



[2014] JMSC Civ.79

IN THE SUPREME COURT OF JUDICATURE OF JAMAICA

IN THE CIVIL DIVISION

CLAIM NO. 2011 HCV 03911

BETWEEN AMERICAN GIFT CORPORATION APPLICANT/CLAIMANT
A N D MY CHOICE LIMITED RESPONDENT/DEFENDANT

Maurice Manning instructed by Nunes, Scholefield, DeLeon and Company for the Applicant/Claimant.

Jason Jones instructed by Nigel Jones and Company for the Respondent/Defendant.

HEARD: 30 October and 15 May, 2014

HIBBERT, J.

[1] The claimant is a company incorporated in the United States of America and is domiciled in that jurisdiction. It is the holder of copyright of certain artistic works entitled AGC Ceramic Art and Blue Plates. Goods such as cups, decorative plates, spoon holders and other souvenir items are distributed by the claimant to other jurisdiction including Jamaica. The defendant, a Jamaican company, has been one of the claimant's customers which imported these items for re-sale in Jamaica.

[2] The claimant stated that it became aware that the defendant was selling other goods, not supplied by the claimant, but bearing similar and/or identical representations of the artistic work of the claimant without the claimant's permission. The claimant also alleges that the defendant has taken steps to reproduce images of the infringing items which are provided to third parties for viewing prior to the making of a purchase.

[3] On 20 June 2011 the claimant filed a claim seeking the following reliefs for breach of copyright:

- “1. An injunction to restrain the Defendant whether acting by its directors, officers, servants and/or agents or otherwise howsoever from doing the following acts or any of them that is to say infringing the Claimant's copyright in certain artistic works by, without the Claimant's licence, reproducing or issuing to the public copies of the said work or any substantial part thereof or authorizing any of the acts aforesaid or selling or exposing for sale, exhibiting in public or distributing copies of the said work made without the Claimant's licence or otherwise howsoever.
2. Discovery including third party discovery.
3. An inquiry as to damages, including damages under section 32(2) of the Copyright Act 1993 alternatively and at the Claimant's option an account for profits together with an order for the payment to the Claimant of all sums found due upon the making of the said inquiry or the taking of said account with interest thereon.
4. Damages for breach of copyright.
5. Delivery up of all infringing copies of the said artistic works in the Defendant's possession, custody or control and any article in the Defendant's possession, custody or control specifically designed or adapted for making copies of the said artistic works.
6. An order that all infringing copies or articles delivered up pursuant to the order for delivery up under paragraph 5 of this Claim Form be forfeited to the Claimant or alternatively be destroyed or otherwise dealt with as this Honourable Court shall think fit.

7. Such Further and/or other relief.
8. Costs.
9. Interest at 1% above the commercial bank's lending rate."

[4] The Particulars of Claim were also filed on 20 June 2011 and are as follows:

- "1. The Claimant is a Miami corporation with offices located at 6600 NW 74th Ave., Miami, Florida, USA which is and was at all material times the holder of the copyright in the various artistic works depicted from time to time on items including but not limited to mugs, plates and key rings described as **"BLUE PLATES"** and **"AGC CERAMIC ART"** ("the Artistic Works"). **Copies of the artistic works are attached.**
2. The Claimant manufactures the said items for sale in Jamaica and internationally.
3. The Defendant is a limited liability company incorporate under the laws of Jamaica with offices at Unit #3A, LOJ Commercial Centre, Freeport, Montego Bay, Jamaica and distributes memorabilia and other items, including the Claimant's items, in Jamaica.

PARTICULARS OF SUBSISTENCE OF COPYRIGHT

4. The Artistic Works are original artistic works and were made by the Claimant between 1995 and 1998.
5. The first published by the Claimant in the United States of America in the following years:
 - a. **AGC CERAMIC ART** - 1995;
 - b. **BLUE PLATES ETC.** - 1998

Copies of the Certificates of Registration in respect of the artistic works are attached.

6. At the time of publication the Claimant was a U.S.A. company which was also domiciled in the USA.
7. The United States of America has been designated as a specified country under the Copyright (Specified Countries) Order, 1994 for the purposes and accordingly the Artistic Works are entitled to protection under section 8 of the Copyright Act.

PARTICULARS OR INFRINGEMENT

8. The Defendant has sold items bearing similar and/or identical representations of the Artistic Works to third parties in Jamaica without the permission of the Claimant. **Copies of representations of the infringing products are attached.**
9. The Defendant also reproduces the images of the infringing items on catalogues which are provided to the third parties for viewing prior to the making of a purchase.
10. The infringing items have been sold in the Gift Shop called The Falls at Sandals Dunns River. **A copy of receipt #206599 evidencing this fact is attached.** The receipt indicates that the infringing items were being sold to the public from a date unknown to up to and including October 9, 2010 without the permission or licence of the Claimant and in breach of the Claimant's copyright.
11. The infringing items have been sold by the Defendant to the Claimant at a gift shop called "Solo Jamaica" located at the RIU Hotel in Ocho Rios. **A copy of receipt #58.127 Serie 07 is attached.** The receipt indicates that the infringing items were being sold to the public from a date unknown up to and including September 9,

2010 without the permission or licence of the Claimant and in breach of the Claimant's copyright.

12. The Claimant is unable to give all particulars of all acts of infringement committed by the Defendant until after discovery and accounts herein but will seek to recover damages or an accounts of profits in respect of each and every such infringement and an injunction to restrain the continued infringement.
13. In the premises the Claimants are entitled to restrain the Defendant from breaching its copyright in the Artistic Works and further contend that unless restrained the Defendant will continue to infringe the Claimants marks."

[5] On 21 September 2011 a Defence was filed. It stated:

- "1. Save and except that the Defendant admits that the Claimant is a Miami corporation with offices located at 6600 NW 74th Ave., Miami, Florida, USA, the Defendant cannot confirm or deny that the Claimant is the holder of the copyright in the various artistic works alleged and requires the Claimant to prove the allegations stated in paragraph 1 of the Particulars of Claim.
2. In relation to paragraph 2 of the Particulars of Claim, save and except that the Defendant admits that the Claimant manufactures mugs, plates, and key rings, among other items for sale in Jamaica and internationally, the Defendant cannot confirm or deny that the stated items for sale contain the various artistic works referred to in paragraph 1 of the Particulars of Claim.
3. Paragraph 3 of the Particulars of Claim is admitted.

4. In relation to paragraphs 4 to 7 of the Particulars of Claim, the Defendant cannot confirm or deny the particulars alleged and requires the Claimant to prove.
5. Paragraph 8 of the Particulars of Claim is denied. The Defendant asserts that it has not knowingly sold any items bearing similar and/or identical representations of the artistic work as alleged.
6. Paragraph 9 of the Particulars of Claim is denied and the Defendant requires that the Claimant prove the particulars as alleged.
7. Paragraph 10 of the Particulars of Claim is denied. The receipt tendered into evidence by the Claimant does not show that the item sold is one that is referred to in its claim, and the Defendant therefore requires the Claimant to prove the allegation.
8. Paragraph 11 of the Particulars of Claim is denied. The receipt tendered into evidence by the Claimant does not show that the item sold is one that is referred to in its claim, nor does the receipt show that the item was sold by the Defendant to the gift shop at RIU Hotel in Ocho Rios. The Defendant requires that the Claimant prove the particulars alleged.
9. The Defendant cannot confirm or deny paragraph 12 of the Particulars of Claim and the Defendant repeats paragraph 5 of its Defence.
10. Paragraph 13 of the Particulars of Claim is denied. The Defendant repeats paragraph 1 to 10 of its Defence and denies that the Claimant is entitled to such relief as stated or at all.

[6] By way of Notice of Application for Court Orders filed on 5 July 2012 the Claimant sought the following orders and set out the grounds on which the orders were sought:

- "1. a. That Summary/Judgment be entered in favour of the Claimant/Applicant against the Defendant/Respondent with damages to be assessed after an inquiry as to damages under section 32(2) of the Copyright Act 1993, alternatively and, at the Claimant's/Applicant's option, an account for profits together with an order for the payment to the Claimant/Applicant of all sums found due upon the making of the said inquiry or the taking of said with interest thereon.
- b. Delivery up of all infringing goods bearing the artistic works of the Claimant/Applicant which are in possession, custody or control of the Defendant and any article in the Defendant's possession, custody or control specially designed or adapted for making copies of the said artistic works.
- c. An order that all copies or articles delivered up pursuant to any order for delivery up under paragraph 1(d) herein be forfeited to the Claimant/Applicant or alternatively be destroyed or otherwise dealt with as this Honourable Court thinks fit.

In the alternative to (1)a, (b), (c) above,

- d. That the Defendant's/Respondent's Defence be struck out as disclosing no

reasonable grounds for defending the Claim.

2. Final injunction to restrain the Defendant/Respondent whether acting by its directors, officers, servants and/or agents or otherwise howsoever from doing the following acts or any of them that is to say infringing the Claimant's/Applicant's copyright in certain artistic works by, without the Claimant's/Applicant's licence, reproducing or issuing to the public copied of the said works or substantial part thereof or authorizing any of the aforesaid or selling or exposing for sale, exhibiting in public or distributing copies of the said work made without the Claimant's/Applicant's licence or otherwise whatsoever.
3. That costs on the Application and in the Claim be the Claimant's/Applicant's.
4. Such further and other relief as this Honourable Court deems just.

The grounds on which the Applicant is seeking the aforementioned orders are as follows:

1. The Defendant/Respondent has substantially copied the Claimant's/Applicant's art work without the Claimant's/Applicant's permission.
2. The Claimant/Applicant is therefore entitled to damages and/or the other relief sought under the Claim.
3. The Defendant/Respondent has no real prospect of successfully defending the claim in these circumstances, and as such the Claimant is entitled to summary judgment pursuant to Part 15.2(b) of the Civil Procedure Rules 2006.
4. The Defence filed on behalf of the Defendant/Respondent is in breach of rule 10.5 of the Civil Procedure Rules, and

does not disclose any reasonable grounds for defending the Claim.

5. The Defence is liable to be struck out pursuant to Rule 26.3 of the Civil Procedure Rules.

The issue(s) which it is proposed that the Court should deal with at the hearing are as follows:

Whether the infringing goods used art work which was substantially copied from art work the copyright of which vests in the Claimant/Applicant."

[7] The application was supported by an affidavit of Gary Kluger, the Vice President of the claimant company. Exhibited to his affidavit were copies of the Certificates of Registration of the copyright relative to AGC CERAMIC ART and BLUE PLATES ETC. He stated that it came to his attention that the defendant sold items bearing similar and/or identical representation of the artistic works of the claimant without the claimant's permission. He exhibited copies of those representations which he said infringed the claimant's copyright. He stated that it came to his knowledge from the Sandals Hotel Group that the defendant sold infringing items through a gift shop called "The Falls" at Sandals Dunns River. Acting on this information, he said, he visited the gift shop and purchased some of the infringing articles. He stated that he also bought infringing articles from a gift shop called "Solo Jamaica" at the RIU Hotel in Ocho Rios. He further stated that the claimant through its attorneys sent a "cease and desist" letter demanding that the defendant refrain from selling, manufacturing or distributing the infringing goods. Additionally, he stated, Sunil Vangani, a principal of the defendant, admitted in an email that there were wholesalers who sell the infringing goods to the defendant and other retailers in Jamaica.

[8] In response to the affidavit of Gary Kluger an affidavit of Sunil Vangani was filed on behalf of the defendant. He stated that he had known Gary Kluger for about ten years and had purchased goods from the claimant company but is unable to say if they bore original artistic works. He denied that the claimant had any basis to allege that the defendant infringed the copyright to any artistic work of the claimant by selling

infringing articles to Sandals or any other third party. He further denied that, through an email dated 29 September 2010, he admitted that the defendant had purchased infringing goods.

[9] Although in the Notice of Application for Court Orders many reliefs were sought, before the court the only issue which was raised concerned the grant of summary judgment. Each party provided written submissions accompanied by authorities upon which it relied.

[10] Rule 15.2 of the Civil Procedure Rules (CPR) states:

“The court may give summary judgment on the claim or on a particular issue if it considers that –

- (a) The claimant has no real prospect of succeeding on the claim or the issue or
- (b) The defendant has no real prospect of successfully defending the claim or the issue.”

[11] In **Swain v. Hillman** [2001] 1 ALL E.R. 91 the meaning and scope of rule 24.2 of the English Civil Procedure Rules (51 1998 No. 3132) which was similar to our rule 15.2 was examined. At page 92 of the judgment Lord Woolf MR stated:-

“Under part 24.2 the court now has very salutary power, both to be exercised in a claimant’s favour or, where appropriate, in a defendant’s favour. It enables the court to dispose summarily of both claims or defences which have no real prospect of being successful. The words “real prospect of being successful or succeeding” do not need any amplification, they speak for themselves. The word “real” distinguishes fanciful prospects of success or, as Mr. Bidder submits, they direct the court to see whether there is a “realistic” as opposed to a “fanciful” prospect of success”.

Lord Woolf MR further stated at page 95:

"Useful though the power is under part 24, it is important that it is kept to its proper role. It is not meant to dispense with the need for a trial where there are issues which should be investigated at the trial. As Mr. Bidder put it in his submissions, the proper disposal of an issue under Part 24 does not involve the judge conducting a mini trial, that is not the object of the provisions; it is to enable cases, where there is no real prospect of success either way, to be disposed of summarily."

[12] The issue of the burden of proof in seeking summary judgment arose in **ED & F Man Liquid Products Ltd., v. Patel and Another** [2003] EWCA Civ. 472. At paragraph 9 of the judgment Potter LJ stated:

".....the overall burden of proof rests upon the claimant to establish that there are grounds for his belief that the respondent has no real prospect of success....."

[13] The statement made by Potter LJ was adopted by Brooks JA in **ASE Metals NV v. Exclusive Holiday of Elegance Limited** in the judgment which was delivered on 27 September 2013. At paragraph 15 he added:

"Once an applicant/claimant asserts that belief, on credible grounds, a defendant seeking to resist an application for summary judgment is required to show that he has a case "which is better than merely arguable....." The defendant must show that he has a 'realistic' as opposed to a 'fanciful' prospect of success."

[14] The assertion that the defendant sold infringing articles came from the affidavit of Gary Kluger. His statement that ".....it came to my knowledge from the Sandals Hotel Group that the Defendant has sold the infringing items through a gift shop called "The

Falls" at Sandals Dunns River....." is in my view of little or no evidential value. No effort was made to indicate how he acquired the knowledge or to name anyone from whom he might have acquired the knowledge. Additionally, no connection has been shown between the defendant and the gift shop "Solo Jamaica" located at the RIU Hotel in Ocho Rios.

[15] Mr. Kluger also stated that Mr. Sunil Vangani, on behalf of the defendant, admitted in an e-mail; that wholesalers sold infringed goods to the defendant. This e-mail stated:

"Hi Gary,

I am a well reputed business man and have been doing business with you since long time and secondly as I have told you there are several other importers in Jamaica. They sell these products to some small local wholesalers and they come and sell it island wide.

So these are the invoices from them.

Thank you

Sunil Vangani"

[16] The defendant has denied selling any infringing works to Sandals or any other third party. Mr. Vangani has also denied making any admissions of wrongdoing in his e-mail and challenges the interpretation that was placed on it.

[17] Having examined the material before me I cannot say that the defendant has no real prospect of successfully defending the claim neither can I agree with the claimant's submission that the defence should be struck out on the basis that it is a bare denial and infringes Part 10 of the CPR.

[18] Accordingly the claimant's application is dismissed with costs to the defendant to be taxed if not agreed. On perusing the file I have noticed that this matter had been

referred to mediation in keeping with rule 74.3 (3) of the CPR. The parties should therefore proceed to mediation.