

165/86

493/84/AV

IN THE SUPREME COURT OF SOUTH AFRICA
(APPELLATE DIVISION)

In the matter between:

KLEP VALVES (PROPRIETARY) LIMITED

Appellant

AND

SAUNDERS VALVE COMPANY LIMITED

Respondent

CORAM: CORBETT, JOUBERT, GROSSKOPF, JJA, GALGUT et
NICHOLAS AJJA

HEARD: 2 September 1986

DELIVERED: 15 December 1986

J U D G M E N T

GROSSKOPF, JA

Introduction

The respondent is a British company which designs
and manufactures valves. Among its products are diaphragm

valves

valves which are widely used for the handling of industrial fluids. The respondent has been selling its valves in South Africa for many years. Two types of diaphragm valves which have been popular in South Africa are described as the type KB or straight through diaphragm valve and the type A or weir diaphragm valve. Although the respondent manufactures a full range of these valves, the present case is concerned with only one model of each type, viz. the 2 inch (50mm) type A and type KB valves. For convenience I shall express all dimensions in Imperial units, as was done in the affidavits.

The appellant, a South African company, also manufactures valves. Diaphragm valves of the type with which

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we are now concerned are used in South Africa mainly in the mining industry. In the 1970's the appellant came to realise that a demand existed for valves which were interchangeable with those already being used on the mines. The appellant investigated whether the respondent's valves were protected by patents, and came to the conclusion that any patents which might have been relevant had already lapsed. It is common cause that this conclusion was correct. Accordingly the appellant has since 1977 been manufacturing and selling components which are interchangeable with the components used in the respondent's valves. For purposes of its trade it has issued illustrated brochures, two of which are before the Court. They bear, respectively, the headings "Klep Type A

Diaphragm

Diaphragm Valve" and "Klep Type KB Diaphragm Valve". After setting out advertising material and particulars concerning the valve with which it deals, each brochure contains the following:

"Interchangeable with 'Saunders' Diaphragm Valves. All KLEP DIAPHRAGM VALVE parts are independently manufactured and are interchangeable with 'Saunders' diaphragm valves."

It is common cause that engineering drawings are essential to the production of equipment such as the valves manufactured by the parties. Such drawings serve the purpose of controlling the processes of repetitive manufacture. In manufacturing its 2-inch types A and KB valves the respondent uses eleven engineering drawings which were executed at different

ferent dates between 1938 and 1958. Six of these relate to the type A valve and five to the type KB.

On 4 October 1982 the respondent, through a firm of South African patent agents, wrote to the appellant inter alia as follows:

"Our client holds the copyright in certain drawings covering their well-known type 'A' and type 'KB' diaphragm valves and parts thereof. Up until having recently consulted with us, our client was not aware of the existence of its rights.

We have examined certain valves manufactured by you and it is our opinion that such manufacture constitutes a reproduction by you in a three-dimensional form of our client's drawings and as such infringes our client's copyright."

The letter then continued by calling upon the appellant

pellant to stop infringing the respondent's rights as set out in the letter. The appellant's attorneys replied, disputing both that the appellant had infringed the respondent's copyright, and, indeed, that any copyright existed as claimed by the respondent. The respondent subsequently instituted proceedings on motion in the Transvaal Provincial Division in which it claimed an order interdicting the appellant from infringing the respondent's copyright in the said drawings by "manufacturing and/or selling valves or components for valves known as TYPE A or TYPE KB valves, which manufacture and sale of such valves or components therefor constitute a reproduction and/or adaptation and/or publication of the said original drawings or a substantial part thereof

thereof in three dimensional form". In addition the respondent claimed various ancillary orders, some of which will be considered in more detail later. The respondent also complained that the above-mentioned brochures infringed its registered trade mark "Saunders" and claimed an order interdicting such infringement. The matter came before O'DONOVAN J, who decided in favour of the respondent. His judgment is reported as Saunders Valve Co. Ltd v Klep Valves (Pty) Ltd 1985

(1) SA 646 (T). References hereinafter to the judgment of the Court a quo will be to this report. With the leave of the judge a quo the matter now comes on appeal to this court. The applicable law.

It will be convenient to commence by sketching the legislative background against which this case falls to be decided. When the drawings on which the respondent relies were made, copyright in this country was governed by the

Patents, Designs, Trade Marks, and Copyright Act, no. 9 of 1916. Sec 143 of this Act declared that the 1911 British Copyright Act (1 & 2 Geo. 5 ch. 46) would thenceforth be in force in South Africa subject to certain minor modifications and additions. The British Act was set out in the Third Schedule to the 1916 Act.

One effect of the 1916 Act was to create virtual uniformity between South African and British copyright law. This continued until 1956 when the British Copyright Act of that year was promulgated (4 & 5 Eliz. 2 c. 74). In 1965 a new Copyright Act (Act no. 63 of 1965) was introduced in South Africa. This act was substantially modelled on the British Act of 1956. The Act of 1965 was in turn

turn repealed by the Copyright Act of 1978 (Act no. 98 of 1978) which now governs copyright in this country. Sec. 43 of this Act provides (in so far as it is relevant):

"This Act shall apply in relation to works made before the commencement of this Act as it applies in relation to works made thereafter; Provided that -

(a) nothing in this Act contained shall -

(i)... affect the ownership, duration or validity of any copyright which subsists under the Copyright Act 1965 (Act No 63 of 1965); or

(ii) be construed as creating any copyright which did not subsist prior to 11 September 1965;"

11 September 1965 was the date of commencement of the 1965 Act. The effect of sec. 43 of the 1978 Act accordingly is to render earlier legislation applicable to the question whether copyright subsists in works made prior to

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the commencement of the 1978 Act, whereas the 1978 Act governs the remedies for infringement of copyright and the procedures relating thereto. It was common cause in argument before us (otherwise than in the written heads of argument) that the 1916 Act governs the subsistence of copyright in the respondent's engineering drawings, which, as I have indicated, were made while that Act was in force. I assume without deciding that the parties' attitude in this regard is correct, particularly since I do not consider that the outcome of the case would be any different if, as had been urged by the appellant in its heads of argument, the transitional provisions of sec. 48 of the 1965 Act and the Sixth Schedule to that Act were to be applied.

I turn now to the question whether the respondent's

engineering

engineering drawings were entitled to the protection of copyright pursuant to the 1916 Act. Sec. 1(1) of the 1911 British Act, which, as noted above, was incorporated in the 1916 Act as the Third Schedule thereto, reads as follows:

"1. (1) Subject to the provisions of this Act, copyright shall subsist throughout the parts of His Majesty's dominions to which this Act extends for the term hereinafter mentioned in every original literary dramatic musical and artistic work, if -

(a) in the case of a published work, the work was first published within such parts of his Majesty's dominions as aforesaid; and

(b) in the case of an unpublished work, the author was at the date of the making of the work a British subject or resident within such parts of his Majesty's dominions as aforesaid;

but in no other works"

In terms of sec. 35 "artistic work" includes "works

of

of painting, drawing, sculpture and artistic craftsmanship, and architectural works of art and engravings and photographs".

The questions which arise in this appeal under sec. 1(1) of the 1911 British Act are whether the respondent's drawings are "artistic works"; whether they were original; and whether paragraphs (a) or (b) were complied with. I shall first consider these questions before turning to other issues which were raised.

Are the drawings "artistic works"?

Mr. Plewman, who appeared for the respondent in this matter, contended that the engineering drawings in issue are "artistic works" because, as "works of drawing", they fall within the definition quoted above. This contention was

contested

contested by Mr. Kentridge, who appeared for the appellant.

He submitted that the words "works of drawing" when read in their context are confined to works made with artistic intent.

Drawings of a purely technical nature would, according to this submission, not fall within the concept of "artistic works".

Both these contentions start from the premise that the word "drawing" in its ordinary sense has no necessary relationship with the fine arts. I agree with this approach.

The Shorter Oxford Dictionary defines "draw" (in its relevant sense) as, primarily, "(t)o trace (a line, figure, etc.) by drawing a pencil, pen, or the like, across a surface; ...

(t)o make by drawing lines; to design, delineate." "Drawing"

is defined, inter alia, as "(t)he formation of a line by

drawing

drawing some tracing instrument from point to point of a surface; representation by lines; delineation, as dist. from painting;" and "(t)hat which is drawn; a delineation by pen, pencil or crayon." These definitions do not suggest that the word "drawing" is more properly used to connote artistic than technical or any other works. I turn, therefore, to the context in which the word is used in the British Act of 1911.

The immediate neighbours of the expression "works of drawing" in the definition of "artistic work" are "works of painting", "works of sculpture", "works of artistic craftsmanship", "architectural works of art", "engravings" and "photographs". It is noteworthy that in respect of two of these items, viz., works of artistic craftsmanship and architectural

tectural works of art, the legislature found it necessary to use the words "artistic" and "art" to indicate that an artistic element was necessary to bring the work in question within the definition of an artistic work. The expression "architectural work of art" is further expressly defined in sec. 35 of the Act to emphasize that the protection of the Act is confined to the "artistic character and design" of an architectural work, and does not extend to "processes or methods of construction". The other items mentioned in the definition of artistic work (namely, works of painting, works of drawing, works of sculpture, engravings and photographs) have, in their ordinary meanings, a greater or lesser affinity with the fine arts, but are not confined thereto. A painted

advertising

advertising sign would fall within the expression "work of painting" as naturally as would a work by Rembrandt. The expression "work of sculpture" is defined in sec. 35 to include casts and models. The ordinary meaning of these words would encompass works made for aesthetic reasons as well as many others. "Engravings" is defined to include "etchings, lithographs, wood-cuts, prints, and other similar works, not being photographs." "Photograph" is defined to include "photo-lithograph and any work produced by any processes analogous to photography". There is nothing in the language relating to engravings and photographs to suggest that only those specimens are covered which were made for artistic reasons.

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It is apparent therefore that, save for works of craftsmanship and architectural works, the items mentioned in the definition of "artistic work" do not in terms require any element of artistic endeavour. Indeed, the words used suggest a wider meaning, and where the legislature wanted to introduce some specific artistic requirement for works of craftsmanship and architecture, it did so in express terms.

Moreover, when one looks at the nature of the various items covered by the definition of "artistic work", it seems most unlikely that the legislature intended to include only works made with an artistic intent. This applies to all of them (save, of course, works of craftsmanship and architectural works) but to none as clearly as photographs.

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Can it really be imagined that the Act impliedly distinguished between photographs taken with artistic intent, which would be protected by copyright, and others which would not? What purpose would be served by such a distinction? One needs only to think of press photographs, whose claim to protection does not rest on their aesthetic appeal but is nevertheless very strong. It is difficult to imagine that such photographs, and indeed all the others without artistic pretensions, could be copied with impunity under the 1911 Act. And how would one distinguish in practice between a photograph which was taken with artistic intent and one which was not?

These considerations apply also to drawings. It must be extremely difficult, and, indeed, often impossible, to determine

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what the draughtsman's intent was when making a drawing. This difficulty is increased when it is borne in mind that opinions can legitimately differ on what constitutes art. As stated by Laddie Prescott & Vitoria (The Modern Law of Copyright at p. 104): "There are those who think that the engineer has not infrequently produced undoubted works of art, not least because of his insistence on function." Moreover, when regard is had to the policy of the Act to protect authors who, by their skill and labour, produced original works, there would not appear to be any reason to exclude drawings merely because they were made for utilitarian rather than aesthetic reasons.

I consider therefore that, if regard is had both to the wording and the practical effect of the definition of

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"artistic work", it cannot be said to colour the expression "work of drawing" in the manner suggested on behalf of the appellant. The only feature which seems to me to provide some support for the appellant's contention is the labelling of these works as "artistic". Before giving further consideration to this feature I propose examining whether there is anything in the wider context of the Act as a whole which casts light on this issue.

The manner in which the Act deals with literary works is, I think, apposite. "Literary work" is defined in sec. 35 as including "maps, charts, plans, tables and compilations". In the leading case of University of London

Press

Press, Ltd v University Tutorial Press Ltd (1916) 2 Ch.

601, PETERSON J, in holding that examination papers constituted literary works under the British Act of 1911, said the following (at p 608):

"It may be difficult to define 'literary work' as used in this Act, but it seems to be plain that it is not confined to 'literary work' in the sense in which that phrase is applied, for instance, to Meredith's novels and the writings of Robert Louis Stevenson.. In speaking of such writings as literary works one thinks of the quality, the style, and the literary finish which they exhibit. Under the Act of 1842, which protected 'books', many things which had no pretensions to literary style acquired copyright; for example, a list of registered bills of sale, a list of foxhounds and hunting days, and trade catalogues; and I see no ground for coming to the conclusion that the present Act was intended to curtail the rights of authors. In my view the words 'literary work' cover work which is expres-

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sed in print or writing, irrespective of the question whether the quality or style is high. The word 'literary' seems to be used in a sense somewhat similar to the use of the word 'literature' in political or electioneering literature, and refers to written or printed matter."

This case has been consistently followed, inter alios by the House of Lords in Ladbroke (Football) Ltd v William Hill (Football) Ltd. (1964) 1 WLR 273 (HL) in which it was held that a football pool coupon constituted a literary work. See also Kalamazoo Division (Pty) Ltd v Gay & Others 1978(2) SA 184(C) p. 191; Copinger & Skone James on Copyright, 12th ed. pp. 59-60; Laddie Prescott & Vitoria, The Modern Law of Copyright, para. 2.10; and AJC Copeling, Copyright Law, pp. 30-32; Copyright and the Act of 1978, pp. 8-9.

It is clear from the above that "literary works"

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did not require any literary merit or pretension to be protected under the 1911 Act. Consequently, "in a statute which frequently uses words in a special sense differing from their normally accepted meaning it should not be surprising to find that 'artistic works' includes things which neither are nor purport to be objects of beauty, however slight"

(Laddie Prescott & Vitoria, op cit, at p. 106). I do not consider, therefore, that the use of the label "artistic work" is sufficient by itself to import a requirement of artistic intent which is not found in the language used to describe the relevant items covered by that label and which seems inconsistent with the practical needs served by the Act.

For

There seems to be no direct authority under the
1916 Act or the British 1911 Act on the point in issue.

Copinger & Skone James, op cit, at p. 68, state:

"It was generally considered under the Act of 1911
that the word 'artistic' was merely used as a
generic term to include the different processes
of creating works set out in the definition sec-
tion and that, provided that a work was produced by

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one of such processes, and that its creation involved some skill or labour on the part of the artist, it was protected. The use of the word 'artistic' was thought to be akin to that of the word 'literary', which ... was held to refer only to the nature of the material being written or printed matter."

In Purefoy Engineering Coy Ltd. and Another v Sykes Boxall

& Coy Ltd. and Others (1955) 72 RPC 89 (CA) copyright was

held to subsist in a catalogue of mechanical parts. The

catalogue contained, inter alia, photographs of the parts

and line drawings or diagrams indicating the dimensions

tabulated in the text. Although the photographs and the

drawings were held to be protected by copyright, the Court

reached this conclusion by regarding the whole work, that

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is, including text, photographs and drawings, as a literary work in terms of the Act. No attention was given to the question whether the photographs and drawings would have been covered by the definition of "artistic work". Although this case is therefore no direct authority for present purposes, it does underline the practical interrelationship between literary works and artistic works. This interrelationship is also shown by the inclusion in the definition of "literary work" of maps, charts and plans. All this fortifies the view that the legislature was not likely to require an element of artistic intent for artistic works although no analogous requirement was laid down for literary works.

Mr. Kentridge referred us to several recent publica-

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tions in which it was contended, or suggested as a possibility, that technical drawings were not included in the definition of "artistic work" in the 1911 British Act or later Acts. I do not propose considering these views separately since I have dealt above with the arguments on which they were based.

For the reasons I have stated I come to the conclusion that the respondent's engineering drawings are "artistic works" as defined in the 1911 British Act.

Were the drawings "original"?

The next question is whether the respondent's drawings qualified as "original" works for the purposes of sec. 1 of the 1911 British Act. The principles relating to originality in this context were not in dispute between

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the parties and are conveniently set out by prof. AJC

Copeling in the following passage (Copyright and the Act of
1978, p. 15):

"To be original a work need not be the vehicle for new or inventive thought. Nor is it necessary that such thoughts as the work may contain be expressed in a form which is novel or without precedent. 'Originality', for the purposes of copyright, refers not to originality of either thought or the expression of thought, but to original skill or labour in execution. All that is required is that the work should emanate from the author himself and not be copied.....
The requirement that the work should emanate from the author himself and not be copied must not be interpreted as meaning that a work will be regarded as original only where it is made without reference to existing subject-matter. Indeed, were this so the great majority of works would be denied the benefit of copyright protection. It is perfectly possible for an author to make use of existing material and still achieve originality in respect

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of the work which he produces. In that event, the work must be more than simply a slavish copy; it must in some measure be due to the application of the author's own skill or labour. Precisely how much skill or labour he need contribute is difficult to say for much will depend upon the facts of each particular case."

These principles were applied in the unreported judgment of this Court in W.K. Topka t/a Topring Manufacturing and Engineering v Ehrenberg Engineering (Pty) Ltd, delivered on 30 May 1983. See also Kalamazoo Division (Pty) Ltd v Gay and Others 1978 (2) SA 184 (C) at p. 190.

The evidence on behalf of the respondent disclosed that nine of the eleven drawings in issue had been made by R Jarrett and one each by G. Pearson and L. Burton. Pearson and Jarrett are both deceased. Sec. 26 of the 1978 Act which deals with the onus of proof in copyright actions, provides

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in sub-section (4) that where it is proved or admitted that the author of a work is dead, "the work shall be presumed to be an original work unless the contrary is proved." It is common cause that this provision applies to the present case. The third draughtsman, Burton, filed an affidavit in which he testified that the relevant drawing

"...is a drawing which I recognise as having been drawn by myself ... This drawing was drawn by myself on the instructions of Mr. Jarrett and was not copied from any other drawing or article. I expended skill and labour in executing such drawing. The drawing represented a significant change in the design of the diaphragm for the 2" type 'KB' valve ..."

On behalf of the appellant a twofold attack was launched on the contention that the drawings were original. First it was pointed out that the development and

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the design of the valves which were represented in the drawings, resulted from team efforts involving a number of people in addition to the draughtsmen. How can it then be said, it was asked, that the drawings were the original work of the draughtsmen? Moreover it is common cause that the drawings now in issue represented developments of earlier valves. How do we know, the appellant asked, that the draughtsmen devoted sufficient of their skill and labour to the present drawings to render them original works in accordance with the tests set out above? Or, to pose the question differently, how do we know that the present drawings are not mere copies of earlier ones, perhaps with insignificant changes? To enable these questions to be answered, it

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was submitted on behalf of the appellant, the matter should have been referred for oral evidence, to give the parties a proper opportunity of testing the witnesses in cross-examination after having had full discovery. The contention that oral evidence was necessary for a proper determination of the case was made also with reference to other issues to be considered in due course, but can be conveniently dealt with now in its present context.

Should oral evidence have been allowed?

It is apparent that the affidavits do not contain a direct conflict of evidence relating to the originality of the drawings: the appellant's contention is that these are matters peculiarly within the respondent's knowledge which the appellant

appellant should have been given the opportunity to probe by discovery and cross-examination, particularly where the appellant was required to discharge the statutory onus.

This attitude on the appellant's part seems to me to amount to that expressed as follows in Room Hire Co. (Pty) Ltd.

v Jeppe Street Mansions (Pty) Ltd 1949 (3) SA 1155 (T) at

1163:

"Or ... he (i.e. a respondent in motion proceedings) may state that he can lead no evidence himself or by others to dispute the truth of applicant's statements, which are peculiarly within applicant's knowledge, but he puts applicant to the proof thereof by oral evidence subject to cross-examination."

This attitude, MURRAY AJP points out in the Room Hire case, (loc cit), has been held in Peterson v Cuthbert &

Co Ltd

Co Ltd 1945 AD 420 not to give rise to a genuine or real

dispute of fact. If the respondent in such a case requires

oral evidence he can apply to cross-examine witnesses (in

terms of what is to-day Rule of Court 6 (5) (g)) and such

cross-examination is sufficient safeguard for him, without

requiring the case to be sent to trial (Room Hire case at p.

1164). See also Plascon-Evans Paints Ltd v Van Riebeeck

Paints (Pty) Ltd 1984 (3) SA 623 (A) at 634 I to 635 B. I

should add that a respondent who requires discovery can make

application therefor under Rule of Court 35 (13).

To determine whether the Court a quo dealt with this
issue correctly one must have regard to the manner in which
the issue was raised. I deal first with the contention that

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the appellant was prejudiced by the lack of discovery. In this regard it appears that, prior to the lodging of opposing affidavits, the appellant issued two notices pursuant to Rule of Court 35 (12) calling for the production of documents to which reference was made in the respondent's affidavits (including "all issue cards and drawings"). These notices were amplified by a letter from the appellant's attorneys. In an affidavit filed on behalf of the respondent, its design manager, Mr. M I Pearce, explained which engineering drawings were in existence and he annexed to his affidavit those which he had been advised should be produced. Mr. R.M. Miles, the respondent's executive chairman, stated in a replying affidavit that he had "ensured that all the drawings

drawings in the (respondent's) possession relevant to the manufacture of the valves in the sizes in issue (had) been extracted from the records of the (respondent)." These drawings were available for inspection at the offices of the respondent's attorneys.

It was not contended on behalf of the appellant that the respondent had failed to produce all relevant drawings - indeed, it is not clear whether the appellant availed itself of the opportunity to inspect the drawings tendered to it. In these circumstances the appellant can hardly be heard to say that it was deprived of the opportunity to obtain discovery. On the face of it the appellant was given everything it asked for, which, in respect of the documents requested by it, seems to have been fully as much as it would

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have been entitled to on discovery. If anything had been omitted, the appellant might have asked therefor. And, of course, formal discovery might have been applied for if the appellant had so wished.

The submission that oral evidence should be allowed was raised as follows in the Court a quo. The appellant as respondent in that Court contended in the course of its argument that the evidence adduced by the respondent (applicant in that Court) did not show that the drawings upon which it relied were original. The argument then proceeded as follows, according to written heads of argument handed in to the Court a quo:

"Alternatively it is submitted that if this Court should deem fit that (sic) the matter should be referred to trial, alternatively to the hearing of oral evidence on this issue and that the Applicant should be obliged to make

a full discovery which will then enable both the Respondent and this Court to determine whether indeed any originality and therefore any copyright vests in the drawings relied on by the Applicant."

It is clear therefore that no substantive application in terms of Rule of Court 6 (5) (g) was made by the appellant during the hearing in the court a quo. In De Beers Industrial Diamond Division (Pty) Ltd v Ishizuka 1980 (2) SA 191 (T) at 206 A a full bench of the Transvaal Provincial Division indicated that it is sound practice that an application for evidence viva voce should be made in limine. I agree with this observation although this does not of course mean that a court may not in appropriate circumstances allow such an application to be brought at some other stage of the proceedings.

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I need not however pursue this matter since in the present case no clear application was made at any stage. The Court a quo can in my view not be faulted for declining an invitation to refer the matter for the hearing of oral evidence in circumstance such as the present, where there is no conflict of evidence and the invitation was extended somewhat tentatively in the course of the respondent's argument as an alternative to a submission on the merits. I consider therefore that the judge a quo acted correctly in deciding the issue of originality on the papers before him.

On the record as it stands the respondent has, I consider, shown that the drawings were original. On behalf of the respondent Mr. Pearce explained how engineering drawings

ings are made in practice. His evidence in this regard was not contradicted. I need not repeat his explanation in detail. What it amounts to is that, although a draughtsman normally works in co-operation with a design engineer, he exercises a great deal of independent skill and labour when converting the ideas of the design engineer into detailed specifications for practical manufacture. Similar skill and labour are required to modify an existing design. The draughtsman is required to calculate the suitability of the components in a design (whether original or modified) and to plan the inter-relationship between the part as it will be manufactured with other inter-connecting parts. He has to have regard inter alia to the method of manufacture,

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the materials to be used, the tolerances to be allowed, national or international standards to be applied and the degree of rationalization required by the manufacturer.

In view of this evidence it can make no difference per se that the drawings were team efforts in that the engineering designs emanated mainly from others. Copyright subsists in the drawings made by the draughtsmen provided the drawings themselves were original in the sense discussed above. Nor can it matter that earlier drawings were followed provided that the draughtsmen contributed sufficient skill or labour to the present drawings. In the instant case we not only have the assurance by the respondent's witnesses that there are substantial differences between the drawings in issue and earlier versions, but the appellant was given an opportunity to verify

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this, as I have recounted above, and failed to dispute the respondent's evidence. In these circumstances I agree with the court a quo that the drawings in question were shown to have been original within the meaning of sec. 1 of the British Act of 1911.

Were sub-sections 1(a) or (b) complied with?

The next question which arises under sec 1 of the 1911 British Act is whether sub-sections 1(a) or (b) were complied with. These sub-sections lay down different requirements for published and unpublished works. Published works are protected if their first publication took place within "the parts of His Majesty's dominions to which this Act extends", whereas unpublished works are protected if

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their authors were at the date of the making of the works

British subjects or residents of "His Majesty's dominions".

In the present case the respondent's drawings were not

published in the ordinary sense of the word and the Court a

quo dealt with them as unpublished works. On this basis the

question presents no difficulty since the evidence is clear

that the draughtsmen were British subjects resident in

Britain when the drawings were made.

It is only if the drawings were published works that

some difficulties arise. One would therefore have thought

that the parties would have debated the question whether

these drawings were "published works" or not. They did not

however do so. Mr. Kentridge contended that the respondent's

case

case in the affidavits was that the drawings were published works whose first publication had been in Britain by way of reproductions in three-dimensional form (i.e. by the "publication" of valves made in accordance with the drawings). This case, his contention proceeded, was not established. Mr. Plewman, on the other hand, submitted that the respondent had proved its case on both of the possible alternatives.

The facts upon which the Court a quo held that the drawings, if unpublished, were entitled to the protection of copyright were fully canvassed in the papers and were not in dispute. There could accordingly be no objection to the Court's reaching a conclusion on the basis of such facts.

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The only aspect of the Court's reasoning which may be open to attack is the finding that the drawings were unpublished.

This finding was not, however, challenged. In the result the present issue may probably be resolved on the simple ground that the conclusion of the Court a quo has not been shown to be wrong. However, in view of the arguments presented, I consider it better to give some consideration to what was required for the "publication" of the drawings and how the subsistence of copyright would have been affected thereby.

The question whether or not the drawings were published turns on the meaning and effect of sec. 1(3) of the 1911 British Act. This reads: "For the purposes of this Act, publication, in relation to any work, means the issue of copies of the work to the public ...". If this provision

governs

governs the meaning of "published work", "first published" and "unpublished work" in sec. 1(1) of the Act, the enquiry would be whether copies of the drawings were issued to the public, and, if so, whether this happened first in Britain.

For present purposes I assume in favour of the appellant's contention that the provision does apply (vide Francis, Day and Hunter v Feldman & Company (1914) 2 Ch 728 (CA)), and

that the issue to the public of valves made in accordance with the drawings would amount to the issue of copies of the work to the public. The only remaining question then is: what is meant by "issue to the public"? In this regard Mr. Kentridge accepted the correctness of the following passage from British Northrop Ltd v Texteam Blackburn Ltd (1974) RPC 57 at 67:

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"... an artistic work is 'issued to the public', and so published, when reproductions of the work are put on offer to the public ... Passive availability suffices, without active offering."

Although the British Northrop case dealt with the 1956 British Act, MEGARRY J, in coming to the above conclusion, relied, inter alia, on Francis, Day and Hunter v Feldman & Company (supra) a case decided under the 1911 Act, and his reasoning was in my view applicable to the interpretation of both Acts. It should, in my view, be followed.

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The evidence in support of the respondent's case on this aspect was twofold. First there was evidence from its product evaluation manager, Mr. D.A. Thomas. Mr. Thomas was not in the respondent's employ when the drawings were made and his evidence was based purely on records under his control. He stated that, according to these records, the drawings were not published in two-dimensional form. However, in the ordinary course of production, valves incorporating the components shown on the drawings would have been manufactured, offered for sale and sold, first in the United Kingdom and thereafter elsewhere in the world.

Then there was evidence from Mr. P.C.E. Rose, who joined the respondent's service in 1937 as a costing clerk

and

and retired in 1974 after having been appointed Managing Director in 1971. Mr. Rose stated that "(a)ll of the components depicted in the drawings ... were first published in the United Kingdom in three-dimensional form in the sense that valves were produced incorporating such components and were offered for sale and sold in the United Kingdom to the general public". It seems clear that Mr. Rose meant to convey that first publication took place in Britain (in the manner stated) and his evidence, if accepted, would therefore be decisive of this question. Mr. Rose's evidence was undisputed and accords with the probabilities to which Mr. Thomas testified. I can consequently see no reason for rejecting his evidence. I also do not think that the judge a quo erred in deciding

deciding this issue without the assistance of oral evidence,
as was suggested on behalf of the appellant.

To sum up: it has not been suggested that the
drawings were published in any other way than by the "issue"
to the public of components depicted on the drawings. If such
"issue" did in law amount to publication of the drawings for
the purpose of sec. 1(1) of the Act, the evidence discloses
that the publication first took place in Britain, thereby
rendering sec. 1(1)(a) applicable. If such "issue" did not
amount to publication, the drawings were unpublished. Since
the evidence discloses that the authors were British subjects
resident in Britain when the drawings were made, sec.1(1)(b)
would then be applicable. In either event the relevant
requirement for the subsistence of copyright was satisfied.

The

The effect of legislation relating to designs.

The last obstacle to the subsistence of copyright in terms of the 1911 British Act is found in sub-section 22 (1) thereof. This sub-section reads as follows:

"This Act shall not apply to designs capable of being registered under the Patents and Designs Act, 1907, except designs which, though capable of being so registered, are not used or intended to be used as models or patterns to be multiplied by any industrial process."

In

In terms of sec. 144(c) of the 1916 Act, the reference to the Patents and Designs Act, 1907, must be construed as a reference to the corresponding provisions of Chapter II of the 1916 Act, being the chapter dealing with designs. For present purposes the relevant provision is the definition of "design" in sec. 76 which reads as follows:

"'design' shall mean any design applicable to any article whether for the pattern, for the shape or configuration, or for the ornament thereof or for any two or more of such purposes and by whatever means it is applicable whether by printing, painting, embroidering, weaving, sewing, modelling, casting, embossing, engraving, staining, or any other means whatever, manual, mechanical, or chemical, separate or combined, not being a design for sculpture;"

This definition is identical in all material respects to the definition in the British Act of 1907 to which

reference

reference is made in the above-quoted sec. 22 of the 1911 Act, as well as to that in the British Patents, Designs and Trade Marks Act of 1883.

The only decision in our law in which the definition of "design" in the 1916 Act was considered is Allen-Sherman-Hoff Co. v Registrar of Designs 1935 TPD 270. At pp. 273-4 of that case TINDALL J, with whom BARRY J concurred, held that in deciding whether certain features constituted a design

"...one has to see whether that which it is desired to register is something which can be treated as a design appealing to the eye, or whether the shape is obviously nothing more than part and parcel of the function without any appeal to the eye as a design, in which case there should be no registration".

The quoted words were an extract from

the

the judgment in In the Matter of Wingate's Registered Design (1935)

52 RPC 126 at 131. In the present case the Court a quo,

applying the test approved in the Allen-Sherman-Hoff case

(supra), held that "valves which find their practical ap-

plication on the mines are strictly utilitarian in character,

their features of shape and configuration being dictated sole-

ly by the function which they are required to perform" (p.

650 H of the report).

On behalf of the appellant it was contended that

both the Court in the Allen-Sherman-Hoff case and the Court

a quo applied a wrong test, for, so it was contended, the

definition in the 1916 Act did not exclude a design which

was dictated solely by function or require that its features

appeal to and be judged solely by the eye. These require-

ments

ments, so it was contended, were introduced into English Law by statute between 1919 and 1949, and Wingate's case (supra) was decided pursuant to the British Act of 1919.

I would be most reluctant to overrule the Allen-Sherman-Hoff case, a full bench decision which has stood since 1935 and which must have been applied many times in practice before the 1916 Act was repealed (in so far as it dealt with designs) by the Designs Act, 57 of 1967. Fortunately I do not think it necessary to do so. For, while it is correct that the requirements set out in the passage from Wingate's case (supra) were not explicitly stated in the definitions in the British statutes of 1883 and 1907 but were introduced by later legislation, it is also clear that,

as

as stated in Homecraft Steel Industries (Pty) Ltd v S M Hare

& Son (Pty) Ltd and Another 1984 (3) SA 681 (AD) at p. 692

E-F, this later legislation "incorporates principles which

had long been accepted in the law relating to designs,

namely, that a feature which is necessarily determined by the

function of the article in question is not registrable as a

design and that registered designs must be judged by the eye

alone ...". See also ibid at p. 690 H-I. Thus, for

instance, in In the Matter of Bayer's Design (1907) 24 RPC 65 (CA)

at p. 77 FLETCHER MOULTON L J said, referring to the defini-

tion of design in the Act of 1883:

"It deals entirely with the shape, or configuration, or ornament or pattern: they are all things which the eye has the complete power of

learning

learning from representation. ... That such is the case is recognised in the classic decision of Lord Herschell in the Hecla Foundry case (Hecla Foundry Co. v Walker, Hunter & Co. (1889) 6 RPC 554 - also a case on the 1883 Act), where he points out that the eye is the judge of infringement; and, if the eye be the judge of infringement, it must be because the eye is the competent judge of that which is to be infringed. I am satisfied, therefore, that nothing but that which can be for the eye to see can be a good subject of Design."

See also ibid. at pp. 74 and 80; Amp Incorporated v Utilux Proprietary Limited (1972) RPC 103 (HL) at pp. 119 to 120 (LORD PEARSON).

I need not, however, labour this aspect because the appellant did not contest in its argument that a design required "an individuality of appearance in comparison with others" (I quote from the written heads of argument). This

seems

seems to recognize the importance of the eye in judging whether a registrable design has been created. Cf. Homecraft case (supra) at p. 691, Robinson v D Cooper Corporation of SA (Pty) Ltd 1984 (3) SA 699 (A) at p. 704 C-G. And the appellant accepted that purely functional features were not entitled to registration as designs, but contended:

"If it is shown that the respondent's valve is not required to be in its particular shape, and in that shape only, in order to work, in other words that there are other actual or possible shapes for the article, then the artistic works embodying that valve are capable of design registration under the 1916 Act".

(Quoted from the Heads of Argument).

A similar argument was addressed to the Court in Amp Inc. v Utilux (Pty) Ltd (supra) where the Court was dealing with the definition of "design" in the British Registered Designs Act of 1949. In that definition there was

a specific exclusion of "features of shape or configuration which are dictated solely by the function which the article to be made ... has to perform" (the definition in the South African Act of 1967 has a similar provision). At p. 109 of the Amp Incorporated case LORD REID said:

"The respondents' argument is that a shape is only dictated by function if it is necessary to use that precise shape and no other in order to perform the function. Admittedly if that is the meaning the scope of this provision would be reduced almost to vanishing point because it is difficult to imagine any actual case where one shape and one shape alone will work. A key was suggested. Its function is to turn a particular lock, and only one shape of key will do that. But that is not quite true. In most cases at least a skeleton key of different shape will also turn the lock. In the end no actual case was found where only one precise shape would do.

It seems improbable that the framers of this definition could have intended to insert a provision

which

which has virtually no practical effect, so I look to see whether any other meaning produces a more reasonable result.

Again I think that a clue can be found from a consideration of what must have been the object of the provision. If the purpose of the Act was to give protection to a designer where design has added something of value to the prior art then one would expect an exclusion from protection of those cases where nothing has been added because every feature of the shape sought to be protected originated from purely functional considerations."

His conclusion was (at p. 110):

"If the shape is not there to appeal to the eye but solely to make the article work then this provision excludes it from the statutory protection."

In the same vein LORD MORRIS of Borth-y-Gest said,

(at p. 113):

"It was argued on behalf of Amp that as there could be variations of shape in terminals that would

successfully

successfully do what was required of them then the 'features of shape' would not have been 'dictated solely' by the function which the terminals would have to perform. In my view, this contention is not sound. If there are alternative features of shape but if each one is 'dictated solely' by the function which is to be performed by the article then each one would be excluded from the expression 'design'".

See also at pp. 117-8 (VISCOUNT DILHORNE) and p. 122:

(LORD PEARSON). The fifth member of the Court (LORD DONOVAN) concurred in the judgment of LORD REID.

If it is accepted that purely functional features are in general not entitled to design protection (and, as I have indicated, the appellant rightly does not dispute this) the Amp Incorporated case demonstrates, I consider, that the appellant's argument on this aspect cannot prevail. It does not

matter

matter therefore that that case was concerned with a statutory exclusion whereas we are dealing with a similar rule derived from the intrinsic nature of design protection.

In support of its contention the appellant relied on certain Australian cases, namely Malleys Limited v J W Tomlin (Pty) Limited (1961) 35 ALJR 352 and Ogden Industries (Pty) Ltd v Kis (Australia) Limited 1983 FSR 691. In view of my conclusion that the Allen-Sherman-Hoff case (supra) accords with the law in Great Britain, upon which our legislation was based, I do not consider it helpful to determine whether the Australian law might be different.

Applying

Applying the principles I have discussed to the facts of the case I am of the view that the drawings clearly do not qualify as "designs". The valves are functional articles, designed to operate with maximum efficiency over long periods in adverse conditions such as in the mines and in other industries. Some of the components depicted on the drawings are inside the valves and would not ordinarily be visible. But even the general shape and other visible features, we have been told on affidavit by Mr. Pearce, were determined by purely functional considerations. This was not disputed and seems overwhelmingly probable. If it were to be correct that the same functional purposes could have been served by designing a valve with a somewhat different shape

shape, as was contended on the papers by Prof. Duggan on behalf of the respondent, it would in my view make no difference in the light of the legal principles discussed above.

To conclude, I consider that the drawings in question were not designs capable of being registered under the 1916 Act and were accordingly not excluded from copyright by sec. 22 of the 1911 British Act.

The ownership of the copyright.

The next question to be considered is whether the respondent has established that it owns the copyright in all the drawings on which it relies. This question arises as follows. In September 1933 Mr. P K Saunders (the inventor of the original Saunders valves) and Mr. A L Trump commenced business as

a

a partnership under the name of the Saunders Valve Company.

In February 1934 they registered a company known as the Saunders Valve Company Limited. This company carried on business until 1948. During the period between 1933 and 1948 five of the drawings on which the respondent relies were executed. These drawings were made in the course of their employment by employees of the Saunders Valve Company Limited. Consequently the ownership of the copyright vested in the company pursuant to sec 5(1)(b) of the 1911 British Act.

On 12 February 1948 an agreement was entered into between, on the one hand, Saunders Valve Company Limited and Cwmbran Engineering Company Limited (together called the

"vendor

"vendor companies" in the agreement) and, on the other, the present respondent (then called Saunders Valve Company (Cwmbran) Limited). The respondent was called "the New Company" in the agreement. The effect of the agreement was that the "New Company" bought the assets and businesses of the vendor companies, which were to go into liquidation thereafter. The question to be determined now is whether the agreement effected a valid transfer to the respondent of the copyright in the drawings belonging to the earlier Saunders Valve Company Limited .

In terms of sec 5(2) of the 1911 British Act an owner of copyright may assign it to another "but no such assignment ... shall be valid unless it is in writing signed

by

by the owner of the right in respect of which the assignment ... is made, or by his duly authorized agent." Apart from writing no formalities were required. The question therefore is purely one of construction of the agreement. Although the agreement was executed in Great Britain and related to a transaction which was to be performed there, neither counsel suggested to us that any principles of English law which differed from our law should be applied in its interpretation.

The part of the agreement which is of most relevance for present purposes reads as follows:

"1. EACH of the Vendor Companies shall sell and the New Company shall purchase as at Thirtieth April One thousand nine hundred and forty seven FIRST: the goodwill of each of the businesses now carried on by the Vendor Companies respectively with the exclusive right to use the

name

name of each of the Vendor Companies and the right to represent the New Company as carrying on such respective businesses in succession to and in continuation of the Vendor Companies respectively and the trade marks owned by or connected with the businesses of each of the Vendor Companies.

SECONDLY: all the freehold and leasehold properties belonging to each of the Vendor Companies in connection with their respective businesses short: particulars of which are contained in the Schedule hereto.

THIRDLY: all the plant machinery loose plant patterns and jigs motor cars and other vehicles and fixtures fittings and office and canteen equipment work in progress stock in trade materials and chattels patents patent rights and licences to which the Vendor Companies are entitled respectively in connection with their respective businesses.

FOURTHLY: the full benefit of all pending contracts engagements and orders of each of the Vendor Companies in connection with their respective businesses

FIFTHLY: any post-war refund or releases of

Excess

Excess Profits Tax to which either of the Vendor Companies is or may be entitled subject to the provisions of Clause 6 hereof SIXTHLY: all other property to which the Vendor Companies are respectively entitled in connection with their respective businesses

It should further be noted that in terms of clause 13 each of the vendor companies undertook to take all necessary steps to procure its voluntary winding-up within three months.

The respondent relies on the words "all other property to which the Vendor Companies are respectively entitled in connection with their businesses" in the sixth clause quoted above as establishing an assignment of the rights in question. The appellant on the other hand contends that these

words

words do not disclose any intention to transfer copyright,

which is not even mentioned in the clause. But, as stated by

Laddie Prescott & Vitoria (op cit, at p. 334):

"There does not seem to be any requirement that the assignment should specifically mention copyright. Thus the transfer of 'all assets' of one business to another, if in writing, would be effective to transfer any copyrights to the transferee."

I agree with this statement. The result consequently is that the wording of the agreement was in my view wide enough to cover copyright. And the surrounding circumstances seem to support this interpretation. It is almost unthinkable that the parties would have intended to transfer the businesses of the vendor companies, including the engineering drawings themselves

selves, which were in use at the time and some of which have been in use up to the present, but would have intended the copyright to remain vested in the vendor companies which were due to be wound up within three months. But, the appellant contends, the respondent was not aware of the subsistence of copyright in the drawings, and for that reason, probably, made no specific provision for the transfer of copyright.

The judge a quo found himself "unable to accept the validity of such a purely subjective approach to the interpretation of a written agreement, in terms of which the (respondent) acquired all the rights of its predecessor in title" (report at p. 649 C). I agree with this finding, but would add that the record provides no support for the factual statement that the respondent was not aware in 1948 that copyright subsisted in

the

the drawings. Those who were in charge of the respondent at the time did not testify in the present proceedings and are in all probability no longer available to testify. There is accordingly no direct evidence before us that the respondent was unaware of the existence of copyright in the drawings, and it would be idle to speculate about the probable state of its knowledge. What does appear from the record is that the persons who now control the respondent and its licensee were not aware until 1982 that the copyright in the drawings might be used to prevent the appellant from manufacturing the valve components which are depicted on the drawings. Even if it be supposed that in 1948 the respondent was also unaware of this possible incident of copyright it would not mean that the respondent was unaware of the existence of copyright as such.

My

My view is accordingly that the agreement of 1948, if properly construed, covered the copyright in the drawings existing at the time. The appellant did not contend that if copyright were comprehended by the above quoted clause VI of the agreement, any further document of transfer would have been required. This seems to me to be the correct approach. It has been held that if an artistic work is sold with its copyright the natural inference is that ownership of the work and of the copyright would pass at the same time. As was stated by FRY L J in London Printing and Publishing Alliance Ltd v Cox (1891) 3 Ch 291 (CA) at p 304:

"... it seems to me extremely improbable that the picture should pass and the copyright remain in the vendor. That is a possible but an unnatural dissociation of two kinds of property, which I

think

think we ought not to infer and ought not to think probable."

I am in respectful agreement with this view.

It was also suggested on behalf of the appellant that oral evidence should have been allowed in order to determine the exact ambit of the agreement of 1948. I have already given my reasons for agreeing in general with the refusal of the judge a quo to refer the matter for oral evidence. On the specific question of the interpretation of the 1948 agreement I would add that there is nothing on record to suggest that oral evidence would be of any assistance in interpreting the agreement, particularly if one bears in mind the limited role assigned to parol evidence in this field.

The infringement of the copyright

I turn now to the question whether the appellant has

infringed

infringed the respondent's copyright in the drawings. Sec 23(1) of the 1978 Act provides that "(c)opyright shall be infringed by any person, not being the owner of the copy-right, who, without the licence of such owner, does or causes any other person to do, in the Republic, any act which the owner of the copyright may authorize." The enquiry is therefore directed towards what the owner of copyright is entitled to authorize. That depends on the ambit of his right. And, as I have already indicated, sec 43 of the 1978 Act disavows any intention of creating copyright which did not exist prior to the commencement of the 1965 Act. It follows that in the present case one must look at the 1916 Act (incorporating the 1911 British Act) to ascertain what the

the ambit of the respondent's copyright was so that one can determine whether the acts which the appellant did were acts which the respondent might authorize.

In terms of sec 1(2) of the 1911 British Act "copyright" means "the sole right to produce or reproduce the work or any substantial part thereof in any material form whatsoever ... and shall include the sole right ... to authorize any such acts as aforesaid."

The respondent's complaint in the present case is that the appellant has manufactured and distributed valve components which were reproductions in three-dimensional form of the components depicted on the respondent's drawings. For purposes of argument it was accepted that the appellant probably never saw the respondent's drawings. However, it was

contended

contended that the copying of valves which were manufactured in accordance with the drawings constituted a sufficient indirect copying of the drawings to entitle the respondent to relief. This type of copyright infringement by what has been called "reverse engineering" has been considered in a number of cases, here and in England. It will be convenient to sketch briefly the origin and development of this part of the law.

The principles on which this type of infringement rests were authoritatively settled in a field far removed from engineering. In the case of King Features Syndicate Inc. and Another v O and M Kleeman Ltd (1940) Ch 806 (CA); (1941) AC 417, the facts were briefly as follows. One Segar, an American artist who died in October 1938, was the author of a large number of drawings or cartoons depicting as the central

figure

figure "a grotesque and fictitious character known as 'Popeye', or 'Popeye, the sailor'." (1940 Ch at 807). These cartoons had appeared in the form of comic strips running to very large numbers in the United States of America, Canada and Great Britain. The copyright in these drawings or cartoons was vested in Segar's personal representative, or in King Features Incorporated, or both of them (the plaintiffs). The figure and get-up of Popeye having become very popular, the plaintiffs granted licences to certain persons and companies to manufacture and sell brooches and mechanical dolls simulating the figure of Popeye. Large quantities of these article were sold. The defendant, without obtaining a licence, ordered from a Japanese company, and sold, a large number of "Popeye brooches" and celluloid mechanical figures and plaster

plaster dolls representing Popeye. The plaintiffs sued for infringement of the copyright in the cartoons. The trial court found that the defendant had infringed copyright in the drawings even though its brooches and dolls may have been copied, not from the drawings, but from the articles made by the plaintiffs' licensees. This conclusion was upheld by the Court of Appeal, CLAUSON L J saying the following (at p 816 of 1940 Ch):

"There can be no doubt at all that a figure which in fact reproduces an original artistic work consisting, in substance, of a sketch of that figure, is none the less a reproduction of the original artistic work, because the maker of it has copied it not directly from the original but from some representation derived directly or indirectly from the original work. It seems to have been suggested in the Court below that the fact that the alleged infringement was in three dimensions, whereas the

original

original was in two, prevented the plaintiffs making good their claim. I agree with the learned judge that while this circumstance may add to the difficulty of forming a conclusion on the degree of resemblance between the infringing article and the original, the plain words of the Act ('in any material form') get rid of any difficulty there might otherwise have been in treating a copy in three dimensions as an infringement of copyright in a sketch in two dimensions."

See also LUXMOORE L J at pp 826-828.

On further appeal to the House of Lords the defendant did not contest the above findings but, in respect of the point now in issue, confined itself to an argument on the facts. In considering this argument the House of Lords applied the law as laid down by the Court of Appeal.

The King Features case was decided under the 1911 British Act and is therefore of direct relevance for present

purposes

purposes. It was, however, not until the 1956 British Act was already in force that the principles approved in the King Features case were applied to articles manufactured in accordance with engineering drawings (I should add, however, that in my view nothing turns on the changes effected by the new Act). See, for instance, Dorling v Honnor Marine Ltd (1965) Ch 1 (CA); British Northrop Limited v Texteam Balckburn Limited (1974) RPC 57 (Ch); Solar Thomson Engineering Company Limited v Barton (1977) RPC 537 (CA) and L.B.(Plastics)Limited v Swish Products Limited (1979) RPC 551 (HL), the last mentioned case ending in the House of Lords. These cases have been followed in South Africa. See Scaw Metals v Apex Foundry (Pty) Ltd and Another 1982 (2) SA 377 (D&C) and Tolima (Pty) Ltd v Cugacius Motor Accessories (Pty) Ltd 1983 (3) SA 504 (W).

Recently

Recently the House of Lords again considered this matter in British Leyland Motor Corporation Ltd and Another v Armstrong Patents Co Ltd and Another (1986) 2 WLR 400. The facts were briefly as follows. The plaintiffs were designers and manufacturers of motor cars and they also produced some of the spare parts for their cars. In addition, they licensed other manufacturers to copy and sell spare parts in consideration of a royalty payment. The defendants declined to obtain a licence from the plaintiffs, but produced replacement exhaust pipes for the plaintiffs' cars by copying the shape and dimensions of the original. The plaintiffs instituted action, alleging that the defendants had by indirect copying infringed the copyright in the plaintiffs' original drawings of the exhaust system. The trial court held

in

in favour of the plaintiffs. This decision was upheld by the Court of Appeal and also by the House of Lords (LORD GRIFFITHS dissenting).

The result of the British Leyland case therefore does not support the appellant's contentions in the present case. Mr. Kentridge pointed out, however, that several of the Law Lords, although considering themselves bound by the LB (Plastics) case, supra, nevertheless expressed reservations about the correctness of the decision, while LORD GRIFFITHS regarded it as clearly wrong. We were accordingly urged to consider this matter afresh.

It may be convenient first to discuss the reasons given by LORD GRIFFITHS for disapproving of the LB (Plastics) case (supra). They turn on the interpretation of sec. 3(5) of

the

the 1956 British Act which reads as follows:

"The acts restricted by the copyright in an artistic work are -

(a) reproducing the work in any material form."

It is well settled that copyright may be infringed by copying something which is itself a copy of the plaintiff's work (called indirect copying). If the original work has been reproduced it is no answer to say that it has been copied from a work which was itself a copy of the original. This is accepted by LORD GRIFFITHS at pp 436-9, with reference to authority. However, while he recognizes the correctness and value of this principle when applied to works of fine art, he does not think that it should have been extended to mechanical drawings or blueprints of purely functional objects. His ultimate conclusion is (at p 443):

"I would, therefore, hold that 'reproducing' in section 3(5) should not be given the extended meaning of 'indirect copying' in cases in which the mechanical drawing of blueprint is of a purely functional object. In such cases the scope of artistic copyright should be limited to the natural meaning of the words, namely direct copying including using the drawing to make the object it depicts."

I cannot, with respect, agree with this view. The word "reproducing" applies to all works which are subject to copyright, and, in particular, to all artistic works, whether they are functional or not. There does not seem to me to be any warrant for assigning a different meaning to the word "reproducing" according to the nature of the artistic work with which one is dealing. No rule of interpretation of which I am aware can lead to this result. I can understand that the nature of a particular work may make it difficult to prove

that

that an alleged reproduction is in fact a copy of the original (a matter to which I return later), but the difficulty in this regard would be a factual one and would neither require nor justify a different interpretation of the Act.

Moreover, the result for which LORD GRIFFITHS contends would appear to create as many problems as it attempts to solve. First there is of course the problem of distinguishing between drawings of purely functional objects and others. I need not elaborate on that. But even in regard to drawings of what are clearly functional objects there would appear to be as much need of protection against indirect copying as in regard to any other work. Can it be suggested, for instance, that it should be a good defence for the user of a pirated

engineering

engineering drawing to show that he copied, not the original drawing, but a photograph thereof?

On analysis it appears that what caused the learned Law Lords disquiet was not the principle that drawings of functional objects are protected against indirect copying (which principle must be unobjectionable) but the particular application of this principle with which they were dealing.

This was stated as follows by Christine Fellner in BL v

Armstrong in the House of Lords. Our Souls Redeemed from the Company Store, (1986) 4 EIPR 117:

"The argument which caught their Lordship's attention was that the court should look at the nature of the original contribution which confers copyright, and consider whether it is that which an alleged infringer has taken. In the case of a drawing of a functional object, the original con-

tribution

tribution which confers copyright is the draughtsman's graphic skill and his labour. If the drawing is traced or photographed, that skill and labour is directly taken. If the drawing is used as a guide to making the object, again that skill and labour is taken. But if it is the object which is copied, then what is taken is not the draughtsman's skill and labour, but that of the designer who designed the object; and no one suggests that this is entitled to copyright. Indirect production of functional design is therefore not infringement."

The answer to this argument, I would suggest, is the following. It is accepted in copyright law, as I have tried to show above, that an original work is protected even though the author may have borrowed extensively from others. Of course, if infringement is alleged the plaintiff must show that it is the author's work (and not that of somebody whose work he had borrowed) which was copied. This is a matter of

fact

fact which might be difficult to establish in particular circumstances, and this difficulty may be increased where the copy not only reflects the work of more than one progenitor, but does so in a different form, such as where there is a three-dimensional reproduction of drawings. The latter difficulty was recognized as far back as in the King Features case (see the above quoted passage from the judgment of CLAUSON LJ). However, if it is established as a fact that the three-dimensional object is a copy (direct or indirect) of the original drawing (as distinct from a mere embodiment of the designer's idea) there would not appear to be any rule of copyright law whereby protection could be denied the aggrieved owner of the copyright in the drawing. If the result

result is considered unsatisfactory, it is only the legislature which can, in my view, alter it (as it has done in some respects in this country - a matter to which I advert later).

To sum up, I am in respectful agreement with the cases which have held that indirect copying of the sort with which we are here concerned is in principle an infringement of the copyright in the original drawings. Concerning the

question

question whether there was in fact an infringement in the present case I agree with the following conclusion by the judge a quo (report, p 648):

"... it has been incontestably shown that the respondent has for the purpose of manufacture and sale copied valves made in accordance with the applicant's drawings. The respondent was requested to produce the engineering drawings which it used for the manufacture of its own valves, but has declined to do so. Indeed the clearest evidence of copying is to be found not only in a visual comparison of the two products but in the answering affidavit deposed to by Mr Bell, the managing director of the respondent, in which he states: 'The respondent in 1977 starting manufacturing components which could be interchanged with the components used in the Saunders type diaphragm valves found on the mines. The measurements of the respondent's components were made in conformity with those requirements.'"

In argument Mr. Kentridge pointed to certain differences between the parties' valves as indicating, so he

contended

contended, that the appellant's valves were more than mere copies of the respondent's drawings. In my view these minor differences cannot detract from the conclusion that there has been a reproduction of at least a "substantial part" of the respondent's drawings within the meaning of sec 1(2) of the 1911 British Act.

The appellant's final argument on this aspect was that oral evidence should have been allowed to determine whether the respondent's drawings were copied or not. I have indicated in general why I do not think the case should have been referred for oral evidence. In regard to the present issue I also do not think that oral evidence could have made any difference.

I conclude therefore that the respondent has

established

established that copyright subsisted in its drawings pursuant to the 1911 British Act as incorporated in our Act of 1916, and that the appellant has infringed its copyright.

It is interesting to note in passing that some of the difficulties and anomalies in this branch of the law have recently received the attention of our legislature. Act 66 of 1983 has amended the 1978 Act by including, within the definition of "drawing", "any drawing of a technical nature". In future proceedings under that Act there will accordingly be no doubt that such drawings are "artistic works". "Reproduction" was defined in the original 1978 Act as including, in relation to artistic works, "a version produced by converting the work into a three-dimensional form, or, if it is in three-dimensions, by converting it into a two-dimensional form." By

Act 66 of 1983 the definition of "reproduction" was extended to include, in relation to any work, "a reproduction made from a reproduction of that work." Consequently the definition of reproduction now makes explicit provision for indirect reproduction and for reproduction of two-dimensional artistic works in three-dimensional form. These changes are not of any consequence: in both respects the Act merely repeats what was clear law before. What is of greater importance was the introduction of sec. 15(3A) by Act 66 of 1983. The effect of this section is, broadly, to limit the duration of copyright protection to a period of ten years for the industrial reproduction of utilitarian articles which infringe the copyright of artistic works - in other words, cases of reverse engineering like the present. This meets a major objection

to

to the pre-existing law, namely that the protection was available for an anomalously long period.
The respondent's locus standi.

Having concluded that the respondent is the owner of copyright in the drawings on which it relies and that the appellant has infringed its copyright, I have now to consider whether the respondent had locus standi to institute proceedings in respect of such infringement. It appears that as from May 1978 a company called Valve Makers of South Africa (Pty) Ltd, which was then a subsidiary of the respondent, was granted an exclusive licence in South Africa in respect of the copyright in the respondent's aforesaid engineering drawings. In June 1982 there was a rearrangement of interests, the exclusive licence being granted to Stewarts & Lloyds of South Africa Ltd with Valve Makers

becoming

becoming exclusive sub-licensee. The appellant contends that only the exclusive licensee or the exclusive sub-licensee had locus standi to bring the present proceedings. A similar argument was rejected in the full bench decision of Video Parktown North (Pty) Ltd v Paramount Pictures Corporation 1986 (2) SA 623 (T). I agree with the conclusion reached by the full bench and propose doing no more than setting out briefly my reasons for so agreeing.

The appellant's argument is based on an interpretation of certain provisions of the 1978 Act. Sec. 1 provides inter alia that

"'exclusive licence' means a licence authorizing a licensee, to the exclusion of all other persons, including the grantor of the licence, to exercise a right which by virtue of this Act would, apart from the licence, be exercisable exclusively by the

owner

owner of the copyright; and 'exclusive licensee' shall be construed accordingly."

Sec. 24 provides that, subject to the provisions of the Act,

"infringements of copyright shall be actionable at the suit of the owner of the copyright."

Sec. 25 then lays down that

"(t)he exclusive licensee shall have the same rights of action and be entitled to the same remedies as if the licence had been an assignment."

If one reads sections 24 and 25 together their effect is reasonably clear. Whereas the owner is, in terms of sec. 24, the party who is primarily entitled to institute action against infringers, sec. 25 grants to the licensee the rights of action and remedies of an assignee (which in effect are the same as the owner's). The section does not however say

say that the grant of rights to the exclusive licensee is to be accompanied by a corresponding diminution of the owner's rights, nor does it say that the exclusive licensee is to be regarded as in all respects equivalent to an assignee, which might have implied such a diminution. Purely as a matter of interpretation it would accordingly seem that the owner has not been deprived of locus standi in favour of the exclusive licensee.

This view is fortified if one has regard to the respective rights of the owner and the exclusive licensee. By granting an exclusive licence, even in the widest possible terms, the owner does not lose his ownership. The practical value of his ownership might vary, but in most

cases

cases it would remain important since both his right to receive royalties from the licensee and his right of reversion if the licence were to terminate for any reason, would depend on it. It seems unthinkable therefore that the legislature would have intended to deprive the owner of the locus standi which he might need to protect the rights which he has retained despite the grant of an exclusive licence.

We were referred to the legislative history of these provisions. In view of the relative clarity of the wording of the relevant sections I do not think that there is really any need to consider this history, but in any event I do not think that it leads to a different conclusion. As was pointed out in Video Parktown North (Pty) Ltd v Paramount Pictures Corporation (supra) at p 632, a licence was

historically

historically only an authority enabling the licensee to do lawfully what he could not do without the licence, and granted no proprietary interest in the copyright. Under the 1911 British Act it was uncertain whether an exclusive licensee was entitled to sue in his own name for infringement of copyright. See Copinger & Skone James, supra, para 431, for the English cases. In Kinekor Films (Pty) Ltd v Movie Time 1976 (1) SA 649 (D & C) at pp. 658-9 it was held that the exclusive licensee did not have locus standi. See also Clifford Harris (Pty) Ltd v S.G.B. Building Equipment (Pty) Ltd 1980 (2) SA 141 (T) at pp. 143-149 and cases there quoted.

This uncertainty was set at rest in the 1965 Act. The 1965 Act set out in detail the rights and remedies of the owner against infringers (secs 18 and 19). Sec 20 then explicitly granted those rights and remedies to an exclusive licensee "as if the licence had been an assignment", but

specified

specified that some of "those rights and remedies shall be concurrent with the rights and remedies of the owner of the copyright" (sec 20(2)(a); whereas in respect of others the exclusive licensee supplanted the owner in the exercise of the rights in question (sec 20(2)(c)). Sec 20 also contained elaborate provisions governing the manner in which proceedings were to be instituted and conducted by owners and exclusive licensees and how the Court should decide cases involving both owners and exclusive licensees..

For present purposes it seems to me that the only significant feature of the 1965 Act is that, when the legislature expressly granted an exclusive licensee locus standi as if the licence were an assignment, it did not regard the licensee's locus standi as inconsistent in principle with that of the owner.

In

In the 1978 Act the legislature obviously decided to simplify the whole system by providing merely that both the owner and the exclusive licensee would have locus standi to institute action against infringers, leaving it to the courts to resolve any competition between them. This the courts could do by applying ordinary legal principles.

It appears however that this solution was not considered completely satisfactory, for sec. 25 was replaced by Act 39 of 1986 with the following:

"An exclusive licensee and an exclusive sub-licensee shall have the same rights of action and be entitled to the same remedies as if the licence were an assignment, and those rights and remedies shall be concurrent with the rights and remedies of the owner of the copyright under which the licence and sub-licence were granted."

I do not consider it necessary to analyse the new section or to determine whether or to what extent it has changed the law. Presumably the amendment was prompted by the view that, under the unamended section, the owner's rights and remedies were not concurrent with those of the exclusive licensee, or that it was uncertain whether they were. Whatever may be the true reason, it does seem clear to me that this new provision, which expressly lays down that the owner's locus standi is to be concurrent with that of the exclusive licensee, does not thereby imply that, in the legislature's view, the owner previously had no locus standi whatever, not even to protect his undoubted rights and interests.

For the reasons I have stated I consider that, despite

the

the grant of an exclusive licence, the respondent in the present case retained its locus standi to act against infringers.

Joinder of the exclusive licensee and the exclusive sub-licensee.

During the course of argument the Court raised the question whether the exclusive licensee and the exclusive sub-licensee should not have been joined as parties to these proceedings. The appellant and the respondent both indicated that they did not desire the joinder of the licensee or the sub-licensee. Of course, the desire of the parties cannot be conclusive in this matter. As was pointed out in Amalgamated Engineering Union v Minister of Labour 1949 (3) SA 637 (A) at p 649, the fact that the two parties before the

Court

Court desire the case to proceed in the absence of a third party cannot relieve the Court from inquiring into the question whether the order it is asked to make may affect the third party. Consequently, after judgment was reserved on all issues, the Court intimated to the parties by letter that a decision on the joinder issue might be necessary unless there were to be filed a written consent by each of the licensee and sub-licensee agreeing to be bound by the Court's judgment, notwithstanding that it has not been cited as a party to the proceedings. Such consents have now been filed, and it has accordingly become unnecessary to determine whether, in the absence of such consents, the non-joinder of these persons would have precluded the Court from deciding some or all of the issues in this appeal.

The ~.....

The relief granted to the respondent.

As I indicated in the introductory part of this judgment, the respondent's main prayers in the court a quo were for interdicts restraining the appellant from infringing the respondent's copyright in the drawings and its trade mark "Saunders". The respondent also prayed for, and was granted, relief ancillary to these main prayers. On appeal the appellant contended that the Court's ruling on one ancillary prayer, viz the prayer for an account of profits in respect of the copyright infringement, was wrong and should be set aside. No objection was taken to any other form of relief granted by the Court a quo and I express no view on the correctness of any order in this regard.

The

The matter of an account of profits was treated very tersely in the proceedings before the Court a quo. In its notice of motion the respondent prayed in bare terms for "an account of profits". No substantive averment was made in the founding affidavits to support this prayer. It is not clear what argument, if any, was presented to the Court a quo in support of, or in opposition to, an order for an account of profits. The judgment does not deal with any argument in this regard: in fact, the only reference in the judgment to this issue is in the order, which contains the following:

"The prayer for an account ... is referred as a separate issue for the hearing of oral evidence. Leave is granted to the parties to apply for amplification of this latter

order

order, if necessary."

The parties did not make use of the leave to apply for amplification of the order, and it is accordingly not clear what precisely the issue was which, in the view of the trial Court, called for the hearing of oral evidence. What is clear, however, is that the Court has not granted or refused any order for the giving of an account of profits, nor has the Court expressed any view on the circumstances which would justify such an order, or the effect which such an order would have. All these matters would appear to be still open to the court a quo at the resumed hearing which is envisaged by the direction which I have quoted above. In these circumstances the question arises whether this direction is appealable at all.

Sec. 20 of the Supreme Court Act, no 59 of 1959, makes provision for an appeal to this Court against "a judgment or order" of the court of a provincial or local division. See particularly sub-sections (1) and (4). It has often been held that "judgment" here relates to a decision given upon relief claimed in an action and "order" to a decision given upon relief claimed on application or on summons for provisional sentence. See Desai v Engar and Engar 1966 (4) SA 647 (A) at 653 B-C, Constantia Insurance Co Ltd v Nohamba 1986 (3) SA 27 (A) at 42 H to 43 G, and the earlier authorities cited in these two judgments.

The question then is whether the direction referring the present issue for the hearing of oral evidence amounts to an "order". The judgment in Union Government (Minister

of

of the Interior) and Registrar of Asiatics v Naidoo 1916 AD

50 appears to be direct authority on this point. In that case the respondent had applied to a judge in chambers to set aside a deportation warrant, to interdict his deportation and for other specified relief. The application was opposed on the ground, inter alia, that the court had no authority to hear the matter. The judge expressed himself in favour of the view that the court had authority to go into the question, but found himself unable to settle it upon the affidavits before him. He therefore directed that oral testimony should be adduced, and adjourned the case for that purpose. The Government applied to the Appellate Division for special leave to appeal. INNES CJ, who delivered the judgment of the Court, said the following (at pp. 51-2):

"Is

"Is there under these circumstances any decree in existence against which we should be justified in granting leave to appeal? In Dickenson's case (1914, A.D. 424) a ruling upon evidence was held not to be an order against which leave to appeal could be granted, because it did not constitute a decision upon an application for specific relief. This is a converse case. There has been an application for relief, but no decision upon it. The prayer of the petition falls under nine separate heads, and in regard to none of them has any order been made. The application has merely been postponed for further evidence. When the enquiry is resumed the judge may decide in favour of the present applicants on the facts; or he may possibly, though very improbably, revise his view of the law upon further argument. But if he does neither; if he finds against the applicants on the law and the facts, and grants the relief prayed for, it will then be competent for them to appeal and to raise every point upon which they now wish to rely. The fact is that the present application is for leave to appeal not against the

order

order of the learned judge - for he has made none - but against his reasons."

The judgment in Naidoo's case has consistently been followed in this Court. See, for instance, Tropical (Commercial and Industrial) Ltd v Plywoods Products Ltd 1956 (1) SA 339 (A) at 343 C-E, Heyman v Yorkshire Insurance Co Ltd 1964 (1) SA 487 (A) at 491 B, Desai's case (supra) at 653 D-E and Nohamba's case (supra) at 43 E-F.

The present case is clearly indistinguishable from Naidoo's case. It follows that the direction given by the judge a quo in the present matter, was not an order and was consequently the not appealable. The fact that leave to appeal granted by the included this direction judge a quo obviously cannot affect this conclusion. Leave to appeal is a pre-requisite for an appeal against a "judgment

or

or order" (see sec. 20(4) of the Supreme Court Act) and can consequently have no effect unless there is a "judgment or order" to appeal against.

In the result the appellant's attack upon the judge's direction relating to an account of profits cannot be sustained.

Trade Mark infringement.

The last substantive point in this appeal relates to trade marks. The respondent is the proprietor of the trade mark SAUNDERS which is registered in various classes. In the introductory part of this judgment I quoted an extract from brochures issued by the appellant. It will be recalled that these brochures contained the words "All KLEP DIAPHRAGM VALVE parts ... are interchangeable with 'Saunders' diaphragm valves"

valves". The respondent contended that this represented an infringement of its trade mark pursuant to sec 44(1)(b) of the Trade Marks Act, No 62 of 1963, as being "unauthorized use in the course of trade, otherwise than as a trade mark, of a mark so nearly resembling it as to be likely to deceive or cause confusion ... in relation to or in connection with goods ... for which the trade mark is registered ... likely to cause injury or prejudice to the proprietor of the trade mark". The court a quo agreed with the respondent and granted an order restraining the infringement of the trade mark.

On appeal the appellant does not contest that its conduct falls within the terms of sec 44 (1) (b). Its sole point is that the trade mark is not entitled to protection and is liable to expungement from the register. Since this

contention

contention places the validity of the trade mark in issue, the appellant has petitioned the Court to join the Registrar of Trade Marks as a party to this appeal. It was held by this Court in Esquire Electronics Limited v Executive Video 1986 (2) SA 576 (A) that such joinder is necessary in a case like the present. Neither the Registrar nor the respondent opposes the petition and it will be granted subject to payment by the appellant of all costs occasioned thereby.

The appellant relies for its contention on sec 41 of the Trade Mark Act. Sec 41(1) lays down:

"(1) If a trade marks consists of a word which has become generally recognized by the public as the only practicable name or description for any article ... for which it is registered and has commonly been so used by persons carrying on business in relation to such article ... (not being use in relation to goods ... connected in the course of

trade

trade with the proprietor ... of the trade mark ...),
the registration of such trade mark shall ...
be deemed to be an entry wrongly remaining on the
register for the article ... in question".

This sub-section lays down two requirements, viz.,

(a)

- (a) That the trade mark should consist of a word which has become generally recognized by the public as the only practicable name or description for an article; and
- (b) That the word should have been commonly so used, with reference to goods unconnected with the trade of the proprietor of the trade mark, by persons carrying on business in relation to such article.

In my view the appellant has not established either of these requirements. The evidence on which it relies is mainly that of Prof. T.O. Duggan, who is an associate professor of Engineering at the University of the Witwatersrand.

He states the following:

"Ever

"Ever since I came into the field of Mechanical Engineering in the late 1940's, diaphragm valves of this type have been known to me as "Saunders valves". It is a term which has been in general use in this field to describe them. In my view, the use of the term "Saunders valve" is common in industry to describe this type of valve. I am supported in this view by what is stated in "Engineering" dated 18 September 1931 being annexure TD25 which refers to these valves as Saunders valves."

The extract from "Engineering" does not seem pertinent. The references to "Saunders valves" in the article seem to be only to valves manufactured by the respondent's predecessor or its licensee.

In the passage quoted above prof. Duggan refers to "diaphragm valves of this type". He does not, however, indicate what type of diaphragm valve is appropriately described as a "Saunders valve". Mr. T.P. Bell, the

appellant's

appellant's managing director, is equally vague. He states that he has been aware of Saunders valves for many years "and I consider it as being a particular type of diaphragm valve". This evidence can hardly be said to indicate that there is any article, other than a valve made by the respondent, which is commonly called a Saunders valve, and still less that this name is the only practicable name or description for such article, if it exists. Expungement of a trade mark can have serious consequences for its proprietor and should not be authorized except on clear evidence.

But the matter does not end there. The appellant itself describes its valves in the aforesaid brochures as "Klep type A Diaphragm Valve" and "Klep type KB Diaphragm Valve". Obviously these descriptions were considered sufficient to identify the valves. Also, as
already

already stated, the brochures indicate that the parts of the appellant's valves are interchangeable with "'Saunders' diaphragm valves". The reference to "Saunders" valves is clearly to the respondent's valves, and not to articles of a particular type which may have been manufactured by somebody else. These brochures seem to negative any suggestion that the term "Saunders valve." has become the only practicable name or description for the article.

On the evidence as a whole it seems clear that the appellant has not established the requirements of sec 41(1) of the Trade Marks Act.

In the alternative the appellant relied on sec 41(3) of the Act. This section lays down inter alia that the provisions of sub-section (1) would apply to trade marks consisting of a word which is the "only practicable name or description of an article ... for which such trade mark was registered

registered, if such article ... was the subject of Letters Patent in the Republic which have expired or lapsed." As I have indicated, however, I do not think that the appellant has established that Saunders is the only practicable name or description of any article.

It follows, therefore, that in my view the appeal on this aspect should also fail.

The order.

In the result the appellant's attack on the order of the trial court fails in all respects. The order of this Court is accordingly as follows:

1. Prayer 1 of the appellant's petition for joinder is granted, the appellant to pay all costs occasioned thereby;

2.

2. The appeal is dismissed with costs;
3. The orders for costs are to include costs occasioned
by the employment of two counsel.

E. M. Grosskopf

E M GROSSKOPF, JA

CORBETT, JA
JOUBERT, JA
GALGUT, AJA
NICHOLAS, AJA

} Concur