowledge/Myanmar_Country%20Report.pdf)

¹⁰⁰Article 6, The Japanese Copyright Act ,1970.

¹⁰¹Japan Copyright Act, 1970, Art 17(2).

ownership of an IPR developed by an employee of AID vests with AID and (c) technical expertise was to be provided by AID only for the term of agreement.

a. The software was developed wholly by one venture i.e., AID.

Foreground IPs are intellectual properties generated in the course of joint venture, jointly or individually as a purpose of the JV.¹⁰² The law generally provides that rights to foreground resulting from developments made in the course of the JV will belong to the developing party.¹⁰³

It is submitted that JADEYE is a foreground IP developed in the course of joint venture, since Joe Yamashita started working on JADEYE only after the partnership was dissolved. And its allocation must be done in the following manner.

Foreground IP is often allocated as follows: IP developed solely by one joint venturer is solely owned by that joint venturer, while IP developed jointly by the joint venturers is owned jointly by those joint venturers. Indeed, even if the joint venturers fail to expressly allocate IP ownership under the contractual JV model, this type of IP allocation will arise under default law, because ownership initially vests with the creators of the subject matter in question.¹⁰⁴ Most of the EU national legislations provide that IP created by employees in the course of their employment duties is owned by the employer.¹⁰⁵ Thus, if the employees of one of the JV party are to create IP, the employing party will own those IP and the related rights.¹⁰⁶ Some of the

¹⁰²<https://www.iprhelpdesk.eu/sites/default/files/newsdocuments/Fact-Sheet-Commercialising-IP-Joint-Ventures.pdf>.

¹⁰³Vytautas Mizaras, *The Structure of Intellectual Property Law*, EDWARD ELGAR PUBLISHING 2011, at 83.

¹⁰⁴Ronald S. Laurie, *Intellectual Property Allocation Strategies in Joint Ventures*, INFLEXION POINT STRATEGY LLC, 2005, at 10.

¹⁰⁵European Research Area Guidelines on Intellectual Property (IP) Management in International Research Collaboration Agreements between European and Non European Partners (2012), pg.15 (Report); Commercialising Intellectual Property: Joint ventures, European IPR helpdesk (November 2015) (Report).

¹⁰⁶James R Sobieraj, *Protecting Your IP in Joint R&D Projects*, MANAGING INTELLECTUAL PROPERTY (July 1,2003).

more common approaches for allocating ownership to just one party, which can be used alone or in combination with each other¹⁰⁷, are:

- Inventorship
- Subject Matter

According to inventorship tests, the ownership of the developed or “foreground IP” is allocated to the party employing the people who invented, developed or created it. Thus, JV Partner Company A will own the IP where its employees solely invented, created or developed the IP. In the present matter, AID’s finance executive, Joe Yamashita, developed the software¹⁰⁸.

The second test of subject matter states that, where the JV partners are engaged in separate and distinct fields, the parties may allocate ownership based on the subject matter of the resulting IP asset. Thus, a new invention arising out of the joint venture that is “primarily related” to JV Partner Company A’s field of use or technology will be owned by Company.¹⁰⁹

In the current scenario, for extracting and cutting AID was to take charge.¹¹⁰ JADYE software would expedite assessment work, also assisting in the determination of scalability and economic value of the site.¹¹¹ The activities JADYE was mainly used for were exploration and extraction. Also used for breaking and cutting.¹¹² Since the subject matter is also related to AID’s field of work it wherein AID had control over such matter, the ownership must belong to AID.

It is humbly submitted that the above to test both individually and jointly establish beyond doubt that allocation of ownership of JADYE must lie with AID.

¹⁰⁷Raymond Millen, *Fully Backing Joint IP Ownership into Collaboration Agreements* (February 6, 2016).

¹⁰⁸Moot Problem, Para 21, Pg. 4.

¹⁰⁹Ethan Horwitz & Carlton Fields, *Joint Ventures and Intellectual Property Assets*,3,LEXIS PRACTICE ADVISOR.

¹¹⁰Moot Problem, Para 6, Pg.9.

¹¹¹Moot Problem, Para 22, Pg. 5.

¹¹²Additional Clarification No. 16, Pg.3.

b. The ownership of Intellectual Property Rights in JADEYE, developed by an employee of AID, vests with AID.

Within AID the ownership of JADEYE vests with the employer because, if an employee creates a work at his employer's initiative in the course of his employment¹¹³ and within the scope of his duties, the authorship of the work attaches to the employer unless otherwise agreed.¹¹⁴ Under the American Copyright law¹¹⁵ there is a presumption that the copyright in a work created by an employee vests with the employer, unless contract to contrary. In such a case the employer is the first owner.¹¹⁶

For an employer to be the first owner of copyright, it is necessary to show that:¹¹⁷

- The work was made by the employee;
- The work was made in course of employment;
- There is no agreement to the contrary.

In the case of *Missing Link Software v. Magee*¹¹⁸ the court held that although the employee has written the software in his own time and on his own equipment, it was nonetheless unarguable that it was created within the course of his employment because it fell within the scope of the task that he was employed to carry out. The question whether it was in course of employment depends on the circumstances of the case at hand.¹¹⁹

¹¹³Supreme Court, *RGB Adventures*, 11th April 2003, 1882 Han-ji 133. (Japan).

¹¹⁴BENTLY & SHERMAN, *INTELLECTUAL PROPERTY LAW* 133 (4 Ed. Oxford University Press).

¹¹⁵Copyright Act, 17 U.S.C. §102 (1976) (U.S.A.).

¹¹⁶Copyright Designs and Patent Act, 1988, § 11(2) (UK).

¹¹⁷BENTLY & SHERMAN, *INTELLECTUAL PROPERTY LAW* 133 (4 Ed. Oxford University Press).

¹¹⁸(1989) FSR 361 (UK).

¹¹⁹BENTLY & SHERMAN, *INTELLECTUAL PROPERTY LAW*, pg. 134 (4 Ed. Oxford University Press).

The software was created by Joe Yamashita.¹²⁰ He was AID's finance executive.¹²¹ The idea of creating the software came to his mind when he was thinking of how to improve the efficiency of their operation for financial efficiency.¹²²

It is put forth that as a finance executive's primary duty is to maintain the financial health of the company. He created JADEYE to improve financial efficiency. Thus, it can be concluded that creation of JADEYE was visibly connected to his employment. Hence, the creation of JADEYE software falls within the scope of his employment.

There has been harmonisation in respect of the position of authors who created the computer programme while employed: the software directive requires that the employer exclusively shall be entitled to exercise all economic rights in the programme so created.¹²³

Hence it is submitted that JADEYE is a computer software created by AID's employee, Joe Yamashita, within the course of his employment and there was no agreement to the contrary. Therefore the employer that is AID must be the first owner and shall be entitled to exercise all economic right in the software.

c. The technical expertise was to be provided by AID only for the term of agreement.

The internationally accepted contract principle *Pacta Sunt Servanda* is a latin maxim which translates to "promises must be kept". A contract is based on the consent of parties to it and therefore is binding, and must be executed in good faith. The principle implies that non-fulfilment of respective obligations is a breach of the pact. Hence, the provisions of the contract must be honoured.

¹²⁰Moot Problem, Para 21, Pg. 4.

¹²¹Ibid.

¹²²Additional Clarification No. 26, Pg. 5.

¹²³Software Directive, 2009, Art. 2(3) (EU).

In the present case, the Partnership Agreement clearly states that AID will buy and provide all equipment required, and provide technical expertise for the term of the agreement.¹²⁴

It is submitted that Joe Yamashita's expertise and consequently the creation of JADEYE fall within the term technical expertise. Based on the principle of *Pacta Sunt Servanda*, AID and SPT must abide by the contract between them. Since the contract stipulates provision of technical expertise only for the term of the agreement, the software must revert to AID as and when the agreement terminates, irrespective of the reason.

¹²⁴Annexure 1, Partnership Agreement, Clause 4.

PRAYER FOR RELIEF

In the light of the facts stated, issues raised, authorities cited and arguments advanced the Counsel for the CLAIMANT respectfully requests the Tribunal to hold that:

1. The termination of the Partnership Agreement by SPT was invalid and not in accordance with its fiduciary duties.
2. The ownership of jade- mining machinery and equipment vests with AID as the property does not constitute partnership property.
3. There exists a copyright in the source code of the computer software and the ownership of the same lies in the hands of AID.

And also grant any other remedy the tribunal finds just and equitable.

All of which is respectfully affirmed and submitted.