

IN THE SUPREME COURT

SC96/2023

UNDER The Copyright Act 1994

IN THE MATTER OF Infringement of Copyright

BETWEEN **IAN JAMES BURDEN**

First Appellant

AND **PGT-RECLAIMED (INTERNATIONAL) LIMITED (formerly
called PGT INTERNATIONAL LTD)**

Second Appellant

AND **PLANTATION GROWN TIMBERS (VIETNAM)
LIMITED**

Third Appellant

AND **ESR GROUP (NZ) LIMITED**

Respondent

SUPPLEMENTARY SUBMISSIONS FOR THE RESPONDENT

Dated this 1st day of May 2024

Solicitor

Anthony Pietras
AJ Pietras & Co
Level 1, 29 Kings Crescent
Lower Hutt, 5010
Phone: (04) 566-1024
Email: mail@ajpietras.com

Counsel

Julian Miles KC
Richmond Chambers
Level 5, General Buildings
33 Shortland Street, Auckland, 1140
Phone: (09) 600-5504
Email: miles@richmondchambers.co.nz

SUPPLEMENTARY SUBMISSIONS FOR THE RESPONDENT

MAY IT PLEASE THE COURT

1. At the conclusion of the hearing for this proceeding on 26 April 2024 the Court requested counsel to provide further written submissions on the following issues:
 - a) What is the relevance, if any, of the UK decision *Nelson v Rye*¹ to the interpretation of s 9 of the NZ Copyright Act (“the Act); and
 - b) What is the significance of the words “... *regardless of any intervening acts* ...” at s 29 of the Act.
2. The submissions for the respondent are as follows.

Nelson v Rye

3. This case concerned a musician that owned copyright (a Mr. Nelson) and his former business manager (a Mr. Rye). The primary issues were limitation, laches and acquiescence, not copyright.
4. The management contract between Mr Nelson and Mr Rye was verbal, it commenced in 1980 and ended in 1990. During that period the parties set up a company called Cocteau Records Ltd to take care of Mr. Nelson’s business. Mr. Nelson and Mr. Rye were its directors. During the contract it was agreed that Mr. Nelson’s “Simplex” music would be released to the market by Cocteau. The management contract ended in late 1990. Shortly afterwards, Mr Rye who was still a director for Cocteau, placed an order for CDs of the Simplex music to be made by a French manufacturer. The CDs were produced and supplied to Cocteau. Mr. Nelson sued both Mr. Rye and Contrea for, among other things, copyright infringement.
5. The Court noted that manufacture of the CDs without a license would constitute infringement, as would putting them into circulation in the UK. Mr. Nelson asserted that Mr. Rye infringed as he had authorised manufacture of the CDs without a license. The Court noted that Mr. Rye could only be liable for authorising if the act of manufacturing was itself an infringement (page 206 at j). The Court found that as there was a license between Mr. Nelson and Cocteau to manufacture and sell the music, there was no infringement by Cocteau, or by Mr. Rye when he authorised the manufacturing

¹ [Nelson v Rye and another \[1996\] 2 All ER, Authorities Tab 64.](#)

(page 207 at f-h). The Court also noted that when there is a license to manufacture for the purpose of selling, there will likely be an implicit license to sell (page 209 para b).

6. At page 208 para j of the Judgement Laddie J noted that: *“Under the combined effect of ss 16(1)(b), 16(2) and 18(2) of the 1988 Act, it is now a primary infringement to issue copies of a copyright work to the public without a license where those copies were not previously in circulation”*. All this is saying is that you infringe by issuing if you do not have a licence to excuse your infringing. This applies to all types of infringement and says nothing about the actual metes and bounds of what constitutes issuing. Laddie J’s comments were simply that UK s 16 must be read in conjunction with the definition of issuing in UK s 18, and the same applies between NZ’s ss 9 and 16.
7. Contrary to what the appellants argue, Laddie J’s reference to UK s 16 does not create some sort of overarching ‘issuing right’ divorced from the definition at UK s 18. The same applies to NZ’s ss 9, 16, 29 and 31. By the combination of these sections, issuing means putting into circulation in NZ copies that have not previously been put into circulation anywhere. This interpretation is coherent and consistent with the reference to importing at NZ’s s 9(1)(c). It does not exhaust the “distribution” right which remains intact under s 36, it only exhausts the “issuing” right which is the clear purpose of the s 9(1) carve-out.
8. To summarise, there is nothing in *Nelson v Rye* that deals with the issue before this Court, namely whether consent is an element of the ‘prior circulation’ carve-out in the original UK s 18(2), and by extension NZ’s s 9(1). In *Nelson v Rye* the Court was concerned with whether there was an overriding license to perform the acts complained of. It did not need to consider, and indeed did not consider, whether consent is a component of the definition of issuing.

Section 29 – Intervening Acts

9. Section 29(1) of the Act provides that Copyright is infringed by a person who, without a license, does a restricted act. This means doing any of the acts of s 16 which, in the case of issuing, is defined by s 9. Section 29 (2) elaborates by stating that a restricted act is one done either directly or indirectly and that: *“it is immaterial whether any intervening acts themselves infringe copyright”*.
10. Based on counsel’s research, the reference to intervening acts in s 29 does not appear to have relevance to the issues before the Court. Rather, its purpose appears to be to

cover infringements where the infringer effectively involves an agent (an intervening act) to bring about infringement. For example, when a retailer authorises a local manufacturer to make infringing copies, the intervening act required for the infringement is the copying by the manufacturer. The retailer would nonetheless be liable for authorising the copying. By way of further example, in the 2021 publication of *Intellectual Property Law (NZ)*² the author gives the “intervening acts” provision of s 29 as justification for the director of a company being liable as a joint tortfeasor for authorising the infringing acts of the company.

11. Counsel has made appropriate inquiries to ascertain whether these submissions contain any suppressed information, and certifies that, to the best of counsel’s knowledge, these submissions are suitable for publication (that is, they do not contain any suppressed information).

Dated 1 May 2024

JG Miles KC / Anthony J Pietras
Counsel for the Respondent

² *C Elliott, Intellectual Property Law NZ*, Lexis Nexus, Oct 2021 at [COP120.11].