

IN THE COURT OF APPEAL OF NEW ZEALAND

**CA515/2009
[2010] NZCA 111**

BETWEEN	INDIANA PUBLICATIONS (NZ) LTD First Appellant
AND	ARIN LAL Second Appellant
AND	VENKAT RAM Third Appellant
AND	MAHESH PARERA Fourth Appellant
AND	RAJENDRA PRASAD Respondent

Hearing: 15 March 2010
Court: Arnold, Panckhurst and Harrison JJ
Counsel: G M Harrison and AM Manuel for Appellants
N King for Respondent
Judgment: 30 March 2010 at 11.30 am

JUDGMENT OF THE COURT

- A The appeal is allowed.**
- B We strike the respondent's proceedings against the appellants out as an abuse of process.**
- C The respondent must pay the appellants costs for a standard appeal on a band A basis and usual disbursements.**

REASONS OF THE COURT

(Given by Arnold J)

Introduction

[1] The appellants appeal against the decision of Associate Judge Doogue dismissing their application for summary judgment in proceedings brought against them by the respondent, Mr Prasad, for breach of copyright.¹

[2] In his statement of claim, Mr Prasad alleges that he holds the copyright in a business directory named “Indian Bizz”, being its “exclusive creator, author and publisher”. He alleges that the appellants produced a rival publication in March 2003, which infringed his copyright, for which he seeks damages and interest totalling approximately \$1.3 million.

[3] To put the application for summary judgment in its proper setting, we must briefly outline the somewhat complicated background to this proceeding.

Background

[4] In May 2003 Mr Prasad issued proceedings in the District Court against Mr Ravin Lal, who is the principal of Indiana Publications (NZ) Ltd (Indiana), the first appellant in the present appeal. Mr Prasad alleged that he held the copyright in Indian Bizz and that Mr Lal had breached it when he published a rival publication.

[5] In July 2003 Mr Prasad filed an affidavit saying that his lawyer had advised him that:

- (a) The correct plaintiff in the proceedings should be his company, Sage Group Ltd (Sage);
- (b) Indiana should be added as a defendant.

¹ *Prasad v Indiana Publications (NZ) Ltd* HC Auckland CIV-2009-404-0856, 27 July 2009.

Mr Prasad applied for, and was granted, leave to amend his proceedings accordingly.

[6] An amended statement of claim giving effect to these changes was filed on 17 June 2004. Mr Prasad was no longer the plaintiff, being replaced by Sage, and Indiana was added as a defendant. The amended statement of claim contained causes of action for breach of copyright, breach of s 9 of the Fair Trading Act 1986 and passing off. In relation to the copyright claim, it was alleged that:

- (a) Sage had commenced publication of Indian Bizz in 1998, and had published updated editions in 2000, 2002, 2003 and 2004;
- (b) Indiana and Mr Lal had published a rival publication in March 2003 and in 2004;
- (c) The rival publication breached Sage's copyright in Indian Bizz.

Overall, the pleadings were consistent with Sage being the owner of the copyright in Indian Bizz.

[7] Sage's claims were dismissed by Judge Blackie.² In relation to the breach of copyright claim Judge Blackie held:

- (a) Sage had demonstrated that it held the copyright in Indian Bizz.
- (b) However, Indiana and Mr Ravin Lal had not breached Sage's copyright when publishing their own directory. In particular:
 - (i) Their directory had not copied a substantial part of Indian Bizz.
 - (ii) There was no objective similarity between their directory and Indian Bizz.

² *Sage Group Ltd v Indiana Publications (NZ) Ltd* DC Manukau CIV-2003-092-4034, 29 August 2005.

- (iii) There was no causal connection between their directory and Indian Bizz.

[8] Sage then appealed against Judge Backie's judgment. Its appeal was dismissed by Asher J.³ In the course of his judgment Asher J said:

[7] The judgment is carefully expressed and the conclusions reached are based on the evidence that was before the Court. There was ample evidential basis for the Court to reach the conclusion that there had been no copying at all on the part of the respondents of the appellant's publication. The two publications look entirely different. They have different names and cannot be confused. The layout is entirely different. Their contents are different. Their editorial content is different, and the actual advertising material that is in them is different. The appellant has failed entirely to establish any error in fact or law on the part of the District Court judge.

[9] Following this, Sage changed its name to World Commerce NZ Ltd. Sometime after that it was put into liquidation. Leave to appeal to this Court against the Asher J's decision was sought, but not by the company, rather by Mr Prasad in his own name, as the "first copyright holder". Asher J dismissed this application, on the ground that Mr Prasad had no status to appeal or to seek an order as he was not a party to the proceedings before Judge Blackie.⁴ Mr Prasad then sought leave to appeal to this Court. That application was dismissed for want of jurisdiction, Mr Prasad not being a party to the proceedings in respect of which he sought to appeal.⁵ Mr Prasad then attempted to file an application for leave to appeal to the Supreme Court, but that was also rejected on the basis that there was no jurisdiction.

[10] Mr Prasad then commenced proceedings in the District Court against the present appellants, claiming that he owned the copyright in Indian Bizz and they had infringed it. However, he discontinued those proceedings and instituted the present proceedings in the High Court. The appellants then applied for summary judgment, on the ground that Mr Prasad was estopped from undertaking the proceedings by virtue of issue estoppel arising from the decision of Judge Blackie.

³ *Sage Group Ltd v Indiana Publications Ltd* HC Auckland CIV 2005-404-5424, 13 April 2006.

⁴ *Sage Group Ltd (now World Commerce NZ Ltd (in liq)) v Indiana Publications Ltd* HC Auckland CIV 2005-404-5424, 6 November 2007.

⁵ *Prasad v Indiana Publications Ltd* [2008] NZCA 70.

[11] The appellants' argument was that the claim determined by Judge Blackie was brought by Sage as the owner of the copyright. Judge Blackie found that Sage was the owner of the copyright, but that Indiana had not infringed its copyright. Mr Prasad was bound by Judge Blackie's judgment and was therefore precluded from asserting that he was the copyright owner.

[12] For his part, Mr Prasad sought summary judgment against the appellants.

Associate Judge's decision

[13] Associate Judge Doogue refused to grant summary judgment to either party.

[14] In relation to the appellants' application, the Associate Judge accepted that, although Mr Prasad was not a party to the earlier litigation, he was a privy of Sage and in that capacity was bound by Judge Blackie's decision. However, he concluded that the appellants had not established that the time period of the breaches alleged in the original proceedings was the same time period as covered by the present proceedings, and so declined summary judgment.⁶

[15] The appellants appeal against that refusal.

Discussion

[16] We make two preliminary points. First, Mr Prasad has been self-represented through much of this litigation. Mr King appeared for him on the appeal, having received instructions at a late stage. We are grateful to him for his assistance.

[17] Second, this was a defendants' application for summary judgment. Under r 12.4(3) of the High Court Rules such an application can be made "either at the time the statement of defence is served on the plaintiff, or later with the leave of the court". In the present case, no statement of defence was filed. However, the appellants sought leave to apply for summary judgment. This application was

apparently granted, although it is unclear on what basis. No point was taken about this, however, and it is in any event simply a procedural irregularity as the same issue could properly have been raised in the context of an application to strike the proceedings out as an abuse of process.⁷ In those circumstances, we consider that we should deal with the matter on its merits.

[18] In the statement of claim in the present case, Mr Prasad alleges he is the sole holder of the copyright in *Indian Bizz* and has been at all material times. He alleges that Indiana's rival publication, published in March 2003, breached his copyright, and claims damages on that basis.

[19] As we see it, Mr Prasad faces two difficulties in respect of the current claim.

[20] First, his claim to be the owner of the copyright at the relevant time (ie, when Indiana published its rival publication in March 2003) is inconsistent with the basis on which Mr Prasad authorised the original proceedings before Judge Blackie to be conducted. In the original proceedings the statement of claim was amended to remove Mr Prasad as the plaintiff and to substitute Sage, which was alleged to be the holder of the copyright. This was done on Mr Prasad's application, which he supported with an affidavit. Accordingly, Mr Prasad directed that Sage was to be treated throughout the original proceedings as being the owner of the copyright. The only inference to be drawn from Mr Prasad's conduct is that he acknowledged Sage's sole ownership of the copyright.

[21] Further, if the true position had been that Mr Prasad was the owner of the copyright and Sage was the exclusive licensee, Mr Prasad would presumably have had a concurrent right of action in respect of the alleged breach of copyright.⁸ Accordingly it would have been necessary that he be joined as a plaintiff with Sage in the original proceedings unless the court gave leave for him not to be joined.⁹ Obviously, that did not occur.

⁶ *Prasad v Indiana Publications (NZ) Ltd* HC Auckland CIV-2009-404-0856, 27 July 2009 at [21].

⁷ See High Court Rules, r 15.1(1)(d) and *Andrew Beck and others v McGechan on Procedure* (online looseleaf ed, Brookers) at [HR15.1.05].

⁸ Copyright Act 1994, 123(2).

⁹ Copyright Act 1994, s 124(1).

[22] The position is, then, that the original proceedings were conducted on the basis that Sage was the owner of the copyright in Indian Bizz. The Associate Judge held that Mr Prasad was a privy of Sage and therefore bound by Judge Blackie's decision, and there has been no challenge to that finding.

[23] Second, in the original proceedings, Sage claimed that Indiana's publications in 2003 and 2004 breached its copyright. The present claim refers only to the 2003 publication. Accordingly, even if we were to assume that Mr Prasad had somehow acquired the copyright from Sage at some point after Judge Blackie's decision was delivered, that would not assist him as the only breach in respect of which he claims is that arising from the 2003 publication, which Judge Blackie has already held did not breach copyright. Unlike the Associate Judge, we do not regard the statement of claim in the present proceedings as being open-ended as to time.

[24] For these reasons we consider that the appeal must succeed, although the proper remedy is to strike the proceedings out as an abuse of process rather than to award summary judgment.

Decision

[25] The respondent's proceedings against the appellants are struck out as an abuse of process. The respondent must pay the appellants costs for a standard appeal on a band A basis, together with usual disbursements.

Solicitors:
Parshotam & Co, Auckland for Appellants