[2024] JMSC Civ.110

IN THE SUPREME COURT OF JUDICATURE OF JAMAICA

IN THE CIVIL DIVISION

CLAIM NO. 2016 HCV 04021

BETWEEN	**JAMAICA ASSOCIATION OF COMPOSERS AUTHORS & PUBLISHERS LIMITED**	**CLAIMANT**
AND	**HORIZON ENTERTAINMENT AND COMMUNICATION COMPANY LIMITED**	**DEFENDANT**

IN CHAMBERS (VIA ZOOM PLATFORM)

Mr. Jeorio Scott instructed by Messrs Samuda & Johnson for the Claimant

Mr. Chuckwuemeka Cameron instructed by Carolyn C. Reid & Co. for the Defendant

HEARD: July 18 and September 16, 2024

Civil Practice and Procedure – Application for Specific Disclosure – Whether or not document requested is necessary to fairly dispose of the claim – Whether specific disclosure can be ordered to assist a party prove damages.

Intellectual Property Law – Copyright Law – Copyright Act – Whether or not a licence fee is part of the terms of a licencing scheme under section 87 of the Act – Whether or not a licencing body needs to have establish the licencing fees for the classes of cases covered by the scheme before the scheme can be implemented.

Civil Practice and Procedure – Assessment of Damages – Measure of damages for breach of a license under the Copyright Act in Jamaica and for Unjust Enrichment

STAPLE, J

BACKGROUND

[1] The year was 2016. The Claimant asserts that the Defendant had been utilizing music from the Claimant's repertoire as part of their cable broadcasts from the day of their first broadcast up to the 27th September 2016, the day this claim commenced.

[2] They served the claim and particulars of claim on the Defendant and subsequently applied for and obtained from the Supreme Court a Judgment in Default of Defence. Through that Default Judgment, they secured an injunction as well as obtained an order for Damages which are to be assessed.

[3] The judgment in default was obtained on the 18th December 2017 and damages were to be assessed on the 16th July 2018.

[4] To date, the assessment of damages has not taken place. The reason for this is that the Claimant applied on the 21st November 2018 (months after the scheduled date for assessment of damages) for specific disclosure of the Defendant's financial statements from January 2015 "to date".

[5] That application was amended and curiously named as Respondent Central Clarendon Cable Company Limited. This was "fixed" by a notice of adjourned hearing being served on the present named Defendant and they eventually acknowledged service and filed a notice of objections *in limine*.

[6] The Defendant's objections were due to be heard on the 18th June 2020. They did not appear and their objections were set to be heard on a date to be fixed by the Registrar after consultation with the parties. Nothing happened thereafter until the Court issued a notice to the parties of it's intention to dismiss the claim in 2023.

[7] Thereafter the case proceeded with more alacrity. The Defendant has now withdrawn its objections in limine; the Default Judgment still stands; and what is now before the Court is the Amended Application for Specific Disclosure filed on the 12th February 2019.

THE EVIDENCE TO SUPPORT THE APPLICATION.

[8] The uncontroverted evidence to support the application comes from Ms. Lydia Rose in her affidavit sworn on the 15th November 2018. The main basis for the claim to the specific disclosure, based on the evidence from Ms. Rose, is to be found at paragraph 6 of the said affidavit. I will set it out below:

> *6. That the industry standard applied internationally regarding Companies, such as the Claimant, the mandate of which is to license the use of the musical works within its repertoire, is to establish the applicable licensing fees for television and/or broadcast stations and cable providers, like the Defendant, as a percentage of the Gross Annual Revenue of the licensed entity less General Consumption Tax.*

[9] She went on further to say that there was no license obtained by the Defendant from the Claimant to play the music they say was utilised in their broadcasts and they say was part of their repertoire.

[10] This evidence was not challenged by affidavit evidence.

[11] Paragraph 8 goes on to say that she was advised by counsel that the Claimant is entitled to receive, as restitution, those sums that would have been payable to it had the breach of the copyright not occurred.

[12] Hence, they argue that the order for specific disclosure is necessary so that they can calculate, from the earnings, what the license fee should have been.

[13] I accept as fact that there is such an “industry standard”. But this does not help them. The reason for this is that our legislation must be complied with. So regardless of **how** the licence fee is determined, the critical question in this case is at what point should the licence fee be determined when establishing a licencing scheme under the Act.

THE LEGISLATIVE FRAMEWORK

[14] In the previous decision of ***Jamaica Association of Composers Authors and Publishers v Restaurants of Jamaica Limited***[1] this Court set out the statutory scheme under which the Claimant operates.

[15] So the Claimant is operating a licencing scheme within the meaning of the **Copyright Act**. So I will again highlight the definition of a licensing scheme as it is important in determining whether or not the order for specific disclosure is **necessary in order to dispose fairly of the claim** (emphasis mine).

[16] A licensing scheme is defined under s. 87(1) of the **Copyright Act**. It is set out here:

> *"licensing scheme" means a scheme setting out – (a) the classes of case in which the operator of the scheme, or the person on whose behalf he acts, is willing to grant licences;* ***and (b) the terms on which licences would be granted in those classes of case****, and for this purpose a "scheme" includes anything in the nature of a scheme, whether described as a scheme or as a tariff or by any other name.*

[17] Note that the terms under which the licences would be granted is part and parcel of the scheme. In other words, in my view, the scheme must contain the following:

a. The classes of cases for which the operator of the scheme is willing to grant licences; and
b. The terms on which the licences are granted for each class of case.

[18] In the Court's view, the terms on which a licence may be granted includes the terms of payment for the grant of the licence.

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[1] [2023] JMSC Civ 227 at paras 17-23

[19] In other words, the Copyright Act in Jamaica mandates that a licensing body, such as the Claimant, works out the financial terms for each class of license for each work it purports to be part of its scheme. It is then for persons or entities or groups of such, who wish to utilise the works under the scheme, to approach the licensing body and subscribe to the scheme in accordance with those terms[2]. Such terms may be negotiated. But the licensing body must have its own tariffs.

[20] The Act goes on to provide a mechanism through which the terms of the scheme may be challenged. Section 88 provides that sections 89-94 apply to certain types of schemes. Section 88(a) describes the scheme which the Claimant purports to operate. I will set out section 88(a) here:

> *88 (a). licensing schemes operated by licensing bodies in relation to the copyright in literary, dramatic, musical or artistic works or films (or film soundtracks when accompanying a film) which cover works of more than one author, so far as they relate to licences for-*
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> *(i) copying the work;*
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> *(ii) performing, playing or showing the work in public; or*
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> *(iii) broadcasting the work or including it in a cable programme service;*

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[2] Support for this can be found in the case of *Phonographic Performance (Ireland) Limited v Controller of Industrial and Commercial Property et al* [1993] 1 IR 267 at p 282 where Barr J said, "Section 32 envisages, *inter alia*, the following:-

(a) That there shall be organisations representing each class of user.

(b) That there shall be a **licence scheme** in operation at the time when the dispute arises.

This does not mean that the relationship of licensor/licensee shall exist between the **licensing** authority and the user at that time. It is sufficient that a **licence scheme** is in operation for the relevant class when the dispute arises. In this regard *vide* s 32, sub-s 1 (b) which refers to "a person claiming that he requires a **licence**" and the judgment of the High Court in England (Park QC) in *Performing Rights Society Ltd v Workingmen's Club and Institute Union Ltd* [1988] FSR 586 where it was held, *inter alia*, that a **licence scheme** within s 24, sub-s 4 of the **Copyright Act**, 1956 (the corresponding section in the UK **Act**) did not have to be accepted by the users but was in the nature of a standing invitation to treat, setting out the terms on which licences would be granted. It seems to me that this proposition applies equally to **licence schemes** under the **Act**."

[21] Sections 89 and 90 provide for proposed or existing licensing schemes to be referred to a body known as the Copyright Tribunal by any person that wishes to acquire a licence of a class of case operated under the scheme. The Tribunal may either confirm or vary the scheme which would include its terms[3].

[22] The Tribunal is also empowered to consider new schemes from licensing bodies pursuant to s. 96 of the Act. So the licensing body can take the proposed scheme to the Tribunal in advance of any challenge from potential subscribers. This suggests that the licensing body can set out its tariffs without reference to the financial returns of any specific body or person who wishes to use the works part of the licensing body's repertoire.

[23] The Tribunal was established under s. 103 of the Act and the Minister was to have passed regulations relating to its establishment. This Act was passed in 1993. To date, no such regulations have been seen by this Court. So I cannot say for certain whether the Tribunal is in operation. In fact, counsel for the Claimant himself could not say that the Tribunal has been established.

[24] The upshot of all of this is, in my view, that the licensing body must have a completed licensing scheme. This means that all the terms of the licensing scheme must be finalized. This is because that is the definition of a licensing scheme as discussed above. If the terms are not all finalized, then, in my view, it is not an established licensing scheme.

[25] Sykes J (as he then was) had already established that our current **Copyright Act** was modelled off the 1988 UK equivalent[4]. As such, some cases under that statute can be used to aid in the interpretation of our statute. The case of ***Phonographic***

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[3] See n. 2 above.

[4] See his decision in *TVJ Ltd v CVM* [2017] JMCC COMM 1

Performance Limited v British Hospitality Association et al[5] sets out the role and function of the Tribunal (see paragraph 13 in particular).

[26] The Court makes the further observation that the absence of an established Copyright Tribunal prevents any person, entity (or group representing such persons or entities) from challenging the terms under which licensing bodies administer licensing schemes. This is because under the Act, it is only the Copyright Tribunal that has the authority to modify the scheme. If there is no such body, then licensing bodies can simply give terms with impunity. Persons will be forced to comply with those terms or be in breach of the Act and subject to claims such as this. This is certainly not the spirit of the legislation and this lacuna ought to be addressed urgently.

IS THE DISCLOSURE ORDER NECESSARY?

[27] It is the Court's considered view that the disclosure order is unnecessary to fairly dispose of the claim. This is because as part of it's licensing scheme, pursuant to the definition of a licensing scheme under s. 87, the terms of the scheme should have already been known to the Claimant. This, in my view, would have included the licence fees for **each class of case*.*** Therefore, its licence fee should have already been determined **before** it entered into any arrangement with the Defendant.

[28] Determining the license fee, after the setting up of the scheme, is actually contrary to statute. In other words, the scheme is not complete unless and until the fee for each class of case administered under the scheme is set out by the licensing body.

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[5] [2009] EWHC 209

[29] Counsel for the Claimant relied on the decision of *JACAP v KLAS*[6]. In that case Nembhard J found that the disclosure of KLAS' financials was necessary to dispose of the claim. However, on appeal, the claim was overturned on the basis that the period of disclosure sought was broader than the period awarded based on the Judgment in Default.

[30] However, no where in that decision was the **Copyright Act** and the sections highlighted above and their impact discussed by my learned sister. I am also without the benefit of any written reasons from the Court of Appeal when they decided the case on appeal.

[31] So I am not minded to follow that decision. Mr. Cameron argued that this Court has no jurisdiction to set the rates [what I understand to be the licence fees]. He argued that what the Court is determining is whether there was a breach of the Copyright Act. He conceded that the Court has ruled that there was a breach, but submitted that this concerns specific disclosure of a specific breach. The Claimant, he argued is entitled to a licensing fee in relation to a **specific work** (emphasis mine) under the Copyright Act. So the remedy must be in relation to a specific breach of a specific work.

[32] I agree with the submissions from Mr. Cameron. The licence scheme as defined speaks to **classes of case**. There is no one size fits all licence fee. Each class of case attracts a different fee. Further, it is the Copyright Tribunal that is to engage in the process of fixing the fees if none exists pursuant to s. 96. This is not the remit of the Court.

[33] The failure of the Claimant to properly establish its licencing scheme by determining its fees pursuant to the provisions under the **Copyright Act** makes it that the Court has no basis on which to assess damages for breach of the said scheme. The case of ***Harbour View Cinema Co. Ltd v Performing Rights***

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[6] [2021] JMSC Civ 112

Society Ltd[7] had long ago established that the measure of damages for breach of copyright was the licence fee that one should have paid for the use of the copyright. This was a form of special damages and would have had to have been specifically pleaded and proven.

[34] That the Claimant could have pleaded the licence fee is supported by the very definition of "licence scheme" under the Copyright Act where the terms are to be set out. In the case at bar, no special damages have been pleaded or supported. This renders the question of the damages to be recovered basically a dead issue at this stage. In those circumstances then, it cannot be said to be necessary to resolve the claim for damages for the disclosure order to be made.

[35] One might argue that the Claimant has no other means to determine the license fee without the disclosure. I reject that position. The Claimant has been operating these schemes for decades and certainly has information from other licensees as to what they pay. This could have and, in my view, based on the statute, should have formed the basis of their **proposed** licence fee structure as they were required to do under the Act when setting up the scheme.

[36] So whilst I agree as to what the industry standard is for the determination of the fees, it is not the only mechanism for the determination of the fee. In those circumstances, in my view, the disclosure was not necessary to resolve the issue of the quantum of damages for breach of copyright.

[37] I would also make a similar finding for damages for unjust enrichment. The measure of damages there would be to put the Claimant in the position they would have been in had the contract been properly performed. Had the contract been properly performed, the Claimant and Defendant would have had a license

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[7] (1991) 28 JLR 302

agreement and all the Claimant would have been entitled to would have been the licence fee. As stated earlier, this fee should have been known from before.

CONCLUSION

[38] In the circumstances, the Court finds that the disclosure order is unnecessary to resolve the claim. The Claimant, by virtue of the definition of license scheme under the Copyright Act, ought to have had all the terms of its scheme already settled and finalized. This includes the licence fees.

[39] The Claimant could have and should have established these fees independent of any company returns from any entity which would seek to use their works.

[40] Therefore, the disclosure of the Defendant's company returns are unnecessary to determine the licence fees and for the determination of damages.

[41] In any event, as damages for breach of copyright sounds as special damages, the fact that special damages has not been pleaded means that, at present, it is not recoverable on an assessment of damages. In light of this, a disclosure order could not be said to be necessary to resolve that claim.

DISPOSITION

1 The Claimant's Amended Application for Specific Disclosure is refused.

2 Costs to the Defendants to be taxed if not agreed.

3 A Case Management Conference for Assessment of Damages is set down for the 5th November 2024 at 12:30 am for 30 minutes.

4 Costs on the Application to be the Defendant's to be taxed if not agreed.

5 Claimant's Attorneys-at-Law are to prepare, file and serve this Order on or before the 27th September 2024 by 4:00 pm.

Dale Staple
Puisne Judge