

1988 No. 3308p

THE HIGH COURT

BETWEEN

ALLIED DISCOUNT CARD LIMITED

PLAINTIFFS

AND

BORD FAILTE EIREANN

DEFENDANTS

Judgment of Mr. Justice Lynch delivered the 11th day of May 1990.

The Plaintiffs' claim is for damages for alleged infringement of copyright and alternatively for damages for alleged unjust enrichment of the Defendants by their use in the years 1987 and 1988 of the fruits of the Plaintiffs' work done in the year 1985/86.

THE FACTS

The Plaintiffs were incorporated on the 19th of July 1985. The sole Directors and Shareholders of the Plaintiffs are Mr. Ian McCabe and his wife Jennifer McCabe. References in this Judgment to the Plaintiffs include Mr. Ian McCabe.

The Plaintiffs' business consisted of the preparation,

production and sale of discount books for Dublin City and suburbs. For this purpose the Plaintiffs get the agreement of a business to give certain discounts to customers at a specified retail outlet on production of a discount voucher entitling the holder thereof to such discount, such voucher being included in a book of vouchers prepared by the Plaintiffs and comprising anything from 25 to 100 vouchers. There would be only one voucher for each retail outlet although of course a particular trader or business might have two or more vouchers if it had two or more retail outlets, one voucher being in respect of each such outlet. A fee is charged by the Plaintiffs to the business in respect of each voucher referable to its retail outlet included in the discount book. These books of vouchers are then sold to members of various organisations such as an organisation representing some branch of the Civil Service and the members of that organisation can then obtain the specified discount in the specified retail outlet. The books of vouchers therefore act as a sort of trade directory combined with an incentive to buy in the outlets in respect of which vouchers are included in the book.

In August 1985 representatives of the Defendants met with the Plaintiffs and invited the Plaintiffs to participate and assist in a campaign which the Defendants were then planning and to be called "Springtime in Ireland" the object of the campaign being to attract tourists to Ireland in the off-season. The Defendants wished to include as one of a number of incentives to tourists to come to Ireland in the off-season a scheme whereby such tourists could obtain discounts in various shops in the tourist areas of Ireland.

It was agreed between the Plaintiffs and the Defendants that the Plaintiffs should canvass businesses nationwide for inclusion in a book of vouchers to be either sold or given free to tourists from abroad and that a trial run of 1,000 such books should be produced by the Plaintiffs for the Defendants by about the end of October 1985 so that the Defendants might send samples of such books abroad and see whether they could be sold to potential tourists or not. A firm verbal order for 1,000 such books was given by the Defendants to the Plaintiffs and the Defendants agreed to pay £1.00 per book. It was also agreed that if the initial production of 1,000 such booklets proved successful as being attractive to potential tourists a further order would be given by the Defendants to the Plaintiffs for further booklets not to exceed in total another 4,000 such booklets. The Defendants made it clear that the maximum number of booklets that they would require in 1986 would be the total of 5,000 booklets but that if the campaign went well and the Plaintiffs proved satisfactory and the booklets successful the Defendants indicated that they would hope to continue their campaign for a further two years or so and they might require as many as 50,000 booklets in each of those further years.

The Plaintiffs canvassed traders nationwide and obtained about 95 retail outlets in respect of which the Plaintiffs were authorized to include discount vouchers in the proposed discount books. The Plaintiffs were assisted to some extent in obtaining such orders from traders by representatives of the Dublin City Centre Business Association and by servants and agents of the Defendants in Dublin and in tourist areas throughout the country.

The Plaintiffs did not produce the 1,000 booklets by the end of October 1985 as agreed with the Defendants. The Plaintiffs felt that it would be uneconomic to produce only 1,000 such booklets and sought from the Defendants a firm order for 5,000 such booklets. The failure of the Plaintiffs to produce 1,000 booklets by the end of October 1985 greatly hampered the Defendants in their plans to test the tourist market for such booklets well in advance of Spring 1986. In order to expedite the availability of booklets for foreign markets the Defendants therefore gave a firm order to the Plaintiffs for 5,000 booklets in December 1985 and this order was fulfilled as to part at the beginning of January 1986 and the balance with a shortfall of 360 booklets at the end of January 1986.

By then it was too late to sample the markets to see if the booklets could be sold to potential tourists and so the Defendants sent the booklets abroad to be given free to potential tourists. The Springtime in Ireland campaign was reasonably successful in the Spring of 1986. However, the Defendants were dissatisfied with the Plaintiffs' service to them in relation to the provision of booklets and accordingly wrote on the 11th of June 1986 indicating that they would not be engaging the Plaintiffs for the subsequent years campaigns. The Plaintiffs accepted that the Defendants were not bound to engage them even though the costs incurred by the Plaintiffs in canvassing and in the preparation and printing of the 5,000 booklets (less the shortfall of 360) amounted to about £6,500 and the Plaintiffs received only £4,640 being at the rate of £1.00 per booklet as agreed. It is in any event clear that there was no commitment by the

Defendants to employ the Plaintiffs for any year subsequent to 1986 and the Plaintiffs accepted the Defendants' right not to engage the Plaintiffs for subsequent years but in the belief reinforced by the terms of the Defendants' letter of the 11th June 1986 that discount vouchers would not be included as part of any Springtime in Ireland campaigns in subsequent years.

However, contrary to the Plaintiffs' belief and expectation the Defendants included discount vouchers in their Sprintime campaigns for 1987 and for 1988 not by way of separate booklets but by including vouchers in their brochures for those years. In 1987 there were 57 vouchers included in the Springtime brochure of which 48 had been based on vouchers included in the Plaintiffs' booklet of 1986. In 1988 there were 56 vouchers included in the Defendants' brochures of which 34 had been included in the Plaintiffs' booklet for 1986.

The Defendants did not however simply copy the Plaintiffs' 1986 booklet of vouchers into their 1987 or 1988 brochures. If they had done so then there would have been 95 such vouchers as was the number included in the Plaintiffs' booklets in 1986. The Defendants contacted all the proprietors of all 95 retail outlets in respect of which there were vouchers in the Plaintiffs' booklets and also contacted other traders and thus they received acceptances from a total of 57 traders or in respect of 57 retail outlets in 1987 and 56 in 1988.

In some cases where retail outlets which had been included in the Plaintiffs' booklets of 1986 were included in the Defendants' brochures of 1987 and 1988 some changes were

made by proprietors of the outlets in consultation with the Defendants but many traders simply said to repeat the wording that had been included in the Plaintiffs' 1986 booklets. Thus the Defendants undoubtedly had some benefit from the Plaintiffs' work of 1985/86 when preparing their brochures for their Springtime campaign for 1987 and 1988.

CONCLUSIONS

There is no doubt but that copyright can exist in compilations - see the definition of literary work in Section 2 of the Copyright Act 1963: and see also Section 8 of that Act and the Judgment of Lardner J. delivered the 26th of July 1989 in the case of R.T.E. and others v McGill and others.

I think copyright did exist in the Plaintiffs' booklets and the Plaintiffs were the owners of that copyright. Such copyright would be infringed by reproducing the Plaintiffs' booklets or any part thereof in any material form. However the fact that copyright exists in the Plaintiffs' booklets of vouchers does not prevent other people including the Defendants from themselves canvassing traders for other booklets of discount vouchers to be produced by such other persons and the fact that such other persons might canvass the same or all traders in the Plaintiffs' booklets and end up with a rather similar booklet of vouchers because they also adopted an alphabetical order would not amount to an infringement of the Plaintiffs' copyright provided that such other persons relied on their own efforts and not on the Plaintiffs' efforts and compilation. Educational Co. of Ireland v. Fallon Bros & Anor (1919) I.R. 62. If however the Defendants or any other person were to use the Plaintiffs' booklets of vouchers and

the scripts devised by the Plaintiffs on such vouchers without any or only minimal input of their own in settling the wording of the vouchers to be included in their booklets that would amount to a breach of copyright or at least to an unjust enrichment of such person at the expense of the Plaintiffs.

The Defendants were entitled to canvass traders for their brochures of 1987 and 1988 for the purpose of including discount vouchers in respect of the retail outlets of such traders in their brochures. The Defendants were not only entitled to canvass traders in general but were also entitled to canvass traders who had already been included in the Plaintiffs' booklets of vouchers. The Defendants were also entitled to adopt such wording as might be desired by such traders but were not entitled simply to invite traders to agree to a repetition of the terms of the wording in the vouchers included in the Plaintiffs' booklets in 1986. The Defendants circularized all 95 traders who had been included in the Plaintiffs' booklets asking them whether they would agree to take part in the discount voucher scheme again in 1987. Of the 48 traders who had been included in the Plaintiffs' booklet of 1986 and who agreed to take part in the 1987 campaign most simply nominated the same wording to be included in the brochures of 1987 as had been devised by the Plaintiffs and included in their booklets of vouchers in 1986 without specifically setting out the actual wording in their replies to the Defendants. In the foregoing circumstances I think that the Defendants have infringed the Plaintiffs' copyright in vouchers reproduced in their brochures in 1987 and 1988 from the Plaintiffs' 1986 booklets

of vouchers and the Defendants certainly have had an unfair benefit in 1987 and 1988 from the Plaintiffs' work in canvassing traders in Autumn of 1985 and preparing the booklets and printing them in January 1986 and the Defendants have thus been unjustly enriched at the Plaintiffs' expense. Such infringement of copyright occurred and such benefits were obtained in 1987 and 1988 but thereafter could not be regarded as continuing because the continued yearly canvassing of the traders by the Defendants must be regarded by then as having rendered too remote and unsubstantial any element of the Plaintiffs' endeavours as assisting the Defendants after 1988.

Put another way I am satisfied that the Plaintiffs entered the arrangements with the Defendants and incurred expenses in excess of their receipts in 1985/86 in the reasonable expectation that if discount vouchers were to be part of the Defendants' 1987 and/or 1988 Springtime in Ireland campaigns the Plaintiffs would be employed to produce such vouchers at a price of one penny per voucher and further the reasonable expectation was that there would be required about 50,000 books or copies of the vouchers in each such year.

I have come to the conclusion therefore that the Plaintiffs are entitled to compensation from the Defendants whether it be regarded as damages for infringement of copyright or for restitution for unjust enrichment and I measure the compensation or damages as follows.

1987: In 1987 there were 57 vouchers included in the Defendants' brochures of which nine were completely new and had not been included in the Plaintiffs' booklets of 1986

leaving 48 vouchers based on the Plaintiffs' booklets. Some of these however were altered to a significant degree.

Therefore I take 40 vouchers as being a repetition of the Plaintiffs' work. These would be priced at a penny per voucher: the cost of producing them would have been .45p leaving the profit element at .55p which for 40 vouchers would amount to .22p per booklet and for 50,000 booklets would total


£11,000

1988: In this year 56 vouchers were included in the Defendants' brochures of which 22 were obtained solely by the Defendants themselves leaving 34 vouchers based on the Plaintiffs' booklets of 1986. Again some of these were altered to a significant degree by the Defendants in consultation with traders so that I take 30 vouchers as being substantially or wholly based on the Plaintiffs' work and booklets of 1986. Again at a price of a penny per voucher and costs of .45p this leaves a net profit of .55p per voucher which for a booklet of 30 amounts to 16.5p per booklet and at 50,000 booklets totals

£8,250

There will be judgment accordingly for the Plaintiffs for £19,250.

Signed



KEVIN LYNCH

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APPEARANCESFor the Plaintiffs:

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For the Defendants:

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