

DELETE WHICHEVER IS NOT APPLICABLE

(1) REPORTABLE: YES/NO. YES NO.

(2) OF INTEREST TO OTHER JUDGES: YES/NO. YES NO.

(3) REVISED.

7/9/2004 _____
DATE SIGNATURE

In the High Court of South Africa

[Transvaal Provincial Division]

Case no 12003/04

In the matter between -

Disney Enterprises, Inc

Applicant

and

S G Griesel NO

1st Respondent

The Registrar of Trade Marks

2nd Respondent

The Registrar of Copyright

3rd Respondent

Judgment

Daniels J-

The applicant seeks an order recalling and setting aside an order sought *ex parte* and granted by Swart J on 29 July 2004 attaching certain assets

belonging to the applicant *ad fundandam jurisdictionem*. No reasons were furnished by Swart J and none were called for. At this stage the onus is upon the first respondent to show upon the affidavits filed in the *ex parte* application and in the present application that it was and still is entitled to the relief sought.

It was said in *Simon NO v Air Operations of Europe AB and Others* 1999 (1) SA 217 (SCA) at 228 that " the remedy of attachment *ad fundandam jurisdictionem* was an exceptional remedy, and one that should be applied with care and caution. Once all the requirements for attachment had been satisfied, however, a court had no discretion to refuse an attachment."

At the same time it was explained that an applicant had obviously to establish that he or she had a *prima facie* cause of action, although open to doubt, and this requirement was satisfied if an applicant showed that there was evidence which, if accepted, would establish a cause of action. The mere fact that such evidence was contradicted would not disentitle an applicant to the relief sought, not even if the probabilities were against him. It was only where it was quite clear that the applicant had no cause of action, or could not succeed, that an attachment had to be refused.

(228B/C--C/D)

The accepted test for a *prima facie* right in the context of an interim interdict was to take the facts averred by the applicant, together with such

facts set out by the respondent that were not or could not be disputed, and to consider whether, having regard to the inherent probabilities, the applicant should on those facts obtain final relief at the trial. The facts set up in contradiction by the respondent should then be considered and, if serious doubt was thrown upon the case of the applicant, he or she could not succeed. (228F/G--H/I)

It was contended on behalf of the applicant that the first respondent failed to make out a *prima facie* case for the relief sought by reason of the following -

- 1 the first respondent was not appointed as executor by the Master of the High Court. Accordingly he did not have, and does not have authority to represent or act on behalf of the estate of the late mr Solomon Ntsele (also known as Linda);
- 2 the applicant did not infringe nor did it cause the infringement of the copyright allegedly vesting in the first respondent.

The first respondent's appointment as Executor

I do not intend dealing in any detail with the arguments presented by counsel. Suffice it to say that however one views the matter, the fact remains that Griesel purports to act on behalf of the estate. It is the estate

'represented by...' whoever, that will be cited as the plaintiff in the matter. The Master and or the magistrate regard Griesel as the duly appointed representative of the estate and they will individually or collectively look to him for reporting on the estate, and to account for the assets recovered. The first respondent was appointed in terms of reg. 4 (1) of the regulations published under GN R200 of 6 February 1987, to represent the estate. It is true that he is not named "executor" of the estate but this does not detract from the fact that he was appointed "...to represent theestate, to assume responsibility for the collection of the assets....., to pay all claims to the value of the assets in the estate...and to award the balance of the estate, including the immovable property if any, to the rightful heir(s)," which is exactly what an executor does. Whether Griesel is called an agent or executor cannot impact upon his entitlement to institute the action. If the applicant has a problem with the appointment such as it is, but which is *prima facie* proper and regular on the face of it, it can bring a substantive application to have it set aside. The Master will obviously be joined as a respondent and he or she will be able to explain the manner in which the Act is applied and the measures taken to implement the *Moseneke* judgment in a practical and sensible manner.

At this stage of the proceedings and having regard to the test to be applied, the court is to be satisfied that Griesel has shown, no more than *prima*

facie, that he as the representative of the estate is entitled to recover whatever is allegedly due. That much he succeeded in doing.

The applicant's alleged infringement

The first respondent's case appears from paragraph 12 of his proposed particulars of claim. The essence of his case is that the applicant caused certain cinematograph films to be made in the United States of America, that it made or caused to be made multiple copies of that film and distributed or caused to be distributed in South Africa copies, videotapes and DVD discs thereof. The first respondent will have to prove these allegations at the trial. At this stage he need only show a *prima facie* case 'although open to doubt.' With this end in view he need go no further than to show that there is evidence, which if accepted, would establish a cause of action.

The applicant's case is that no such a case was made out, and that no such a case is made out in the matter now before me.

The Copyright Act of 1978, section 23 thereof, provides as follows -

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

rights to do or to authorize.'

It is the applicant's case that it was at all relevant times the owner and licensor of the copyright in the relevant cinematograph film and that it was never a producer or distributor of the film, neither in South Africa nor elsewhere. The production and manufacture, copying and distribution was undertaken by the various licensees, all of whom incidentally are its subsidiaries. It is alleged that the first respondent through his attorney should have been aware of that fact. I do not believe that the testimony of the applicant is seriously disputed by the respondent. This, however, is not the end of the matter.

The first respondent's case is not of the limited extent it may appear to be. It was common cause between the parties that copyright can be infringed by a person who causes another to do 'a restricted act without the authority of the copyright owner.' Accordingly copyright can be infringed by both the actual perpetrator and the person who instigates or instructs the doing of that act. Upon the authority of *Bosal Africa (Pty) Ltd v Grapnel (Pty) Ltd & Another* 1985 4 SA 882 (C) and *Esquire Electronics Ltd v Executive Video* 1986 2 SA 576 (A) the applicant submitted that some subjective knowledge of the unlawful act was required in order to hold the instigator liable. There was, however, no evidence that the applicant did so knowingly at any stage

or that it was knowingly personally involved in any copying.

The respondent confirmed and repeated in his answering affidavit that it was not his case that the applicant was itself actively involved in the alleged infringement, but that it is involved to the extent that by granting a copyright license to the second defendant in the infringement action, it '*caused, authorised, aided or abetted the second defendant to make reproductions*'. The respondent obviously does not have evidence, at this stage at least, directly linking the applicant to the alleged infringement of the copyright by its subsidiary in South Africa. These are early days. At this stage the applicant appears to rely upon the existence of the various licensing agreements and the obligations imposed by the applicant licensee upon its subsidiary licensor to exploit and promote the license to its full extent, the argument also being that this had to be so since the applicant was sharing, on the probabilities at least, in the income generated by way of royalties. This approach and argument is certainly not without merit. He needs do no more than to establish a *prima facie* case.

I am satisfied upon the argument presented that such a case had been made out. I prefer to believe that Swart J was similarly not unimpressed and that this led him to grant the interim relief. It follows that the application must fail on the second ground also.

The applicant finally criticized the granting of the order on the ground that the respondent failed to disclose material facts which might have influenced the court in arriving at the decision arrived at. It was suggested that the respondent should have disclosed -

- the initial debate surrounding the question of the respondent's appointment as executor in the deceased estate of the late mr Ntsele (Linda);
- the 1983 assignment of copyright by the late Regina Ntsele and her receipt of substantial royalties;
- the 1992 assignment of the copyright by the late Solomon Ntsele's daughters;
- the 1994 documentation relating to the registration of the applicant's copyright, including the statement of case prepared by the first respondent's attorneys which demonstrated that the applicant was neither a producer nor a distributor of cinematograph films and never made or reproduced the film here involved.

1 The respondent's appointment

I have dealt with the debate surrounding the respondent's appointment. There was no reason to embark upon an extravagant explanation to warrant the allegation that he was the duly appointed executor in the estate. The document he relied upon was attached

to the founding affidavit. Nothing more was required at that stage.

2 The 1983 and the 1992 assignment of the copyright.

Awareness on the part of the then presiding judge of these alleged or purported assignments would have had little effect upon his decision. In this regard I refer to the first respondent's answering affidavit at pp 394 and further, read with that of attorney Dean at pp 504 -509. At best there might have been a suggestion, extremely remote I suggest, that a court might have adopted the attitude that there might have been uncertainty, but having regard to the test to be applied, it would nevertheless have granted the order sought.

3 The non-disclosure of the 1994 documentation.

I need go no further than to say that the applicant might have had a case if it was the respondent's case that the applicant as the principal party infringed the copyright by itself producing, manufacturing, copying and distributing the film here involved. We know that the respondent alleges that the applicant '*caused, authorised, aided or abetted the second defendant to make reproductions*' of the film. Once this is understood the complaint must fall away.

The court in any event has an overriding discretion to grant or deny relief to a litigant who might be guilty of a failure to disclose material or relevant facts. The principle is well established that it is the duty of a litigant who approaches the court *ex parte*, to disclose to the court every circumstance which might influence the court in deciding to grant or to withhold relief. Among the factors which the court will take into account in the exercise of its discretion to grant or deny relief to a litigant who has breached the *uberrima fides* rule are the extent to which the rule has been breached, the reasons for the non-disclosure, the extent to which the court might have been influenced by the proper disclosure in the *ex parte* application, the consequences, from the point of view of doing justice between the parties, of denying relief to the applicant on the *ex parte* order, and the interests of innocent third parties, such as minor children, for whom protection was sought in the *ex parte* application. (*Cometal-Mometal S A R L v Corlana Enterprises (Pty) Ltd* 1981 (2) SA 412 (W) at 414 G-H). Having regard to the facts at my disposal and then in particular the comprehensive explanation offered by attorney Dean and the first respondent, I would in any event exercise my discretion in favour of the respondent.

It follows that the application cannot succeed. Although it can be argued that the applicants were ill-advised in launching this application and that

costs should follow the result, the fact remains that the applicants may be successful in the main action on the very grounds here debated. I would prefer to order the costs of this application to be in the cause. This does not involve attorneys Spoor and Fischer, against whom no order of costs is made.

The following order is made-

- 1 The application is dismissed.
- 2 Costs are to be in the cause.



H Daniels
Judge of the High Court