

IN THE COURT OF APPEAL OF BELIZE AD 2016
CIVIL APPEAL NO 1 OF 2014

**ANTHONY RATH
NATURALIGHT PRODUCTIONS LIMITED**

Appellants

v

BIRDSALL VOSS & ASSOCIATES INC

Respondent

BEFORE

The Hon Mr Justice Sir Manuel Sosa
The Hon Madam Justice Minnet Hafiz-Bertram
The Hon Mr Christopher Blackman

President
Justice of Appeal
Justice of Appeal

E Courtenay SC along with P Banner for the appellants
D Bradley for the respondent.

4 March 2016 and 23 May 2017

SIR MANUEL SOSA P

[1] I concur in the reasons for judgment given, and the orders proposed, in the judgment of Hafiz Bertram JA, which I have had the advantage of reading in draft.

SIR MANUEL SOSA P

HAFIZ-BERTRAM JA

Introduction

[2] This is an appeal against the decision of Abel J dated 24 October 2013, which was made after hearing an application by the respondent on 26 July 2013, to strike out a claim for breach of contract and in the alternative copyright infringement. The learned trial judge granted a declaration and several orders in favour of the respondent at that stage of the proceedings, a date that was set for case management. Hence, at the time there had been no disclosures or witness statements filed by the parties. The application had been determined mainly on the pleadings by the parties. The appellants appealed the decision of the learned trial judge by notice of appeal dated 7 January 2014. On the 4 March 2016, the Court heard the appeal and reserved its decision.

[3] The first appellant is a professional photographer doing business under the second appellant, Naturalight Productions. The second appellant is a company incorporated in Belize by virtue of the Companies Act, Cap. 250 of the Laws of Belize and offers photography, internet marketing among other things.

[4] The respondent, Birdsall, Voss & Associates INC, (“BVA”) is a company incorporated in Wisconsin, USA with its registered office in the USA.

Brief Background

[5] There were two consolidated claims before the trial judge, claims number 456 of 2011 and 26 of 2013. The first and second appellants were the claimants in both actions. In claim no. 456, BVA was the defendant. In claim no. 26 of 2013, the Belize Tourism Board (“BTB”) and the Belize Hotel Association (“BHA”) were the defendants. On 26 June 2014, at the date of trial of claim no. 26 of 2013, the parties reported to the court that the matter had been settled and they were ordered by the court to file a notice of discontinuance. The decision of the trial judge, the subject of the appeal is dated 24 October 2013 and the rubric used was the consolidated claims. For clarity, the application made to the trial judge was by BVA in claim no. 456 of 2011. As such, in this appeal the background facts will focus solely on the appellants and BVA in claim no. 456 of 2011.

The Claim

[6] In claim no. 456, the appellants by an amended claim form dated 27 January 2012 claimed that on 24 March 2009, they made an offer to BVA to conduct a photo shoot to produce five new photographic images for the Belize Tourism Board's marketing campaign of "Be One with Belize". BVA thereafter verbally requested to use five additional existing photographs.

[7] It was an express term of the offer that the appellants would grant to BVA an exclusive licence to use five photographs for a period of one year from the date of the first use and that the photographs were to be used in "Advertising All Print Publication."

[8] By an oral agreement between the parties, the first appellant provided BVA with five additional photographs for use only in "Advertising All Print Publications" and together the ten photographs were used in five advertisements.

[9] The appellants claimed that it was a further term of the agreement dated 24 March 2009, which was accepted by BVA, that any other use of the ten photographs shall require a separately negotiated licence and that all rights not granted in writing, including copyright, remained the exclusive property of the first appellant.

[10] The appellants claim that BVA caused the ten photographs to be used, published and reproduced beyond the period of one year which was granted by them. Further, that BVA repeatedly used the ten photographs in advertisements for various "Advertising All Print Publications" and made a substantial profit in respect of such advertisements. This caused them to suffer loss and damages as a result of the breach of terms of the written contract between the parties. The appellants estimated licence fees payable to them being US\$400,000.00.

[11] The appellants also claimed in the alternative, copyright infringement. They say that as a result of the respondent's infringement of their copyright in the photographs, the appellants have suffered loss and damages.

[12] The relief sought before the trial court was in the following terms:

- (1) Damages for breach of a written contract dated 24 March 2009 entered into between the parties;
- (2) An order for the respondent to account for profits;
- (3) Interest and cost.

[13] In the alternative, the relief sought was as follows:

- (1) A declaration that the respondent is liable for copyright infringement in respect of the appellants' artistic works in the form of their photographs;
- (2) An order for the delivery up of all such infringing copies in the respondent's possession, power, custody or control;
- (3) Damages; an order for accounts of profits; interest; and costs.

The Defence and Counterclaim of BVA

[14] BVA in its defence stated that it was acting as agent for BTB and on 24 March 2009 contracted the appellants to produce 5 images for print ads for the BTB's marketing campaign, 'Be One with Belize'. The marketing campaign targeted only North America and none of the images were published or made available for circulation in Belize. BVA denied that there was a verbal agreement to use five additional photographs but admitted that it was an express term of the offer that the appellants were to grant BVA an exclusive licence to use the images for the period of one year from the date of its first use. BVA stated that it did not breach any of the terms of the contract while acting as agent for BTB.

[15] In the alternative, BVA stated that even if there was unauthorized use of the photographs, the original contract had been discharged or had come to an end by effluxion of time and as a consequence the appellants had no right to sue for any breach under the contract.

[16] BVA further stated that it concluded negotiations on a second usage license contract which effectively ameliorated any purported unauthorized use of the five images. On 15 March 2011, the appellants submitted an invoice for the renewal setting out the terms of the licence which was valid for two years from the date of expiration of the original contract in 2010, thereby curing any unauthorized use. BVA stated that when it tendered payment to the appellants for the invoice, the payment was rejected.

[17] In relation to the copyright infringement, BVA stated that it did not publish or circulate any of the five images/photographs in Belize. BVA also disputed Belize as having jurisdiction or being the appropriate forum to hear and determine the matter.

[18] BVA counterclaimed against the appellants since they refused to accept the payment for the renewal of the licence which resulted in BTB taking a decision in April 2011 to cancel publication and use of the five photographs for print ads in scheduled magazines for June 2011 to August 2011. As a result, BVA claimed that it suffered loss and damage since it had to use different photographs to remake the print ads. BVA claimed special damages in the sum of US\$64,000.00, general damages, cost and interest.

Reply to defence & defence to counterclaim

[19] The first appellant stated that it provided BVA with a worldwide licence to use the photographic images and also that the magazines in which the images were to be used are available worldwide via the internet and postal services. The advertisements were therefore available worldwide, including Belize.

[20] The appellants further stated that the second usage licence contract was never consummated because of misrepresentations by BVA of the dates of publication of the images which caused the appellants from properly assessing the expiration date of the images which is one year after the first publication. The appellants stated that BVA knew the licence had expired between 6 ½ to 8 ½ months prior to their attempt to finalise a second licence. When the appellants engaged in negotiations for a renewal of the licence it was under the assumption that the licence was being renewed during

the licence period. Upon learning of the misrepresentation, the appellants rejected the purported payment for the extension of the usage licence. Further, there was no discussion regarding a retroactive payment.

[21] The appellants stated that since BVA acknowledged service of the claim form and filed a defence, it waived any challenge to the Belize courts having jurisdiction in respect of the matter.

[22] In defence to the counterclaim by BVA, the appellants stated that BVA is not entitled to any relief since it knew that the original licence had expired for 6 ½ to 8 ½ months and had violated the first appellant's copyright in the images. The appellants requested compensation for the unauthorized use but BVA instead informed them that the licence fee would not be paid until there was an agreement that there was no infringement. Despite there being no agreement in relation to the unauthorized period, BVA nevertheless delivered the check which was rejected by the appellants.

[23] The appellants further stated that BVA's decision to cancel publications cannot be attributed to them as BVA did that of its own accord thereby nullifying its requirement for a renewal of the image licence.

Application made by BVA for striking out of the claim

[24] BVA, by an application dated 28 June 2012 which was amended on 7 June 2013, applied pursuant to the Supreme Court (Civil Procedure) Rules 2005, Rules 9.7(1) and (6) and Rules 26.3 (1) (a) and (c) for the following orders:

- (1) A declaration that the Supreme Court of Belize has no jurisdiction to try that portion of the instant claim relating to copyright infringement;
- (2) Alternatively, an order that the Supreme Court of Belize ought not to exercise its discretion to seize jurisdiction to try that portion of the claim relating to copyright infringement;
- (3) An order that all portions of the claim relating to copyright infringement be struck out;

- (4) An order that all portions of the claim relating to breach of contract similarly be struck out or that summary judgment be granted in respect to the breach of contract claim;
- (5) An order striking out the claim against BVA from Claim No. 26 of 2013 for non compliance with the order of the Supreme Court dated 14 May 2013. (This matter was settled by the parties).
- (6) Costs.

[25] The grounds of the application were:

- (1) The appellants claim that BVA made unauthorized use of five images for print ads and this unauthorized use constituted copyright infringement;
- (2) The five images were procured by BVA for the BTB as part of a print ad marketing campaign targeted to the North American tourist markets to promote Belize as a premier tourist destination;
- (3) The unauthorized use of the five images for print ads was confined to North America and none of the print ads were published or circulated in Belize;
- (4) BVA is not resident in Belize and it has no business presence or operations within the jurisdiction of Belize;
- (5) The witnesses for BVA are not residents of BVA and it would incur substantial costs in having to litigate the matter in Belize;
- (6) The only factor linking the claim for copyright infringement to Belize is the fact that the appellants are residents of Belize;
- (7) Copyright infringement is a jurisdictional claim and requires that there be publication or circulation within the jurisdiction of Belize;
- (8) Belize is not the most appropriate forum to hear and determine the matter;
- (9) In respect to the claim for breach of contract, it discloses no reasonable grounds for bringing the claim owing to the fact that at the material time the contract which is the subject of the appellants' claim had terminated by effluxion of time and was fully discharged by both parties and there

were no express or implied terms continuing in force in relation to any of the provisions of the said contract. Therefore, the appellants cannot point to any contract valid and in force at the time of the alleged infringing acts that would make the alleged infringing acts breach of contract.

[26] The application was supported by the affidavit of Alifa Elrington Hyde sworn on 28 June 2012, in which she disputed the jurisdiction of the Supreme Court of Belize to hear and determine any claim for copyright infringement on the basis that no copyright infringement occurred in Belize.

[27] At paragraphs 5 and 6 of her affidavit, she deposed that the appellants alleged that BVA made unauthorized use of five images called Scuba, Maya/hiker, Rainforest, Couple and Fly Fishing. The publication of the images for the print ads was confined to North America and none of the said images were published or circulated in Belize. Further, that the images for the print ads were purchased and published in accordance with the following schedule:

Magazine name	Scheduled dates for publication
1. Travel & Leisure	Oct/Dec 2009 and Oct 2010
2. Conde Nast Traveler	Nov 2009
3. New York Times	27 September 2009 and 22 Nov 2009
4. National Geographic Travel	July/Aug, Oct, Nov/Dec 2009, Jan/Feb, July/Aug, Oct, Nov/Dec 2010 and Jan/Feb 2011;
5. Islands	Sept/Oct, Nov/Dec 2009, Jan/Feb July/August, Sept/Oct, Nov, Dec 2010 and Jan/Feb, March 2011;
6. Caribbean Travel & Life	Aug/Sept, Oct, Nov 2009, Jan/Feb, Aug/Sept, Oct, Nov, Dec 2010 and Jan/Feb, March, June/July, 2011;
7. Saveur Magazine	Aug/Sept and Dec 2010;

8. Costal Living	Nov 2009 and Dec/Jan 2010;
9. National Geographic	Nov, Dec 2009 and Oct, Nov 2010;
10. Natural History	Sept/Oct, Dec/Jan 2009 and Feb 2010;
11. Archaeology	Sept/Oct, Nov/Dec 2009, July/Aug, Sept/Oct, Nov/Dec, Mayan Special Issue 2010 and Jan/Feb 2011;
12. Martha Stewart Weddings	Fall, Destination and Winter for 2009 and 2010;
13. Salt Water Sportsman	Aug 2009;
14. Smithsonian	Sept/Oct 2010 and Jan 2011;
15. Audubon	July/Aug, Sept/Oct, Nov/Dec 2010 and Jan/Feb 2011;
16. Sport driver	Aug, Sept, Oct, Nov/Dec 2010 and Jan/Feb 2011;
17. Scuba Diving	Sept/Oct, Nov/Dec, 2010 and Jan/Feb 2011;
18. World's Best Diving	Annual Issue for 2009 and 2010.

[28] Mrs Elrington- Hyde deposed at paragraph 7, that BVA relied on section 33(1) read together with section 9 of the Copyright Act, Chapter 252, which requires that an infringing act must occur within the jurisdiction of Belize to ground a claim for copyright infringement. For the above reasons, she deposed that it was just and equitable to grant the relief sought.

Order made by the trial judge

[29] On 26 July 2013, the application for striking out was heard and the trial judge made the following order which was dated and perfected on 19 December 2013:

1. A declaration is granted that the Supreme Court of Belize has no jurisdiction to try the part(s) of the claim against the Applicant/Defendant relating to copyright infringement;
2. That all part(s) of the claim relating to copyright infringement against the Applicant/Defendant is struck out;
3. That all part(s) of the claim against the Applicant/Defendant relating to breach of contract is similarly struck out;
4. The case against the Applicant/Defendant is dismissed with prescribed costs or costs as otherwise agreed.

Grounds of appeal

[30] There were seven grounds of appeal which were addressed under three headings:

1. Whether the appellants had reasonable grounds to bring copyright and breach of contract claims (Grounds 1, 4 and 6);
2. Whether there was sufficient evidence to oppose BVA's application (ground 2);
3. Whether the court had jurisdiction to try the copyright infringements and breach of contract claims (grounds 3 and 5).

[31] The grounds of appeal can be conveniently disposed of under two headings, breach of contract and copyright infringement. The issue of reasonable grounds to bring the claim, sufficiency of evidence and the jurisdiction issue are inextricably linked.

Arguments for the appellants

[32] The appellants submitted that the grounds relied on by BVA in support of its application for striking out the claim on the basis that there were no reasonable grounds to bring the claim related only to the breach of contract issue as shown at paragraph 9 of BVA's grounds. (This ground concerns the contract between the parties which had expired and BVA stated that there were no express or implied terms continuing in force in relation to any provisions of the contract). The appellants submitted that when they appeared before Abel J, they were prepared to address the contract issue and not the

alternative claim by them for copyright infringement. The appellants contended that the trial judge erred in making the finding at paragraph 64 where he said:

“Based on the facts and circumstances of the present case, as pleaded by the respondents (appellants) in relation to the infringement of copyright and breach of licence, and a careful interpretation of the relevant provisions of the Copyright Act, the Respondents’ case does not amount to a coherent case or set of facts, against the Applicant and, even if it did, and was true, discloses no legally recognizable, or valid claim, as a matter of law, against them.”

[33] At the hearing for striking out of the claim, the appellants relied on **CITCO Global Custody NV v Y2K Finance Inc, HCVAP 2008/022**, British Virgin Islands, Court of Appeal, which shows that a strike out of a claim should be exercised sparingly. Abel J accepted the principles in that case as shown at paragraphs 32 – 37 of the decision.

[34] The appellants at the hearing of the appeal before the Court further bolstered their arguments that the jurisdiction of the Court to strike out a statement of case in whole or in part is exercised sparingly and is appropriate only in obvious cases. Also, while exercising this jurisdiction the Court must also scrutinize the statement of claim to see whether it is sufficient to establish a recognizable cause of action. See **Biscombe et al v Fadelle et al, Claim No. DOMHCV 2010/0022; M4**.

[35] In relation to breach of the licence agreement, the appellants submitted that the pleadings establish that there is a case for trial in respect of BVA’s breach of its contract with the appellants and that the trial judge erred in law in striking out the claim and in granting summary judgment in respect of the breach of contract issue. The appellant relied on the contract dated 24 March 2009, in particular, the provisions on the usage licence, estimate terms, rights and terms and conditions.

[36] The appellants submitted that BVA’s failure to comply with the provisions of the contract relied upon constituted breaches that once the pleadings are sufficient to establish a breach of an agreement, the existence of some other remedy does not mean that one is precluded from claiming that breach (in this case breach under the Copyright Act). Further, the licence agreement was a usage agreement which recorded

the fact of Mr. Rath's copyright in the works and crafted terms of use for the images. The appellants contended that it is not the licence that created the copyright infringement in this case, as such the trial judge erred in finding that the contract claim was entirely derived from the Copyright Act.

[37] The appellants further contended that BVA continued to use the images beyond the licence period, the duration of which was one year, without negotiating a separate licence as provided by the agreement. The appellants also relied on Clause 12 which shows that the parties agreed to the Licensor's place of business in respect of any action to enforce the terms of the licence agreement. As such, it was contended that the trial judge erred in finding that the said clause did not assist the court with the applicable law to be applied.

[38] The appellants further submitted that the trial judge addressed the issue as to whether there was a reasonable prospect of success in respect of copyright infringement although it was not raised by BVA in their application and erred in finding that there was none. The appellants relied on their amended claim form, amended reply and the defence to the counterclaim by BVA.

[39] In relation to the issue of sufficiency of evidence, the appellants contended that there was sufficient evidence before the trial judge in opposition to BVA's application as shown by the affidavit of Anthony Rath dated 23 July 2013. As such, the trial judge erred in striking out the appellant's claim on the ground that there was not sufficient evidence to oppose the allegation that Belize is not the appropriate forum for the copyright and contractual claims.

[40] On the issue of forum, the appellants submitted that Belize is the appropriate forum for 8 different reasons as shown at paragraph 48 of their submissions. I will refrain from addressing the submissions any further because of the finding of the trial judge that the evidence of this question was scanty on both sides and far from satisfactory.

Arguments for the respondents

[41] In regards to the breach of contract point, Mr. Bradley for BVA submitted that since the one year contract had expired, no rights could properly be derived or claimed under the said contract to found an action for breach of contract. Further, there could be no breach of contract because there was no contract at the time of the alleged breach and there was no term, express or implied, pleaded by the appellants that was effective to continue in force any of the provisions of the contract.

[42] As for the claim of copyright infringement, learned counsel, Mr Bradley submitted that the appellants concentrated on the *forum non conveniens* issue before Abel J. However, in their application to the trial judge, BVA dealt with two points, namely (1) whether or not the court had jurisdiction to deal with the copyright infringement claim since no act of infringement occurred in Belize to bring the case within the ambit of the Copyright Act and (2) the question of *forum non conveniens*, that is, if the court determined that the Copyright Act permitted the claim, then BVA sought to argue that Belize is not the most appropriate forum.

[43] Mr. Bradley contended that section 9(1) of the Copyright Act gives the owner of the copyright the exclusive right to do or authorize other persons to do the variety of specific acts in Belize. Further, that **section 33** of the Copyright Act shows that copyright infringement is a jurisdictional claim and requires the infringement to occur within Belize. Counsel argued that there is no reference in the appellants pleadings which makes reference to any infringement occurring within Belize and this is necessary to ground an action in copyright infringement and to confer jurisdiction on the courts of Belize.

[44] It was further submitted that the only point of reference grounding the appellants' case to Belize are bare and unspecific references in relation to the internet on the pleadings in reply and that the learned trial judge rightly found that this did not raise any actionable claim or made publication on the internet as a live issue for the determination of the court.

Discussion

Breach of contract point

[45] I will firstly consider the main claim by the appellants being damages for breach of the written licence agreement dated 24 March 2009 (“the agreement”) between the parties. The agreement shows the key aspects of the licence. The skeleton of the licence shows the identification of the parties, the job description, usage licence, estimate terms and the terms and conditions. Some key aspects of the licence for the purposes of this appeal are:

- (a) The **purpose** was to photograph new images for BTB’s marketing campaign of “Be One with Belize” (See under the heading of ‘Job Description’);
- (b) The appellant granted BVA an **exclusive licence** to use the delivered work only; (See under heading ‘Usage Licence’);
- (c) The licence was **valid worldwide**; (See under heading of ‘Usage Licence’)
- (d) The duration of the licence was for **one year** from the date of licensor’s invoice (See under the heading of ‘Usage Licence’ and ‘terms and conditions’ at clause 4.
- (e) There was an option for other use of the work but this would have required a **separately negotiated licence** (See under the heading of ‘Usage Licence’);
- (f) In the event of **default**, action to be brought in the state of the licensor’s principal place of business (Belize) - (See clause 12 under ‘Terms and conditions’);
- (g) The **governing law** of the licence is the ‘Licensor’s principal place of business (Belize), excluding the conflict of law rules of that state’);

[46] In my view, there are mainly two headings of the agreement which require interpretation by the court for the purposes of this appeal, namely, ‘Usage License’ and ‘Terms and Conditions’. These provisions provide:

“Usage License

Subject to the terms and conditions below, Tony Rath Photography the licensor (Licensor”) of the work (“work”) referenced in this document hereby grants to BVA defined herein (“Licensee”) an **Exclusive license** to use the DELIVERED WORK ONLY. This license is **valid worldwide. This licence shall be valid for one year** from the date of the first use and shall cover publication in the following media only: Advertising All Print Publications. The number of reproductions of the Work authorized by this license is unlimited. The only credit line to be associated with the Work is “© Tony Rath Photography/tonyrath.com”. **Any other use of the Work by the Licensee shall require a separately negotiated license.”**

.....

TERMS and CONDITIONS

1. Definitions and terms: This Agreement is by and between Tony Rath Photography (Licensor) and BVA (Client)

.....

4. Licenses: Unless otherwise stated in this Agreement, all licenses are non-exclusive and limited to English language use in the United States of America only. The license lasts for one year from the date of the Licensor’s Invoice.

.....

12. Default: **Any action to enforce any term of this agreement or any matter arising out of this agreement shall be brought in the state of Licensor’s principal place of business.** If Licensor prevails in any action brought to enforce the terms of this Agreement, Licensor will be entitled to recover actual attorney’s fees, court costs and all other non-reimbursable litigation expenses, such as expert witness fees and investigation costs.

13. Modification, governing law and miscellaneous: This agreement constitutes the entire understanding and agreement between the Licensor and Client regarding the image or service commissioned by Client. This agreement supersedes any and all prior written or verbal representations and agreements between Client and Licensor. No waiver or modification may be

made to this Agreement unless in writing and signed by both Client and Licensor. Waiver of any one provision of this Agreement shall not be deemed to be a waiver of any other provision of this Agreement. **The formation, interpretation and performance of this agreement shall be governed by the laws of the state of Licensor’s principal place of business, excluding the conflict of law rules of that state.”**

[47] The Licensor as shown by the agreement is Tony Rath Photography. The address for the Licensor is “Box 216, Dangriga, BELIZE”. It is clear from the License that the principal place of business for the licensor is Belize. The interpretation of the agreement therefore, shall be governed by the laws of Belize (Clause 13). Further, any action to enforce any term of the agreement shall be brought in Belize (Clause 12). The appellants (Licensor) has complied with the agreement by commencing the action in Belize.

[48] It can be seen from paragraphs 9 and 10 of the appellants amended claim that it was a term of the agreement of the 24 March 2009 that any other use of the ten photographs by BVA shall require a separately negotiated licence and that all rights not granted in writing, including copyright, remained the exclusive property of the first appellant. It was further claimed by the appellants that BVA caused the ten photographs to be used, published and reproduced beyond the period of one year which was granted under the licence. Further, that BVA repeatedly used the ten photographs in advertisements for various “Advertising All Print Publications” and made a substantial profit in respect of such advertisements. This caused them to suffer loss and damages as a result of the breach of terms of the written contract between the parties. The appellants estimated licence fees payable to them being US\$400,000.00. Hence the reason the relief sought for damages for breach of contract.

[49] The learned trial judge having determined that the court has no jurisdiction to try part(s) of the claim against BVA relating to copyright infringement and striking out that part of the claim, then went on to determine the issues for breach of contract from

paragraphs 75 – 79 of his judgment. He ordered that the claim for breach of contract is also struck out. The trial judge said:

“[75] I have also determined that the cause of action for breach of contract in relation to the photographs is entirely derived from and created by the Copyright Act and that all dealings with Belize copyrights, including the granting of a licence in relation to same, is derivative and thereby dependent on the said Act.

[76] In relation to the licence agreement I am not satisfied, that on a clear and liberal reading of the Respondents’ pleadings, that the licence is at all relevant to the present proceedings. This is because it is clear that the actionable basis of the Respondents’ contractual claims is the unauthorized use (use without a licence) of the photographs under the Copyright Act. All references within the Respondents’ pleadings to the licence appear to be based on a confused and incoherent basis of the Respondents’ causes of action (the somewhat contradictory claims for breach of the licence agreement and for use of photographs without a licence) and is irrelevant to the stating of the Respondents’ case.

[77] In this context the reference to Clause 12 of the terms and conditions of the expired licence agreement between the Respondents and the Applicant, does not, it appears to me, assist the court one way or another in the determination of any of the questions before the court, including in determining what is the applicable law to be applied. Any such term certainly, in my view, cannot trump the clear jurisdictional basis of the Copyright Act as outlined above.

[78] I therefore find that the claim by the Respondents for breach of contract discloses no reasonable grounds for bringing the claim against the Applicant as at the material time, as pleaded, the licence had expired and no surviving term was in existence such that the Applicants could be said to be in breach of contract. As a result, I have determined that the claims for breach of contract should be struck out.

[79] Alternatively, for the same reason, I would grant the Applicants summary judgment in relation to the claim for breach of contract as the Respondents have no real prospect of succeeding on the claim for breach of contract.”

[50] The trial judge, as shown above, gave several reasons before determining that the claim for breach of contract should be struck out. The first is that the breach of contract is derived from and created by the Copyright Act and that all dealings with Belize copyrights, including the granting of a licence is derivative and thereby dependent on the Act. In my view, the trial judge erred in his finding as he failed to consider the nature of the breach of the agreement granted to BVA. Mr. Rath, the first appellant, under the Copyright Act has specific rights to the photographs and these rights can be licensed and granted to a licensee. The first appellant has granted to BVA an exclusive licence to reproduce the photos for one year. However, BVA continued to use the photographs after the expiration of the one year. In my view, this is a matter for compensation for usage of the photographs after the one year period had expired. As such, the contract claim is not entirely derived from and created by the Copyright Act.

[51] The learned trial judge found that the contract claim discloses no reasonable grounds for bringing the claim because at the time the licence had expired and no surviving term was in existence. There is no dispute that the agreement had expired after one year. Further, a perusal of the agreement does not show any clause with a specific heading of ‘Survival **term**’. However, under the heading of “**Usage Licence**” as shown at paragraph 46 above, it states “...*Any other use of the Work by the Licensee shall require a separately negotiated license.*” This term in my view, is a ‘survival term’ and the parties as shown by the pleadings were in fact negotiating for a new usage licence. BVA in their defence stated that **it concluded negotiations on a second usage license contract which effectively ameliorated any purported unauthorized use of the five images**. Further, that on 15 March 2011 the appellants submitted an invoice for the renewal setting out the terms of the licence which was valid for two years from the date of expiration of the original contract in 2010, thereby curing any unauthorized use. BVA pleaded that when it tendered payment to the appellants

for the invoice, the payment was rejected by the appellants. In the reply to the defence, the appellants pleaded the reasons why they rejected the purported payment for the extension of the usage licence. According to the pleadings, BVA misrepresented the date of the expiration of the first licence. When they negotiated a renewal of the licence (a second usage licence) the first licence had already expired (between 6 ½ to 8 ½ months). At the time the appellants commenced negotiated for a second licence, they were under the impression that the licence was being renewed during the first licence period. In my view, the issues raised on the pleadings in relation to the second usage licence can only be resolved at trial after there has been orders made at case management for disclosures and exchange of witness statements. Based on the pleadings, I am fortified in my view that this is a breach of contract issue where compensation has to be paid for the period during which the photographs were being used after the expiration of the licence.

[52] There is also evidence before the court which shows that the photographs were being used by BVA beyond the one year duration of the licence. The usage licence (the agreement) is dated 24 March 2009. The affidavit evidence of Mrs. Elrington-Hyde shows the dates when the photographs were used (see paragraph 27 above). The earliest date is July 2009 and one year thereafter is July 2010 (depending on the date in the month). As such any usage of the photographs after July 2010 requires a separately negotiated usage licence. The evidence shows that BVA continued to use the photographs until February 2011 although the usage licence expired in July 2010. There was no ‘separately *negotiated license*’ as provided for by the 2009 usage license. According to the affidavit evidence of Anthony Rath, these publications were done without the knowledge or authorisation of him.

[53] Further, the electronic mail dated 11 February 2011 attached to the defence (page 110 of the record) shows that BVA informed Rath (the first appellant) that it has come to its attention that the rights for the photography being used in the five current brand advertisements for the BTB have expired or will expire shortly. Also, that BVA intended to continue to run the ads for fiscal year 2011-2012 and requested a proposal from Rath for usage rights for a one year or two year period. BVA made no mention of

the period 2010-2011 although the images were being used during that period as shown by the affidavit evidence of Mrs. Hyde. Rath informed BVA that it had used the photographs about 50 times in magazines, mostly full page advertisements, with an estimated licence fee payable to Rath for such use in the sum of US\$400,000. When BVA was told of the usage without a licence, its defence was that Rath did not inform BVA regarding the expiration of the usage licence. BVA also referred to some negotiation between Rath and itself regarding payment for the period when there was no usage licence. (See memorandum dated 4 January 2011 from BVA to Rath (page 120 of the record). In my opinion, this evidence sufficiently shows a triable issue in relation to damages for breach of contract.

[54] As to whether the matter should be tried in the Belize courts, there is provision in the agreement which shows that the action should be brought in Belize. Clause 12 provides that in the event of default any action to enforce any term of the agreement shall be brought in the state of the Licensor's place of business which as shown above is Belize. At Clause 13, it provides that the formation, interpretation and performance of the agreement shall be governed also by the Licensor's place of business. As such, it is my view, the action was properly before the courts in Belize. The fact that the agreement had already expired is irrelevant since there is provision for a separated negotiated licence after the expiration of one year. The trial judge at paragraph 68 of his judgment accepted that there may have been publication outside of Belize of the appellant's photographs without a licence. Thus, it would have been proper for the trial judge to hold a case management conference and make orders for full disclosure and the exchange of witness statements so that the matter could proceed to trial in relation to the claim for damages for breach of contract.

Copyright infringement point

[55] In relation to the alternative claim, copyright infringement, BVA stated that it did not publish or circulate any of the five images/photographs in Belize. BVA also disputed Belize as having jurisdiction or being the appropriate forum to hear and determine the matter. It was on this basis that BVA made an application for striking out the alternative claim made by the appellants. The grounds being that (a) copyright infringement is a

jurisdictional claim and requires that there be publication or circulation within the jurisdiction of Belize and (b) Belize is not the most appropriate forum to hear and determine the matter.

[56] The findings of the trial judge on the issue of jurisdiction is shown at paragraphs 61 – 71 of his judgment. He said:

“[61] I have determined that Section 9 of the Copyright Act is clear in its terms and allows the owner of the copyright in the photographs to have the exclusive right (so called economic rights) to do or to authorize other persons to do, the specified acts in Belize, and when combined with the jurisdictional basis of the court, that section 9 provides a clear geographical jurisdictional basis for actionable claims within the Supreme Court of Belize.

[62] I have also determined that the section of the Copyright Act dealing with infringement of the economic rights in copyrights, created by Section 9 and section 33(1) of the Copyright Act, makes it clear, yet again, that any such infringement of Belize copyrights, similarly provides a clear geographical jurisdictional basis for actionable claims within the Supreme Court of Belize, by indicating that such infringements must occur with reference to doing in Belize, importing into Belize or while in Belize possessing, selling, letting for hire, offering or exposing for sale or hire, or trading by exhibition in public, which the infringing party knows or has reason to believe is an infringing copy of the photographic works.

[63] I have come to the conclusion that based on the unsatisfactory nature of the Respondents’ amended Statement of Claim and Reply, their claim and case against the Applicant is defective for the following reasons:

- a) There is no reasonable cause of action by the 2nd Respondents against the Applicant as the 2nd Respondents is not alleged to be author or owner of the photographic works, and has any copyright in relation thereto
- b) There is no reasonable cause of action by the Respondents that the Applicant without the licence of the owner of the copyrights in the photographs (assuming that such owner is one or both of the Respondents) used and/or made unauthorized uses of the photographs whether in advertisements or otherwise and made substantial profits therefrom, as the Respondents , crucially failed to ground the jurisdictional basis of their claims against the Applicant, in any way, or at all, by reference to any use in Belize.

- c) The Respondents failed in their pleadings to sufficiently or at all particularise any alleged unauthorized use (or use without a licence) of the alleged publication and reproduction by the Applicant of the photographs, including by placing such photographs on the internet which was thereby accessible in Belize.

[64] Based on the facts and circumstances of the present case, as pleaded by the Respondents in relation to the infringement of copyright and breach of licence, and a careful interpretation of the relevant provisions of the Copyright Act, the Respondents' case does not amount to a coherent case or set of facts, against the Applicant and, even if it did, and was true, discloses no legally recognizable, or valid claim, as a matter of law, against them.

[65] For the above reasons I have come to the conclusion that the pleadings as they stand, show and constitute a plain and obviously unsustainable case against the Applicant in relation to infringement of copyright and that the Respondents' claims cannot succeed against them in this regard.

[66] I must say that I also carefully considered, and pondered long and hard, as to whether, in the absence of clear legal authority on the position of the applicability of the internet to the clear jurisdictional provisions of the Copyright Act, requiring infringements etc. to be within Belize, that there may be a substantial point of law to be considered, or that the law may be in development; and/or that the state of law may not admit a plain and obvious answer. But in the circumstance of the pleadings I felt constrained to determine, which I do, that such a point of law does not arise within the context and on the pleading of this case. I have therefore found, that by reason thereof the Respondents' case is bound to fail in this regard.

[67] In the instant case, the photographs, the subject of the alleged copyright infringement, were published in North America, as the Applicant contends and pleads, to target the North American tourist markets, and this was not counterbalanced by any plea to the contrary by the Respondents. The targeting of the North American market in any event will hold sway over any possible accessibility by way of the internet which the Respondents may be able to prove and will trump any vague allegation of general accessibility on the internet to persons in Belize of the photographs.

[68] I accept that the publication outside of Belize of the photographs may have been unauthorised or without the licence of the Respondents , but I am not satisfied on the pleadings that any such publication were alleged to have been done, imported into Belize or possessed by anyone while in Belize, or sold, let for hire, offered or exposed for sale or hire or traded by exhibition in public, by the Applicant knowing or having reason to believe the same is an infringing copy of the photographs, such that the geographical jurisdictional basis for actionable

claims within the Supreme Court of Belize by and with reference to Belize, may be triggered under the Copyright Act.

[69] In relation to the suggestion by the Respondents that the internet was used as a method of publication within Belize, and that the photographs were not thereby confined to North America, but indeed were received and accessible in Belize, I am far from satisfied, on a careful examination of the Statement of Claim and even the Reply (where reference was first made to the internet) that these contained actionable allegations on the basis of which would ground the jurisdiction of this court against the Applicant. In fact, I am satisfied that the reverse is the case.

[70] In any event having carefully read the Copyright Act, which was enacted after the advent of the internet and digital technology, I am not satisfied that it is technologically neutral as submitted by the Respondents . On the contrary the Copyright Act in many places makes reference to digital or internet technology by referring to ‘computer program’ and ‘computer language code’ “computer-generated” works, ‘wireless-telegraphy’, ‘electronic retrieval system’ ‘encrypted transmissions and broadcasts’ etc.

[71] It seems to me that if the drafts persons of the Copyright Act had intended to make provisions for the internet then they would have done so and would not have specifically provided a geographical jurisdictional basis for copyrights by reference to Belize, and for their infringement in the same way. In any event the Respondents did not in their pleadings raise this as a matter of fact or law which would make such a determination by the courts a live issue or question.”

[57] The learned trial judge correctly interpreted **sections 9 and 33** of the **Copyright Act** which show that a claim for copyright infringement is based on a geographical jurisdictional basis. Learned senior counsel, Mr. Courtenay in his oral arguments before the Court accepted that for the appellants to be successful in the copyright infringement claim, there must be a satisfaction of both sections 9 and 33 of the Copyright Act. The relevant aspects of sections 9 and 33 of the Copyright Act provide:

“s. 9 (1) By virtue of and subject to the provisions of this Act, the owner of the copyright in a work shall have the exclusive right to do or to authorise other persons to do any of the following acts in Belize or on any ship or aircraft registered in Belize –

- (a) to make copies of the work;
- (b) to issue copies of the work to the public;

.....

33. (1) The copyright in a protected work is infringed by any person who, not being the owner of the copyright and without the licence of the owner thereof –

(a) in respect of the work, does, or authorises another person to do, any of the acts mentioned in section 9, in relation to that work;

.....

(4) Copyright in a work is infringed by a person who, without the licence of the copyright owner, transmits the work by means of a telecommunications system (otherwise than by broadcasting or inclusion in a cable programme service) knowing or having reason to believe that infringing copies of the work will be made by means of the reception of the transmission in Belize or elsewhere.”

[58] In relation to the pleadings, the judge found that the same were unsatisfactory and defective for several reasons. One of those reasons concern the second appellant as a party to the claim. The judge found that the second appellant is not the author or owner of the photographs. Mr. Bradley submitted that the second appellant’s only involvement in relation to that appellant is an invoice and therefore, that is not actionable. Senior counsel, Mr. Courtenay argued that the party to the licence agreement is only Anthony Rath (the first appellant). However, the invoice issued is from the second appellant, Naturalight Productions Limited and hence the reason, it was added as a party. The learned trial judge in his judgment at paragraph 8 said that Anthony Rath is a professional photographer and Naturalight Productions Limited is a company registered in Belize through which Rath does business. This issue in my view has to be determined at trial after there has been full disclosure and exchange of witness statements as it cannot be resolved only on the pleadings.

[59] The trial judge found that the appellants crucially failed to ground the jurisdictional basis of their claims against BVA by reference to use in Belize. Also, they failed in their pleadings to sufficiently particularize any unauthorized use of the photographs by placing them on the internet and thereby making them accessible in Belize. It has been conceded and rightly so by the appellants that the statement of claim is not happily worded in relation to the alternative claim of copyright infringement. However, the statement of claim and the reply to the defence show that the first appellant provided

BVA with a worldwide licence to use the photographs and also that the magazines in which the photographs were to be published are available worldwide via the internet and postal services. It is my view, that the pleadings show a triable issue as to whether the advertisements were available worldwide including Belize, via the internet or otherwise. I am not in agreement with the trial judge that the pleadings disclose no recognizable claim as a matter of law against BVA.

[60] The trial judge acknowledged in his judgment that the absence of clear legal authority on the position of the applicability of the internet to the jurisdictional provisions of the Copyright Act, requiring infringements to be within Belize, may be a substantial point of law. However, he stated that in the circumstance of the pleadings he was constrained within the context of the pleadings and therefore the appellants' case was bound to fail. The trial judge considered mainly the statement of claim and not the reply by the appellants to the defence. Mr. Courtenay referred the Court to four points which were required to be pleaded in relation to sections 9 and 33 and were in fact pleaded. These are:

- (a) The five advertisements containing the images were a protected/copyrighted work; (See paragraphs 14 and 15 of the Amended Statement of Claim and paragraphs 6 and 9 of the reply to the defence;
- (b) BVA was not the owner of the copyright and did not have an existing usage licence from the appellants as owner; (See paragraphs 14 and 15 of the Amended Statement of Claim and paragraphs 6, 13 and 25 of the reply).
- (c) BVA authorized magazines to issue copies of the copyright work to the Belize public; (See paragraph 15 of the Amended Statement of Claim and paragraphs 6, 13, 16, and 23 of the reply).
- (d) BVA therefore infringed the appellant's copyright in the images; (See para16 of the Amended Statement of Claim and paragraphs 16 and 25 of the Reply)

[61] In my view, the pleadings of the appellants, that is, the amended statement of claim and the reply to the defence and counterclaim, show that there is a case to try as the appellants fell within the ambit of the provisions of sections 9 and 33 of the Copyright Act. Even if the pleadings were lacking in some respects, this could have

been amended at the case management conference. It is unfortunate that there was no case management conference held in this matter. But apart from amendments, the appellants' failure to particularize the internet issue is not necessarily fatal. See **DMV Ltd v Tom L Vidrine**, Civil Appeal No. 1 of 2010 of Belize, which cited with approval the case of **Mc Philemy v Times Newspaper Ltd and others [1999] 3 All ER 775**, which shows that the need for extensive pleadings including particulars are reduced by the requirement for witness statements which are now exchanged so parties are aware of the details of the case. *“Lord Woolf’s judgment in **McPhilemy** makes it clear that failure to provide particulars in the statement of claim is not necessarily fatal, since “In the majority of proceedings **identification of the documents upon which a party relies, together with copies of that party’s witness statements**, will make the details of the case the other side has to meet obvious.”* (see para 58 of *DMV* judgment). The pleadings therefore, show the general nature of the case and the particulars necessary to serve that purpose. In my opinion, the particulars in the appellants' case were sufficient to show the claim for copyright infringement. The disclosures and the witness statements would have provided the details.

[62] The issue of accessibility of the photographs by internet to persons in Belize and its applicability to the Copyright Act is very complex and can only be determined at trial after there had been full disclosure and the filing of witness statements. Mr. Bradley in oral arguments accepted that copyright law needs ‘plenty of illustration and other authorities’. Learned counsel also accepted that the internet issue needs to be examined in law but cannot be done because of the lack of particulars in the pleadings. As shown above, the lack of particulars is not necessarily fatal. However, as Lord Woolf MR said in **McPhilemy** (at page 793), pleadings “are still required to mark out the parameters of the case that is being advanced by each party”. The parameters of the case in the instant claim have been met for breach of contract and as shown at paragraph 60 above, the parameters have been met for copyright infringement

[63] It is arguable whether the authorization given by BVA to several magazines to publish the photographs, even though it occurred outside of Belize, is an authorization cognizable within the provisions of the Copyright Act. BVA’s argument is to the

contrary and hence the reason the need for evidence to show how and where the magazines can be purchased and delivered. Mr. Rath pleaded that he bought five magazines which published his photographs, via the internet and he brought the said magazines to Belize. (paragraph 25 of the reply). The exclusive licence granted to BVA was **valid worldwide**. (see the clause under the heading 'Usage License'). It is arguable whether the photographs were confined only to North America. The appellants were not prepared to assist the trial judge with these issues since they were under the impression that the application to strike out (based on its wording) would have focused mainly on the issue of *forum non conveniens*. Further, the trial judge was not assisted with any authorities by the appellant on the jurisdiction issue. I do not find it necessary to discuss the authorities cited to this court. In my opinion, this matter should proceed to case management conference for orders to be given by the trial court in preparation for trial.

Forum non conveniens

[64] On the issue of 'forum *non conveniens*', the trial judge found:

"[72] In relation to the separate argument on 'forum non conveniens', for the above reasons, I consider that the Applicant has in any event, discharged the burden on it by showing that Belize is not the natural or appropriate forum for the trial as there is insufficient connection for the Supreme Court of Belize to accept jurisdiction of the claims against the Applicant. This is because the Copyright Act would not apply to the consolidated claims against the Applicant and that Wisconsin, USA, where the Respondents has a registered office, or the USA generally (where any alleged unauthorized publications of the Respondents' works were likely published) is an available and appropriate forum having competent jurisdiction for the trial of the claim against the Respondents. I accept, however, that the evidence on this question is scanty on both sides and far from satisfactory.

[73] In my view, based on the scanty evidence available, the evidential burden had therefore shifted to the Respondents to show there are special circumstances not to grant the stay. In all the circumstances, including my finding that the copyright law of Belize does not govern the relevant transactions and the lack of other (real or substantial) connecting factors generally with Belize, I would in any event be minded to grant the stay of proceedings."

[65] It is my view that the learned trial judge erred by determining the issue of forum on such scanty and unsatisfactory evidence. Further, the finding was based on the judge's

conclusion on jurisdiction which is a matter, in my view, for trial. Thus, it would serve no useful purpose to discuss this issue any further.

Striking out

[66] The trial judge, accepted the submissions made before him by the appellants in relation to the law on strike out that it should be exercised sparingly and is appropriate only in the most plain and obvious case. He relied on the authorities of **Baldwin Spencer v The Attorney General of Antigua et al, Civil Appeal No. 20 A of 1997**; **CITCO Global Custody NV v Y2K Finance Inc, HCVAP 2008/022**, in the British Virgin Islands case, of the Eastern Caribbean Supreme Court, Court of Appeal (the dicta of Mde. Justice Edwards); **Biscombe et al v Fadelle et al, Claim No. DOMHCV 2010/0022**; See also Part 9.7 of the **Supreme Court (Civil Procedure) Rules 2005** on the procedure in relation to strike out.

[67] The trial judge, despite correctly stating the law, erred in his conclusion that the appellant's pleadings in relation to copyright infringement and breach of contract disclose no legally recognizable or valid claim. As shown above, the pleadings disclose a valid claim. BVA's application to strike out, ought to have been dismissed by the trial judge. See the case of **CITCO** for the governing principles in strike out applications and when it would be appropriate to strike out a statement of case. In that case Mde. Justice Edwards said that "where the argument involves a substantial point of law which does not admit of a plain and obvious answer; or the law is in a state of development; or where the strength of the case may not be clear because it has not been fully investigated", these are reasons for not striking out a statement of case. In my view, these reasons apply to the instant case. The appellants should be given an opportunity to strengthen its case through the process of disclosure and witness statements.

Disposition

[68] It is for these reasons that I would propose that the following orders be made:

- 1) The decision of the learned trial judge is set aside in its entirety.

2) The matter is remitted to the lower court before a judge other than Abel J, for case management orders to be given in preparation for trial.

3) Costs is awarded to the appellants in this Court and the court below, to be taxed or agreed.

HAFIZ-BERTRAM JA

BLACKMAN JA

[69] I have read the judgment of Hafiz-Bertram JA, in draft, and I concur in the reasons for the judgment given, and the orders proposed, in it.

BLACKMAN JA