

The Performing Right Society Ltd and Another v United Artists Singapore Theatres Pte Ltd
[2001] SGHC 54

Case Number : Suit 600125/2000
Decision Date : 22 March 2001
Tribunal/Court : High Court
Coram : S Rajendran J
Counsel Name(s) : Anthony Lee and Karol Goh (Bih Li & Lee) for the plaintiffs; Paul Fitzgerald (Arthur Loke Bernard Rada & Lee) for the defendants
Parties : The Performing Right Society Ltd; Another — United Artists Singapore Theatres Pte Ltd

: This case concerns the copyright in the following musical works (the `Musical Works`):

(a)	`Bitch`)
(b)	`Singalong Junk`) - Jerry Maguire Works
(c)	`Momma Miss America`)
(d)	`Nearer My God to Thee`)
(e)	`Marguerite Waltz`)
(f)	Song Without Words`)
(g)	`Etudiante`) - Titanic Works
(h)	`Titsy Bitsy Girl`)
(i)	`Valse Septembre`.)

The first musical work listed above was composed by Michael Phillip Jagger and Keith Richards, the second and third works were composed by Paul James McCartney and the remaining six works were arranged by John Neville Rufus Altman. The last six works are works in which copyright in the original had expired. This case concerns the copyright in certain arrangements of those works by Mr Altman. (M/s Jagger, Richards, McCartney and Altman shall be collectively referred to as the `composers of the Musical Works`.

The first plaintiffs, The Performing Right Society Ltd (`PRS`), is a company incorporated in the United Kingdom and is the owner of the rights of public performance, broadcasting and diffusion by cable of all musical works composed, arranged or published by their members. By separate Deeds of Assignment, the composers of the Musical Works had assigned, inter alia, all performing rights which then belonged to or which would thereafter vest in them to PRS.

The second plaintiffs, Composers and Authors Society of Singapore Ltd is a company incorporated in Singapore. It is the exclusive licensee of the PRS to authorise and administer, within the territory of Singapore, the performing rights of works comprised in the repertoire of the PRS.

The defendants, United Artists Singapore Theatres Pte Ltd (`United Artists`), are exhibitors of motion pictures in Singapore. They obtain licences from distributors of motion pictures to screen motion pictures to the public at its theatre complexes at Shaw Towers and Bugis Junction.

The present dispute arises over the screening of two motion pictures - `Jerry Maguire` and `Titanic`

- by United Artists at its theatre complexes some time in 1997 and 1998. The first three musical works listed above (the `Jerry Maguire Works`) had been synchronised or incorporated into the film `Jerry Maguire` whilst the remaining six works (the `Titanic Works`) had been synchronised into the film `Titanic`. United Artists obtained its licence to screen `Jerry Maguire` from Buena Vista Columbia Tristar Films (Singapore) Pte Ltd and its licence to screen `Titanic` from Twentieth Century Fox (East) Pte Ltd.

The plaintiffs` case

The plaintiffs` case is that United Artists had infringed their rights in the Jerry Maguire Works and in the Titanic Works by screening the films `Jerry Maguire` and `Titanic` respectively. It is part of the plaintiffs` case that the screening of the two films also constituted a performance of those Musical Works which had been synchronised into the soundtrack of each film. It should be clarified at the outset that although reference is made to the synchronisation of the Musical Works, it is actually sound recordings of the Musical Works which have been synchronised into the soundtracks of the two films.

It is not in dispute that PRS is the owner of the rights of performance in the Jerry Maguire Works by virtue of the Deeds of Assignment referred to above. In respect of the Titanic Works, however, United Artists have raised an issue as to the ownership of the copyright. They allege that copyright in the Titanic Works vested in Twentieth Century Fox (`TCF`), the producer of the film. I shall deal with this issue last.

Assuming that PRS is the owner of the performing rights in both the Jerry Maguire Works and the Titanic Works, the following questions need to be answered:

- (a) What are the rights in the Musical Works held by the plaintiffs?
- (b) How, if at all, have the rights of the plaintiffs in the Musical Works been affected by the synchronisation of recordings of the Musical Works into the cinematograph films `Jerry Maguire` and `Titanic`?
- (c) Has United Artists infringed any of the plaintiffs` rights by exhibiting the films `Jerry Maguire` and `Titanic` to members of the public?

As the events in question in this case took place some time in 1997 and 1998, the relevant principles of the law of copyright are as stated in the Copyright Act (Cap 63, 1987 Ed) (`the Act`). It may be noted that under s 4 of the Act, no copyright shall subsist otherwise than by virtue of the Act.

(a) The plaintiffs` rights in the Musical Works

PRS`s rights arise as a result of the Deeds of Assignment between them and the composers of the Musical Works. Section 26 of the Act provides:

(1) For the purposes of this Act, unless the contrary intention appears, copyright, in relation to a work, is the exclusive right -

(a) in the case of a literary, dramatic or musical work, to do all or any of the following acts:

- (i) to reproduce the work in a material form;*
- (ii) to publish the work if the work is unpublished;*
- (iii) **to perform the work in public** ;*
- (iv) to broadcast the work;*
- (v) to include the work in a cable programme;*
- (vi) to make an adaptation of the work;*
- (vii) to do, in relation to a work that is an adaptation of the first-mentioned work, any of the acts specified in relation to the first-mentioned work in sub-paragraphs (i) to (vi). [Emphasis is added.]*

PRS acquired the rights under s 26(a)(iii) of the Act from the composers of the Musical Works. The mechanics of PRS's acquisition through assignment is considered later in relation to United Artists' arguments on the ownership of rights in the Titanic Works.

The 'performance' referred to in s 26(a)(iii) is further defined in s 22(1) of the Act as follows:

Subject to this section, a reference in this Act to performance shall -

*(a) be read as including a reference to any mode of visual or aural presentation, whether the presentation is by the operation of wireless telegraphy apparatus, **by the exhibition of a cinematograph film** , by the use of a record or by any other means; and*

(b) ...

and a reference in this Act to performing a work or an adaptation of a work shall have a corresponding meaning. [Emphasis is added.]

PRS's rights in the Musical Works would therefore include the right to perform the Musical Works as part of a cinematograph film, unless such a right is somehow excluded by another part of the Act or is otherwise restricted by competing rights of other parties under the Act. United Artists makes an argument along such lines, which will be addressed later when question (b) is considered.

The above view on PRS's performing rights in respect of the Musical Works accords with the view that George Wei takes in his book, ***The Law of Copyright in Singapore*** (2nd Ed). Commenting on s 22(1) of the Act, George Wei, at p 534, states:

Accordingly, if a literary work is turned into a cinematograph film, the making of the cinematograph film will constitute a reproduction in material form in respect of which a licence will be needed. If the cinematograph film is shown to the public, that will constitute a performance of the literary work. If a licence has

*not been obtained, not only will there be an infringement of the copyright in the cinematograph film, **there will also be an infringement of the public performance right in the literary work.** [Emphasis is added.]*

Although the above passage from George Wei relates to literary works, there is no reason for a distinction to be drawn between literary works which are incorporated into a cinematograph film and musical works so incorporated unless such a distinction arises from another part of the Act.

(b) Synchronisation of the Musical Works into cinematograph films

United Artists have sought to rely on certain provisions of the Act pertaining to cinematograph films in their defence, primarily ss 117(1) and 18(1). Section 117(1) of the Act makes a distinction between rights in sound recordings (or cinematograph films) and those in original musical works. Section 117(1) states:

Where copyright subsists in any subject-matter by virtue of this Part, nothing in this Part shall be taken to affect the operation of Part III in relation to any literary, dramatic, musical or artistic work from which that subject-matter is wholly or partly derived, and any copyright subsisting by virtue of this Part is in addition to, and independent of, any copyright subsisting by virtue of Part III.

Section 117(1) contains two propositions:

(a) first, that the operation of Pt IV (in which rights in sound recordings and cinematograph films arise) does not affect the operation of Pt III in relation to, inter alia, musical works upon which a Pt IV work is wholly or partly derived; and

(b) secondly, that any copyright subsisting by virtue of Pt IV is in addition to and independent of any copyright subsisting by virtue of Pt III.

If the films `Jerry Maguire` and `Titanic` can be said to be derived, whether wholly or partly, from the Jerry Maguire Works and Titanic Works respectively, then, by reason of s 117(1) it is clear that PRS`s rights under s 26(a)(iii) are not affected by the synchronisation of the Musical Works in the two films.

United Artists contends that the cinematograph films `Jerry Maguire` and `Titanic` are not derived from the Jerry Maguire Works and Titanic Works and therefore there has been no infringement on their part. They further contend that as the Musical Works had been converted into sound recordings (which were then synchronised into the films), PRS`s rights vis-à-vis the sound recordings would be extinguished when the recordings were synchronised into the films. This second contention is based on United Artists` interpretation of s 18(1) of the Act.

The s 117 argument

United Artists` first contention seems to be based on the fact that it is sound recordings of the Musical Works which are synchronised into the films. Although the Musical Works were made into sound recordings which had, in turn, been synchronised into the soundtracks of the cinematograph films, it is clear that the sound recordings are derived from the Musical Works. Section 117(1)

preserves the rights in the original musical works notwithstanding that a sound recording may have been derived from them. Consequently, it cannot be said that the rights in the original musical works are somehow merged into the rights in the sound recordings derived from those works such that the owner of the rights in the original music works cannot enforce them as against the maker of a cinematograph film who incorporates the sound recording into his film.

Further, based on a plain reading and interpretation of the word `derived`, it is clear that the cinematograph films `Jerry Maguire` and `Titanic` had been derived from the Jerry Maguire Works and the Titanic Works respectively when sound recordings of those works were synchronised into the soundtracks of the two films.

The s 18(1) argument

As noted above, PRS has, under s 26(1) of the Act, the exclusive right to perform the Musical Works in public by exhibiting them as part of a cinematograph film. Section 7(1) of the Act defines the term `cinematograph film` as including `the aggregate of the sounds embodied in a soundtrack` associated with the visual images which are capable, whether on their own or when embodied in another article or things, of being shown as a moving picture. Section 18(1), however, provides:

For the purposes of this Act, sounds embodied in a sound-track associated with visual images forming part of a cinematograph film shall be deemed not to be a sound recording.

United Artists contend that since the Musical Works had been converted into sound recordings and thereafter incorporated into the soundtrack of `Jerry Maguire` and `Titanic` and since the soundtrack associated with a film is, by s 18(1), deemed not to be a sound recording, there can be no infringement on the part of United Artists. In support of their contention, United Artists cite the Federal Court of Australia in **EMI Music Australia Pty Ltd v Federation of Australian Commercial Television Stations** (Unreported) , and the minority decision of the High Court of Australia in **Phonographic Performance Company of Australia Ltd v Federation of Australian Commercial Television Stations** [1998] 40 IPR 225. The plaintiffs contend that the majority decision in the latter case is to be preferred.

Both cases cited by United Artists relate to the differences in the rights comprised in the copyright of sound recordings and that of cinematograph films. They are thus different from the present case where the issues concern the rights of musical works as against those relating to cinematograph films. Another significant difference is that the nature of copyright in sound recordings in Singapore is very different from that in Australia. Under s 85(1) of the Australian Copyright Act 1968, copyright in relation to a sound recording gives the copyright holder the exclusive right (inter alia) to cause the recording to be heard in public and to broadcast the recording. This is not so under our Act (see s 82(1)). The law and the facts in the two Australian courts were therefore materially different from the law and the facts in the present case.

Nevertheless, the main issue in the **Phonographic Performance Company** case (supra) is instructive as the court in that case had to consider whether the broadcast of a cinematograph film, the soundtrack of which embodied a sound recording, also constituted the broadcast of the sound recording. At p 230, Gaudron, Gummow and Hayne JJ, giving the majority decision state:

The respondent`s contention was that because s 23(1) [in pari materia with s 18(1) of the Act] deems the sounds embodied in a sound-track not to be a

sound recording, broadcasting the film does not broadcast the sound recording embodied in the sound-track. But the fact that the sound-track is not a sound recording ... does not mean that the broadcast of a film embodying a sound recording does not broadcast that sound recording as well as the film. The broadcast of a sound recording may occur in many contexts. The simplest, and most obvious, is the radio or television station that plays the recording in the course of its transmission to the public. But if, in the course of a live production of a dramatic work which is broadcast by radio or television, a sound recording is broadcast, there is a broadcast of that sound recording for the purposes of s 85 [which is different from our local equivalent, s 82]. **No less is there a broadcast of a sound recording when a cinematograph film, the sound-track of which embodies the sound recording, is broadcast to the public. The fact that the sound-track is deemed by the Act not to be a sound recording is not to the point. The question is whether the aggregate of sound embodied in the sound recording has been broadcast. What the Act deems not to be a sound recording is the aggregate of sounds that is recorded in a particular form: a sound-track.** Usually, the aggregate of sounds recorded in the sound-track will be larger than or, in some other way, different from the aggregate of sounds that constitutes the sound recording. **Broadcasting the film broadcasts the sound-track (which is not a sound recording) but it also broadcasts the aggregate of sounds which constitutes the sound recording.** [Emphasis is added.]

McHugh and Kirby JJ in their minority judgment, put forward a different view. At pp 236 and 237 they state:

It [meaning the Australian s 23(1)] is the means by which the Act reconciles the grant of apparently inconsistent exclusive rights to different owners. The effect of the section is to maintain the exclusive right of the owner of a sound recording in all situations except where that owner has licensed the embodiment of the sound recording in the sound-track of a cinematograph film in exercise of its exclusive rights under s 85. Where the sound recording is so embodied in a sound track of a cinematograph film, by licence from the owner of the sound recording, the exclusive right in relation to the collation of sounds constituting the sound-track (which may or may not contain sounds additional to the original sound recording) is treated by the Act as separate and different from the sound recording. It belongs to the owner of the copyright in the cinematograph film. The broadcast of the sound-track of the cinematograph film does not, therefore, involve the broadcast of the sound recording, as such, because '[f]or the purposes of [the] Act' parliament has provided that the 'sounds embodied in a sound-track' are 'deemed not to be a sound recording'. In short, they are to be dealt with, and dealt with only, in terms of the rights of the owner of copyright in the cinematograph film.

Regardless of which of the above views is preferred as to the precedence of the rights in sound recordings and cinematograph films, s 117(1) is clear that rights in original musical works under Pt III would not be affected by the rights subsisting under Pt IV. Even if the minority view is accepted and the broadcast of the soundtrack does not at law amount to a broadcast of the sound recording, that does not affect the analysis put forward earlier that the soundtrack of the film is derived from the original musical work as it incorporated a sound recording of that musical work. Consequently, s 117(1) would preserve the rights in original musical works under s 26 notwithstanding that s 18(1) of the Act may affect the distribution of rights in two different Pt IV works. Consequently, it is unnecessary in the present case to decide which of the above views is correct.

In the circumstances, United Artists have been unable to show that the s 26 rights of PRS have been excluded or restricted by the synchronisation of recordings of the Musical Works into the two films. In view of s 117(1), the rights of PRS under Pt III of the Act have not been affected by the synchronisation of sound recordings of the Musical Works into the two films and PRS is able to assert those rights against United Artists.

(c) Infringement of PRS's rights

It is not disputed that United Artists screened the films 'Jerry Maguire' and 'Titanic' to members of the public some time in 1997 and 1998. Subject to United Artists' argument as to the ownership of rights in the Titanic Works, I hold that the screening of the two films did amount to a performance of the Musical Works and hence constituted an infringement of PRS's s 26(a)(iii) rights in the Musical Works.

Ownership of the rights in the Titanic Works

As noted, United Artists have also raised a separate issue concerning ownership of the performing rights in the Titanic Works. Before considering this point, the mechanics of PRS's acquisition of rights by way of the Deeds of Assignment mentioned earlier must be considered.

Section 194 of the Act provides:

(1) Subject to this section, copyright shall be transmissible by assignment, by testamentary disposition, or by operation of law as personal or movable property.

(2) An assignment of copyright may be limited in any of the following ways, or in any combination of 2 or more of those ways:

(a) so as to apply to one or more, but not all, of the classes of acts which by virtue of this Act the owner of the copyright has the exclusive right to do (including any one or more classes of acts not separately designated in this Act as being restricted by the copyright, but falling within any of the classes of acts so designated);

(b) ...

(c) ...

and references in this Act to a partial assignment are references to an assignment so limited.

(3) No assignment of copyright (whether total or partial) shall have effect unless it is in writing signed by or on behalf of the assignor.

Section 195(1) of the Act provides:

*Where by an agreement made in relation to any **future copyright**, and signed*

*by or on behalf of the **prospective owner of the copyright, the prospective owner purports to assign the future copyright** (wholly or partially) to another person (referred to in this subsection as the assignee), then if, on the coming into existence of the copyright, the assignee or a person claiming under him would, apart from this subsection, be entitled as against all other persons to require the copyright to be vested in him (wholly or partially, as the case may be), the copyright shall, on its coming into existence, vest in the assignee or his successor in title accordingly by virtue of this subsection and without further assurance. [Emphasis is added.]*

The term 'future copyright' is defined in s 7(1) of the Act as 'copyright to come into existence at a future time or upon the happening of a future event'.

Reading these sections together, the Deeds of Assignment signed by the composers of the Musical Works would, apart from the arguments of United Artists concerning the ownership of the Titanic Works, effect a partial assignment of their rights, in particular their rights under s 26(a)(iii) of the Act, to PRS.

United Artists contend, however, that although Mr Altman arranged the Titanic Works, copyright in respect thereof did not vest in Mr Altman and therefore would not be caught by the assignment executed by him. The thrust of United Artists' argument was that Mr Altman - as is evident from the 'Record Producer Borrowing Agreement' ('RPBA') - was, at the material time, under a contract of employment with Head Arrangements Ltd ('HA'). As an employee of HA, copyright in any works created by him, such as the Titanic Works, would (by virtue s 30 of the Act) vest in HA. And HA having, under the RPBA, transferred those rights to TCF, the rights would vest in TCF.

It would be relevant to look at s 30 of the Act before going into the contractual arrangements between Mr Altman, HA and TCF. Section 30 provides:

(1) This section shall have effect subject to Part X.

(2) Subject to this section, the author of a literary, dramatic, musical or artistic work shall be entitled to any copyright subsisting in the work by virtue of this Part.

(3) The operation of subsection (4), (5) or (6) in relation to copyright in a particular work may be excluded or modified by agreement.

(4) ...

(5) ...

(6) Where a literary, dramatic or artistic work to which subsections (4) and (5) do not apply, or a musical work, is made by the author in pursuance of the terms of his employment by another person under a contract of service or apprenticeship, that other person shall be entitled to any copyright subsisting in the work by virtue of this Part.

In view of s 30(6) of the Act, if Mr Altman was in the employ of HA under a contract of service or

apprenticeship, then copyright in his works would vest, not in Mr Altman, but in HA. If that be the case, then PRS could have no claim under the Deed of Assignment to any copyright in those works and the present proceedings by the plaintiffs against United Artists would, insofar as the Titanic Works are concerned, fail.

Section 130(1) of the Act would be relevant in this context. Section 130(1) states:

In an action brought by virtue of this Part -

(a) copyright shall be presumed to subsist in the work or other subject-matter to which the action relates if the defendant does not put in issue the question whether copyright subsists in the work or other subject-matter; and

(b) where the subsistence of the copyright is established - the plaintiff shall be presumed to be the owner of the copyright if he claims to be the owner of the copyright and the defendant does not put in issue the question of his ownership.

United Artists had, in this case, put the question of ownership of the copyright in issue. The presumption in s 130 would therefore not arise and it would be incumbent on PRS to prove that it held the performance rights in respect of the Titanic Works.

The RPBA was the only document produced by the plaintiffs that went towards showing where the copyright in respect of the Titanic Works lay. The RPBA (in cl 8(e)) refers to a contract of employment between HA and Mr Altman. Paragraph 1 of the RPBA states:

*Lender [HA] hereby agrees to furnish **the services of Artist [Mr Altman] to arrange**, record, produce and deliver to Producer [TCF] the completed Sound Only Recordings (‘Soundtrack Masters’) embodying the performance by the musical recording artists p/k/a I Salonisti (‘Performer’) of the musical compositions listed in Schedule ‘1’ hereto (‘Compositions’) **for inclusion in the soundtrack** of the Picture [‘Titanic’] and in the soundtrack Album derived from the Picture (‘Soundtrack Album’), if any, and Phonorecords derived therefrom ... [Emphasis is added.]*

The works listed in the schedule referred to include the six musical pieces comprised in the Titanic Works. Paragraph 3(a) of the RPBA, however, goes on to say:

Ownership: *Producer [TCF] **shall solely and exclusively own throughout the universe** in perpetuity all rights of every kind and nature including the copyright and all rights of copyright in and to the Soundtrack Masters, all components thereof, and all of **the results and proceeds of Artist`s services hereunder** and in connection with the Soundtrack Masters in whatever stage of completion that such Soundtrack Masters or such results and proceeds may exist from time to time together with the rights generally known as the ‘moral rights of authors’ and the exclusive right to distribute and otherwise market and exploit the Soundtrack Masters and all components thereof in any manner and by any and all means, media, devices, processes and technology whether now known or hereafter known or devised (including audiovisual devices).*

Paragraph 3(a) then states:

Lender [HA] acknowledges that all results and proceeds of Artist`s services are being specially ordered by Producer for use as part of a Motion Picture and shall be considered a `work made for hire` for Producer and, therefore, Producer shall be the author and copyright owner thereof for all purposes throughout the universe without limitation of any kind. If and to the extent the foregoing provisions do not operate to vest fully and effectively in Producer all or any of such rights as beneficial owner Artist hereby grants and assigns to Producer all rights of every kind and nature whether now or hereafter known or created which may not have so vested (and so far as may be appropriate by way of immediate assignment of future copyright) throughout the universe in perpetuity. Lender [HA] and Artist hereby expressly waive any and all rights in law or in equity or otherwise which Lender and/or Artist may have or claim to have based upon or as a result of any alleged infringement of Lender`s and/or Artist`s so-called `moral rights or authors`. [Emphasis is added.]

And paragraph 3(b) of the RPBA states:

Assignment: If and to the extent that all or any of the provisions of Paragraph 3(a) do not operate to vest fully and effectively in Producer [TCF] all or any of the rights set forth in Paragraph 3(a), Lender [HA] and/ ***or Artist, as beneficial owner, hereby grants and assigns to Producer [TCF] all rights not so vested*** (and so far as may be appropriate by way of immediate assignment of future copyright) throughout the universe in perpetuity including all rights to exploit the results, produce and proceeds of Artist`s services in and by any and all manner, media, devices, processes and technology, whether now or hereafter known or created free from all restrictions and limitations, together with the rights generally known as the `moral rights of authors` (which to the extent such `moral rights of authors` may not be granted are hereby waived) and the exclusive right to distribute and otherwise market and exploit the Picture, the Soundtrack Masters and all components of each (to the extent that the results, product and proceeds of Artist`s services may be incorporated therein) in and by any manner, media, devices, processes and technology whether now or hereafter known or created. [Emphasis is added.]

It was submitted by United Artists that in the light of the provisions in the RPBA, TCF had acquired rights in the nature of copyright either from HA or Mr Altman. However, insofar as the RPBA may operate as an assignment to TCF by Mr Altman of his rights in the Titanic Works, Mr Altman`s prior assignment to PRS would take precedence: that would be the effect of s 195(1) of the Act. TCF could therefore acquire such rights, if at all, only through HA. The question therefore is: did copyright in the Titanic Works vest in HA?

The fact that RPBA acknowledged that Mr Altman was under a contract of employment with HA and the fact that Mr Altman himself signed the RPBA and confirmed all the grants, representations, warranties and agreements made therein by HA, indicated that Mr Altman accepted that copyright in the Titanic Works vested in HA. If Mr Altman accepted that copyright vested in HA, it would be odd for the plaintiffs, as the collecting agent of Mr Altman, to maintain this action in respect of the Titanic Works. To negative the effect of the provisions in the RPBA and show that Mr Altman, although employed by HA, retained the copyright in respect of the Titanic Works, the terms of the contract of employment between Mr Altman and HA would be relevant. In the light of s 30(6) of the

Act, whether copyright vested in HA or not would depend on whether that contract of employment was a contract of service or a contract for services.

In this connection, the comments by George Wei in ***The Law of Copyright in Singapore*** (2nd Ed) at paras 7.25 and 7.26 are helpful:

*7.25 **Who then is an employee-author?** Section 30(6) approaches this from the perspective of whether the author was employed by another person under a 'contract of service' or 'apprenticeship'. The Act does not set out any statutory definition of either of these expressions. At common law, the courts have always had some difficulty in formulating a comprehensive test for what constitutes a 'contract of service'. A 'contract of service' is to be distinguished from a 'contract for services'. An individual working under the latter arrangement is said to be an 'independent contractor'. In the case of a 'contract of service', he is said to be an employee.*

*7.26 It follows that authors who are independent contractors are in a much better position than authors who make works in the course of employment. ... **The question as to what constitutes a contract of service, accordingly, is very important due to the consequences that it attracts.** The cases suggest that a number of different factors can be looked at. First, there is the question of control. As a general rule, the greater the degree of control which the person said to be employer has over the person said to be employee, the greater the likelihood that a contract of service will be found. This is particularly so where the control relates to both what work is to be done ... Other factors have to be taken into account. These include whether the author is engaged to perform a particular assignment for which he receives a lump sum payment. If so, this may suggest that he is an independent contractor under a contract for services. [Emphasis is added.]*

The plaintiffs, however, failed to produce the contract of employment between Mr Altman and HA. They have therefore failed to discharge the burden on them of proving that copyright in the Titanic Works was vested in them.

For the above reasons, the plaintiffs' claim in this action succeeds in respect of the Jerry Maguire Works but not in respect of the Titanic Works. The performing rights in the Jerry Maguire Works vests in PRS and United Artists are accountable to the plaintiffs for the public performance of those Works. As the plaintiffs have failed to prove that the performing rights in the Titanic Works vests in them, their claim against United Artists in respect of the Titanic Works fails. As the plaintiffs were only partially successful in their claim against United Artists, I order that United Artists pay two-thirds of the costs of the plaintiffs.

Outcome:

Plaintiffs' claim allowed in part.