

**IN THE DISTRICT COURT
AT AUCKLAND**

CIV-2005-004-003008

BETWEEN

JOHN RADFORD
Plaintiff

AND

HALLENSTEINS BROS LTD
Defendant

Hearing: 2 April 2009

Appearances: TJ Walker and J Dickson for Plaintiff (to oppose)
B Morley and H Macfarlane (in support)

Judgment: 2 July 2009 at 9.40 am

JUDGMENT OF JUDGE RODERICK JOYCE QC

[ON APPLICATION TO STRIKE OUT SECOND AMENDED STATEMENT OF CLAIM
OF 11 JULY 2008 ASSERTING INFRINGEMENT OF MORAL RIGHTS]

APPLICATION

[1] This was an application by Hallensteins (pursued in the context of the Copyright Act 1994) for an order striking out the second amended statement of claim of Mr Radford of 11 July 2008. (The cover sheet is dated 11 July 2007 but, patently, that is an error.)

[2] The application was pursued on the conventional ground that the remaining, a moral rights, claim of Mr Radford (the others having already been struck out) disclosed no reasonable cause of action against Hallensteins.

REMAINING BREACH OF MORAL RIGHTS CLAIM

[3] The essence of the residual claim is that:

- (a) Mr Radford is the author and owner of copyright in 3 (the TIP) sculptures permanently placed in Western Park, Ponsonby;
- (b) Hallensteins copied, by means of photograph or otherwise, the sculptures and produced t-shirts featuring “graphic representations” of the sculptures “combined with the ‘Planet 8’ trademark, a representation of an eagle in flight, an abstract background, stylised wording and other visual elements” which Hallensteins then distributed and sold;
- (c) By creating or commissioning the manufacture of and/or distributing the t-shirts, Hallensteins has prejudiced Mr Radford’s reputation and honour;
- (d) Hallensteins’ conduct amounts to derogatory treatment of the sculptures;
- (e) By issuing to the public a graphic work representing derogatory treatment of the sculptures the defendant has, by virtue of s 99(2) of the Copyright Act 1994 (the Act), infringed Mr Radford’s moral rights; and
- (f) By selling or offering for sale the t-shirts incorporating copies of a work subjected to derogatory treatment, Hallensteins has infringed Mr Radford’s moral rights within the meaning of s 99(6) of the Act; so that

(g) Mr Radford seeks:

- (a) an injunction restraining Hallensteins from manufacturing, copying or selling any further t-shirts infringing his moral rights;
- (b) \$150,000 for the damage to his honour and reputation;
- (c) \$32,000 for the loss in value of bronze casts resulting from the damage to Mr Bradford's honour and reputation; and
- (d) an inquiry into other loss or damages suffered by him by reason of Hallensteins' conduct;
- (e) delivery up of any graphic works or images in the possession, or in the possession of any servant or agent, which represent derogatory treatment of the TIP sculptures including without limitation on negative or positive film, digital files, screen printing screens, faxed sketches or designs, jpeg files, files on CD or DVD or mailed paper or film copies of multi colour film separations on any piece of clothing; together with
- (f) interest and costs.

BACKGROUND

[4] The TIP sculptures have been a feature of Western Park, in a locality close to where its boundary abuts Ponsonby Road, for a number of years now.

[5] In the course of the disposition of two earlier, and successful, strike out applications preceding that now in issue, it has been held in this Court and the High Court that the copying of the sculptures, including the production and distribution of t-shirts bearing their image by Hallensteins, is permitted in terms of s 73 of the Act. And that is why it is only the moral rights claim that is left.

CURRENT APPLICATION

[6] Mr Morley said that Hallensteins was making the current application because:

- The reproduction of the sculpture in 2 dimensions could not, without more, violate the ss 98-99 moral rights. Otherwise one could never exercise the s 73 right to reproduce 3 dimensional sculptures in 2 dimensions without first investigating with the artist what he or she was attempting to convey, and confirming with the artist that the photograph, drawing or other representation did not conflict in that respect;
- Sections 98-99 only rendered a 2 dimensional graphic representation of a sculpture actionable if it thereby appeared that the sculpture itself had been modified in some way (e.g. had scatological¹ graffiti painted on it); and
- The end result was represented as being the sculptor's work;
- In this respect it was noted that:
 - ◆ Sections 98-99 were directed towards protection of the reputation of the artist rather than the work;
 - ◆ Hence the necessity for more than contextual changes and for such to be effectively attributed to the artist;
 - ◆ Moreover, when there was a treatment of a treatment (e.g. an altered photograph) s 99(5) explicitly required actual or implied attribution for actionability.

¹ Using that word in vernacular terms, presumably.

- In contrast here:
 - ◆ The Hallensteins’ ‘Planet 8’ logo, the representation of the eagle in flight and the abstract background were contextual elements, not treatments;
 - ◆ Anyway, the ‘treatment’ had to be seen as a treatment of a treatment. Mr Radford by his statement of claim himself acknowledged the interpolation of photography which had been modified by the addition of the mentioned elements, the combination of which created the image on the t-shirt – actionability under s 99(5) only existed if the end result was represented to be Mr Radford’s work;
 - ◆ There was no such attribution – no implication that Mr Radford, a sculptor, would have painted (or otherwise created) an abstract background on a 2 dimensional image; moreover
 - ◆ The logo and the eagle were manifest overlays. There was nothing to relate the image to the sculptor and no room for the view that the t-shirt result had any sponsorship, approval, endorsement or licence from Mr Radford.

[7] Mr Morley submitted that the strike out application could be decided on a “straightforward and commonsense” application of the statutory provisions to the “incontrovertible” evidence of the t-shirt handed up to the Court.

NOTICE OF OPPOSITION

[8] The notice of opposition contended that:

- (2) The moral rights cause of action did not relate to, or rely on, s 73 of the Act.

- (3) The fact that s 73 of the Act provided a defence to a claim of copyright infringement did not inform the issue of whether there was a derogatory treatment of the plaintiff's work in terms of s 98 of the Act, or whether the right of the plaintiff not to have his work subjected to derogatory treatment had been infringed in terms of s 99 of the Act.
- (4) Whether the reproduction of the plaintiff's sculpture combined with the elements set out in paras 8-10 of the second amended statement of claim, amounted to an infringement of ss 98 and 99 of the Act, was a matter to be decided on the evidence to be adduced at trial.

(My emphasis)

[9] The notice of opposition also included a complaint of unjustifiable delay in pursuit of the current strike out application, noting that the moral rights cause of action was pleaded from the inception of the claim in 2005. At the hearing, no energy was applied to that aspect, and so I have ignored it.

STATUTORY PROVISIONS

[10] The Act provides:

73 Representation of certain artistic works on public display

- (1) This section applies to the following works:
 - (a) Buildings:
 - (b) Works (being sculptures, models for buildings, or works of artistic craftsmanship) that are permanently situated in a public place or in premises open to the public
- (2) Copyright in a work to which this section applies is not infringed by
 - (a) Copying the work by making a graphic work representing it; or
 - (b) Copying the work by making a photograph or film of it; or
 - (c) Communicating to the public a visual image of the work²

- (3) Copyright is not infringed by the issue to the public of copies, or the communication to the public, of anything the making of which was, under this section, not an infringement of copyright³.

...

98 Right to object to derogatory treatment of work

- (1) For the purposes of this section and s 99 of this Act -
- (a) the term **treatment** of a work means any addition to, deletion from, alteration to, or adaptation of the work, other than -
- (i) a translation of a literary or dramatic work; or
- (ii) an arrangement or transcription of a musical work involving no more than a change of key or register; and
- (b) the treatment of a work is derogatory if, whether by distortion or mutilation of the work or otherwise, the treatment is prejudicial to the honour or reputation of the author or director; -

and in the following provisions of this section any reference to a **derogatory treatment** of a work shall be construed accordingly.

- (2) Subject to s 100 and 101 of this Act –
- (a) the author of a literary, dramatic, musical, or artistic work that is a copyright work; and
- (b) the director of a film that is a copyright work –
- has the right not to have his or her work subjected to a derogatory treatment.

99 Content of right to object to derogatory treatment

- (1) In the case of a literary, dramatic, or musical work, the right conferred by s 98(2) of this Act is infringed by a person who-
- (a) publishes commercially, performs in public, or communicates to the public a derogatory treatment of the work⁴; or

³ Ibid
⁴ Ibid

- (b) Issues to the public copies of-
 - (i) a formal sound recording of; or
 - (ii) a formal sound recording that includes-
a derogatory treatment of the work.
- (2) In the case of an artistic work, the right conferred by s 98(2) of this Act is infringed by a person who-
 - (a) Publishes commercially or exhibits in public a derogatory treatment of the work, or communicates to the public a visual image of a derogatory treatment of the work⁵; or
 - (b) Shows in public a form that includes a visual image of a derogatory treatment of the work or issues to the public copies of such a film; or
 - (c) In the case of-
 - (i) a sculpture; or
 - (ii) a work of architecture in the form of a model for a building; or
 - (iii) a work of artistic craftsmanship, -
issues to the public copies of a graphic work representing, or of a photograph of, a derogatory treatment of the work
- (3) Subsection (2) of this section does not apply to a work of architecture in the form of a building; but where the author of such work is identified on the building and it is the subject of derogatory treatment the author has the right to require the identification to be removed.
- (4) In the case of a film, the right conferred by s 98(2) of this Act is infringed by a person who-
 - (a) shows in public, or communicates to the public, a derogatory treatment of the film⁶; or
 - (b) issues to the public copies of a derogatory treatment of the film; or
 - (c) along with the film –

- (i) plays in public or communicates to the public⁷; or
 - (ii) issues to the public copies of-
a derogatory treatment of the film sound-track.
- (5) The right conferred by s 98(2) of this Act extends to the treatment of parts of a work resulting from a previous treatment by a person other than the author or director of the work, if those parts are attributed to, or are likely to be regarded as the work of, the author or director.
- (6) The right conferred by s 98(2) of this Act is infringed by a person who, in the course of a business-
- (a) Possesses; or
 - (b) Sells or lets for hire; or
 - (c) Offers or exposes for sale or hire; or
 - (d) Exhibits in public or distributes-
an object that is, and that the person knows or has reason to believe is, a work or copy of a work that-
 - (e) Has been subjected to derogatory treatment; and
 - (f) Has been, or is likely to be, the subject of any of the acts described in this section in circumstances infringing the right conferred by s 98(2) of this Act.
- (7) The right conferred by s 98(2) of this Act is infringed by a person who does an act described in subs (1) or subs (2) or subs (4) or subs (6) of the section or who authorises another person to do any such act.

THE CASE FOR HALLENSTEINS

[11] In the course of the last 4 years, Hallensteins has been successful in applications to strike out 4 separate causes of action pleaded by Mr Radford in 2 separate statements of claim. All that remains is this, the claim for breach of moral rights which, Hallensteins argues, has to go too.

[12] Mr Morley acknowledged that the claim for moral rights breach had been there from the outset. But it had been amplified and in some measure particularised in the second amended statement of claim of 11 July 2008 (that now in issue) which pleaded at [13]:

- a The defendant's conduct has created an incorrect belief in the minds of the public that an association exists between the plaintiff and the defendant and/or the plaintiff and the defendant's 'Planet' brand and/or that the plaintiff has approved the defendant's commercialisation of the TIP Sculptures (ASC 2 para 13(a));
- b The defendant's conduct particularised above is likely to detrimentally impact the value of the addition of the Bronze Casts sold to date and of any that may sell in the future and prevent the plaintiff from otherwise commercially exploiting the TIP Sculptures (ASC 2 para 13(b)); and
- c The defendant's conduct is likely to detrimentally impact the exclusivity and value of the plaintiff's past, present and future work generally (ASC 2 para 13(c)).

[13] Mr Morley noted that the moral rights remedy was originally developed in civil code jurisdictions and was mandated by Art 6Bis (1) of the Berne Convention (1971) providing that:

Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in respect to the said work which would be prejudicial to his honour and reputation.

In terms of a general modelling on the moral rights provisions of the Copyright, Designs and Patents Act 1988 (UK), our current Act followed in 1994.

[14] Mr Morley acknowledged that moral rights were independent of economic ones so that even a licensed copyright transferee might infringe them⁸. Indeed, he noted that moral rights were "most important where copyright does not belong to the author"⁹.

⁸ *Benchmark Building Supplies Ltd v Mitre 10* [2004] 1 NZLR 26 (CA) at para [45]
⁹ *Copyright and Design*, Brown et al (LexisNexis 2004) at 15, 725

[15] Mr Morley accepted that exemption from copyright infringement such as is conferred by s 73 would not necessarily mean that the conduct could not infringe an author's moral rights¹⁰. But he argued that ss 98-99 should not be construed so as to defeat the essential purposes of s 73.

[16] Of s 73, he said it was established that it was to "allow members of the public, including players in the market, to copy in 2-dimensions sculptures permanently in the public domain and even for profit" which "clear policy (was) not for compromise"¹¹.

[17] It was an inevitability that any 2 dimensional representation would differ from the original. There was no statutory room for the conclusion that any photograph, drawing or painting etc of a work permanently located in a public place would require the imprimatur of the author.

[18] Mr Morley next contended that the definition of a "treatment" in s 98(1) contemplated that something be done to the actual copyright work itself – by addition, deletion, alteration or adaptation¹². In this respect, our statute was narrower in its compass than the Berne right to object to "any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work".

[19] To exemplify the difference in approach under a civil law regime from that under a common law regime, he referred to *Shostakovich*¹³, where an association between Soviet composers' work and an anti-Soviet film had been held not to justify a remedy in the United States but the result in France had been the opposite¹⁴.

[20] Mr Morley contended that mere distortion – even mutilation – would not provoke a remedy unless the reputation of the author or artist were shown to be affected in terms within the compass of the statute.¹⁵

¹⁰ Any contrary submission would invite the untenable view that ss 98-99 were redundant.

¹¹ *Radford v Hallensteins*, CIV-2006-404-004881, 22/2/07, Keane J at para [35]

¹² But the cost of acceptance of that proposition would surely be to ignore "adaptation".

¹³ *Shostakovich v 20th Century Fox Film Corporation* (1948) 80 NYS 575

¹⁴ *Shostakovich v 20th Century Fox* (1954) D Jur 16, 80.

¹⁵ *Confetti Records v Warner Music UK Ltd* [2003] EWCH 1274 (Ch).

[21] Hallensteins' case was that the consensus of authority was that prejudice was determined objectively rather than in terms of the subjective views of the author.¹⁶ But the authorities he relies on do not uniformly treat this issue as simply as that.

[22] For example, in *Prise de Parole Inc* there is this in the very paragraphs identified by Mr Morley:

24. Under section 14.1(1) of the Act the author of a work has, subject to section 28.2, the right to the integrity of his or her work: these are moral rights. The Act also provides in section 14.1(2) that an author's moral rights may not be assigned but may be waived in whole or in part. The evidence does not show that in the case at bar Doric Germain waived his moral rights. To be able to make a claim based on the right to the integrity of his or her work, the author must show, as stated in section 28.2(1) of the Act, that the work was distorted, mutilated or otherwise modified to the prejudice of the author's honour or reputation. I note that section 28.2(1) does not require the plaintiff to prove prejudice to his honour or reputation; rather, it must be proved that the work was distorted, mutilated or otherwise modified "to the prejudice of the honour or reputation of the author" ("d'une manière préjudiciable à l'honneur ou à la réputation de l'auteur"). In my view, this nuance justifies the use of a subjective criterion – the author's opinion – in assessing whether an infringement is prejudicial.
25. It has, moreover, been recognised by the courts that this concept has a highly subjective aspect that in practice only the author can prove. In *Snow*, [FN6] the court ruled as follows:

I believe the words "prejudicial to his honour or reputation" in s 12.7() [of the Copyright Act, R.S.C. 1970, c. C-30] involve a certain subjective element or judgment on the part of the author so long as it is reasonably arrived at.
26. However, in my view the assessment of whether a distortion, mutilation or other modification is prejudicial to an author's honour or reputation also requires an objective evaluation of the prejudice based on public or expert opinion. [FN7]. In *Snow* the application proved this ...

¹⁶

Prise de parole Inc et al v Guerin, éditeurLtee (1995) SCJ NO 1583 at paras 24-28; *Tidy v Trustees of Natural History Museum and Anor* [1996] 3 EIPR D-81; *Pasterfield v Denham and Anor* [1999] FSR 169; and *Confetti Records v Warner Music UK Ltd* (supra).

SECTIONS 100-101

[23] Mr Morley referred to ss 100-101 of the Act which stipulate exemptions from the operation of s 98. These can arise in various circumstances with the proviso that, where an author had been identified with a work, there must be a “clear and reasonably prominent indication” that the work has been subjected to a treatment not consented to by the author. Counsel also noted s 125(3) by which (in that kind of situation) a s 98 remedy might be in terms of prohibition except with an effective disclaimer.

[24] Mr Morley drew attention to these provisions not as protecting Hallensteins but as showing that the focus of the moral rights remedy was on situations where the author’s honour and reputation was prejudiced because of the representation of that author as the individual responsible for the treatment of the work¹⁷.

[25] Mr Morley then submitted that:

This makes sense, because it is hard to see what prejudice there could be to the honour or reputation of the author as a result of an alteration ... for which he or she is not – and is not represented to be – responsible.

HALLENSTEINS’ DEROGATORY TREATMENT ARGUMENT

[26] By reference to the Act and to commentary, the summarised contentions for Hallensteins as to what would make for a derogatory treatment were that it would involve:

- (a) a non-contextual change to the copyrighted work itself, that
- (b) prejudiced the owner or reputation of the author in a manner that is objectively determined; and

¹⁷

Moral rights: the right of integrity in the Copyright Act 1994, van Melle NZLJ - Sept 1995 at 301 and following.

- (i) was arguably similar to defamation, and/or
- (ii) arose because the author was represented as being responsible for the work.

[27] Mr Morley addressed, in particular, s 99(2)(c) of the Act providing that, in the case of a sculpture, the integrity right was infringed by a person who “issues to the public copies of a graphic work representing, or a photograph of, a derogatory treatment of the work”, in which respect he contended that such must be of a derogatory treatment of the work – that is to say, it must depict the sculpture itself altered in some way damaging to the reputation or honour of the sculptor.

[28] Again, of course, (and in this respect really asking me to try the case on the - said to speak on every relevant issue - t-shirt) he really suggests it to be a given that the item did not in material ways disrespect the sculptor.

[29] In LexisNexis Copyright and Design at 16, 341 it is proposed that the right to object is limited to acts relating to an artist’s work which “from an objective point of view, might affect his/her reputation similar to a defamation remedy”. But as will be apparent from other sections of this judgment, the question of whether that is the right test is not thus settled and, in my view, a case or two should be left to fully play out before our courts opt for a particular approach.

HALLENSTEINS SECTIONS 98-99 ARGUMENT SUMMARISED

[30] Summarised, the argument for Hallensteins in respect of ss 98-99 was this:

- 8.5 In summary, under sections 98 and 99 of the Act, an artist’s right of integrity in a sculpture can be infringed in the following ways:
 - a. By a non-contextual objectively determined derogatory treatment of the sculpture itself, e.g., by selling or exhibiting a copy of the sculpture with scatological graffiti on it (section 99(2)(a)) – note this example would constitute an infringement of copyright that would not be exempted under section 73; or
 - b. By publishing a photograph or graphic representation of a non-contextual objectively determined derogatory treatment of the sculpture itself, e.g., by selling a photograph of the

model sculpture with the graffiti on it (section 99(2)(c)) – note that in this example, since a model of the sculpture would normally require the consent or licence of the artists, a photograph of such could be deemed objectively to represent that the work being represented (i.e. the model) was that of the artist; or

- c. By subjecting a prior treatment to a non-contextual objectively determined derogatory treatment, e.g., by superimposing an image of graffiti over the image of the sculpture in a photograph of the sculpture, but only if the derogatory treatment is *itself*¹⁸ attributed to or likely to be regarded as the work of the artist (section 99(5)) – thus if the superimposed image is sufficiently well-done to make it appear as if the original artwork has the graffiti on it, this condition would arguably be satisfied.

8.6 The above suggests that integrity rights will not be infringed by a two-dimensional representation of a sculpture, unless in that representation the *sculpture itself* appears to have been altered in some way that it objectively appears or is represented that the sculpture as altered is the work of the sculptor. Where the two-dimensional graphic representation is itself a treatment (i.e. an alteration or modification) of an earlier treatment (such as a photograph) then it is expressly only actionable if the alteration or modification is attributed to or likely to be regarded as the work of the sculptor. It is submitted that this requirement will only be satisfied if there is either a direct attribution (e.g. on the caption) or the image makes it seem as if the sculpture was created that way¹⁹.

8.7 While the above construction of sections 98 and 99 as they apply to sculptures permanently situated in public places does not offer protections co-extensive with Section 73's exemption from copyright infringement, it:

- a. protects most two-dimensional representations of the sculpture, including those making contextual changes as well as photographs, paintings and other graphic representations of the cityscape of which the sculpture is a part, and thus does not render the protections afforded by section 73 nugatory; and
- b. provides a common sense and easily understood test for when such a representation may infringe the artist's integrity rights – namely where the image makes it seem as if the

¹⁸ This proposition, in itself not unreasonable, betrays in yet another way the need, surely, for better than simply the evidence of the t-shirt itself before the distinctly factual issue of attribution can be resolved.

It might make sense to approach matters on a t-shirt alone basis if the adjudicator was an expert (in art matters) arbitrator, but how can it when the decision is left to an untutored in the particular area judge?

¹⁹ Ibid

underlying sculpture itself has been altered in some way attributed either directly or by implication to the sculptor.

- 8.8 Not only is the above a common sense interpretation of both sections 98 and 99 of the Act, but it allows appropriate scope for *both* section 73's purpose of permitting the commercial exploitation of two dimensional representations of sculptures on permanent public display *and* the sculptor's moral right to protect the integrity of his or her work from changes prejudicial to his or her honour and reputation.

[31] The submission here reads very attractively and has elements of the seemingly compelling but, again - as I note in my footnote 18 - it is presented in the context of a relative vacuum.

T-SHIRT IMAGE NOT A TREATMENT?

[32] Mr Morley argued that, in any event, the image on the t-shirt was not a 'treatment'. The work at issue was the sculpture. The representation on the t-shirt simply included that as part of the pertinent landscape, including the grassed park where it was located and the sky above.

[33] There was no element of addition, deletion, alteration or adaptation relating to the sculpture itself – what was complained of went to context, setting or background. The same went for the "Planet 8" logo and the stylised writing – none involved treatment of "the sculpture". All that one had was "the addition of another copyright work to the tangible medium in which the first work is reproduced".²⁰

[34] Said Hallensteins:

- 9.4 What is left is the two dimensional reproduction of the TIP Sculptures themselves with one vertical line and one horizontal line, superimposed mostly over the background landscape but intersecting the perimeter of the portions of the sculptures. However, these are quite clearly lines superimposed over the underlying image and, as with the eagle and the "Planet 8" logo, they extend well beyond the borders of that image and onto the plain area of the t-shirt. In other words, they are obviously superimposed over a pre-existing image and do not appear to change the TIP Sculptures.

- 9.5 Quite simply, none of the items complained of by the plaintiff – namely combining the graphic representation of the TIP Sculptures with the “Planet 8” trademark, the representation of an eagle in flight, the abstract background, the stylised wording or the “other visual elements” (presumably the lines) – makes *the sculptures themselves* appear to have been altered in any way so as to amount to a “treatment” (in terms of the Act) of the TIP Sculptures.

[35] What Hallensteins overlooks here (a trap created by an overly clinical approach) is that all elements fall in the end to be considered in terms of consequences – here whether a treatment is derogatory. There is, in my view at least, no merit in a non-contextual, distinctly mechanical, breaking down of the elements of a treatment: Art invites the reaction of the senses. We are not examining a specimen in a laboratory.

[36] As *Eagles*²¹ says at 30, “All agree that the moral rights regime exists to protect and assert the creative personality irrespective of the needs or values of the market”.

T-SHIRT IMAGE – CANNOT BE DEROGATION?

[37] Mr Morley contended that the image on the t-shirt was not legally capable of categorisation as “derogatory”. This was because there had been a treatment of a treatment falling within s 99(5) in that:

- (a) a photograph of the sculptures had been taken; and
- (b) that photograph had been reproduced graphically on the t-shirt (allowed by s 73); with
- (c) the stylised background, the eagle, logo and white lines being superimposed predominantly over the background areas of the image and extending, obviously, beyond the borders of the underlying depiction of the sculpture.

[38] The Court's response is in terms of yet another reflection on a, by now surely obvious in this judgment, theme. This again is an issue of mixed fact and law and I cannot accept it right that the Court should try the case 'on the item'. The legal 'capacity' of the t-shirt cannot be determined in an evidential vacuum.

PARTICULARS OF PREJUDICE

[39] The extant statement of claim, in its provision of particulars of prejudice, asserts that –

The defendant's conduct has created an incorrect belief in the minds of the public that an association exists between the plaintiff and the defendant and/or the plaintiff and the defendant's "Planet 8" brand and/or that the plaintiff has approved the defendant's commercialisation of the TIP Sculptures – (ASC 2 para 13(a)).

[40] Mr Morley argued that the supposed association or approval did not necessarily equate to the "attribution" of the work to the plaintiff. With respect, that is but to nitpick at the pleading. It does not identify some fundamental flaw in the form of the absence of a, necessary to the cause of action, element.

[41] I should also rehearse here Hallensteins' concession elsewhere in the argument that on a strike-out application the Court should take the most favourable interpretation of the pleadings vis-à-vis the plaintiff. Thus, for the current purposes, it accepted the allegation to be that it, by its conduct in selling the t-shirts, had attributed the representation to Mr Radford or made it likely that it would be regarded as his work.

[42] Hallensteins then said:

10.9 Thus the question comes down to whether the items complained of – the eagle, the "Planet 8" logo in stylised writing, the abstract background and the white lines – are either attributed to or likely to give the impression that they are the work of the plaintiff.

10.10 To the question thus posited, the answer must be no.

10.11 First, there is incontestably no direct attribution.

10.12 Second, the work is a sculpture and the artist is a sculptor. It is accordingly difficult from an objective perspective to see how

portraying the sculpture in front of an abstract background could possibly mislead anyone into thinking that the sculptor had created the background.²²

- 10.13 Third, the remaining items complained of – the eagle, the logo and the white lines – are manifestly superimposed over the underlying photographic image with its abstract background, extending as they do beyond the borders of the underlying image on to the plain area of the t-shirt. Again, there can be no objective implication that whoever created the sculpture, the image of which is part of the underlying graphic representation, also created these obvious overlays to that graphic representation.
- 10.14 Fourth, the Court can take note of the fact that the “Planet 8” logo is a registered trademark of Hallensteins and (particularly when appearing on a clothing item) likely to be recognised as such. The fact that both the logo and the eagle are in the same yellow colour (in contrast to the black and white of the background image) suggests that the same party was responsible for both.
- 10.15 Finally, it has already been established in this case – unequivocally and in terms binding upon the parties – that *“it cannot be said ... that, by conduct or misrepresentation, the defendant [represented] that the items had any sponsorship, approval, endorsement or licence from the plaintiff”* (Bouchier DCJ at para 105 of her judgment in this proceeding.)
- 10.16 There is quite simply no way in which the items complained of are likely to be regarded as the work of the plaintiff.²³

Must I repeat yet again? – this series of propositions is replete with factual assumptions, or opinions, in camouflage.

AMENDMENT AS A CURE?

[43] Finally, Mr Morley submitted that amendment could not save Mr Radford’s claim for:

- (a) The only changes to the TIP sculptures were contextual in nature, they did not amount to a “treatment” that could give rise to a claim for infringement of the right of integrity under s 98(2); and

²²

This is, of course, quite to overlook the nature of ‘mixed media’ works of art.

²³

As I remark (in other language) elsewhere, this is but a bold, and bald, contention of fact.

- (b) There was no representation or implication in Hallensteins' graphic representation that the person responsible for the sculpture was also responsible for the other elements in the graphic representation, as required under s 99(5); and
- (c) It had already been established in the proceeding that Hallensteins did not represent by its conduct that the t-shirt or image on it had any sponsorship, approval, endorsement or licence from the plaintiff.

ARGUMENT FOR MR RADFORD

[44] Consistent with the terms of Mr Radford's notice of opposition as earlier emphasised by me, Ms Walker advised that at trial expert (in and from the art world) evidence would be offered by Mr Radford.

[45] Ms Walker said that Mr Radford's case in that respect would include that the t-shirt clearly represented a mutilation and/or distortion of the TIP sculptures in that:

- Its perspective showed as a main focal point what appeared to be a representation of the Sky Tower protruding from the sculpture;
- This effect was created by both the excision from the graphic representation of the TIP sculptures; and
- The selective "editing in" of background replacing elements of the sculpture; so that
- The effect, where that had occurred, was as if there had never been anything of the original sculpture.

[46] Ms Walker went on to say that Mr Radford's case would be that this treatment had resulted in the section of the feature sculpture to the right of the "Sky Tower" taking on the appearance of a black flag (or pennant) so that, instead of merely copying the sculpture, the "something more" was a combination of:

- Deletion or excision of parts of the work to leave an image redolent of the tower and flag just described;
- Modification on account the visibility of the grainy superimposed background “inside” the foreground sculpture just below the flag in contradistinction to the solidity of the original;
- The left hand side of one sculpture was rendered a black and white void where parts of same that would otherwise have been visible were no longer present;
- The overall lack of detail and definition in the rendering of the background sculpture left it looking like a set of stairs to nowhere, rather than an “elegant” side of a building as exhibited in Mr Radford’s creation;
- All this incorporated an image including the stylised “Planet 8” trademark (which resembled a signature), stylised wording and, partly within the diagonally opposite (upper right hand) area, there was what appeared to be an eagle in flight;
- Moreover, the works had been adapted by graphic representation on an extremely reduced scale and rendered two-dimensional and thus different; and
- Elsewhere only portions of the sculpture had been retained and removed from context at that (Mr Radford’s evidence would be of an intent was to have the sculptures rise out of the ground to haunt the people who demolished aesthetic structures during the 1980s building boom in Auckland. The integrity of the work had been undermined by taking this image, or element, out of the intended context); and

- In contradistinction to the clear and defined lines of the sculptures themselves, same were rendered in the t-shirt image in grainy graphic image style so that all in all;
- There was modification by the additional of contextual elements, by deletion and by distortion.

[47] Most if not all of these matters strike me as identifying areas of the case where the evidence of those appropriately qualified to comment artistically would greatly assist – really be vital – in reaching the right factual conclusions.

TREATMENT

[48] Adverting, in the s 98 context, to “treatment” of the work Ms Walker noted Hallensteins’ submission that this contemplated that something be done to the actual copyright work itself, so as to preclude contextual derogation from the definition of derogatory treatment.

[49] Ms Walker did not accept this, and argued that it was of no moment in view of the modifications and alterations self-evident from an examination of the allegedly offending t-shirt.

[50] Her submission was that there was an interpretation task involving a 2-stage analysis, that should proceed by reference:

- First, to the definition of “treatment” in s 98 - construed in light of its text and purpose (as required by s 5(1) of the Interpretation Act 1999) - and consistently with the international obligations assumed by New Zealand; and
- Secondly, to the definition of “derogatory treatment” in s 98(1)(b) which states that the treatment of a work is derogatory *if, where by*

*distortion or mutilation of the work or otherwise, the treatment is prejudicial to the honour or reputation of the author...*²⁴

[51] Thus, proposed Ms Walker:

15 To establish a “derogatory treatment” under ss 98 and 99 the plaintiff must show:

- (a) first, that the artistic work has been the subject of a “treatment”. This was defined in s 98(1) as “any addition to, deletion from, alteration to, or adaption of the work”; and
- (b) secondly that the treatment is derogatory. Derogatory treatment was defined in s 98(1)(b) as such that is “prejudicial to the honour or reputation of the author...”

[52] Ms Walker argued that “treatment” would include something done to a copy or reproduction of the work itself, for that much was evident from:

- The statute’s reference to *adaptation* (an adaptation²⁵ necessarily involved taking a copy of the work and creating a different version²⁶); and
- Section 99 (concerning the content of the right to object to derogatory treatment) which made this even clearer in the case of a sculpture, as its subs (2)(c) referred to;
- Infringement by a person who –

In the case of ... a sculpture ... issues to the public copies of a graphic work representing²⁷, or of a photograph of, a derogatory treatment of the work ...

²⁴ *NZ Airline Pilots’ Association Inc v Attorney-General* [1997] 3 NZLR 269;
Video Ezy International (NZ) v Roadshow Entertainment (NZ) Ltd [2002] 1 NZLR 855;
General Distributors Ltd v Casata Ltd [2006] 2 NZLR 71, 118, 150.

²⁵ *Mitre 10 (NZ) Ltd v Benchmark Building Supplies Ltd* [2004] 1 NZLR 26

²⁶ or at least in some circumstances would necessitate that.

²⁷ Concise English Oxford dictionary p 1215 “represent” means to “act as a substitute for ... constitute; amount to ... be a specimen or example of; typify”.

- And there was no reason to distinguish between physical acts in respect of the work and modifications or alterations to copies of that work.

[53] I accept for the present purpose the room for evidence that one might have to defeat the daunting security precautions in place at the Louvre to add a moustache to the Mona Lisa, but doing the same to a facsimile or painted copy of that famed picture could have the capacity to amount to derogatory treatment, albeit the artist might no longer be in a position to pursue a complaint on that account.

[54] Even reduction in the size, in the context of a reproduction, of a work could amount to treatment of it.²⁸ Section 98(1)(b) gave examples of “distortion” and “mutilation” in the context of a treatment that might be derogatory, but the ensuing “or otherwise” leaves the field open to interferences not necessarily affecting the work itself²⁹.

[55] Importantly, in my view, Ms Walker drew attention to authorities (including as already rehearsed in this judgment) which may be taken to indicate the generally speaking whether or not a treatment is derogatory, i.e. there has been prejudice to the plaintiff’s reputation or honour, is a trial issue³⁰.

TREATMENT OF A TREATMENT

[56] Ms Walker dealt with the Hallensteins argument that relies on s 99(5)³¹ of the Act, namely, that if that were a 2-dimensional graphic representation, itself a treatment of an earlier treatment, then it would only be actionable if the alteration or modification is attributed to, or likely to be regarded as, the work of the sculptor.

²⁸ *Tidy v Trustees of Natural History Museum* (1995) 39 IPR 501

²⁹ *Morrison v Leahy Music Ltd and Anor v Lightbond Ltd* [1993] EMLR 144

³⁰ *Snow v The Eaton Centre Ltd* (1982) 70 CPR (2d) 105, 106;
Prise de parole Inc et al v Guerin, editeurLtee (1995) 104 FDR 104, [26]-[28];
Tidy supra at 504, lines 22-31.

³¹ She noted here that the right conferred by s 98(2) extends to the treatment of parts of a work resulting from a previous treatment by a person other than the author or director of the work, if those parts are attributed to, or are likely to be regarded as the work of, the author or director.

[57] In her submission this proposition misconstrued s 99(5) which, she said, had a 2-fold purpose –

- First to prevent an author making a derogatory treatment claim where the provenance of that part of the work that was treated was not recognisable; and
- Secondly, it extended the rights granted under s 98(2) to treatment of parts of a work rather than the work in its entirety.

In her submission, the graphic representation of a substantial portion of the TIP sculptures on the t-shirts clearly met the s 99(5) requirements.

[58] She accepted that where only part of a previously treated work had been subjected to derogatory treatment then, for the resulting treatment to be prejudicial in terms of the Act, the part used in the final treatment had still to be recognisable as from the original work – otherwise there would be no link in the minds of the spectators between the finished treatment and the original work.

[59] Hence, she said, the s 99(5) requirement that the final treatment be either attributed to the original's author or maker by the treater, or be so recognisable. That was evident from the fact that “those parts” related back to “parts of a work resulting from a previous treatment”.

[60] In the present case the contextual question was whether the photographic image of the sculpture was likely to be regarded as the work of the author, rather than simply a commercialised image appearing on a t-shirt.

[61] The submission was that for people who had seen the TIP sculptures it would be obvious that the image on the t-shirt was a graphic representation of a substantial part of them and a connection to the sculptor would likely be made.

[62] All in all, Ms Walker argued, s 99(5) extended, rather than somehow limited, the effect of s 98(2). But for s 99(5) it could have been argued that the rights

provided by s 98(2) were limited to situations where only the whole of the work was treated.

[63] It seems to me that, yet again, these submissions highlight the need for evidence. Legal conclusions ought not to here be drawn except in relation to an established - and sufficiently explained – factual foundation.

SECTION 73 REVISITED

[64] Ms Walker turned to s 73 of the Act. She noted that this section does not deal with issues of moral rights in respect of artistic works of the kind identified. It simply stipulates that, given any of the sets of circumstances discretely described, copyright is not infringed.

[65] Rightly in my view, Ms Walker submitted that moral rights serve a different purpose from copyright, the latter governing the commercial exploitation of a work. Moral rights are inalienable. They protect the integrity of the work (to the extent recognised by law) from the (here I would myself interpolate “reasonable”) viewpoint of the artist. Parliament has allowed an author room within which to preserve and protect the integrity of his or her creation – this within the four corners of ss 98 and 99.

[66] It has been recognised elsewhere, said Ms Walker, that moral rights were based on the conception of the artistic work as an extension of the personality of the author, hence dignity recognition and protection – rights that are inalienable³². On the other hand, copyright can be bought and sold³³.

[67] Ms Walker noted that s 100 of the Act stipulates – see subs (1) – that the right to object to derogatory treatment is subject to certain exceptions. A glance through the exceptions indicated, counsel submitted, a focus on works from which

³² *Prise de parole Inc et al v Guerin, editeur Ltee* 104 FTR 104; and see Copyright Act (UK) s 118

³³ *Prise de parole Inc et al v Guerin, editeur Ltee*: Copyright Act (UK) ss 16, 29-39

the hand of the author is clearly removed as it were, or where the context is of a communication to the public by newspaper (or thus short-lived means), or in a book of reference (i.e. one that can be taken to serve a wider public interest).

[68] There was a further indication of attention (save in the category last mentioned) being on the transitory, contended Ms Walker, in that the right does not apply in relation to any work made for the purpose of reporting current events³⁴.

[69] Ms Walker invited recognition of a clear distinction between the issuing to the public of a graphic representation of a work (such as would be permitted under s 73) and the issuing of a derogatory treatment of that work. She submitted that one could readily recognise that s 73 on the one hand and ss 98-99 on the other could be read and worked together without creation of friction.

[70] Ms Walker pointed out that the statute did, itself, not provide a mechanism or means for identifying whether an author's reputation or honour had been prejudiced. There was no measuring mechanism in that respect. And I was told that, thus far, there had been no judicial consideration in New Zealand of the test to be applied.

[71] Ms Walker submitted that what had to be shown for a moral rights claim was that what Hallensteins had done bore the potential to cause members of the public viscerally to respond to the image in a manner prejudicial to the artist's reputation or honour.

[72] Ms Walker made this submission:

44. IT is submitted that the test to use is one of rational subjectivity. That is, the author's subjective opinion that his or her honour or reputation has been prejudiced must be reasonably held. This appears to be the test used in other common law jurisdictions. In practice, it shows that this 'reasonable' aspect can be met by producing evidence showing that it is the opinion of experts or members of the public that it is reasonable for the author to hold his

³⁴

I note for completeness that there are two terms of exemption or exception to the right as regards the treatment of films which are covered by s 101.

opinion. Opinion does not have to be unanimously on the side of the author for a successful claim.

Snow v The Eaton Centre Ltd (1982) 70 CPR (2d) 105 at 106; *Prise de parole Inc et al v Guerin, editeur Ltee* (1995) 104 FTR 104 at paras [26]-[28]; *Tidy v Trustees of the Natural History Museum* (1995) 39 IPR 501 at 504.

45. A test of rational subjectivity is compatible with the words of section 98 of the Act and with the notion that honour and reputation have both external and internal aspects.

Professor Ian Eagles, *New Zealand Moral Rights Law: Did Something Get Lost in Translation?* NZ Business Law Quarterly 8 (2002) 26 at pp 55-57.

46. **PREJUDICE** can be relevantly defined as “harm or injury that results or may result from some action or judgment”. This means that there must be harm to the plaintiff’s reputation or his honour from the defendant’s treatment of the work. It is the plaintiff’s position that there does not have to be actual harm shown. Showing that there is a “real risk” of harm should be sufficient for sections 98 and 99 to apply. If actual harm was required then an author who has yet to acquire a reputation or who is out of fashion may have their work subjected to extremely prejudicial treatment and yet be without a remedy. It is submitted on this basis that the plaintiff need only show a “real risk” of harm or injury to his reputation or honour.

Concise English Oxford Dictionary, p 1128 “prejudice”.

Professor Ian Eagles, *New Zealand Moral Rights Law: Did Something Get Lost in Translation?* NZ Business Law Quarterly 8 (2002) 26.

47. **HONOUR** has meanings that include “high respect”, “a feeling of pride and pleasure from being shown such respect”, and “a person or thing that brings credit”. Therefore based on the plain meaning of the words used in section 98, if an author’s feelings of pride in his or her work have been diminished or if the author feels less respected because of a treatment of his or her work, then the author’s honour has been harmed or injured. As long as it is reasonable for an author to hold the opinion that his or her honour has been prejudiced then the treatment is an infringement of the author’s moral rights:

Snow v The Eaton Centre Ltd (1982) 70 CPR (2d) 105 at 106; *Prise de parole Inc et al v Guerin, editeur Ltee* (1995) 104 FTR 104 at paras [26]-[28]; *Tidy v Trustees of the Natural History Museum* (1995) 39 IPR 501 at 504.

48. **REPUTATION** is defined as “the beliefs or opinions that are generally held about someone or something” and “a widespread

belief that someone or something has a particular characteristic". Therefore the reference to reputation in section 98 would appear to require an objective assessment of any prejudice or real risk of prejudice caused by the defendant's treatment of the plaintiff's work.

49. **THE** use of the conjunction "or" in section 98(1)(b) indicates that the prejudice may be to either the plaintiff's honour or to his reputation. The prejudice does not need to be to both honour and reputation.

[73] These submissions raise valid for consideration issues that cannot be resolved by simply reading the pleading and looking at the t-shirt.

[74] Turning, lastly, to the prejudice claimed, Ms Walker submitted this:

50. **THE** defendant's treatment of the TIP Sculptures is capable of various damaging effects which, in turn, are likely to detrimentally impact the value of Mr Radford's bronze casts of the sculpture and on the exclusivity and value of his past, present and future work generally as is pleaded in paragraphs 13(b) and 13(c) of the ASOC. These are matters for evidence at trial.
51. **FIRST**, the mutilation which has resulted in what appears to be the Sky Tower hanging off the central sculpture cheapens the work and detracts from the message that was being conveyed. The Sky Tower is representative of the buildings that replaced those buildings represented by the sculpture, the destruction of which the plaintiff was commenting on or mourning with this work. This destroys the integrity of the work as the message is undermined by a building out of synch with the theme and purpose of the TIP Sculptures. The impact of a different and unintended message tends to make a mockery of the author's work which in turn prejudicially affects his reputation and honour.
52. **SECONDLY**, by placing the graphic image of the TIP Sculptures on to the defendant's t-shirts and adding the "Planet 8" logo onto the image, the defendant has created an association in the minds of the art buying public between the TIP Sculptures, the plaintiff and the defendant's clothing brand.
53. **THIS** association is not of the same character as a "trade source" association or confusion which might amount to a representation under the fair Trading Act and should not be seen in the same light. The decision of Bouchier DCJ is therefore no bar. Indeed, the decision was much more narrow than the defendant's submissions would suggest. The association at issue in the moral rights case is much more visceral or emotive and less capable of articulation but is nonetheless harmful to the defendant's reputation as a serious artist.
54. **THIS** type of treatment damages the plaintiff's reputation as a serious artist because his work is seen in a cheapened context which

also reduces the commercial viability of his other work. There is a real risk that an art consumer will not purchase a Radford limited edition Marquette of the TIP Sculptures now that it has been graphically reproduced on the defendant's t-shirts. There is a further risk that art consumers will decide not to buy the plaintiff's work in the future for fear that this work too will be cheapened by being used on a t-shirt.

55. **THIRDLY**, the combination of the graphic image of the TIP Sculptures with the other visual elements, is quite capable of leaving the impression that the plaintiff is the creator of the graphic image on the t-shirts. This is embarrassing for the plaintiff as he considers the images added to his work by the defendant and the entire work on the t-shirt as a whole are of a lesser quality than the plaintiff's work. Therefore, any potential for the art buying public to think he is responsible for the t-shirt design is harmful to his reputation as an artist and reduces the respect he feels he has had previously as the author of the TIP Sculptures.
56. **FOURTHLY**, by adapting the graphic image of the TIP Sculptures and combining it with what the plaintiff regards as lesser works, the defendant is arguably stating that the plaintiff's works are of the same quality and belong together. This implication is capable of prejudicing the plaintiff's honour and harming his reputation among his peers, art consumers and the public in general.
57. **FINALLY**, by changing the context of the work in such a fundamental way, the defendant has destroyed the artistic integrity of the work. The intended context allows the work to rise from the ground as a reminder of the senseless destruction of aesthetic structures during the building boom of the 1980's in Auckland. By adding a new background and the other elements, this "haunting" effect that was intended by the author to be part of his work has been destroyed. Shown alone, without the additions made by the defendant, the integrity of the work could have been maintained; it could still have portrayed the intended vision. However, by displaying a graphic image of the TIP Sculptures in this new context the defendant has undermined the artistic integrity of the work. The essence of the TIP Sculptures has been lost. The graphic image created on the defendant's t-shirts ceases to convey the impact of the original work.

[75] Once again these, in no way peremptorily to be cast aside, contentions reinforce the need for evidence beyond what the t-shirt might say for itself.

[76] The submissions for Mr Radford concluded in terms:

- 60 **CORRECTLY** understood section 73 of the Act of the Act applies only to copyright infringement.

- 61 **THEREFORE** section 73 does not provide a defence to the plaintiff's breach of moral rights claim, nor does it inform the moral rights provisions of the Act.
- 62 **THE** plaintiff does not rely only on contextual derogation, thus it is unnecessary to determine the extent to which contextual derogation is caught by sections 98 and 99 of the Act. Nonetheless, the fact that New Zealand intended to adopt Article 6*bis*, the availability on the wording of the provisions of an interpretation which extends to treatment **relating** to works and the breadth of the definition of "derogatory treatment" (which includes treatment "otherwise prejudicial") all point to the availability of contextual derogation in New Zealand.
- 63 **SECTION** 99(5) does not operate in the manner the defendant contends and offers no support to its strike-out application.
- 64 **THE** plaintiff's cause of action is not untenable. On the contrary it has a reasonable prospect of success subject to the evidence the plaintiff is able to produce.
- 65 **EVIDENCE** is required to determine whether or not the treatment of the plaintiff's work was derogatory.
- 66 **BY** bringing this strike out application so late in the proceedings when the moral rights cause of action has been pleaded since the inception of the claim in 2005 the defendant has caused unjustifiable delay. This delay has prolonged the proceedings and significantly increased costs for the plaintiff.

FURTHER DISCUSSION

[77] At various points along the way, I have discussed or otherwise reacted to counsels' propositions. The Court's view that this is a case rightly to be determined on comprehensive evidence, rather than on a pleading, will by now be more than apparent. However, I do add the following observations, some of which are simply in the nature of re-emphasis or amplification.

Factual Issues

[78] Save in rare sets of circumstances (where matters of fact that run contrary to those pleaded in a statement of claim can simply and irrefutably be established) it is of course axiomatic that on a strike out application the Court assumes that all of the factual allegations in the statement of claim are capable of proof.

[79] Mr Morley has (as will have been seen) crafted a very thorough and comprehensive argument in support of Hallensteins' application to strike out the remaining cause of action in the extant statement of claim.

[80] However, and upon examination, that argument assumes, in several and important respects, unsubstantiated factual conclusions that run counter to the allegations in the pleading under attack.

[81] Moreover, in a variety of significant areas that might well be thought likely and ultimately to require a considered choice between expert opinions that would be offered in order that the fact finder might obtain substantial help from them in ascertaining facts of consequence to determine the proceeding,³⁵ Mr Morley's argument assumes room for but one, favourable to Hallensteins, available outcome.

[82] The following are but a few examples (offered in no particular order) of what I mean in these respects:

- whether a distortion (or even mutilation) of work would affect the reputation of the artist surely requires evidence that one would expect to include expert artistic or art world evidence³⁶;
- Likewise with the determination of whether a treatment involved a non-contextual change to the copyrighted work;
- To the extent that requisite determinations of fact might require a simply objective - as opposed to, say, a rational, subjective approach - a judgment in that respect should follow upon evidence including such that provides substantial expert help in reaching the determination.³⁷
- The same surely goes for issues such as whether the end result is that the sculpture itself appears to have been altered in some way by the

³⁵ Section 25(1) Evidence Act 2006.

³⁶ And Ms Walker indicated that such expert evidence would be tendered.

³⁷ Ibid

sculptor himself, likewise any alteration of or modification to what in itself may be a treatment;

- The determination of whether the t-shirt image is in fact a treatment at all is also likely to be best guided, as regards the factual front, by pertinent evidence – that including the helping hands of art and art world expertise;
- Likewise, resolution of the allied issue of whether or not what is “left” is a two dimensional reproduction of the sculptures set about or beset with no more than obvious superimpositions which do not impinge on the sculptures themselves so as to amount to a treatment.

The overall point is that, with all respect, the Hallensteins’ argument can be seen to disclose, in many of its elements, a factual question-begging approach.

[83] The statement of claim asserts that Hallensteins’ conduct as described therein amounts to a derogatory treatment of the sculptures.

[84] Hallensteins has conceded that on a strike out application the Court should take the most favourable interpretation of the pleadings vis-à-vis the plaintiff.

[85] In making that concession,³⁸ Hallensteins itself underscores that, to the extent that its own arguments proceed from the assumption of the legitimacy of a different factual stand or viewpoint from that of Mr Radford, a trial is unavoidable if justice is to be done.

[86] The problem of the collision of Hallensteins’ arguments with the here relevant strike out principle is perhaps nowhere more obvious than where – see [42] above – at a late point in its submissions Hallensteins asserted:

10.16 There is quite simply no way in which the items complained of are likely to be regarded as the work of the plaintiff.

³⁸

Perhaps more accurately termed a recognition of one of the strike out principles.

[87] There is no irrefutable evidence that that is so.

[88] The issue of derogatory treatment starkly exemplifies the problem with Hallensteins' assumption of the correctness of it is preference for a purely objective approach to derogatory treatment issues. Whether that or, say, a rational subjectivity test should apply in New Zealand is not, in my view, rightly to be determined by a judge's assessment of the bare bones of a statement of claim read alongside the item in dispute.

Derogatory treatment

[89] *Eagles*³⁹ considers whether derogatory treatment should be determined:

- Purely objectively (which, he says, begs the question of the identity of the group to provide the yardstick), or purely subjectively (but, he says, how can an individual speak of their own reputation?); or
- By resort to a rational subjectivity test (meaning, he says, attending to the author's views so long as they are reasonably arrived at).

[90] He would appear to favour the last as an approach both compatible with the words of s 98(1)(b) and the notion that concepts of honour, if not reputation, may be both internalised and external.

[91] *Eagles* notes *Morrison Leahy Music Ltd v Lightbond Ltd* [1993] EMLB 144, where Morritt J was invited to determine whether song megamixing and interspersing with other works amounted to derogatory treatment. *Eagles* observes that the judge wisely left the issue to be decided at trial.

³⁹ "New Zealand Moral Rights Law: Did something Get Lost In Translation?" (2002) 8 NZBLQ 26, 55-56.

[92] In *Snow v The Eaton Centre Ltd et al* (1982) 70 CPR (2d) 105 this was said:

It is conceded that the sculpture is a “work” within the meaning of the Copyright Act. I believe the words “prejudicial to his honour or reputation” in s 12(7) involve a certain subjective element or judgment on the part of the author so long as it is reasonably arrived at.

[93] If that is right, then evidence is needed.

HALLENSTEINS’ RESPONSE

[94] I acknowledge that in his reply materials Mr Morley said:

[20] ... There is no New Zealand authority directly on point, however the leading New Zealand text (*Copyright and Design*), academic commentators (Van Melle) and cases cited in the defendant’s primary submissions all support an objective test (see primary submissions paras 7.8 to 7.12):

The right to object to derogatory treatment is limited to acts relating to an author’s work which, from an objective point of view, might affect his/her reputation, similar to a defamation remedy...

[21] ... And what, one might wonder, would happen if there were two or more sculptures in the same place that were part of the same photographs or representation – would one require the approval from both the artists?

[95] However, those propositions do not suffice to demand peremptory rejection in New Zealand of such as the *Prise de Parole* approach. Given the availability of a ‘try before you decide’ basis for determination (i.e. an ordinary trial process), it would be unwise, and is quite unnecessary, to adopt a peremptory approach.

[96] The meaning and effect of the provisions here should be examined only when pertinent evidence (which can give context to the requisite examination) has come to be available. A somewhat spare statement of claim and the item in question simply do not provide that.

Strike out principles

[97] Counsel cited conventional compilations of the fundamental strike out principles including the exposition of those is found in *Attorney-General v Prince & Gardner* [1998] 1 NZLR 253 (Richardson P, Thomas and Keith JJ) at 267.

[98] But my focus at this point is not so much on that very helpful example as upon the paragraph which follows and says:

Mr Chambers QC for the respondents considered that the Courts should be very slow to rule on novel categories of duty at the striking-out stage. Where hypothetical facts cover a range of factual possibilities, deciding wide public policy questions may lead to an unfocused approach because the inquiry is then set against too broad a factual canvas. And empirical evidence and other expert evidence properly tested may help the Court in making the right public policy choices.

[99] Of course, *Prince* was about an entirely different factual situation that arose in a likewise quite different, and completely removed from the present, context. Nevertheless - and more especially since I am told that this application raises a novel issue in New Zealand – the point made by Mr Chambers (in which the Court of Appeal saw force) is readily relatable to the present proceeding.

[100] That is because this, too, is the kind of case where the Court should be (and can confidently expect to be) assisted by experts in making the ultimate determinations that are necessary to do justice between the parties.

[101] Provisions such as those of ss 98-99 particularly (which have yet to be tested at all in New Zealand trial context) are provisions concerning which a Court should hesitate very long and hard before peremptorily expressing a view as to their purview.

[102] A strike out application offers precious little room for purview insight because such is confined to pleaded primary, rather than evidential, facts with, at best, the adjunct of some embroidering particulars.

[103] To put it another way, the delineation of the application of ss 98-99 should not proceed in the reduced circumstances of a limited and literal approach for the sections comprise, quintessentially, a set of provisions designed to have real world scope and efficacy.

[104] I cannot gainsay with any sense of confident certainty that this case does not raise policy issues that may require the kind of analysis and testing of expert evidence that is available only at trial.

[105] Some of the general policy considerations may seem patent enough, but the ambit of their impact must, in my consideration, be the subject of evidential, rather than pleading, evaluation⁴⁰.

[106] In the earlier *South Pacific Manufacturing Limited v New Zealand Security Consultants and Investigations Limited* [1992] 2 NZLR 282, 383 the Court of Appeal said that:

It is well established that the discretion to strike out is one to be sparingly exercised, and will be justified only if on the material before the Court, and in the present state of evolution of the common law, the case as pleaded is so clearly untenable that the plaintiff cannot possibly succeed.

[107] This was a case with a very different context and, in particular, one concerned with the existence or otherwise of a duty of care, but I apprehend an allied need for caution in the present case.

[108] In *Progressive Enterprises Limited v North Shore City Council* (2005) 11 ELRNZ 421; [2006] NZRMA 72, Baragwanath J said:

[51] The central legal question in this proceeding, which is confined to matters of law and legality, is what was Parliament's purpose in confining non-notification decisions [under the Resource Management Act 1991] to those the 'adverse effects' of which will be 'minor'. The task of the Court in construing the critical phrases to 'tune into the register of meaning' appropriate within the context: see *Maunsell v Olins* [1975] AC 373, 391 per Lord Simon. That inquiry begins with the statutory text and what s 5(2) of the Interpretation Act calls 'the indications provided in the enactment'.

⁴⁰

See *Prince* at 267-268.

[109] This passage might encourage Hallensteins to say to the Court “Well, what more do you need than the statute to work out what comes within and what is left without the boundaries of the sections in question?”

[110] But so to propose here would be to elide the reality that this case is not only a novel one for New Zealand but also one concerned with an issue of residual artistic rights. What right of relief there is left to call upon when sheer copyright considerations will not avail should be decided by the application (and thus construction) of the statute to a set of tested facts, not bare pleadings.

[111] To truly to tune into how Mr Radford’s claim registers (if at all) with ss 98-99 requires that there be a trial on the facts.

Value judgment

[112] And, without pretending to offer anything like a full catalogue, I observe that ultimate merits determination will surely require some value judgments concerning “distortion”, “mutilation”, “adaptation” and whether such are prejudicial to “honour or reputation”.

CONCLUSION

[113] For the reasons I have discussed in the course of this judgment, I have reached the conclusion that the strike out application must be dismissed and that is its fate.

COSTS

[114] These will follow the event. Counsel may submit successive memoranda.

Dated at Auckland this 2nd day of July 2009 at 9.40 am.

Roderick Joyce QC
District Court Judge