

Bills Committee on the Copyright (Amendment) Bill 2014

Precedent cases illustrating “substantial part” of a copyright work

Purpose

At the meeting on 20 January 2015, the Administration was requested to provide information on precedent cases involving the court’s judgment on what constitutes a “substantial part” of the underlying work in determining whether a certain act infringes copyright in the work. This paper provides the information required.

Overview

2. In determining whether a certain act infringes the copyright in a work, the actual circumstances of each case should be considered. Under the existing copyright regime, the use of copyright works in the following circumstances does not infringe copyright –

- (a) only the ideas of the underlying work have been incorporated;
- (b) only an insubstantial part of the underlying work has been incorporated;
- (c) only works in the public domain in which copyright has expired have been used;
- (d) the copyright owner has agreed; or
- (e) the act concerned is one of the permitted acts under the existing Copyright Ordinance (Cap. 528).

The Copyright (Amendment) Bill 2014 will not change the above situation.

“Substantial part” of a copyright work

3. As mentioned in paragraph 2(b) above, the use of an insubstantial part of the underlying work does not infringe copyright. This is embodied in section 22(3)(a) of the Copyright Ordinance.¹ In gist, where a person does a copyright restricted act in relation to the whole or a substantial part of

¹ Under section 22(2) and (3) of the Copyright Ordinance –

“(2) Copyright in a work is infringed by a person who without the licence of the copyright owner does, or authorises another to do, any of the acts restricted by the copyright.

(3) References to ... the doing of an act restricted by the copyright in a work are to the doing of it –

(a) in relation to the work as a whole or any substantial part of it; and

(b) either directly or indirectly,

and it is immaterial whether any intervening acts themselves infringe copyright.”

an underlying work without its owner's permission, this may constitute a copyright infringement. The concept of "substantiality" also appears in the copyright legislation in the United Kingdom (the UK)², on which our copyright law was modelled, and the copyright laws of other common law jurisdictions such as Australia and Canada. But no statutory definition of the term has been provided under the respective copyright legislation.

4. In practice, in determining whether a substantial part of the underlying work has been used by the defendant, the court will apply the principles established under the case law to the facts of the individual case. In particular, it is well-established that, while "substantiality" depends on both the quantity and quality of the part taken from the underlying work, the quality of what has been taken will often be the more significant or important consideration in the court's determination.³ In this regard, the court will conduct a qualitative and holistic assessment of the similarities between the works, during which the similarities (which are the most relevant) and differences between the works will be examined.⁴ The overriding question to be asked in an alleged copyright infringement case is "whether, in creating the defendant's work, substantial use has been made of the skill and labour which went into the creation of the claimant's work and thus those features which made it an original work".⁵ Given the varieties and types of copyright works, the outcome of the court's application of the principles varies according to the circumstances of each case and the particular features of each individual work.

5. To illustrate how such principles have been applied in courts in determining copyright infringement, we set out the summaries of and analysis on four precedent cases from the UK and Hong Kong at Annex for Members' reference.

6. In general, when determining whether there is any copyright infringement, the court will first identify the alleged copied part of the plaintiff's work and compare it with the defendant's work to assess if the similarities are the result of copying instead of mere coincidence. For instance, in the case of *Ravenscroft v Herbert and New English Library Limited*⁶, the court identified the similarities between the language, characters and interpretation of historical events in the plaintiff's work and

² Section 22(3) of the Copyright Ordinance mirrors the wording of section 16(3) of the UK Copyright, Designs and Patents Act 1988. The "substantiality" test first appeared in statute laws in section 1(2) of the UK Copyright Act 1911.

³ *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 All ER 465 and *Designers Guild Ltd. v Russell Williams (Textiles) Ltd. (trading as Washington D.C.)* [2000] 1 W.L.R. 2416.

⁴ As in the case of *Cinar Corporation v. Robinson*, 2013 SCC 73, [2013] 3 S.C.R. 1168.

⁵ *Copinger and Skone James on Copyright*, 16th edition, Sweet & Maxwell, paras. 7-30.

⁶ [1980] R.P.C. 193.

parts of the defendant's work. In *Designers Guild Ltd.*, the House of Lords identified a list of similar features between the plaintiff's and the defendant's designs. In practice, the comparison of similarities and differences between the works is often a question of fact, depending on the specific features involved in each individual work. Given the characteristics of each type of copyright works, the court may need to rely on expert evidence for an objective assessment.⁷

7. Upon determining from the facts that the defendant's work has indeed incorporated features taken from the plaintiff's work, the court will proceed to assess if such features constitute "the whole or a substantial part of the copyright work". Generally speaking, in assessing the quality of the features of the underlying work that had been taken, the court will look into the skill and labour which constitute the parts of the work copied, such as the level of originality of the copied parts, and the importance of such copied features to the plaintiff's work as a whole. In the case of *Designers Guild Ltd.*, the court considered that the copied features and the artistic expression of the plaintiff's design in its overall combination constituted a substantial part of the plaintiff's work and concluded that there was substantial copying on the defendant's part. In the case of *Natuzzi SPA*, the court found that the subject features in the plaintiff's design were commonplace features and ideas in the industry and concluded that no substantial part of the plaintiff's design had been copied.

8. As illustrated by the precedent cases, the question of "substantiality" has to be decided in accordance with the established principles based on the specific features of each copyright work and the facts and circumstances of each case.

Presentation

9. Members are invited to note the information provided in this paper.

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⁷ As in the cases of *Francis Day & Hunter Ltd. and Another v Bron and Another* [1963] Ch. 587, *Designers Guild Ltd. and Natuzzi SPA v. De Coro Ltd.*, HCA 1702/2001. These cases involved musical or artistic works.

Precedent Cases on “Substantial Part”

(1) *Francis Day & Hunter Ltd. and Another v Bron and Another*⁸

Facts

The plaintiffs were the owners of the copyright in a musical work entitled “In a Little Spanish Town”. They alleged that the first eight bars of the chorus of “In a Little Spanish Town” (the Eight Bars) had been reproduced in the first eight bars of the defendants’ musical work “Why”.

The trial judge found that the Eight Bars constituted a “substantial part” of the whole tune of “In a Little Spanish Town” within the meaning of section 49(1) of the UK Copyright Act 1956.⁹ However, the case was dismissed as there was insufficient evidence to prove that the objective similarities between the two songs were due to conscious or unconscious copying on the defendant’s part. The plaintiffs appealed.

Held

In assessing whether the Eight Bars constituted a “substantial part” of the plaintiffs’ song, the Court of Appeal adopted the trial judge’s finding of facts and looked at the overall effect of the two tunes. It considered that the following factors were relevant:

- (i) the structure between the two songs;
- (ii) the essential part/theme of the underlying song and whether such part had been borrowed in the allegedly infringing song;
- (iii) whether the theme of the underlying song was made up of commonplace elements;
- (iv) the notes of the two melodies and whether there was a noticeable correspondence between the two songs;

⁸ Court of Appeal of England and Wales, [1963] Ch. 587.

⁹ One of the acts restricted by the copyright in a musical work under section 2 of the Copyright Act 1956 is reproducing the work in any material form. Section 49(1) further provides that “any reference to a reproduction, adaptation or copy of a work ... shall be taken to include a reference to a reproduction, adaptation or copy of a substantial part of the work ...”.

- (v) the harmonic structure of the relevant parts of the two songs and whether such similarities were commonplace; and
- (vi) the rhythm of the songs.

The Court of Appeal accepted the trial judge's analysis of the musical structure of the two songs and that the essential features of the plaintiffs' song were contained in the Eight Bars, which constituted a musical sentence and in which the main theme was stated. The Court of Appeal agreed with the trial judge's findings that the Eight Bars constituted a "substantial part" of the work.

Notwithstanding the above, the appeal was dismissed by the Court of Appeal on the ground that the plaintiffs failed to adduce sufficient evidence to establish that there was conscious or subconscious copying of "In a Little Spanish Town" by the defendant.

(2) *Designers Guild Ltd. v Russell Williams (Textiles) Ltd. (trading as Washington D.C.)*¹⁰

Facts

Both the plaintiff and the defendant designed and sold fabrics. The plaintiff created an Ixia design which consisted of vertical stripes of alternate colours with flowers and leaves placed randomly across the stripes. The design was painted in an impressionistic style, characterised by rough edges and imprecise brushwork. It was alleged that the defendant copied the Ixia design and sold it as their Marguerite design.

The trial judge identified several relevant similarities between the two designs and concluded that there was copying of the Ixia design by the defendant. In determining whether what had been copied amounted to "the whole or a substantial part" of the plaintiff's design, the judge concluded that the whole work should be considered together. In view of the similar features of the two designs such as the combination of the flowers and the stripes, the way in which the flowers and stripes were related to each other and the way in which the flowers and stripes were painted, the judge

¹⁰ House of Lords of the United Kingdom, [2000] 1 W.L.R. 2416.

concluded that the overall combination of the Marguerite design was a substantial copying of the Ixia design.

The defendant took the case to the Court of Appeal on the point of substantial copying. Having compared the two designs and analysed their respective components, in particular comparing the differences between the designs, the Court of Appeal overturned the trial judge's decision, on the basis that the two designs did not look sufficiently similar on the whole to form "a substantial part". The plaintiff appealed to the House of Lords.

Held

The House of Lords laid down a two-step approach for deciding whether there is an infringement for artistic copyright.

The first step is to identify the features of the copied part from the underlying work and then make a visual comparison of the two designs on both the similarities and the differences. The purpose of such examination is not to see whether the overall appearance of the two designs is similar, but to ascertain whether the similarities are "sufficiently close, numerous or extensive" to be the result of copying than of mere coincidence. Similarities may be disregarded if they are commonplace, unoriginal, or consist of general ideas. If the plaintiff demonstrates sufficient similarity in the features alleged to be copied, and establishes that the defendant had prior access to the copyright work, the burden shifts to the defendant to satisfy the judge that the incidences of similarities did not arise from copying. Whether similarities or differences exist is a question of fact rather than law, which should be decided by the first instance court.

Once it has been found that the defendant's design incorporates features taken from the underlying copyright work, the next step is to assess whether such features taken constitute "the whole or a substantial part of the copyright work" to determine whether the copying amounted to copyright infringement.¹¹ The House of Lords clarified that whether a substantial

¹¹ Section 16(3) of the UK Copyright, Designs and Patents Act 1988 provides that "[r]eferences ... to the doing of an act restricted by the copyright in a work are to the doing of it ... in relation to the work as a whole or any substantial part of it ...", which is equivalent to section 22(3) of Hong Kong's Copyright Ordinance.

part has been taken shall be determined by its quality rather than its quantity and thus, this is a matter of impression. The part which is regarded as “substantial” can be a feature or combination of features of the work, abstracted from it rather than forming a discrete part, and such features must be a substantial part of the copyright work, but it needs not form a substantial part of the defendant’s work. Generally speaking, the more abstract and simple the copied idea, the less likely it is to constitute a substantial part.

There can be two different types of copying. One type of case is copying an identifiable part of a copyright work. In this case, whether the copying of the part constitutes an infringement depends on the qualitative importance of the part that has been copied, assessed in relation to the copyright work as a whole.

Another type is that a substantial part of the copyright work may be taken even if no particular part of such work has been copied. This happens where the defendant copied the original work with modifications, instead of exact copying, such as translation of a literary work into some other language, or the dramatisation of a novel. The appropriate question in this kind of copying is whether the defendant has incorporated a substantial part of the independent skill and labour contributed by the plaintiff in creating the copyright work.

In the present case, the House of Lords opined that the alleged copying was a copying with modifications. For this type of cases, the finding of copying depended on the inferences to be drawn from the extent and nature of the similarities between the two works, which was determinative of the issue of copying as well as the issue of substantiality. The Court of Appeal’s approach in analysing individual designs rather than considering their cumulative effect and highlighting the differences between the two designs to conclude that there is no substantial copying was held to be wrong.

The House of Lord further held that since the trial judge had identified both the similarities and differences between the two designs and concluded that the similarities between the two designs were so marked as to warrant a finding that one had been copied from another, such a finding would also

determine the issue of substantiality. Therefore, without any proper and sound reasons, the Court of Appeal should not usurp such fact-finding role of the first instance court and consider the question of substantiality by examining in what respects the two designs were different. As such, the House of Lords agreed with the trial judge's analysis and allowed the plaintiff's appeal.

(3) *Natuzzi SPA v De Coro Ltd*¹²

Facts

The plaintiff and the defendant were both furniture designers and manufacturers. The plaintiff alleged that the defendant infringed the plaintiff's copyright in five sofa design sketches in the defendant's sofa products.

Held

In this case, the plaintiff did not rely on specific individual features identified in its works but on the combination of commonplace components and features to claim originality in its design sketches. It claimed that a substantial part of such combination had been copied by the defendant in its sofa products.

In adjudication, the court adopted the approach laid down in the above-mentioned case of *Designers Guild Ltd*. The court first compared the underlying copyright work with the defendant's work in order to identify the copied features before assessing whether they constituted substantial parts of the copyright work. To assess the degree of resemblance between the two works, any similarities that are commonplace, unoriginal or that consist of general ideas might be disregarded.

The court further held that after identifying the copied features, it should proceed to deal with the question of substantiality. The applicable test is whether the infringer incorporated a substantial part of the independent skill and labour contributed by the original author in creating the copyright work.

¹² Court of First Instance of the High Court of Hong Kong, HCA 1702/2001.

When applying such a test, the only relevant consideration shall be the importance of the copied features to the underlying copyright work rather than the defendant's work and whether a substantial part has been taken must be determined by its quality instead of quantity.

The court went through a comparison exercise between the plaintiff's design sketches and the defendant's final products one by one. On every occasion, the court identified the combination of features selected by the plaintiff that conferred originality on the overall look of its models. If the defendant copied those features, it would have infringed the copyright of the plaintiff. If the defendant simply took an unoriginal combination without taking the original features, such combination would not be a substantial part of the underlying work and hence, there would be no copyright infringement.

Given that all the allegedly copied features of the plaintiff's designs were merely commonplace combination of unoriginal components, the court found that such combination did not constitute a substantial part of the plaintiff's designs. As a result, there was no copyright infringement found on the part of the defendant in the five designs and the plaintiff's claim was dismissed.

(4) *Ravenscroft v Herbert and New English Library Limited*¹³

Facts

The plaintiff is the author and copyright owner of a non-fiction called *The Spear of Destiny*. The first defendant is the author of a novel entitled *The Spear* and the second defendant is the publisher of the first defendant's novel. A central feature of both books is a spearhead which forms part of the Hapsburg treasure exhibited in Vienna. The plaintiff's book is of some 350 pages with an immense amount of historical data based on a previous book from one Dr. Stein, recollections from the plaintiff's discussion with Dr. Stein, his own records, his personal historical knowledge and research efforts on the relevant historical events illustrated in his book. The defendant's book is a novel divided into seven prologues, 23 chapters and an author's note.

¹³ High Court of England and Wales, [1980] R.P.C. 193.

It was alleged by the plaintiff that there were 50 instances of language copying from his book in the defendant's book contained in five of the seven prologues. Some of which were almost verbatim copying and some of which involved copying of characters, incidents and interpretation of historical events.

Held

The court referred to the 50 alleged instances of language copying raised by the plaintiff in his evidence and made a comparison between the alleged parts of copying and the five prologues in the first defendant's novel. In general, the court concluded that there were instances of close language copying from the plaintiff's book with changes to a greater or lesser extent. Some of the prologues contained the same characters, incidents and interpretation of the significance of the historical event of Anschluss. Based on the evidence given, the court concluded that it is absolutely plain that in writing the five prologues, the first defendant copied from the plaintiff's book.

The issue for the court to determine would then be whether such copying was in relation to a substantial part of the plaintiff's book. The first defendant admitted that he had read the plaintiff's book and was inspired by it to write a novel of his own. However, he argued that the prologues were included as a form of historical background to add credence to his fiction and that he just repeated the accounts of historical events in the plaintiff's book which were only historical facts and the plaintiff should not be entitled to claim monopoly to it.

In response, the plaintiff argued that his work was not a historical work of a conventional type because it was not a chronology, it was a work composing a variety of different events, recollections, quotations, philosophy, meditations and so on, designed to support the theory in which the plaintiff had come to believe, which was a very personal insight into history.

Whilst the court agreed that it was "reasonable to suppose that the law of copyright will allow a wider use to be made of a historical work than of a novel so that knowledge can be built upon knowledge", it was of the view

that “[c]opyright protects the skill and labour employed by the plaintiff in the production of his work. That skill and labour embraces not only language originated from and used by the plaintiff, but also such skill and labour as he has employed in selection and compilation.” The court was of the view that a person was not entitled, under the guise of producing an original work, to reproduce the arguments and illustrations of another author so as to appropriate to himself the literary labour of that author.

The court accepted the plaintiff’s analysis of the nature of his work. It held that the copying by the first defendant was with an intention to take the plaintiff’s work for the purpose of saving himself labour. It was also of the view that the two works were competing works to an appreciable extent and that the plaintiff’s work was not a history book for historians, but a non-fiction book for the ordinary public.

In view of the first defendant’s substantial taking of the information the plaintiff has assembled in his work which involved the plaintiff’s original skill and labour in his selection and compilation and formed a “substantial part” of the plaintiff’s work, the court held that the first defendant had copied the plaintiff’s book to a substantial extent and had deliberately copied the language of the plaintiff on many occasions in the prologues. The copying involved was “to give the defendant’s novel a backbone of truth with the least possible labour to himself. In so doing he annexed for his own purposes the skill and labour of the plaintiff to an extent which is not permissible under the law of copyright.”
