

Study unit 7

What are the remedies available to an author whose copyright has been infringed?

Overview

In this study unit, you will find out what remedies are available to an author whose copyright has been infringed. The existence of remedies which can deter potential infringers and can compensate the author for past infringement is essential for the promotion of copyright — without effective relief, any rights granted to the author are meaningless. We will set out the minimum relief required by the TRIPS Agreement and the WCT, and then explain the statutory relief available in South Africa.

Learning outcomes

After completion of this study unit, you should be able to —

- ☐ set out the minimum TRIPS and WCT requirements for relief
- ☐ discuss the remedies available

Setting the scene

Look again at the episode we described in 'Setting the scene' in Study Unit 1. Assume that *Shaka Zulu* has been broadcast without Peter's consent by BAD Radio & TV, a small commercial broadcaster. Assume also that Peter has succeeded in proving that this infringed his copyright in the musical work used on the soundtrack of the film. What remedies does he have against BAD Radio & TV?

Discussion

International requirements

The TRIPS Agreement is the first international copyright instrument which requires certain minimum enforcement

procedures when infringement has been proved. Previous instruments, like the Berne Convention, either did not mention enforcement procedures, or left the determination of available procedures to national legislation.

As a general obligation, the TRIPS Agreement states:

'Members shall ensure that enforcement procedures ... are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements' (article 41(1)).

Also, enforcement procedures should be fair and equitable, not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays (article 41(2)). At the same time, the TRIPS Agreement does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law generally (article 41(5)).

It then deals with specific civil remedies, including injunctions (interdicts) (article 44), damages (article 45), and delivery up of infringing material (article 46).

The WCT, too, contains a general provision relating to the remedies available to an author whose copyright has been infringed. Article 14(2) states:

'Contracting Parties shall ensure that enforcement procedures are available under their law so as to permit effective action against any act of infringement of rights covered by this Treaty, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.'

It appears, then, that the TRIPS Agreement and the WCT, generally, sets three 'performance standards' in the context of remedies for copyright infringement:

- ☐ effective remedies
- ☐ expeditious remedies to prevent infringement
- ☐ remedies which deter further infringement

In the discussion below we will first deal with civil remedies and then with criminal sanctions.

National legislation

The South African Copyright Act contains specific provisions relating to the relief that may be granted in the event of copyright infringement. Section 24 provides for the following relief:

- ☐ an interdict (injunction)
- ☐ damages
- ☐ delivery of infringing copies or plates used or intended to be used for infringing copies
- ☐ in lieu of damages, a reasonable royalty
- ☐ additional damages

With the last three remedies, these remedies are the same as are available in common law in respect of the commission of any other delict (tort).

Interdicts (injunctions)

An interdict is a judicial order compelling someone to refrain from an unlawful act (prohibitory) or, more rarely, to do something (mandatory).

Interdicts can be either final or interim (pendente lite).

From the requirements for the granting of an interdict, it would appear that fault, in the form of intent or negligence, is not a prerequisite.

Note that in terms of the Copyright Act, in an action for infringement of copyright in respect of a building, a court may not grant an order —

- ☐ after the construction of the building has started, to prevent it from being completed; or
- ☐ after the construction has been completed, to demolish the building.

Interim interdicts

An interim interdict preserves or restores the status quo pending the final determination of the rights of the parties. It does not affect the final determination of these rights. The following requirements must be satisfied before an

interim interdict can be granted (*LF Boshoff Investments (Pty) Ltd v Cape Town Municipality* 1969 (2) SA 256 (C); *Multi Tube Systems v Ponting* 1984 (3) SA 182 (D):

- ☐ The applicant's right must be clear, or, if not clear, prima facie established, though open to some doubt.
- ☐ If the right is only prima facie established, there must be a well-grounded apprehension of irreparable harm to the applicant if the interim relief is not granted and she succeeds ultimately in establishing her right.
- ☐ The balance of convenience should favour the granting of an interim interdict.
- ☐ The applicant should have no other satisfactory remedy.

Even when these requirements have been satisfied, the court retains a general discretion to be exercised when it decides whether to grant or refuse a temporary interdict. In *Beecham Group Ltd v B-M Group (Pty) Ltd* 1977 (1) SA 50 (T) at 54, Franklin J stated that questions relating to the applicant's prospects of success in the action and to whether she would be adequately compensated by an award of damages at the trial are merely factors to be taken into account in the exercise of this discretion. These factors should not be considered in isolation, but together with factors such as the balance of convenience, the preservation of the status quo, the relative strength of each party's case (the so-called uncompensable disadvantages to each party), and the respective prejudice that would be suffered by each party as a result of the grant or refusal of the interdict. The latter boils down to the following question: Who will probably suffer the greater damage — the plaintiff, if the interdict is refused and the action finally succeeds, or the defendant, if the interdict is granted and the action ultimately fails?

An interim interdict is obtained by means of an application to the High Court.

Final interdicts

A final interdict is based on a final determination of the rights of the parties.

Before a final interdict can be granted the following three requirements must be satisfied —

- ☐ the applicant should have a clear right

- ☐ there must be an injury actually committed or reasonably apprehended
- ☐ there must be no adequate protection by any other ordinary remedy

The usual way to obtain a final interdict is by way of action, when a full trial takes place. But it may also be obtained by way of application, provided there is no material factual dispute between the parties.

The requirements for granting a final injunction in England, for example, are substantially similar to those in South Africa. However, because of the equitable basis of the English injunction, the court there has a much greater discretion as to whether to grant or refuse final relief than a South African court.



Activity 7.1

Peter wants to stop BAD Radio & TV from broadcasting *Shaka Zulu*. There is a material dispute of fact as to whether Peter's music is actually original, but he wants immediate action. He approaches you as his attorney (solicitor).

- ☐ Set out the steps that he must take to get immediate relief and to get more permanent relief.
- ☐ What requirements must he prove to get immediate relief?
- ☐ What requirements must he prove to get permanent relief?

Discussion

Order for delivery up

Upon the final determination of the rights of the parties to an infringement action, the court may grant the successful plaintiff an interdict to restrain the defendant from infringing the plaintiff's copyright. However, the possibility exists that the defendant may have in her possession infringing articles that could be used to commit further acts of infringement.

To discourage the defendant from disregarding the interdict and committing further acts of infringement, the court may make an order for the delivery of all infringing copies or the plates used or intended to be used for making infringing copies.

The Berne Convention, in the only provision relating to remedies for infringement, requires the availability of 'seizure'. Article 16(1) states:

'Infringing copies of a work shall be liable to seizure in any country ... where the work enjoys legal protection.'

The purpose of an order for delivery has been said to enhance the efficacy of the interdict, since the infringer is deprived of the means to perform acts of infringement. Consequently, a claim for delivery should be combined with a claim for an interdict. Viewed in this way, fault on the part of the infringer should not be a prerequisite.

It can, of course, also be argued that any offending material delivered up to the successful plaintiff may have some intrinsic value, so that she gains an advantage by the delivery up, which, in turn, relates to the damages that she should receive. The fact is, however, that the purpose and function of delivery up bears no relationship to the determination or award of damages. Since the purpose and function of a claim for delivery up bear no relation to the determination or award of damages, fault should thus not be a prerequisite for a claim for delivery up.

Some uncertainty exists concerning the basis and precise nature of a claim for removal or delivery up, but the correct view appears to be to regard such an order as a mandatory interdict which is granted together with a prohibitory interdict.



Activity 7.2

Peter knows that Sandy has taped *Shaka Zulu* when it was broadcast by the SABC and that she is selling copies of the tape in her video shop.

- ☐ What can he do to prevent Sandy from using these materials?
- ☐ Can he get an order to obtain these copies?

Discussion

Damages

Infringement of copyright is a delict (tort), and the usual principles of delictual liability apply to an award of damages for such infringement.

Since infringement gives rise to delictual liability, fault in the form of intent or negligence on the part of the infringer must be proved before any claim for damages can succeed. This principle is stated in article 45 of the TRIPS Agreement:

'The judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who *knowingly*, or with reasonable grounds to know, engaged in infringing activity (emphasis added).

Section 24(2) of the Copyright Act accordingly states:

'Where in an action for infringement of copyright it is proved or admitted that an infringement was committed but that at the time of the infringement the defendant was not aware and had no reasonable grounds for suspecting that copyright subsisted in the work to which the action relates, the plaintiff shall not be entitled under this section to any damages against the defendant in respect of the infringement.'

Damages have been said to be 'aimed at compensating the proprietor for his patrimonial loss, actual or prospective, sustained through the infringement' (*Omega Africa Plastics (Pty) Ltd v Swisstool Manufacturing Co (Pty) Ltd* 1978 (3) SA 465 (A) 471). Damages are notoriously difficult to prove in intellectual property cases and the courts will estimate the damages suffered to the best of their ability on the probabilities (*International Tobacco Co SA Ltd v United Tobacco Co Ltd* 1955 (2) SA 1 (W); *Hushon SA (Pty) Ltd v Pitech (Pty) Ltd* [1997] 2 All SA 672 (SCA)).

The damages awarded may include loss of profits in respect of those infringing articles that the plaintiff could and would himself have made and sold but for the infringement. The burden of proof is on the plaintiff to prove damages, since

there is no legal inference that infringing sales would have gone to the plaintiff (*Omega Africa Plastics (Pty) Ltd v Swisstool Manufacturing Co (Pty) Ltd (supra)* at 472).



Activity 7.3

Peter has suffered loss through Sandy's actions. However, he cannot say precisely how much money he has lost. Will this prevent him from instituting a claim for damages?

Discussion

Reasonable royalty

In the event of copyright infringement, the author is entitled, inter alia, to claim damages. Alternatively, a successful plaintiff in an infringement action may seek an amount calculated on the basis of a reasonable royalty, such as where copyright is infringed by performing the work in public (*Performing Right Society Ltd v Berman & another* 1966 (2) SA 355 (R); *Performing Right Society Ltd v Butcher & others* 1973 (1) SA 562 (R); *South African Music Rights Organisation Ltd v Trust Butchers (Pty) Ltd* 1978 (1) SA 1052 (E)).

The remedy of a reasonable royalty appears in section 24(1A)–(1C) of the South African Copyright Act:

- (1A) In lieu of damages the plaintiff may, at his or her option, be awarded an amount calculated on the basis of a reasonable royalty which would have been payable under the circumstances by a licensee in respect of the work or type of work concerned.
- (1B) For the purposes of determining the amount of damages or a reasonable royalty to be awarded ... , the court may direct an enquiry to be held and may prescribe such procedures for conducting such enquiry as the court considers necessary.
- (1C) Before the owner of copyright institutes proceedings under this section, he or she shall give notice in writing to the exclusive licensee or

sub-licensee of the copyright concerned of the intention to do so, and the exclusive licensee or sub-licensee may intervene in such proceedings and recover any damages he or she may have suffered as a result of the infringement concerned or a reasonable royalty to which he or she may be entitled.'

Note that the claim for a reasonable royalty is an alternative to a claim for damages — the opening words of section 24(1A) clearly states this. The successful plaintiff may still, of course, claim additional damages under section 24(3).

A claim for a reasonable royalty is closely linked to a claim for damages. Both have the same purpose and function — the recovery of compensation. Viewed in this way, fault on the part of the infringer should be a prerequisite for a claim for a reasonable royalty.

The court may direct that an enquiry be held to determine the amount of the royalty to be awarded (section 24(1B)).

Additional damages

Section 24(3) of the South African Copyright Act states:

'Where in an action under this section an infringement of copyright is proved or admitted, and the court having regard, in addition to all other material considerations, to —

- (a) the flagrancy of the infringement; and
 - (b) any benefit shown to have accrued to the defendant by reason of the infringement,
- is satisfied that effective relief would not otherwise be available to the plaintiff, the court shall in assessing damages for the infringement have power to award such additional damages as the court may deem fit.'

CCP Record Co (Pty) Ltd v Avalon Record Centre 1989 (1) SA 445 (C) is a typical situation where a claim for additional damages can succeed. There the court was satisfied that the benefit to the defendant from the infringement was no more than the few rand it had received for the sale of the offending tapes (the plaintiff had organized a trap-purchase of two pirate copies of original sound recordings of music). Other than a claim under section 24(3) the plaintiff had no claim for any loss of a patrimonial kind — it had a claim, albeit a small one, for patrimonial loss it had failed to prove,

and it had a claim for an interdict, which it had failed to pursue. Conradie AJ noted that the discretion given to the court in section 24(3) was 'enormously wide', limited only by the consideration that the amount awarded to the plaintiff must provide relief — the defendant should not simply be fined. Additional damages under this subsection are damages of a kind that would not, but for the subsection, be recoverable at all, either because they cannot be proved or because, other than in the subsection, no cause of action exists for their recovery. By an award of damages the court should set out to do what is fair, taking into account that the defendant's punishment is also the plaintiff's relief. Where no particular benefit is shown to have accrued to the infringer, additional damages may be awarded, but then the assessment would seek to relieve the kind of hurt to a plaintiff which cannot ex hypothesi be compensated otherwise, or to give her an advantage which the law would otherwise not give. In the end, the judge awarded the plaintiff a substantial amount in additional damages.



Activity 7.4

In what circumstances would you, as Peter's attorney, think it advisable for Peter to claim —

- ☐ a reasonable royalty instead of actual damages, or
- ☐ additional damages?

Discussion

Anton Piller orders

The Anton Piller order (taking its name from *Anton Piller KG v Manufacturing Processes Ltd* [1976] Ch 66) is a further legal remedy developed initially in England but now frequently used in South Africa, in particular in proceedings relating to intellectual property rights. The original Anton Piller order, in both England and South Africa, comprised an ex parte order in the form of a mandatory injunction coupled with an inspection order and an order for delivery or disclosure. It is a remedy which is aimed particularly at acquiring or conserving information for purposes of a subsequent action on the ground of infringement. The information so acquired generally relates to the origin and

extent of the infringement, the identity of infringers, the profits obtained as a result of the infringement, and the whereabouts of the infringing articles, materials, or aids.

The great value of this remedy is that it is brought as an ex parte application without prior notice to the other party, so that the latter is caught unawares, before she has time to destroy or dispose of her infringing stock or incriminating papers. This traditional Anton Piller order usually comprises the following:

- ☐ an order to enter and search the premises of the defendant, and to attach documents and other material located, with the primary purpose of preserving this as evidence
- ☐ an order for the disclosure of the identity of suppliers and customers of the defendant, and of the origin of infringing articles
- ☐ an order for the delivery up of infringing articles as well as relevant documents

The remedy in this form (which is still the form in which granted in England) was granted in South Africa in several cases, in none of which its legal validity was questioned. However, in a subsequent series of decisions, the courts strongly condemned this type of remedy, on the basis that the relief, other than the search for and attachment of property in the possession of the defendant, was not based on the principles of Roman-Dutch law.

The Appellate Division (now the Supreme Court of Appeal) subsequently held that a more limited version of the Anton Piller order, for the search and attachment of documents and other material to which the plaintiff has no right but for the purpose of preserving it as evidence forms part of our law (*Shoba v Officer Commanding, Temporary Police Camp, Wagendrift; Maphanga v Officer Commanding, South African Police Murder and Robbery Unit, Pietermaritzburg* 1995 (4) SA 1 (A)).

This remedy may be brought as an ex parte application without prior notice to the respondent. To obtain such an order, the applicant must prima facie establish the following:

- ☐ that she has a cause of action on the ground of infringement against the respondent which she intends to pursue
- ☐ that the respondent has in her possession specific,

- ☐ and specified, documents and other material which are of vital importance to her subsequent action
- ☐ that there is a real and well-founded apprehension that this evidence may be destroyed or disposed of before the subsequent action comes to trial or before the stage of discovery

The court has a discretion to grant the remedy. In exercising this discretion, the court will have regard inter alia to the following factors:

- ☐ the cogency of the applicant's prima facie case as set out in its application
- ☐ the potential harm that would be suffered by the respondent if the order is granted as compared to the potential harm that would be suffered by the applicant if the order is refused
- ☐ the terms of the order (these should not be more onerous than is necessary to protect the interests of the applicant)

It is noted, in both England and South Africa, that courts must ensure that this type of procedure is not abused.



Activity 7.5

Peter wants to institute an action for damages against Sandy. He knows that Sandy has full documentation setting out the profits she made selling the pirate copies of *Shaka Zulu*. He has also heard that Sandy intends destroying these documents so that she need not disclose them during the court action.

- ☐ Is there anything Peter can do to prevent this?
- ☐ Set out what he must prove to obtain such an order.

Discussion

Criminal sanctions

In addition to the above civil remedies, the TRIPS Agreement requires certain criminal sanctions to be in place.

Article 61 states:

'Members shall provide for criminal procedures and penalties to be applied ... in cases of ... copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence.'

Accordingly, certain criminal sanctions are created by section 27 of the South African Copyright Act.

Conclusion

You should now know which remedies are available to an author whose copyright has been infringed. You should understand the standards set by the TRIPS Agreement and the WCT, and be able to determine how these standards could be implemented in legislation and practice.