FAX DIRECTORIES (PTY) LTD v SA FAX LISTINGS CC

DURBAN AND COAST LOCAL DIVISION

HUGO J

1989 April 17; May 17

Practice—Applications and motions—Application for leave to lead viva voce *evidence—At what stage application to be made—Where legal issues are so crisp and far removed from conflict of fact that it would be fair to parties to allow argument thereon* in initio, *party losing on legal issues not to be penalised for having tried to save costs involved in hearing* viva voce *evidence—Should then be entitled to apply for leave to lead* viva voce *evidence.*

*Copyright—Subsistence of—Literary work—Author of—*Quaere: *whether a company can be an author as intended in s 3(2)*(a) *of Copyright Act 98 of 1978—*Semble: *Having regard to definition of 'qualified person' in s 3(1) and ss* (g) *of definition of 'author' in s 1 of Act, in the case of a published literary work the publisher (which can presumably be a body corporate) is the author.*

Copyright—Owner of copyright—Employees of publisher producing publication (a directory) of telefax users—Employees acting within scope of their employment in producing the publication—Publisher accordingly the owner of the copyright therein in terms of s 21(1)(d) *of Copyright Act 98 of 1978—Publisher named as author in directory—Directory a literary work; anonymous or pseudonymous; first published in the Republic within the past 50 years; name of applicant purporting to be publisher appearing in the work as first published; and actual names of authors patently not commonly known—Applicant as publisher presumed, in terms of s 26(3) of Act, to have been owner of the copyright at time of publication.*

Copyright—Infringement—What constitutes—Directory of telefax users of some 11 000 entries—Applicant proving the copying of 28 or 29 fictitious entries in its directory by respondent in its (respondent's) directory—Probabilities overwhelming that many more entries were copied—Impossible to determine extent of copying—But not necessary for applicant to show exact extent of copying, provided that it is shown that copying not insubstantial—Inference inescapable that what was copied was substantial even if precise extent not known—Infringement established—Interdict granted.

The applicant, the publisher of 'The Pink Pages', a directory of telefax users, sought an interdict restraining the respondent from infringing the applicant's copyright in its directory, restraining the respondent from distributing, selling etc its rival directory and ancillary relief. At the outset of the hearing, the applicant indicated that it persisted in seeking final relief on the papers, but that, if the Court could not find in its favour on the papers because of an irresoluble conflict of fact, it would seek a temporary interdict. The respondent contended that such an approach was not permissible as the applicant had to apply *in initio* for the matter to be referred for the hearing of *viva voce* evidence.

Held, that there were cases where the legal issues were so crisp and so far removed from the conflict of fact that it would be fair to both parties to allow argument thereon *in initio*: if the applicant lost the legal battle he should not then be penalised for having tried to save the costs involved in hearing *viva voce* evidence.

Held, accordingly, that the present case was one in which counsel was justified in arguing the legal point *in initio* and making his application for reference to evidence dependent upon the Court not finding in his favour.

Marques v Trust Bank of Africa Ltd and Another 1988 (2) SA 526 (W) approved and applied.

Di Meo v Capri Restaurant 1961 (4) SA 614 (N) not followed.

On the facts disclosed in the affidavits, it appeared that the applicant had conceived of the idea of publishing a directory of users of telefax equipment and had proceeded to obtain the necessary information. The first edition of its directory, called 'The Pink Pages', appeared in 1986 and subsequent editions appeared yearly. The work that went into these publications, ie the gathering of the information and the compiling of the directory, was done by employees of the applicant. Each edition of 'The Pink Pages' contained a notice prohibiting the reproduction of the whole or part of the directory without the applicant's permission and that the publisher of the directory was the applicant. In the first edition it was said that the applicant was the compiler and publisher of the directory but in subsequent editions it was only said that it was the publisher. In order to detect and prevent infringement of its copyright, the applicant inserted a number of fictitious entries in its directories. The respondent published a directory called the 'SA Telex Register and SA Fax Listings'. In its telefax section all but one of the fictitious entries in 'The Pink Pages' were found, which respondent had claimed it obtained from another directory (which had, with the leave of the applicant, copied information from the applicant's directories). The respondent contended *(a)* that the applicant could not be the author of 'The Pink Pages' because it was implied in s 3(2)*(a)* of the Copyright Act 98 of 1978 that the author had to be a natural person and not a company, such section providing that the term of copyright in a literary work was 'the life of the author and fifty years from the end of the year in which the author dies . . .'; it was further contended *(b)* that the applicant was not the owner of the copyright in terms of s 21(1)*(d)* of the Act as there was no proof of a contract of service in respect of the alleged employees of the applicant and that the presumption in s 26(3) of the Act did not apply; *(c)* that the applicant had to show that the infringement was not trivial or, conversely, that a substantial portion of the work had been copied, and that, as the applicant had shown at most only 28 or 29 instances of copying in a work containing some 11 000 entries, the copying was not substantial and was indeed trivial.

Held, as to *(a)*, accepting in the respondent's favour that only a natural person and not a company (such as the applicant) could be the author of a literary work, that, if the facts on the papers disclosed that the applicant was the owner of the copyright, then, provided the applicant satisfied the other requirements therefor, it was entitled to relief.

Quaere: Having regard to the provisions of s 3(2)*(a)* of the Act, whether a company can be an author of a literary work as intended in that section.

Semble: Having regard to the definition of 'qualified person' in s 3(1) of the Act and to ss *(g)* of the definition of 'author' in s 1, the publisher (which presumably can be a body corporate) of a literary work is the author.

Held, further, as to *(b)*, on the probabilities, that the applicant was the employer of the authors (of the directory) who acted within the scope of their employment in producing the works concerned, and by virtue of s 21(1)*(d)* of the Copyright Act the applicant was the owner of the copyright.

Held, further, that the applicant's directory was (1) a literary work; (2) anonymous or pseudonymous; (3) first published in the Republic of South Africa within the past 50 years; (4) that the name of the applicant purporting to be the publisher appeared in the works as first published, and (5) the actual names of the authors were patently not commonly known.

Held, accordingly, that the presumption contained in s 26(3) that in the aforementioned circumstances the applicant was presumed to be the owner of the copyright in 'The Pink Pages' applied unless the contrary was shown, and the contrary had not been shown.

Held, accordingly, that it had been shown that the applicant was the owner of the copyright in the works.

Held, further, as to *(c)*, that on the facts of the present case, the inference was inescapable that the 28 or so instances of copying were copied directly or indirectly from the applicant's works, most of them probably from the first edition but at least one from a subsequent edition, and that it was inconceivable that the respondent could only have selected those 28 or 29 cases to copy: the probabilities were overwhelming that there must have been many more entries that were simply copied.

Held, further, that, although it was impossible to determine what the extent of the copying was, it was not necessary for the applicant to show the exact extent of the copying, provided that it was shown that the copying was not insubstantial.

Held, further, that, if regard was had to the fact that the 28 demonstrated instances of copying were only the tip of the iceberg, the inference was well-nigh inescapable that what was copied was substantial even if the precise extent thereof was not known.

Held, accordingly, that the infringement of applicant's copyright was established. Final interdict granted.

Application for an interdict. The facts appear from the reason for judgment.

P A M Magid SC (with him *S R Mullins*) for the applicant.

P Levinsohn SC for the respondent.

Cur adv vult.

Postea (May 17).

Hugo J: The applicant company seeks the following relief on motion:

'A.1 Interdicting and restraining the respondent from:

1.1 infringing the applicant's copyright in and to the compilation of names, addresses and telefax numbers styled "The Pink Pages Fax Directory", "The Pink Pages Fax Book" (hereinafter in para 1 referred to as "the directory") by doing or causing any person to do in the Republic of South Africa any act which the applicant, being the author of the directory has the exclusive right in terms of s 6 of the Copyright Act 98 of 1978, to do or to authorise the doing of;

1.2 distributing, advertising, selling or offering for sale copies of the 1987/88 and 1989/90 editions of the "SA Fax Listings Directory";

1.3 distributing, advertising, selling or offering for sale any copies of the 1989/90 "SA Classified Fax Listings Directory", or "SA Fax Listings Directory" reprint which the respondent has announced its intention of publishing during early 1989;

A.2 requiring the respondent to deliver up to the applicant for destruction all copies of the 1987/88, 1988/89 editions of the "SA Fax Listings Directory" as also the proposed 1989/90 "SA Classified Fax Listings Directory" or "SA Fax Listings Directory" which are in the possession or under the control of the respondent;

A.3 requiring the respondent to pay the costs of this application.

B Alternatively to A above:

B.1 a temporary interdict in terms of A.1 above pending the determination of an action to be instituted by the applicant against the respondent in this honourable Court within 15 days of the date of this order for the relief set forth in A.1 to 3 above and in addition thereto for damages;

B.2 granting that the costs of this application be costs in the cause of the said action.'

At the outset Mr *Magid SC*, for the applicant, said that he persisted in seeking final relief but that, if I could not find in his favour on the basis set out in *Stellenbosch Farmers' Winery Ltd v Stellenvale Winery (Pty) Ltd* 1957 (4) SA 234 (C) and *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A) at 634H–635C, he would move for a temporary interdict.

Mr *Levinsohn SC* for the respondent objected to this approach and maintained that an irresoluble conflict of fact had arisen on the papers and that the applicant should have applied *in initio* for the matter to be referred to evidence. For this submission he relied on a line of cases of which the most famous is probably *Di Meo v Capri Restaurant* 1961 (4) SA 614 (N), the effect of which is that an application for the referral to evidence

'should be made in unequivocal terms and should not be made conditional upon the Court coming to the conclusion after hearing and considering argument in the whole case, that a conflict cannot be resolved without hearing evidence'.

This was a judgment by Fannin J in an application for leave to appeal. When considered on appeal this aspect of the judgment was touched upon only in passing and not with apparent approval (see *Goldberg and Another v Di Meo* 1960 (3) SA 136 (N)).

The correctness of the decision in *Di Meo's* case has been questioned by some (see for example *Uniform Rules of Court* by Nathan, Barnett and Brink 3rd ed at 50) and has recently been dissented from in *Marques v Trust Bank of Africa Ltd and Another* 1988 (2) SA 526 (W) in which case Morris AJ exhaustively examined the authorities in this regard and came to the conclusion that:

'If counsel believes that the papers entitle him to an order or disclose a valid defence, he is entitled to persist in his application without being precluded, when a dispute becomes apparent and incapable of resolution on the papers, from asking for evidence *viva voce*. Counsel should not be saddled with the burden, at the expense of his client, of deciding the very question which the Court must decide.'

To the extent that the *Di Meo* case purports to lay down an inflexible rule of law, I must respectfully disagree with it. I entirely and respectfully agree with the views of Morris AJ in the *Marques* case.

Brave indeed is the advocate who will be prepared to gamble that the Court shares his view of the law and of the facts. This means counsel will almost invariably opt for the safer but more expensive course of asking that the matter be referred to evidence. In so doing he would still be able to argue the legal point but at what cost to his client, both in respect of time and money.

There are, it seems to me, cases where the legal issues are so crisp and so far removed from the conflict of fact that it would be fair to both parties to allow argument thereon *in initio*. If the applicant loses the legal battle he should not then be penalised for having tried to save the costs involved in hearing *viva voce* evidence. (Provided of course that his efforts were *bona fide* and well considered and not merely frivolous.)

In my view this is a case in which counsel was justified in arguing the legal point *in initio* and making his application for reference to evidence dependent upon my not finding in his favour.

Mr *Levinsohn* also applied from the Bar to hand up, as part of the respondent's answering papers, an additional or supplementary affidavit by one Lesley Ann Devine, who had also deposed to an affidavit in the papers already filed.

Mr *Magid* objected to this procedure and pointed out that no reasons for the lateness had been advanced nor indeed had any reasons been advanced at all for its admission.

I deferred a decision on its admission until argument had been heard when I could see whether justice demanded its inclusion in the evidential matter before me. If its admission seemed essential to the respondent's case I would possibly have admitted it. It turned out not to be and indeed received but scant attention during argument. It was, it seems, a further exercise in showing the extent of the novel matter in the respondent's publications. I do not think that the affidavit really advances the respondent's case and in the absence of reasons for its late filing I decided to reject the affidavit.

So much for the preliminaries.

The applicant's case is based upon the following facts.

In about 1986 the applicant's deponent, one Dixon, conceived the idea of compiling a directory of users of telefax equipment. He set about obtaining the necessary information. This he did by obtaining lists of purchasers from distributors of such equipment and also by canvassing any such purchaser telephonically. Applicant company was incorporated in 1986 to publish this work.

By October 1986 sufficient information had been obtained to publish the first edition of the directory called 'The Pink Pages', ostensibly for the years 1986/1987. These directories will be referred to as 'The Pink Pages'.

In September of the following year the next edition was published for 1987/1988. This was a considerably thicker publication and contained, in addition to the names in the first edition, also new ones obtained in the interim.

In July 1988 the third edition of 'The Pink Pages' appeared, this time for 1988 only. This again was a thicker volume than the previous one and contained not only the alphabetical list published in the previous editions but also additional names obtained in the interim. A so-called 'classified section' containing information of telefax users by trade or profession was included, starting for example with the heading 'Abrasives' and going on to 'Accountants and Auditors' and so forth.

The work that goes into these publications, in particular the gathering of the necessary information, is all done by employees or staff of the applicant.

The directories were fairly widely disseminated throughout southern Africa.

Thus far these facts are not really in dispute. The respondent's deponent claims to have no knowledge of many of them and therefore does not admit them. It is plain from the *Plascon-Evans* case *supra* that such

ostensible disputes are not true disputes of fact and, in these instances at least, the applicant's version may be accepted.

Based on the facts above the applicant avers that it is the author (within the meaning of Act 98 of 1978) of the three Pink Pages editions and owns the copyright therein. This allegation is in dispute and I shall return to it later.

In order to prevent or at least to detect infringement of its copyright the applicant hit on the idea of inserting in the directories a number of fictitious entries. These consisted of a false name and either a false address or the applicant's address or the address of friends of the applicant's deponent.

Each edition of 'The Pink Pages' contains a notice to the following effect:

'Copyright
No reproduction of this directory in whole or in part is allowed without the express permission of Fax Directories (Pty) Ltd. Legal proceedings will be instituted against anyone reproducing material without the permission of the publisher.'

In addition each edition contains the following publishing information:

'Publication of the Pink Pages
This directory is published by Fax Directories (Pty) Ltd PO Box 53170 Troyeville 2139 Johannesburg. . . .'

In the first edition it is said that the directory has been 'compiled and published' by the applicant while the further editions (in the English version only) claim that it was so 'published'. In the Afrikaans version of the notice the claim throughout is that the directory was 'opgestel en gepubliseer' by the applicant.

There is no reference to these notes or notices in the affidavits but at the beginning of the hearing copies of all the relevant directories, both the applicant's and respondent's, were placed before me. I asked counsel if I was entitled to look at these notes and other entries in the directories and both agreed that I was.

In 1987 the respondent published its directory called 'SA Classified Telex Register and SA Fax Listings'. This is a directory published on paper which on the face of it is inferior to that of any of 'The Pink Pages' publications and in general appears to be a much cheaper work. It contains in addition to telex and telex information (with which I am not concerned in this case) telefax information in a separate section. This work will henceforth be referred to as 'SAFL'.

The applicant compared the telefax information in the first edition of SAFL with its own directory and found that all but one of the fictitious entries were also recorded in SAFL.

This allegation is admitted by the respondent. It is met, however, by stating that the same entries also appear in the '*International Directory*' published by Jaeger and Waldman, one of the sources allegedly used by the respondent for gaining information. I pause here to state that it appears that this latter directory contains telefax information for South Africa which has also been copied from the applicant's works, but by leave of the applicant. The respondent's deponent, Devine, goes on to say:

'While it is true that the respondent may well have used "The Pink Pages" as a source of reference, it is also highly likely that the *Jaeger and Waldman* directory was also consulted.'

(At 77–8.) Devine also deposed that he had been involved in the publishing of *inter alia* telex directories since about 1977. The information in these directories was contained in a computer.

The method used by the respondent to compile its directory is explained in the following terms by Devine:

'14.6 Although I realised that the telex directory would eventually be phased out, I nevertheless realised that the persons who appeared in our telex directory data base and other directories would be an important source of information for the purpose of the compilation of a fax directory.

14.7 In the compilation of the first edition of the respondent's directories, we used a number of sources from which information was compiled. I annex hereto, marked "B", a list of all publications which were used as reference sources. I point out that all the South African publications including "The Pink Pages" are placed in public libraries and are freely available.

14.7.1 Everyone who appeared in our telex directory was sent a circular as will more fully appear from the circular dated March 1986, which is annexed hereto marked "C".

14.7.2 We sent out circulars and calendars to people on our telex data base and to thousands of persons whose names we had obtained from newspaper advertisements and catalogues, and also from the responses to advertisements placed in Chamber of Commerce newsletters throughout the country, and a limited number of publications reflected in annexure "B".

14.7.3 The said circulars were also sent to persons whose names we obtained from the Government telephone book, from a small directory compiled by Nashua, and we also obtained names from sales people who had actually sold fax machines. I stress, however, that this information was given to us in confidence. As will more fully appear from the circular, annexure "C", the established procedure used by the respondent was to circulate all persons whose names and fax numbers were received. These persons were requested to check the details appearing and advise if any changes were required. The circular letter made it clear that if no response was received the free entry in the directory would appear. Persons were also invited to furnish information in regard to clients and business associates to ensure that the names of those persons are published.

14.8 I verily believe that the respondent must have sent out from March 1986 to the end of 1988 approximately 1 300 000 circulars as well as solicitations for advertisements.

14.9 There was a very good response to advertisements placed in at least 10 of the major of the Chamber of Commerce publications as well as from the circular letters sent out as aforesaid.

14.10 The main objective was to establish a comprehensive data base properly verified to compile the fax directory. To this end a computer was used to store and sort data. In the result the compilation of the directory is the product of the respondent's idea to compile a fax directory which germinated in late 1985 and 1986.'

The circular referred to here is a document which, in the form attached to the papers, is somewhat equivocal inasmuch as the blanks have not been filled in. It seems, however, that the name of a company or person and its particulars, obtained in one of the ways described by the respondent, was inserted by the respondent in an empty space provided for that purpose

and sent to the company or person concerned. They were told in the circular that they should check the details given and advise of changes. The document then goes on to say 'your free light type entry will appear as below in the forthcoming edition of the directory if we do not hear from you within 14 days'.

In addition the addressee is invited to furnish information of other telefax users.

These circulars were also sent to the fictitious names contained in 'The Pink Pages' and when no response was made the entries were placed in that form. The source of this information could, on the respondent's own showing, only have been 'The Pink Pages' or the *Jaeger and Waldman* directory.

It is conceded by the applicant that there is some novel content in the respondent's directory. It is also conceded that not all the entries in 'The Pink Pages' found their way into the SAFL.

Because of what Dixon considered to be a very poor publication that would not really constitute a threat, he decided not to take Court action when the first edition of SAFL came out, but to publish a 'warning' to telefax users in the next edition of 'The Pink Pages'. *Inter alia* this warning contained a direct reference to the respondent in the following terms:

'The SA Fax Listings is a direct and very poor copy of the first edition of "The Pink Pages" for R108.'

This warning gave rise to an application in this Court in which the present respondent sought to restrain the publication of 'The Pink Pages' while they contained it. This application was eventually settled and the present applicant undertook not to print the warning in any future directory and to remove it from the current one.

This undertaking was made subject to the following condition:

'The aforementioned undertakings are conditional upon and shall only become effective once the respondent's senior counsel has certified that none of the entries set out in the schedule annexure "SR4" to the respondent's supplementary affidavit dated 23 November 1988 appear in the applicant's fax directory which it is about to publish.'

The annexure referred to contained a list of the fictitious entries referred to above.

The purpose of this condition is not clear, nor was it explained during the course of the present application. Mr *Levinsohn*, however, argued that the condition was an implied consent to publish once the certificate was given. Because the settlement agreement also contains an express clause reserving the rights of both parties in respect of any claims which either party may have against the other, this argument cannot be correct.

It is common cause that the condition was fulfilled.

In December 1988 the applicant got sight of the 1988/1989 edition of SAFL and resolved to launch this application.

Although the fictitious entries had been deleted it was found that at least four typographical errors appearing in 'The Pink Pages' also appeared in the second edition of SAFL. (A fifth alleged case fell away.) This is not in dispute.

The respondent deals with these entries as follows. In respect of the first it says: 'it is equally possible that the source from which this entry was

taken was the *Jaeger and Waldman* directory'. As to the second case it says that 'it is likely that in this instance the source of the information was obtained (*sic*) from the applicant's third edition'. The third and fourth cases are again dealt with by reference to the *Jaeger and Waldman* directory.

It is conceded by the applicant that the second edition of the SAFL contains more novel content than did the first. Both parties performed various exercises to determine the extent of this novel material. In all cases they consisted of spot checks, and it turned out that there were four categories of entries. Firstly, where the entries in both directories were identical, secondly where the entries appeared in both directories but not in identical terms, thirdly those that appeared in 'The Pink Pages' but not in the SAFL and finally, those that appeared in the SAFL but not in 'The Pink Pages'.

Neither party has done a complete survey of the entire publications and both have contented themselves with those spot checks from which they attempted to extrapolate the results to the complete works. On both versions there are not inconsiderable numbers in each of these categories. For present purposes it suffices to leave it there.

It is to be noted, however, that nowhere does the respondent state categorically that it did not copy the applicant's work at all. The furthest its deponent is prepared to go is to deny copying the work '*en bloc*'. Indeed there are a number of thinly veiled admissions that some copying did take place. For example in para 22.1 he says 'my own survey . . . is far more telling . . . that the respondent has not under any circumstances simply copied the applicant's directory'. In para 22.2 he says '. . . detracts from the suggestion that there has been copying *en bloc*', and in para 22.3, 'there has not been a blatant copying'. In addition there are the references to the *Jaeger and Waldman* directories quoted above. (Underlining in this paragraph inserted by me.)

Indeed the presence of the fictitious entries and typographical errors leaves a firm denial of any copying out of the reach of respondent. Its partial reliance on the entries in the *Jaeger and Waldman* directories avails it but little. The applicant has shown in reply that *Jaeger and Waldman* had the applicant's consent to 'use your directory to complete and update our data base for SA fax subscribers'. On the probabilities therefore *Jaeger and Waldman* is itself *pro tanto* a copy of the applicant's work. In s 1 of Act 88 of 1978 the concept of 'reproduction' is defined in relation to, *inter alia*, a 'literary work' as including 'a reproduction made from a reproduction of that work'.

To the extent that the respondent reproduced the data contained in the *Jaeger and Waldman* directories, this constituted also a reproduction from the applicant's work.

So much for the facts for the present.

Was applicant the author of 'The Pink Pages'?

Mr *Levinsohn* for respondent argued that the applicant was not and could not be the author of 'The Pink Pages'. This, he says, is because, implicit in the Act, an author must be a natural person and not a company.

He conceded that there is nothing in the definition of author nor is there anything explicit in the Act to this effect.

'Author' in relation to a literary work is defined in s 1 of the Act as 'the person who first makes or creates the work'.

The implication, he said, must be drawn from the provisions of s 3(2)(*a*) of the Act. This section reads:

> 'The term of copyright conferred by this section shall be, in the case of—
> (*a*) literary or musical works or artistic works, other than photographs, the life of the author and fifty years from the end of the year in which the author dies. . . .'

This is a clear indication, he says, that the author must be a natural person because, if not, there would be no way in which to determine the duration of copyright in literary works. The definition of 'author' in the Act is neutral. It could be of course that there is a *casus omissus* in the Act and that it simply fails to dealing with the situation where a corporate body is the author. I do not think so. Such a *casus omissus* is not easily presumed and, if an interpretation is possible which would avoid it, then that interpretation is to be preferred. (See Steyn *Uitleg van Wette* 5th ed at 124.)

Mr *Magid* referred me to s 3(1) of the Act. This section makes provision for a juristic person in its definition of a 'qualified person'.

Section 3(1) does not refer only to literary works. It is not really helpful because it is plain that in respect of works like cinematographic films or photographs the term of the copyright is determined without reference to the death of a person. Section 3(2)(*a*) provides no reason why a company could not be the author in respect of that kind of work. The implication in respect of literary works does not apply.

No other indications in the Act were pointed out to me nor was I referred to any authority in this respect.

In dealing with similar provisions in the English Act, Copinger and Skone James on *Copyright* 12th ed para 65 come to the conclusion that 'it would not appear that a body corporate can be an author except in the case of photographs . . .'. No authority is quoted for this view and the sections referred to in the footnote are not very helpful. Nonetheless, even having regard to the differences between the two Acts, this does provide some support for Mr *Levinsohn's* contention.,

See *Pan African Engineers (Pty) Ltd v Hydrotube (Pty) Ltd and Another* 1972 (1) SA 470 (W) at 472G.

Copeling *Copyright Law* at 59 seems to be of the same mind where he says that the reference in the definition of 'qualified person' in s 3(1) to a body corporate is designed for the case of sound recordings and cinematographic films.

No cogent reason has been pointed out to me nor have I been able to find one for holding that the Act would be unworkable if I were to hold that only a natural person can be an author of a literary work. There are ample provisions in the Act which make it possible for a corporate body to become the holder of a copyright without necessarily being the author thereof.

Subsection (*g*) of the definition of 'author' in the Act was not referred to in argument. This subsection provides that, in relation to a published edition, the 'author' means 'the publisher of the edition'.

'Published edition' in turn means 'the first print by whatever process of a particular typographical arrangement of a literary or musical work'.

On the face of it these definitions indicate that at least in the case of a published literary work the publisher (which presumably can be a body corporate) is the author.

In the absence of argument on these definitions, however, I would prefer not to make any definite finding in this regard. I do not need to do so in the light of the other conclusions I have come to.

I am prepared to accept in the respondent's favour that Mr *Levinsohn* is correct in his argument that only a natural person and not a company such as the applicant's can be the author of a literary work.

Mr *Levinsohn* has further argued that since the applicant has relied on authorship to found its application it must lie on the bed it has made. He argued that the applicant cannot now rely on another form of ownership of the copyright in order to establish its case.

In prayer 1.1 the applicant requests an interdict against the respondent, restraining it from performing any act which the applicant 'being the author of the directory has the exclusive right in terms of s 6 to do or to authorise the doing of'. In para 13 of the founding affidavit Dixon says 'it is respectfully submitted in the premises described above that the applicant is the author . . . of "The Pink Pages" and has the copyright'.

It is manifest from the above quotation that the applicant did base its case on the premise that it was the author.

The question therefore arises as to whether the applicant is bound by the premise upon which it approached the Court or whether the Court may come to its assistance if that premise turns out to be incorrect but where the papers disclose another basis upon which it would be entitled to relief.

The allegations in the papers that the applicant is the author of the works is not an allegation of fact in the context of this case but a conclusion of law based on the facts stated.

In my view, if the facts in the papers disclose that the applicant is the owner of the copyright, then provided that it satisfies the other requirements it would be entitled to relief. See *Sewmungal and Another NNO v Regent Cinema* 1977 (1) SA 814 (N) at 817G; *Simmons NO v Gilbert Hamer & Co Ltd* 1963 (1) SA 897 (N) at 903 and *Allen v Van der Merwe* 1942 WLD 39 at 47.

Normally it is the owner of copyright that has the right to protect the copyright. If the author is not also the owner, he has but limited rights. The right upon which the applicant relies is therefore not so much its authorship but its ownership of the copyright. In para 13, the passage that I have referred to above, the deponent Dixon indeed makes the final legal conclusion from the facts, namely that the applicant is the holder of the copyright.

Is the applicant the holder of the copyright?

Mr *Magid* argued that it is plain from the applicant's affidavits, and not disputed, that the authors (there must have been more than one) acted in

the scope of their employment in obtaining and processing the data. If that is so then, in terms of s 21(1)(*d*) of the Act, the applicant as their employer is the owner of the copyright.

This section reads:

'Where in a case not falling within either para (*b*) or (*c*) a work is made in the course of the author's employment by another person under a contract of service or apprenticeship, that other person shall be the owner of any copyright subsisting in the work by virtue of s 3 or 4.'

Mr *Levinsohn* argued that there is no proof of a contract of service or apprenticeship and that therefore the applicant had not brought itself within the terms of the section. I do not agree. Dixon in para 7–9 speaks of the 'staff' of the applicant and of the applicant's 'employees'. There must have been some form of contract even if it were an implied or tacit one between the applicant and its staff or employees. On the probabilities, therefore, the applicant was the employer of the authors who acted within the scope of their employment in producing the works concerned. By virtue of this section the applicant is therefore the owner of the copyright.

But, even if I am wrong in this conclusion, there is another hurdle in the way of Mr *Levinsohn's* argument. Section 26(3) of the Act provides as follows:

'Where in an action brought by virtue of this chapter with respect to a literary or artistic work which is anonymous or pseudonymous it is established—

(*a*) that the work was first published in the Republic and was so published within the period of 50 years ending with the beginning of the calendar year in which the action was brought; and

(*b*) that a name purporting to be that of the publisher appeared on copies of the work as first published,

then, unless the contrary is shown, copyright shall be presumed to exist in the work and the person whose name so appeared shall be presumed to have been the owner of that copyright at the time of the publication: Provided that this subsection shall not apply if the actual name of the author of a pseudonymous work is commonly known.'

In *Copyright, Modern Law and Practice* by Carter-Ruck and Skone James (1985 ed) the authors say

'no further definition of anonymous or pseudonymous publication is given in the Act but the dictionary definitions of such words show that such publications are anonymous and pseudonymous if they conceal the identity of the author'.

In each of the editions of 'The Pink Pages' the note to which I have referred above dealing with the publication of 'The Pink Pages' appears. The note does not expressly purport to name an author but does at least in the Afrikaans version thereof state that the directory has been compiled by the applicant.

If I was wrong in the assumption that I made in favour of the respondent earlier, then the applicant is the named author of 'The Pink Pages' (at least in the Afrikaans version of the notice in 'The Pink Pages') and by virtue of s 21(1) of the Act is the owner of the copyright. If, however, the assumption was correct and the applicant was not the real author, then the naming of the applicant in the notice was as the pseudonym for the real author, and the applicant as publisher would own the copyright.

Mr *Levinsohn* attempted to persuade me that s 26(3) is not designed for this type of publication and that the section does not apply. With due

deference to him, I fail to understand on what basis he tried to draw a distinction. He did not quote any authority nor did he refer to any other indications within the Act itself upon which to base a distinction.

That the directories concerned are literary works within the meaning of the Act has not been disputed. See, for example, Copeling *Copyright and The Act of 1978* para 16 at 15.

I think that it has been shown that 'The Pink Pages' are (1) literary works; (2) anonymous or pseudonymous; (3) first published in the Republic of South Africa within the past 50 years; (4) that the name of the applicant purporting to be the publisher appears in the works as first published and (5) the actual names of the authors are patently not commonly known.

If that is so then the presumption applies and the applicant as publisher is presumed to have been the owner of the copyright at the time of publication thereof.

On any or all of these grounds I think that the applicant has shown that it owns the copyright in respect of all three editions of 'The Pink Pages'.

Waiver

Mr *Levinsohn* argued that the applicant had waived its right in respect of the first edition of SAFL inasmuch as having ascertained that there had been copying it did nothing to protect its rights through the Courts.

This argument is clearly untenable. Applicant has explained why it did not come to Court and indeed sought to protect its rights along different, if perhaps ill-judged, lines. Mere delay or even acquiescence does not reflect a waiver. It is perfectly permissible to ignore what is conceived to be a pin prick until the pricks become so frequent and so damaging that action becomes essential. (Questions of prescription do not arise here.)

Infringement

Section 23(1) of the Act reads:

'(1) Copyright shall be infringed by any person, not being the owner of the copyright, who, without licence of such owner, does or causes any other person to do, in the Republic, any act which the owner of the copyright may authorise.'

Only the owner of the copyright may authorise the reproduction of literary work. See s 6 of the Act and *Galago Publishers (Pty) Ltd and Another v Erasmus* 1989 (1) SA 276 (A) at 279.

In these proceedings the applicant has to show an infringement on the limited basis permitted by the *Plascon-Evans* case.

The evidence of infringement adduced by the applicant is entirely based on the presence in the respondent's works of the fictitious entries and the common typographical errors I have referred to above.

It is of course quite true that if two compilers of similar directories both work independently, accurately and from scratch the results will to a very large degree be identical. To this extent it is difficult and sometimes probably impossible to prove copying in the case of directories which will also produce two almost identical works. *Copinger and Skone James* (*op cit* at para 473) say:

'Whereas with strictly original work any identity of phrase is sufficient evidence of copying, with many compilations, it is only from external evidence or from a minute examination of textual errors that an infringement can be established.'

In the present case such a minute examination was to a degree rendered unnecessary because of the applicant's stratagem of inserting fictitious entries. These made the copying stand out like the proverbial sore thumb.

It is conceded by the respondent that these entries appear in its publications. It is also conceded at least by implication that they were copied either from 'The Pink Pages' or from the *Jaeger and Waldman* directory.

Mr *Levinsohn* has, however, argued that for the applicant to succeed it must also show that the infringement was not trivial or, conversely, that the copying was of a substantial portion of the work.

At most, he says, the applicant has shown 28 or 29 instances of copying; in a work containing some 11 000 entries this is not substantial and is indeed trivial.

He has pointed out that there are a number of entries in 'The Pink Pages' which do not appear in the respondent's works and *vice versa*. This, he maintained, refutes any suggestion of a wholesale copying of 'The Pink Pages' by the respondent and destroys any inference sought to be drawn from the fictitious entries and typographical errors.

In *Galago Publishers (Pty) Ltd and Another v Erasmus* (*supra*) Corbett JA (as he then was) quoted with approval the following statement by Lord Reid in *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 All ER 465 (HL):

'If he does copy, the question whether he has copied a substantial part depends more on the quality rather than the quantity of what he has taken. One test may be whether the part which he has taken is novel or striking, or is merely a common-place arrangement or ordinary words or well-known data. So it may sometimes be a convenient short cut to ask whether the part taken could by itself be the subject of copyright. But, in my view, that is only a short cut, and the more correct approach is first to determine whether the plaintiff's work as a whole is "original" and protected by copyright, and then to enquire whether the part taken by the defendant is substantial. A wrong result can easily be reached if one begins by dissecting the plaintiff's work and asking, could section A be the subject of copyright if it stood by itself, could section B be protected if it stood by itself, and so on. To my mind, it does not follow that because the fragments taken separately would not be copyright, therefore the whole cannot be. Indeed it has often been recognised that if sufficient skill and judgment have been exercised in devising the arrangements of the whole work, that can be an important or even decisive element in deciding whether the work as a whole is protected by copyright.'

This is the only authority I have been able to find on the question of substantiality in South Africa. Fortunately the English Courts have dealt with the concept more frequently and fully.

See, for example, *Copinger and Skone James* (*op cit* at para 469). Of importance is the passage by Petersen J in *University of London Press Ltd v University Tutorial Press Ltd* [1916] 2 Ch 601 at 610, viz 'what is worth copying is *prima facie* worth protecting'.

In *Kelly v Morris* (1866) LR 1 Eq 697 the defendant, in addition to lists he had obtained elsewhere, took particulars from the plaintiff's directory and sent canvassers to check on the correctness thereof. Where the person concerned could not be found the particulars were simply reproduced. It

A is obvious that the defendant's directory must have contained some novel material. The relative *quantum* thereof was not enquired into. The Court (*per* Page-Wood VC) stated:

'(G)enerally it is not entitled to take one word of the information previously published without independently working out the matter for himself so as to arrive at the same result from the same common sources of information and the only use B that he can legitimately make of the previous publication is to verify his own calculations and results when obtained. So in the present case the defendant could not take a single line of the plaintiff's directory for the purpose of saving himself labour and trouble in getting his information.'

The references in this passage to 'single word' and 'single line' are C probably too strong in the light of subsequent legislation. They do, however, indicate that the reproduction need not be gross to be substantial.

In *Hawkes and Son (London) Ltd v Paramount Film Service Ltd* [1934] ChD 593 the reproduction of 28 bars of a much longer tune was held to be substantial *inter alia* because D

'the amount of the music or march that is taken is (not) so slender that it would be impossible to recognise it'

(at 604) and,

'this reproduction is clearly a substantial part of "Colonel Bogey" looked at from any point of view, whether it be quality, quantity or occasion. Anyone hearing it E would know that it was the march called "Colonel Bogey" and though it may be that it was not very prolonged in its reproduction it is clearly in my view a substantial and vital and essential part which is here reproduced.'

It is plain from the authorities that the guide is quality rather than quantity.

F On the facts of the present case the inference is inescapable that the 28 or so instances mentioned above were copied directly or indirectly from the applicant's works, most of them probably from the first edition but at least one from a subsequent edition. It is inconceivable that the respondent could only have selected these 28 or 29 cases to copy. The probabilities are overwhelming that there must have been many more entries that were G simply copied.

Mr *Levinsohn* was quite right when he argued that it is impossible to determine what the extent of the copying was. I do not think, however, that it is necessary for the applicant to show the exact extent of the copying, provided that he does show that the copying was not H insubstantial.

Having regard to the nature of the work in question, a directory, which must by its nature aim to be as complete as possible, a deletion of 28 entries therefrom would in itself render the work substantially less valuable. (The fact that *in casu* the 28 entries are in any event fictitious or erroneous is not the point. I am attempting to demonstrate that 28 entries I alone can be a substantial part of the whole.) And if one considers that this is only the tip of the iceberg, as it were, then the inference is well-nigh inescapable that what was copied was substantial even if the precise extent thereof is not known.

Mr *Levinsohn* has argued that such copying as there was was only shown J to have occurred in the first edition of SAFL. This argument really does

not bear scrutiny. Not only is it likely on the facts that the defendant A simply reproduced, with additions, the data in its first edition but the typographical errors in fact appear in the second edition as well. Both works are therefore tainted by the same or similar degrees of copying.

B

Interdict

The applicants seek an interdict. The requirements for an interdict in cases of this nature are the same as for any other interdict. See *Conde Nast Publications (Pty) Ltd v Jaffee* 1951 (1) SA 81 (C) at 86.

I find that the applicant has shown that it has a clear right to copyright C in all three editions of 'The Pink Pages'.

I also find that an infringement on the part of the respondents has been shown.

It is common cause that the respondent intends to publish its directory again.

Clearly it is not possible to separate the pirated portions from the novel D content in the respondent's directories. That being so the order must relate to the whole works insofar as they contain telefax information. See *Braby v Donaldson* 1926 AD 337 at 343.

Some argument was also addressed to me along the lines of so-called unfair competition but I need not pursue that aspect in the light of the E other findings I have made. It also follows that I find no necessity for referring the matter to evidence.

The applicant is entitled to the orders it seeks, save that it should be made plain that the orders concerned relate only to those portions of the respondent's directory that contain information of telefax numbers and F addresses. In the first edition of the SAFL there is for example also a section on telex numbers. If the respondent is so minded it could physically separate the two sections and only deliver up the offending section. This does not apply to the 1988/1989 edition, save that the first section (in yellow pages) in that work, ie that dealing with calendars and G dialling codes etc, is excluded from the order.

I therefore make the following order:

1. The respondent is interdicted and restrained from:

1.1 infringing the applicant's copyright in and to the compilation of names and addresses and telefax numbers styled (i) 'The H Pink Pages Directory for Southern Africa (1986/1987)', (ii) 'The Pink Pages Fax Directory (1987/1988)', (iii) 'The Pink Pages Fax Book/Southern Africa (1988)' (hereinafter referred to as 'the directories') by doing, or causing any person to do, in the Republic of South Africa, any act which the applicant, being the holder of the copyright in the directories, I has the exclusive right in terms of s 6 of the Copyright Act 1978 to do or to authorise the doing of;

1.2 distributing, advertising, selling or offering for sale any copies of the 1987/88 and 1988/89 editions of the 'SA Fax Listings Directory'; J

1.3 distributing, advertising, selling or offering for sale any copies of the 1989/90 'SA Classified Fax Listings Directory', or 'SA Fax Listings Directory' reprint which the respondent has announced its intention of publishing during early 1989.

2. The respondent is ordered to deliver up to the applicant for destruction all copies of the 1987/88, 1988/89 editions of the 'SA Fax Listings Directory' as also the proposed 1989/90 'SA Classified Fax Listings Directory' or 'SA Fax Listings Directory' which are in the possession or under the control of the respondent, to the extent that they are or purport to be directories of telefax information.

3. The respondent is to pay the costs of this application, including the costs of two counsel.

Applicant's Attorneys: *Savage, Jooste & Adams Inc*, Pretoria; *Shepstone & Wylie*, Durban. Respondent's Attorneys: *Louis J Hitchcock & Co*, Durban.

UNION WINE LTD v E SNELL & CO LTD

DURBAN AND COAST LOCAL DIVISION

DIDCOTT J

1989 August 28; September 12

Trade and trade mark—Trade—Passing off—Applicant marketing wine known as 'Bellingham Johannisberger'—Applying for interdict to restrain respondent from marketing wine known as 'Edward Snell Johannisberger'—Comparison between get up of respective wines leading to inevitable conclusion that, despite shared name 'Johannisberger', get up of each so dissimilar that no significant section of public was likely to believe that two wines were the same or had connection with each other.

The applicant produced and distributed a wine which had been on the market since 1957 as 'Bellingham Johannisberger'. In July 1989 the respondent, a liquor merchant, started selling wines under its own label, including one marketed as 'Edward Snell Johannisberger'. The applicant applied for an interdict to prevent the respondent from describing its wine as a 'Johannisberger' on the grounds of passing off. The name 'Johannisberger', or anything incorporating the name, had never been registered as a trade mark. It was the applicant's case that it had acquired a reputation in the name 'Johannisberger': until 1989 its wine had been the only wine on the South African market called a Johannisberger, its wine was popular and widely sold and, in ordering Bellingham Johannisberger, an appreciable number of diners in restaurants tended to refer to it as just 'Johannisberger'.

The applicant's and respondent's wines were blends of various white grape varieties. The applicant's wine bottle was bright emerald green, 21 centimetres high, 15 centimetres wide near its base and nine centimetres deep, shaped unusually to resemble the silhouette of a Cape Dutch gable, with the moulded outline of a grapevine encircling it near its base. The respondent's bottle, by comparison, was an ordinary, standard wine bottle, 28 centimetres high, with sloping shoulders, cylindrical below its neck and coloured pale olive green. The labelling on the respective bottles was dissimilar, the only feature common to each being the word 'Johannisberger' printed on both; on the applicant's bottle in brown lettering, with a capital 'J' followed by lower case letters, and on the respondent's label printed in black capital letters.

Held, that the legal principle underlying the wrong known as passing off was simply that no one had the right to represent his goods (or business) as the goods (or business) of someone else.

Held, further, that while it was essential to the success of a complainant's case that he establish a reputation in the name of his goods or business, proof of reputation was merely the first leg of the enquiry whether the defendant's use of the name concerned was likely to mislead the public into believing that there was a connection between the goods or business of the defendant and those of the complainant.

Held, further, on the facts, that a comparison between the whole get up of Bellingham Johannisberger and that of Edward Snell Johannisberger led to the inevitable conclusion that, notwithstanding the shared name, the get up of the two wines was so dissimilar that no significant section of the public was likely to believe that the two wines were either the same or that they had a connection with each other. The application was accordingly dismissed.

Application for an interdict on the grounds of passing off. The facts appear from the reasons for judgment.

N V Hurt SC (with him *F G Richings*) for the applicant.

M J D Wallis SC for the respondent.

Cur adv vult.

90/2/180 UNION WINE v E SNELL

cons: Union Wine v E Snell **(p.193)**	90/2/189/C	
dictum at 188H-189B		vhite wine, is
appl: Kelogg Co v Bokomo Co-op **(p.734)**	97/2/725/C	ide range that
dictum at 183I-J		he sales of all
not appr: Caterham Car Sales v Birkin Cars **(p.948)**	98/3/938/SCA	The applicant er Bellingham

wines.

The respondent, a liquor merchant, has embarked recently on the venture of selling under its own labels wines of a different provenance which it obtains from their producers. They include a white wine that it calls Edward Snell Johannisberger.

That will not do, the applicant maintains. It accordingly seeks, on notice of motion, an interdict putting a stop to the respondent's designation or description of the wine in question as a Johannisberger. The application is opposed. Both sides have filed detailed affidavits. From these some conflicts of fact have emerged, but not many on the whole and none so material that I cannot decide the case on the papers. Nor did either counsel suggest that oral evidence was needed before I could fairly determine it. The circumstances I have mentioned already are all undisputed. So, unless a dispute is noted, are the rest with which I shall deal.

The affidavit of the applicant's spokesman referred repeatedly to the Johannisberger trade mark, and sometimes to its proprietorship of that.