

**EASTERN CARIBBEAN SUPREME COURT
IN THE COURT OF APPEAL**

SAINT LUCIA

SLUHCVAP2017/0032

BETWEEN

MEGA-PLEX ENTERTAINMENT CORPORATION

Appellant

and

**EASTERN CARIBBEAN COLLECTIVE ORGANISATION FOR MUSIC RIGHTS
(ECCO) INC. (FORMERLY HEWANNORA MUSICAL SOCIETY(HMS) INCORPORATED)**

Respondent

Before:

The Hon. Mde. Louise Esther Blenman
The Hon. Mr. Mario Michel
The Hon. Mde. Kimberly Cenac-Phulgence

Justice of Appeal
Justice of Appeal
Justice of Appeal [Ag.]

Appearances:

Mr. Gregory Delzin with him, Ms. Cleopatra McDonald for the Appellant
Mr. Thaddeus M. Antoine for the Respondent

2018: November 13;
2019: January 30.

Civil appeal — Breach of copyright — Locus standi — Whether the learned judge erred in ruling that the respondent, a registered collective society, has standing to sue in its own name for breach of copyright — Copyright Act of Saint Lucia

The appellant, Mega-Plex Entertainment Corporation (“Mega-Plex”), is a cinema which screens movies incorporating music soundtracks that are said to be the subject of copyright. The respondent, Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc. (“ECCO”), is a registered collective society under the Copyright Act of Saint Lucia (the “Copyright Act”) and is authorised under the Copyright Act to administer licences for performing rights of its members or affiliates. Pursuant to the Copyright Act, ECCO has entered into reciprocal agreements with a number of collective societies such as PRS, Broadcast Music Inc (“BMI”) and the American Society of Composers, Authors

and Publishers ("ASCAP"). ECCO claims that the reciprocal agreements give it the right to administer the copyrights of the members of those collective societies, within Saint Lucia. ECCO also maintains that this right includes the right to institute and pursue legal proceedings for infringement and recover damages.

ECCO alleged that Mega-Plex has utilised soundtracks, which are the subject of copyright, without obtaining any licences to do so. ECCO therefore sued Mega-Plex for breach of copyright and sought damages or an accounting of profits from Mega-Plex, as well as an order requiring Mega-Plex to obtain a licence from ECCO.

In the court below, ECCO argued that it was the owner and administrator of the performing rights in musical works, which included the performing rights of the musical works in movie soundtracks and its copyright, which are constantly infringed by Mega-Plex. ECCO further claimed that it was authorised by the reciprocal agreements to sue for breach of copyright. In response, Mega-Plex denied that ECCO is the owner of the performing rights in the musical works of the members of PRS, BMI and ASCAP. Mega-Plex also denied that ECCO is authorised by the reciprocal agreements to sue for breach of copyright.

The learned judge found that ECCO has standing to sue Mega-Plex for breach of copyright. The judge held that section 110 of the Copyright Act empowers ECCO to enter into reciprocal agreements, and that the reciprocal agreements provide in sufficiently clear terms that ECCO is authorised and empowered to protect from infringement and enforce the copyright of the members and affiliates of those foreign societies within Saint Lucia.

Mega-Plex, being dissatisfied with the decision of the learned judge, appealed. Of significance are the grounds which are encapsulated into the sole issue on appeal of whether the learned judge erred in holding that ECCO had standing to sue Mega-Plex. On this issue, Mega-Plex argued, inter alia, that the reciprocal agreements upon which ECCO relied to assert that it had exclusive rights, to the contrary, had expressly stated that it had non-exclusive rights. Accordingly, Mega-Plex argues that there was no evidence upon which the learned judge could have reached the conclusion that ECCO had standing. In response, ECCO argued that it had standing to sue Mega-Plex as the Copyright Act, when read together with ECCO's rules and by-laws, clothes ECCO with ownership and enables ECCO to pursue enforcement actions, not just for its members, but to enforce the rights of any affiliated society.

Held: allowing the appeal; awarding costs on the appeal in accordance with rule 65.13 of the Civil Procedure Rules 2000 and costs in the court below to Mega-Plex which are to be assessed, by either the master or the registrar, if not agreed within 21 days, that:

1. In order to be able to sue for breach of copyright, it is critical that the owner of the copyright must be a party to the action. Section 35 of the Copyright Act has conferred the right to sue only on the owner of the copyright. There is no ambiguity in the Copyright Act, and it is that statute which specifically gives the right to sue. If any other person is asserting the ability to sue, that person is required to point to the Copyright Act which so provides.

Sections 24, 26, 32 and 35 of the **Copyright Act**, Cap.13.07, Revised Laws of Saint Lucia 2013 considered; **Jeffreys v Boosey** (1854) 4 HLC 814 applied.

2. Section 110 of the Copyright Act addresses the administration of rights by a collective society as distinct from the right to sue. There is nothing in section 110 of the Copyright Act that can undermine the clear words of section 35. Further, the Copyright Act makes no provisions for a non-exclusive licensee to be able to sue. The only exception to this is by the mechanism of a complete assignment of rights in accordance with section 25 of the Copyright Act. Though in some cases, the parties may seek to enter into an agreement to give effect to certain terms and conditions and create certain rights, it is not open to parties to create rights which are contrary to those specifically provided by the statute, especially when the statute confers no such rights on those parties.

Sections 25 and 110 of the **Copyright Act**, Cap. 13.07, Revised Laws of Saint Lucia 2013 considered; **Essex County Council v Essex Incorporated Congregational Church Union** [1963] AC 808 HL applied; **Heyting v Dupont** [1963] 1 WLR 1192 applied.

3. In addition, and by way of exception, the Copyright Act makes provision for an exclusive licensee to sue. It is clear from the reciprocal agreements that were tendered in the lower court that ECCO is a non-exclusive licensee. The evidence ECCO has presented indicates that it is neither the owner of the copyright nor an exclusive licensee and is therefore not entitled to sue. Additionally, ECCO cannot rely on its own rules and by-laws to give it jurisdiction to sue. Accordingly, the learned judge erred, as a matter of law, in concluding that ECCO had standing to sue for copyright infringement.

Section 39 of the **Copyright Act**, Cap.13.07, Revised Laws of Saint Lucia 2013 considered.

JUDGMENT

Introduction

- [1] **BLNMAN JA:** At the heart of this appeal is the question of who has standing to sue for breach of copyright. It is an appeal against the judgment of the learned judge in which he held that Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc. ("ECCO") has standing to sue Mega-Plex Entertainment Corporation ("Mega-Plex") for infringement of copyright.

[2] Mega-Plex is aggrieved by the decision of the learned judge and has therefore appealed. ECCO resists the appeal and contends that the learned judge was correct in his determination of its standing to sue Mega-Plex and therefore the appeal should be dismissed.

[3] I will now briefly address the background to the appeal in order to provide the necessary context.

Background

[4] ECCO is a registered collective society under the **Copyright Act**¹ of Saint Lucia (the “Copyright Act”) and is authorised to administer licences for performing rights of its members or affiliates pursuant to section 109 of the Copyright Act.

[5] Section 110(2) of the Copyright Act confers on ECCO the right to enter into reciprocal agreements with foreign collective societies. ECCO has entered into reciprocal agreements with a number of collective societies such as PRS, Broadcast Music Inc (“BMI”) and the American Society of Composers, Authors and Publishers (“ASCAP”).

[6] Mega-Plex is a cinema which screens movies incorporating music soundtracks that are said to be the subject of copyright.

[7] ECCO says that Mega-Plex has utilised soundtracks, which are the subject of copyright, without obtaining any licences to do so. It therefore said that Mega-Plex has infringed the copyright and sued Mega-Plex for breach of copyright and sought damages or an accounting of profits from Mega-Plex. It also sought an order requiring Mega-Plex to obtain a licence from ECCO.

[8] Mega-Plex vigorously resisted ECCO’s claim and challenged ECCO’s standing to sue for any alleged breach of copyright.

¹ Cap.13.07, Revised Laws of Saint Lucia 2013.

- [9] It is useful to refer to the pleadings in the High Court to illustrate the way in which the issues arose.

Pleadings

- [10] ECCO stated in the statement of claim filed on 8th October 2010, that it had entered into a reciprocal representation agreement (the “reciprocal agreement”) with PRS, whereby ECCO “was given **exclusive right** to administer the copyright of members of the PRS within Saint Lucia” (emphasis mine). ECCO later amended its statement of claim to indicate that it had received from PRS, a “**non-exclusive right**” to administer the copyright of PRS members within Saint Lucia. The PRS members and affiliates include members of BMI and ASCAP.
- [11] In the amended statement of claim it also stated that it had entered into additional reciprocal agreements with additional collective societies such as BMI and ASCAP, giving it the right to administer members’ copyrights within Saint Lucia. It asserted that this right included the right to institute and pursue legal proceedings for infringement and recover damages. In its amended statement of claim, ECCO said that the right to sue was expressly provided for in each reciprocal agreement and that the agreements will be referred to at the trial for their full terms and effect.
- [12] ECCO also stated in the amended statement of claim that it was the “owner and administrator” of the performing rights in the musical works, which included the performing rights of the musical works in movie soundtracks and its copyright which are constantly infringed by Mega-Plex.
- [13] Mega-Plex, on 21st May 2014, filed a defence to the amended statement of claim putting ECCO to specific proof of the terms of the reciprocal agreements and Mega-Plex contended that “the right to enforce performing rights under the said reciprocal agreements is limited to ‘performing rights that fall under the [Copyright Act]’”. Mega-Plex further said that the ECCO is only authorised to “institute and

pursue legal proceedings for infringement and damages as expressly provided for in the [Reciprocal Agreement] by virtue of the [Copyright Act]”.

- [14] Mega-Plex denied that ECCO is the owner of the performing rights in the musical works of the members of PRS, BMI and ASCAP. Mega-Plex also denied that ECCO is authorised by its reciprocal agreement to sue for breach of copyright.

Judgment Below

- [15] The learned judge having heard the entire case delivered the judgment and made several rulings. Of relevance and for the purposes of this appeal, the learned judge at paragraphs 32, 33, 34 and 41 of his judgment stated:

“32. Section 110 of the Act seems to contemplate that foreign collective societies representing owners of copyright from far flung reaches of the globe may enter into an agreement with a society like the Claimant for the enforcement in Saint Lucia of the rights of the members/affiliates of that foreign society.

33. The general idea and intention seems to be that, through reciprocal representation agreements between and among similar collective societies all over the world, owners of copyright, wherever they may be located in the world, are able to protect and enforce their copyright, wherever it may be infringed in the world, provided that copyright laws and a representation agreement is in force in the jurisdiction where the infringement is occurring. Put another way, the reciprocal representation agreements, enabled and underpinned by the Act, aim to clothe a collective society with the right stand in the shoe of a foreign collective society and enforce its rights just as that foreign society would if it were in the jurisdiction.

34. If this is correct then it would be self-defeating for the Act to require that the copyright owners and/or their exclusive licensees be named in the claim. What then would be the point of having collective societies as representatives? In the present claim, there is a host of copyright owners for the music soundtracks embedded in the movies aired by the Defendant cinema. To have to name all these copyright owners (located in a different part of the world) and/or their exclusive licensees would seem to emasculate the very concept of having representative collective societies that administer rights of copyright holders. It would be unwieldy, costly and cumbersome. I cannot think that this was the intention of the Act. The Act intended to simply (sic) the enforcement of copyright across borders.

...

41. I am of the view that the Act at section 110 empowers the Claimant to enter into reciprocal representation agreements with foreign societies like PRS, BMI and ASCAP to administer the rights of their respective members and affiliates in Saint Lucia according to the terms of their respective agreements. I am satisfied that the three agreements executed by the Claimant with PRS, BMI and ASCAP, respectively, provide in sufficiently clear terms that the Claimant is authorized and empowered to protect from infringement and enforce the copyright of the members and affiliates of those foreign societies within the jurisdiction of Saint Lucia. The BMI agreement at clause 3.11 specifically states that the Claimant may, in its "sole judgment" join BMI in any claim. I think that that buttresses the argument that the intention under the reciprocal representation agreements is that the Claimant is able to institute claims on its own. Further each of the three agreements make provision for arming the Claimant with all necessary documents to enforce copyrights of members (at clause 17 (1) (h) of the PRS agreement; clause 3.11 of the BMI agreement; and clause XV of the ASCAP agreement). **I therefore find that the Claimant has locus standi to bring the claim in its sole name.**" (emphasis mine)

[16] I now turn to the grounds of appeal.

Grounds of Appeal

[17] Against the entire judgment, Mega-Plex has filed several grounds of appeal. Of significance to this appeal, are the grounds which are encapsulated in the sole issue on appeal of whether the learned judge erred in holding that ECCO had standing to sue Mega-Plex.

Issue on Appeal

[18] The main issue which arises on this appeal is whether the learned judge erred in ruling that ECCO has standing to sue in its own name.

Appellant's Submissions

[19] Learned counsel, Mr. Gregory Delzin, said that the judge was wrong in his characterisation of Mega-Plex's case. He made it clear that Mega-Plex has always contended that ECCO must prove, as pleaded, that it was the owner of the

copyrights by way of the reciprocal representation agreements. He also argued that it was for ECCO to prove that it was authorised to sue Mega-Plex for damages pursuant to the Copyright Act and also to prove that it had the right to institute legal proceedings for infringement of copyright. He was adamant that this was the position that Mega-Plex had advanced at all times before the learned judge.

[20] Learned counsel, Mr. Delzin, stressed that the ability to bring an action as owner for breach of copyright and to claim damages must be found within the Copyright Act. He submitted that copyright is a creature of statute and does not exist at common law. In making that submission, he relied on **Jeffreys v Boosey**.² Mr. Delzin contended that Mega-Plex strongly denies that ECCO is the owner of the performing rights in the musical works. He also highlighted the fact that the reciprocal agreements that were entered into evidence by ECCO indicate expressly that ECCO was granted a non-exclusive licence to administer the rights of its members and affiliates. However, he argued that the learned judge erred in holding that ECCO had standing to sue since the Copyright Act does not for allow by way of contract that a non-exclusive licensee can assume the rights of owner or exclusive licensee, unless there has been total assignment of the rights by the owner.

[21] Mr. Delzin said that section 110 of the Copyright Act, upon which the judge relied to give jurisdiction to ECCO could not assist ECCO.

[22] Mr Delzin also said that parties cannot create jurisdiction in a court where the exercise of a right is defined by statute. He emphasised that the reciprocal agreements upon which ECCO relied to assert that it had exclusive rights, to the contrary, had expressly stated that it had non-exclusive rights. Accordingly, there was no evidence upon which the learned judge could have reached the conclusion

² (1854) 4 HLC 814.

that ECCO had standing. He therefore urged this Court to allow the appeal and set aside the judgment of the learned judge.

Respondent's Submissions

- [23] Learned counsel, Mr. Thaddeus Antoine, said that the learned judge was correct in his determination of the claim. He stated that the judge was correct in finding that ECCO can bring the action in accordance with the Copyright Act and that indeed, any action in copyright must be brought by the owner or the exclusive licensee. He, however, stressed that there are some instances that a non-exclusive licensee can bring the action and sought to rely on section 36 of the Copyright Act in support of his argument.
- [24] Mr. Antoine told the Court that ECCO is the owner of all performing rights in music within its repertoire by reason of it being a registered collective society under the Copyright Act. Further, he said that by being a collective society, as contemplated by the Act, and being so registered, as long as the music falls within the repertoire of ECCO, that ECCO had the right as owner to administer those rights. He posited that the relevant rights include bringing enforcement proceedings. Mr. Antoine also said that the members of collective societies other than ECCO, whose collective societies have reciprocal agreements with ECCO, have their works form part of the repertoire of ECCO and with that, the right held by ECCO to administer enforcement proceedings. Mr. Antoine referred this Court to Mr. Etienne's evidence that was presented in the lower court, in particular the reciprocal agreements which indicate that ECCO was granted **non-exclusive licences**.
- [25] Mr. Antoine said that section 110(3) of the Copyright Act provides non-exclusive rights that ECCO can administer once the music forms part of its repertoire. He sought to rely on section 110(3)(d), which states that a collective society may "perform any other functions consistent with its Rules and by-laws" to support his argument that ECCO had locus standi. The crux of Mr. Antoine's submissions is

that the Copyright Act read together with the rules and by-laws of ECCO clothes it with ownership, and therefore it can pursue enforcement actions for the members of its affiliate societies like PRS. He pointed out that section 114 of the Copyright Act requires collective societies to have rules and by-laws. He further stated that clauses 4 – 6 of ECCO's rules and by-laws provide for each member to assign its rights to the company to institute and prosecute proceedings against all persons. Mr. Antoine said that based on its by-laws, ECCO could have sued Mega-Plex on behalf of its members and affiliates. Mr. Antoine opined that the Copyright Act when read together with the rules and by-laws enable ECCO to pursue enforcement actions not just for its members but to enforce the rights of any affiliated society and that the administration by ECCO was governed by the contractual agreement, therefore it had the power to sue Mega-Plex. He asked this Court to dismiss the appeal since the judge did not err by concluding that ECCO had standing.

Discussion

[26] I will first refer to the relevant statutory provisions.

[27] Section 24(1) of the Copyright Act states:

“Subject to this Act, the author of a protected work is the first owner of any copyright in that work unless there is an agreement to the contrary.”

[28] Section 25 of the Copyright Act provides:

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

(2) An assignment of copyright may be partial, that is, limited so as to apply—

(a) to one or more, but not all, of the things which, by virtue of this Act, the owner of the copyright has the exclusive right to do;

(b) to part, but not the whole, of the period for which the copyright is to subsist.

(3) An assignment of copyright (whether total or partial) shall not have effect unless it is in writing signed by or on behalf of the assignor.

(4) A licence granted by a copyright owner is binding upon every successor in title to his or her interest in the copyright, except a purchaser

in good faith for valuable consideration and without notice (actual or constructive) of the licence or a person deriving title from such a purchaser; and references in this Act to doing anything with, or without, the licence of the copyright owner shall be construed accordingly.”

[29] Section 26 of the Copyright Act provides the meaning of “copyright owner”. It states:

“Where different persons are entitled (whether in consequence of a partial assignment or otherwise) to different aspects of copyright in a work, the copyright owner for any purpose of the Act is the person who is entitled to the aspect of copyright relevant for that purpose.”

[30] Section 32 of the Copyright Act provides for infringement generally and states:

“(1) The copyright in a protected work is infringed by any person who, not being the owner of the copyright and without the licence of the owner thereof—

(a) in respect of the work, does, or authorises another unauthorised person to do, any of the acts mentioned in section 8, in relation to that work;

(b) imports an article (otherwise than for his or her private and domestic use) into Saint Lucia which he or she knows or has reason to believe, is an infringing copy of the work;

(c) in Saint Lucia, or on any ship or aircraft registered in Saint Lucia—

(i) possesses in the course of business,

(ii) sells, lets for hire, or by way of trade offers or exposes for sale or hire, or

(iii) by way of trade exhibits in public, an article which he or she knows or has reason to believe, is an infringing copy of the work.

(2) Subsection (1)(c) shall apply, in relation to the distribution of any article either —

(a) for the purposes of trade; or

(b) for other purposes, but only to such an extent as to affect prejudicially the owner of the copyright, as it applies in relation to the sale of an article.

(3) Copyright in a work is infringed by a person who, without the licence of the copyright owner —

- (a) makes;
 - (b) imports into Saint Lucia;
 - (c) possesses in the course of a business; or
 - (d) sells or lets for hire or offers for sale or hire,
- an article specifically designed or adapted for making copies of that work, knowing or having reason to believe that it is to be used to make infringing copies.

(4) Copyright in a work is infringed by a person who, without the licence of the copyright owner, transmits the work by means of a telecommunications system (otherwise than by broadcasting or inclusion in a cable programme service) knowing or having reason to believe that infringing copies of the work will be made by means of the reception of the transmission in Saint Lucia or elsewhere.”

[31] Section 35(1) of the Copyright Act provides for action by the owner of the copyright for infringement. The relevant aspect of the section provides as follows:

“(1) Subject to this Act, infringements of copyright shall be actionable in the High Court **at the suit of the owner** of the copyright; and in any action for such an infringement all such relief by way of damages, injunction, accounts or otherwise shall be available to the plaintiff as is available in any corresponding proceedings in respect of the infringements of other proprietary rights.” (emphasis mine)

[32] Section 39 of the Copyright Act provides that;

“(1) For the purpose of this section, the expression—

‘exclusive licence’ means a licence in writing, signed by or on behalf of an owner or prospective owner of copyright, authorising the licensee, to the exclusion of all other persons, including the grantor of the licence, to exercise a right which by virtue of this Act would (apart from the licence) be exercisable exclusively by the owner of the copyright; and “exclusive licensee” shall be construed accordingly;

‘if the licence has been an assignment’ means if, instead of the licence, there had been granted (subject to terms and conditions corresponding as nearly as may be with those subject to which the licence was granted) an assignment of the copyright in respect of its or their application to the doing, at the places and times authorised by the licence, of the acts so authorised; and

'the other party' in relation to the owner of the copyright, means the exclusive licensee, and, in relation to the exclusive licensee, means the owner of the copyright.

(2) This section shall have effect as to proceedings in the case of any copyright in respect of which an exclusive licence has been granted and is in force at the time of the events to which the proceedings relate.

(3) **Subject to the following provisions of this section, the exclusive licensee shall (except against the owner of the copyright) have the same rights of action, and be entitled to the same remedies, under section 35 as if the licence had been an assignment, and those rights and remedies shall be concurrent with the rights and remedies of the owner of the copyright under that section (emphasis mine).**

(4) **Where an action is brought either by the owner of the copyright or by the exclusive licensee, and the action, in so far as it is brought under section 35, relates (wholly or partly) to an infringement in respect of which they have concurrent rights of action under that section, the owner or licensee, as the case may be, shall not be entitled, except with the leave of the court to proceed with the action, in so far as it is brought under that section and relates to that infringement, unless the other party is either joined as a plaintiff in the action or added as a defendant; but this subsection shall not affect the granting of an interlocutory injunction on the application of either of them.**

(5) In any action brought by the exclusive licensee by virtue of this section, any defence which would have been available to a defendant in the action, if this section had not been enacted and the action had been brought by the owner of the copyright shall be available to that defendant as against the exclusive licensee.

(6) Where an action is brought in the circumstances mentioned in subsection (4) and the owner of the copyright and the exclusive licensee are not both plaintiffs in the action, the court in assessing damages in respect of any such infringement as is mentioned in that subsection—

(a) if the plaintiff is the exclusive licensee, shall take into account any liabilities (in respect of royalties or otherwise) to which the licence is subject; and

(b) whether the plaintiff is the owner of the copyright or the exclusive licensee, shall take into account any pecuniary remedy already awarded to the other party under section 35 in respect of that infringement, or, as the case may require, any right of action exercisable by the other party under that section in respect thereof.

(7) Where an action, in so far as it is brought under section 35, relates (wholly or partly) to an infringement in respect of which the owner of the copyright and the exclusive licensee have concurrent rights of action under that section, and in that action (whether they are both parties to it or not) an account of profits is directed to be taken in respect of that infringement, then, subject to any agreement of which the court is aware whereby the application of those profits is determined as between the owner of the copyright and the exclusive licensee, the court shall apportion the profits between them as the court may consider just and shall give such directions as the court may consider appropriate for giving effect to that apportionment.” (emphasis mine)

[33] Section 110 of the Copyright Act addresses the administration of rights by collective society. The section states as follows:

“(1) Subject to such conditions as may be prescribed—

- (a) a collective society may accept from an owner of rights exclusive authorisation to administer any right in any work by issue of licences or collection of licence fees or both; and
- (b) an owner of rights shall have the right to withdraw such authorisation without prejudice to the rights of the collective society under any contract.

(2) A collective society shall be competent—

- (a) to enter into agreement with any foreign society or organisation administering rights corresponding to rights under this Act;
- (b) to entrust to such foreign society or organisation the administration in any foreign country of rights administered by the said copyright society in Saint Lucia; or
- (c) for administering in Saint Lucia the rights administered in a foreign country by such foreign society or organisation.

(3) Subject to such conditions as may be prescribed, a copyright society may—

- (a) issue licences in respect of any rights under this Act;
- (b) collect fees under such licences;
- (c) distribute such fees among owners of rights after making deductions for its own expenses;
- (d) perform any other functions consistent with its rules and by-laws.”

- [34] It is the law that the author of a protected work is the first owner of the copyright in that work and section 32 of the Copyright Act protects that work from infringement of the copyright. It is clear that in order to determine who has standing to sue for breach of copyright, the court must look to the statute for the answer.
- [35] Section 35 of the Copyright Act clearly provides that an owner may sue for copyright infringement. The legislation is the only source from which the answer to that question must be sought since there is no doubt that copyright is indeed a creature of statute, not existing in the common law. That was enunciated in **Jeffreys v Boosey** which is instructive on this point. This means that the court must be mindful not to read any rights into the statute that are not clearly given by the relevant statute. Learned counsel, Mr. Antoine, during his oral arguments in this Court maintained that ECCO was not suing on the basis of an exclusive licensee but rather it was adamant that it was the owner of the copyright under the Act. He emphasised that insofar as the rights fell within ECCO's repertoire, it became the owner of the copyright since it was registered. Unlike other statutes, the legislation in Saint Lucia has conferred the right to sue only on the owner of the copyright.³ There is no ambiguity in the Copyright Act and it is that statute which deals specifically with the right to sue. If an action can be brought by a party other than an owner, the Copyright Act must make this clear.
- [36] There is no doubt that in order to be able to sue for infringement of copyright, and in order to obtain a relief from that action, the owner of the copyright must be the party to the action, as only the owner possesses the concurrent right to sue. The Copyright Act clearly states who can bring an infringement claim before the High Court. A plain reading of section 35(1) of the Copyright Act provides that "subject to this Act, infringements of copyright shall be actionable in the High Court at the suit of the owner of the copyright". In order to ascertain who is regarded as "the owner" for the purpose of section 35(1), section 24(1) of the Copyright Act

³ In the United Kingdom, the legislation was amended to expand the scope and it clearly gives standing to persons in addition to the owner of the copyright.

provides clearly that “subject to this Act, the author of a protected work is the first owner of any copyright in that work unless there is an agreement to the contrary.”

- [37] Section 110 specifically addresses the administration of rights. It is clear that the general words of section 110 of the Copyright Act does not derogate from the clear wording of section 35 of the Copyright Act, which provides that the owner alone can sue for breach of copyright.
- [38] It is settled law that specific provisions take precedence over general. In any event, there is nothing in section 110 of the Copyright Act that can undermine the clear words of section 35 and insofar as the learned judge reasoned that section 110 of the Copyright Act served to expand the category of persons who could sue for breach of copyright, he erred in so doing. There is nothing in section 110 of the Copyright Act which confers on anybody the power to sue for breach of copyright. Section 110 of the Copyright Act addresses the administration of rights by the collective society as distinct from the right to sue. Therefore, I agree with Mr. Delzin that section 110 provides rights which ECCO can administer but it does not clothe it with the power to sue on behalf of its members or affiliates.
- [39] It is also of significance that ECCO cannot rely on its own rules and by-laws (internal documents) to give it jurisdiction to sue, that is outwith the statutory power that is conferred upon it. The general scheme of section 110 is that it empowers the collective society to issue licences and collect fees, and to enter into agreements with foreign societies on or against organisations administering corresponding rights under the Copyright Act. It does not speak to suing. In fact, section 111 of the Copyright Act makes it quite clear that “a collective society shall be subject to the control of the owners”.⁴

⁴ “111. CONTROL OVER THE COPYRIGHT SOCIETY BY THE OWNER OF RIGHTS

(1) A collective society shall be subject to the control of the owners of rights whose rights it administers (not being owners of rights administered by a foreign society or organisation) and shall, in such manner as may be prescribed—

(a) prepare a scheme for determining the quantum of remuneration payable to individual owners of rights;

- [40] It is settled law that the constituent document of an organisation or company cannot properly and lawfully derogate from the statutory powers that have been conferred upon the organisation or company. Insofar as ECCO sought to rely upon clauses 4.6(d)(iv) and 4.6(e)(i) of its rules and by-laws, as providing it with the jurisdiction to sue on behalf of its members and affiliates, that is impermissible. The power to sue can only be granted by the Copyright Act.
- [41] Based on the reciprocal agreements with affiliated collective societies, PRS, BMI and ASCAP, there was evidence before the judge that indicates that ECCO had a non-exclusive licence. I agree with learned counsel, Mr. Delzin, that there is nothing in section 110 of the Copyright Act that enables a non-exclusive licensee to import into its rules and by-laws the enforcement rights of an exclusive licensee. To the contrary, section 110 of the Copyright Act has absolutely nothing to do with the provision of ownership. Insofar as ECCO was adamant that it was the owner of the copyright, the evidence that it referred this Court to paints a different picture. The reciprocal agreements clearly state that it had non-exclusive rights which is obviously inconsistent with ownership.
- [42] According to section 32(1), “the copyright in a protected work is infringed by any person who, not being the owner of the copyright and without the licence of the owner thereof...”. The section has the effect of excluding only two persons from the possibility of infringement, namely the owner of the copyright and a person possessing a licence of the owner. During oral submissions, learned counsel for ECCO referred to section 39 of the Copyright Act. However, when he was pressed during his oral submissions, he agreed that ECCO was not the owner of the copyright but said that it was “clothed with ownership”.

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- (b) obtain the approval of such owners of rights for its procedures of collection and distribution of fees;
 - (c) obtain the approval of such owners for the utilisation of any amounts collected as fees for any purpose other than distribution to the owner of rights; and
 - (d) provide such owners regular, full and detailed information concerning all its activities, in relation to the administration of their rights.
- (2) All fees distributed among the owners of rights shall, as far as may be, be distributed in proportion to the actual use of their works.”

[43] Apart from the owner of the copyright, the ability to bring proceedings is provided for a specifically named class of person by the Copyright Act. That is the exclusive licensee. Section 39 of the Copyright Act also makes provision for proceedings to be brought in cases of copyright infringement by the exclusive licensee. According to section 39(1), there are definitions for very specific expressions used for the purpose of that section. Section 39(1) states that:

“**“exclusive licence”** means a licence in writing, signed by or on behalf of an owner or prospective owner of copyright, authorising the licensee, to the exclusion of all other persons, including the grantor of the licence, to exercise a right which by virtue of this Act would (apart from the licence) be exercisable exclusively by the owner of the copyright; and “exclusive licensee” shall be construed accordingly;”

[44] For the sake of completeness only, I will look a little more at section 39 of the Copyright Act even though Mr. Antoine was clear that ECCO was suing in its capacity of owner.

[45] Section 39(2) indicates that an exclusive licensee has clear standing to bring proceedings. According to section 39(2):

“This section shall have effect as to proceedings in the case of any copyright in respect of which an exclusive licence has been granted and is in force at the time of the events to which the proceedings relate.”

Section 39(3) provides:

“Subject to the following provisions of this section, the exclusive licensee shall (except against the owner of the copyright) have the same rights of action, and be entitled to the same remedies, under section 35 as if the licence had been an assignment, and those rights and remedies shall be concurrent with the rights and remedies of the owner of the copyright under that section.”

[46] However, in view of the fact that Mr. Antoine was adamant that ECCO was suing as owner, it is clear that ECCO, is not the owner of the copyright. Neither is ECCO an exclusive licensee as contemplated by section 39. As indicated earlier, it is clear from the reciprocal agreements that were tendered in the lower court that ECCO is a non-exclusive licensee. The Copyright Act makes no provision for any

proceedings or action to be brought by anyone other than an owner or an exclusive licensee. This means that the Act does not contemplate action being initiated by a non-exclusive licensee, which is the position that ECCO holds.

[47] The Copyright Act makes no provisions or allowances, by way of a contractual arrangement, for a non-exclusive licensee to assume ownership rights from a copyright owner, or from a holder of an exclusive licence in a copyright. The only exception to this is by the mechanism of a complete assignment of rights in accordance with section 25 of the Copyright Act. Though in some cases, the parties may seek to enter into an agreement to give effect to certain terms and conditions and create rights, it is not open to parties to create rights which are contrary to those specifically provided by the statute, specifically when the state confers no such rights on those parties. The cases of **Essex County Council v Essex Incorporated Congregational Church Union**⁵ and **Heyting v Dupont**⁶ are instructive on this point. Generally, a licensee will be afforded limited powers. A licensee which holds a non-exclusive licence will naturally have even more limited rights within the context which the licence is bestowed. The limitations on the powers afforded by voluntary licence to a licensee were addressed in the writings of **Laddie, Prescott and Victoria on Copyright**.⁷ The text reads as follows:

“In the strict sense a licence is a mere permission to do that which would otherwise be unlawful and it confers no proprietary rights on the licensee: ‘A dispensation or licence properly passeth no interest, but only makes an action lawful which without it had been unlawful.’ Since a licensee has no proprietary interest he cannot sue in his own name to restrain infringement for no rights of his have been infringed nor has he any rights to transmit unless the licence itself so provides either expressly or by implication. To some extent s 90(4) of the CDPA 1988 Act does confer the status of a property interest on copyright licences by providing that a licence granted in respect of any copyright is binding on every successor in title to the copyright owner except a purchaser in good faith for valuable consideration without notice (actual or constructive) of the licence or a

⁵ [1963] AC 808 HL.

⁶ [1963] 1 WLR 1192.

⁷ Laddie, Prescott and Vittoria on Copyright: The Modern Law of Copyright and Designs, 4th Edn/ Part II: Copyright and Related Rights, chap. 25 at para 25.2.

person deriving title from such a purchaser and similar provisions apply in relation to the publication right, the database right and the performer's property right. Even though a licence is personal to the grantee he is not obliged to do everything personally to exploit the licence and may employ an agent or a sub-contractor to do any or all of the acts falling within the terms (express or implied) of the licence."

- [48] For the reasons outlined above, I have no doubt that the learned judge erred in concluding that ECCO had standing to sue for copyright infringement. The Copyright Act is quite clear on the lack of the ability of a non-exclusive licensee to sue for breach of the Copyright Act. ECCO has presented no evidence to establish a different view, namely, that it owns the copyright in the work. It is therefore not entitled to sue. Accordingly, the appeal against the judgment of the learned judge is allowed and the decision is set aside since the learned judge erred, as a matter of law, in concluding that ECCO had standing to sue in its own name.

Costs

- [49] The cost order in the court below was that costs were to be determined by the lower court at the time of the inquiry as to damages. Mega-Plex has succeeded on its appeal and is therefore entitled to the costs of this appeal which are to be assessed by the master or the registrar. It shall also have its costs in the court below to be assessed, by either the master or the registrar, if not agreed within 21 days of this judgment.

Conclusion

- [50] Accordingly, for the above reasons Mega-Plex's appeal against the judgment of the learned judge is allowed and judgment is set aside. ECCO shall pay Mega-Plex the costs of this appeal in accordance with rule 65.13 of the **Civil Procedure Rules 2000** and the costs in the court below which are to be assessed, by either the master or the registrar, if not agreed within 21 days.

[51] I gratefully acknowledge the assistance of learned counsel.

I concur.
Mario Michel
Justice of Appeal

I concur.
Kimberly Cenac-Phulgence
Justice of Appeal [Ag.]

By the Court

Chief Registrar