

**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

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**RESPONDENT'S OUTLINE OF ORAL SUBMISSIONS**

Dated this 26th day of April 2024

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**Solicitor**

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

## RESPONDENT'S OUTLINE OF ORAL SUBMISSIONS

### MAY IT PLEASE THE COURT

1. A central issue is the proper construction of s 9 (1) and s 9 (1) (c).
2. S 9 effectively replicates s 18 of the 1988 UK Act.
3. The clear view expressed by the UK and NZ commentators is that the intention of those sections, together with s 16 of both Acts, was to provide a defence to primary infringement if the copies had been circulated previously anywhere in the world, regardless of the consent of the copyright owner.
4. Despite the NZ Act being revisited on a number of occasions, the relevant sections have not been amended.
5. The orthodox approach by the legislature if it intends to incorporate Treaty obligations is to pass amendments to the relevant Act.
6. Unlike the UK, which did amend, NZ did not. Hence s 18 (UK) was amended on at least four occasions, reflecting EU Directives recognising that such Directives had no effect until incorporated in an amendment to the Act. Clearly the UK Parliament considered that the changes were sufficiently significant to require legislative amendment. In contrast, NZ chose not to amend, thus the relevant sections continue to be construed as they were intended in 1994.
7. There are significant limits to construing statutes to incorporate new circumstances. The ambulatory approach requires the further development to be both "within the purpose of the Act and that the words of the Act, albeit by liberal interpretation, are capable of extending to them". See *Ortman and Helu*.
8. Statutory meanings do not change unless amended. The suggestion that s 9 did, at some arbitrary time, change its meaning because the Government entered into

negotiation with WIPO members, that may or may not years later result in NZ acceding to the Treaty, is nonsense. It is also inherently retrospective.

9. The meaning argued by the appellant directly and fundamentally contradicts the clear meaning that s 9 had when passed in 1994.
10. No authority or commentary has been cited supporting the appellants' argument.
11. The appellants' argument cuts across the carefully structured delineation between primary and secondary infringement and their respective defences. Innocent importers and distributors would be liable for primary infringement thus effectively rendering the lack of knowledge defence to secondary infringement redundant.
12. In any event the 1994 Act substantially complied with the WCT and the Berne Convention. The combination of ss 31-39 of the Act provide an effective and appropriate regime for enforcing copyright infringement in NZ.
13. Examples of Primary and Secondary infringement-

Primary

- (i) Commissioning the manufacture of copies offshore and then selling them in NZ - Jeanswest; Tabs 5 and 54. As the creature and branch office of its Australian parent, Jeanswest NZ was held to be both a primary and secondary infringer.
- (ii) Commissioning copies in bulk off-shore, completing the packaging in NZ, and then selling them here. Inverness – Tab 4
- (iii) Importing genuine copies from the copyright owner and selling them in NZ would be issuing given they had not been released to the market overseas or in NZ, but the defence to this is s 9 (1) (d) – the parallel importing carve-out.
- (iv) The primary defence is found in s 18 in the UK Act and s 9 (1) (c) in the 1994 NZ Act. Prior circulation of the copies anywhere in the world, regardless of the consent of the copyright owner, is a complete defence - universal exhaustion.

Secondary

- (v) Secondary infringement depends on an act of infringement having taken place with actual or constructive knowledge - ss 35 and 36 – Ortmann.
  - (vi) Secondary infringement covers subsequent importation of pirated copies and distribution of those copies.
  - (vii) S 36 has a specific list of circumstances that would infringe the copyright owner’s distribution rights, subject to the definition of infringing copy at s 12.
14. There are no reported cases of an importer being found liable for primary infringement in circumstances where it did not commission the copy and had no had no knowledge it was a pirated copy.
15. 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 26 April 2024

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JG Miles KC / Anthony J Pietras  
Counsel for the Respondent