

BETWEEN

ABB Ltd

APPLICANT

AND

ZZC Ltd

RESPONDENT

Date of Order:

24 January 2012

Referee:

Referee Reuvecamp

ORDER OF THE DISPUTES TRIBUNAL

The Tribunal hereby orders that the claim by the Applicant is struck out.

Facts

[1] The Applicant alleges infringement of its copyright by the Respondent's re-publishing of certain photographs, taken from its website, on the Respondent's website without its permission. It claims payment for the use of its photographs in quasi-contract.

[2] The Respondent concedes that it did not obtain prior permission but claims that the relevant material was in the public domain.

Issues

[3] The main issue for the Tribunal is whether it has jurisdiction to hear the matter as founded in quasi-contract under s 10(1)(a) of the Disputes Tribunals Act 1988 ("the Act"), notwithstanding the limitation of its jurisdiction in s 11(5)(c)(iv) of the Act.

Law

[4] The relevant parts of the sections referred to above are:

10 Jurisdiction of Tribunals

(1) Subject to this section and to sections 11 and 12 of this Act, a Tribunal shall have jurisdiction in respect of –

(a) a claim founded on contract or quasi-contract; and

...

11 Further limitations on jurisdiction

...

(5) Except as provided in an enactment referred to in section 10(1A) or 10(2) of this Act, a Tribunal shall have no jurisdiction in respect of any claim –

...

(c) in which there is a dispute concerning –

...

(iv) any trade secret or other intellectual property.”

Decision

[5] The Respondent accepts that the proprietary rights in respect of the use of the photographs are vested in the Applicant. It also concedes that it did not obtain the Applicant's permission to re-publish the photographs on its own website.

[6] The Applicant claims that its copyright in the photographs is therefore not in dispute and that as a consequence the Respondent, in re-publishing without permission, obtained an undue advantage in respect of which it is entitled to be compensated in quasi-contract.

[7] I find that, be that as it may, the claim relates to copyright. Copyright falls well within the definition of intellectual property as is accepted by the parties. The sections referred to above are therefore relevant.

[8] I find that the jurisdiction of the Tribunal under s 10(1)(a) is clearly, as the text of the section states, "subject to" the limitations contained in s 11. If therefore the claim relates to a "dispute concerning copyright", s 11(5)(c)(iv) excludes the otherwise available jurisdiction of the Tribunal to hear the matter.

[9] Notwithstanding the Respondent conceding the matters referred to in paragraph 6, it claims as a defence that it was entitled to use the relevant photographs on the grounds that the Applicant had placed them in the public domain. The Applicant denies that this is the case or, if it is, that it would entitle the Respondent to use the photographs without its permission and without payment. It claims compensation for the loss suffered.

[10] I cannot but find that this constitutes a dispute about the bundle of rights constituting copyright, the application and interpretation of definitions of the Copyright Act 1994, such as, by way of example only, the meaning of "copying" and "issue to the public" in s 9 of that Act, the owner's entitlements that flow from it and any limitations imposed on those rights and entitlements. I find that Parliament, by enacting the sections referred to above, intended that matters concerning the complexities of intellectual property were to be considered in another forum than the Tribunal even if such matters otherwise would be within the jurisdiction of the Tribunal as, for instance, based on contract or quasi-contract.

[11] I am aware that the courts have considered s 11(5)(c)(iii), which imposes a similar limitation on the jurisdiction of the Tribunal in respect of a dispute “concerning a chose in action”. In that context, the courts have taken a more liberal approach with regard to a claim founded on contract or quasi-contract involving a dispute concerning, for instance, an assigned debt (rather than the assignment itself). Such an approach permits the Tribunal in certain cases to hear such claims. I refer to *Nationwide Credit Services Ltd v Disputes Tribunal* (1999) 14 PRNZ 203, Randerson J.

[12] However, I find that in those circumstances a conclusive factor appears to have been that to decide otherwise would have the effect of substantially undermining a large part of the jurisdiction of the Tribunal in terms of ss 10(1) and 11. That would be so because, in a great number of cases a contractual undertaking constitutes a debt, or a breach of contract will result in a debt, and therefore is a chose in action and/or relates to its enforcement. I am not persuaded that a similar undermining effect can be argued in respect of a dispute concerning copyright, being intellectual property, as is the subject of this claim.

[13] I therefore cannot accept the Applicant’s submission that, even if it has a claim in quasi-contract – which I do not therefore have to decide – this would override the limitation of the jurisdiction of the Tribunal set out in s 11(5)(c)(iv). I therefore find that the claim must be struck out for want of jurisdiction and leave it to the Applicant to decide whether it wishes to litigate the matter before another forum.