Film Factory Limited v Multichoice Kenya Limited & another (Civil Suit E043 of 2022) [2023] KEHC 1436 (KLR) (Commercial and Tax) (3 March 2023) (Ruling)

Neutral citation: [2023] KEHC 1436 (KLR)

REPUBLIC OF KENYA

IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)

COMMERCIAL AND TAX

CIVIL SUIT E043 OF 2022

A MSHILA, J

MARCH 3, 2023

BETWEEN

FILM FACTORY LIMITED ..... APPLICANT

AND

MULTICHOICE KENYA LIMITED ..... 1ST RESPONDENT

MOON BEAM PRODUCTIONS LIMITED ..... 2ND RESPONDENT

RULING

Background

1. The notice of motion dated February 15, 2022 was brought pursuant to order 51 rule 1, order 40 rules 1, 4 and 11, of the *Civil Procedure Rules*, sections 22, 23, 26, 35, and 37 and of the *Copyright Act*, sections 1A, 1B, 3 and 3A of the *Civil Procedure Act* and article 159 of the *Constitution*. The applicant sought the following orders;

    a. Pending the hearing and determination of this application, an injunction be issued restraining the 1st and 2nd respondent, whether by themselves, their directors, officers, employees, servants or agents or otherwise howsoever, from further airing, streaming, or availing through any platform or through any medium, the film known as "Baba Twins".

    b. Pending the hearing and determination of this application, an injunction be issued restraining the 1st and 2nd respondent, whether by themselves, their directors, officers, employees, servants or agents or otherwise howsoever, from further marketing or causing to be marketed to the general public the film known as "Baba Twins".

    c. Pending the hearing and determination of this application and for the duration of this entire suit, the 1st and 2nd respondents be and are hereby ordered to avail and deposit into this court

the following documents and/or audiovisual materials, for purposes of determining the issues raised in this application and the suit:

i. a copy of the film known as "Baba Twins";

ii. any and all Showmax subscriber viewing data, from all geographical regions around the world, for the film known as "Baba Twins" on all mediums of communication where the film has been aired, streamed or made available for general public viewing;

iii. Any and all statements of accounts in relation to the entire production budget of the film known as "Baba Twins";

iv. any and all statements of accounts in relation to the distribution of the film known as "Baba Twins"; and

v. any and all payments, receipts, royalties, and/or licensing fees made to persons, natural or juristic, whether in Kenya or elsewhere, in connection with the concept, production, marketing and distribution of the film known as "Baba Twins".

d. Costs for this application be provided for.

2. The application was supported by the sworn affidavit of Justin Macharia who stated that the applicant's copyrights have been infringed through the production and current airing of the film known as "Baba Twins" produced by the 2nd respondent under the auspices of the 1st respondent who has since released the film on its internet streaming platform known as "showmax" to the entire world.

3. In response, the 1st respondent filed grounds of opposition dated March 9, 2022 on the following grounds;

a. This application is not only bad in law, fatal, inept, incompetent, indolent and ambiguous but also fatally flawed and strange to the law in the circumstances of this case and is in contravention of sections 26,27 and 28 of the *Copyright Act*. The same should be dismissed with costs.

b. This application is procedurally flawed and maimed with illegality as it seeks to enforce an idea as opposed to the expression of the idea as envisaged under the *copyright Act*.

c. The orders sought to be stayed and or challenged have not been attached in the present application and as such the application is fatal *ab initio*.

d. The ex-parte applicant has made this application in bad faith and is purely intended to deny the 1st respondent its lawful exploitation of economic rights without the benefit of hearing the parties.

e. This application has therefore not met the legal threshold to warrant the issue of injunctive orders and the same should be dismissed with costs.

f. From the above-mentioned ground, the 1st respondent opines that this application is an outright abuse of the court process brought with no legal basis.

Applicant's case

4. It was the applicant's submission that there is the subsistence of copyright emanating from a reading of section 22(3) of the *Copyright Act* in the sense that what was sent to the 1st respondent was a "literary work". That being the case, the twin test under section 22(3) shall apply which this court ought to determine.

5. In Kenya, the *Copyright Act*, section 22(3), under the twin test confines any such examination for this court to ask itself whether the works provided by the applicant to the 1st respondent were, "...written down, recorded or otherwise reduced to material form".

6. It was the applicant's argument that a storyline/ plot can be said to fall under works similar to the works protected in the *Berne Convention* and *Copyright Act*. The applicant in writing and sending an email to the 1st respondent's employee on January 22, 2018, is essentially a form of expression hence the applicant's work is deemed copyrightable, in the fact that the idea was expressed through the email written by the producer of the applicant and sent on a medium, that is, the email sent out to the 1st respondent's employee. The second limb of the twin test under section 22(3) of the *Copyright Act* involves answering the question of whether, "sufficient effort has been expended on making the work to give it an original character" by the applicant.

7. The applicant urged the court to be persuaded by the Indian Supreme Court which provided a test of establishing whether or not there has been a violation of copyrights which can be described as the reasonable reader or reasonable viewer test, the court stated simply in RG Anand v Delux Films MANU/SC/0256/1978, relied upon in the case of *Shamoil Ahmad Khan v Falguni Shah & Ors Commercial* IP Suit No 1193 of 2019 where it was stated that one of the surest and the safest tests to determine whether or not there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original.

8. Further, the applicant added that a reasonable assessment of the same can only be done once a copy of the film baba twins is availed to your ladyship for you to make your own assessment of the film produced by the 2nd respondent in comparison to what the applicant sent to the 1st respondent.

   The applicant contended that if an injunction order is not granted, he stands to suffer irreparable injury pending the hearing and determination of this suit. Presently, the applicant is suffering loss of potential revenue that could have been gained from the production, airing and release of the film which is infringing on the applicant's copyrights. The subject matter in this suit relates to a film, in determining whether an award of damages would be sufficient compensation, the court should be alive to the fact that as the film continues to air, it infringes on the Applicant's copyright while subsequently profiting the Respondent.

9. On the matter of irreparable harm suffered by the applicant, since no order has been made on the accounts, production budget, distribution of the film, viewing numbers on the 1st respondent's online streaming platform known as showmax, it is impossible for the applicant to know the instances of copyright infringement, should the same be found and determined by this court against the 1st and 2nd respondents. The applicant relied on the case of the case of *Nevin Jiwani v Going Out Magazine & another* [2002] eKLR.

10. It was the applicant's submission that the applicant will suffer greater harm if the film continues to air as damages are not adequate to compensate the loss of economic and moral rights that the copyright infringement has caused. Further, should the applicant succeed in the main suit, the infringement on the copyrights would lead to other losses that are unique to the film industry such as losses in terms of industry recognition in award shows which have the potential to increase the repute of the applicant and offer it more economical benefits through working with other film makers, actors and producers let alone any brand recognition benefits that may naturally accrue to the applicant as the infringement would still persist.

11. For the applicant to seek an order for the payment of such damages as may be found to be due to the applicant upon taking an inquiry into damages or upon the taking of the accounts, the documents held by the respondent need to be adduced. The sales made pursuant to the airing of the film "baba twins' are attributed to infringement of the copyright of the storyline/plot owned by the applicant. The documents to be adduced by the respondents would place before the court material that would enable the court to carry out meaningful calculation of damages to award the applicant as suggested in *Alternative Media Limited v Safaricom Limited* [2005] eKLR.

12. On a balance of probability, before establishing any offence has been committed, the court needs to examine the whole evidence produced before it which in this case, includes watching a copy of the film as the applicant's case rests squarely on the existence of the film. In addition, damages due can only be assessed through viewing data of the film, statements of accounts in relation to the distribution of the film and the entire production budget.

Respondent's case

13. It was the respondent's submission that the applicant does not have any arguable and/or *prima facie* case for the following reasons; this application, and indeed the whole suit, is wholly premised on email correspondence alleged to have been sent by the applicant's director to the 1st respondent's employee in 2018. In it, the applicant's director alleges that he gave a storyline and plot of a film called "Houseband." Other than that email correspondence, there is absolutely nothing presented by the applicant to justify his claim that he has the copyright to the impugned film.

14. It was the respondent's argument that if the applicant has made a full and frank disclosure of all relevant facts as legally bound, and if this disclosure will be used to determine whether they possess their legal and equitable right. The court must reach a firm conclusion that the applicant is in a woolgathering escapade with no prospects of success.

15. The *Evidence Act* under section 107 succinctly obligates that any person who desires any court to give judgment as to any legal right or liability dependent on the existence of facts which he asserts must prove that those facts exist. It further extrapolates the implication under section 108 by stating that this burden lies on that person who would fail if no evidence at all were given on either side. This being the applicant's case, the respondent submitted that they have failed in dispensing their burden of proof. As such, the fate of the instant application is destined to fail with costs.

16. As deponed in the replying affidavit, the 1st respondent pointed out a detailed process leading to the admission of content for production by M-Net, an affiliate of the 1st respondent. This process does not involve exchanging emails with its employees as they lack technical capacity and legal authority to approve those concepts.

17. The 1st respondent is a subsidiary of Multichoice Africa Holding BV that is based in South Africa. More important to this case, Multichoice is an international company that receives concepts from all over the world and this informs the need to have a formal procedure with which content creators submit their proposals to a single entity i.e. M-Net for evaluation.

18. The respondent asked the court to take judicial notice since Multichoice Holding has thousands of employees scattered all over the world, there is imminent danger in just using email correspondence as a basis for claiming that they submitted their concept as this could open a pandora's box for all manner of claims. The applicant has failed to present an arguable case to warrant the issue of the injunctive orders shot and this court should strike out the entire application.

19. The respondent submitted that the applicant will not suffer any injury. It is trite law that the sine qua non of copyright is originality. In the email relied upon by the applicant, their concept was entitled "House bands". As deponed in the 1st respondent's replying affidavit, it is not true that the applicant's idea was novel as at January 22, 2018. As a matter of fact, in 2015 a movie with a similar concept "House Husband" had already been produced in Nigeria in 2015. The same is currently on YouTube and has so far attracted more than 1.7 Million viewers from all over the world.

Issues for determination

20. After considering the application, grounds of opposition and the written submissions the court drafts the flowing issue for determination;

    a. Whether an order of interim injunction should issue against the Respondent?

Analysis

21. This being an application for interlocutory injunction, the law is settled that an applicant must demonstrate that there is a prima facie case with probability of success, that the applicant will suffer irreparable loss that cannot be adequately compensated by damages or that the balance of convenience is in the applicant's favour. In that regard, it is the applicant's duty to demonstrate that it meets the test set in various decisions, leading among them, *Nguruman Limited v Jan Bonde Nielsen & 2 others* [2014] eKLR, the Court of Appeal reiterated the conditions to be met by a litigant who seeks injunctive relief as follows:

> "In an interlocutory injunction application, the applicant has to satisfy the triple requirements to;
>
> a. establish his case only at a prima facie level,
>
> b. demonstrate irreparable injury if a temporary injunction is not granted, and
>
> c. finally any doubts as to (b) by showing that the balance of convenience is in his favour.
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> These are the three pillars on which rests the foundation of any order of injunction, interlocutory or permanent. It is established that all the above three conditions and stages are to be applied as separate, distinct and logical hurdles which the applicant is expected to surmount sequentially."

22. Has the applicant herein established a prima facie case? The applicant is required to show that it has a *prima facie* case with a probability of success in order to persuade the court to grant an interlocutory injunction in its favour. In *Mrao Ltd v First American Bank of Kenya Ltd & 2 others 2 others* [2003] KLR 125, the Court of Appeal stated:

> "The principles which guide the court in deciding whether or not to grant an interlocutory injunction are well settled. In Giella v Cassman Brown to refer to a case which shifts the evidential burden of proof, rather than as giving rise to a legal burden of proof in the manner he was considering, which was in relation to the pleadings that had been put forward in that case....So what is a prima facie case? I would say that in civil cases it is a case in which on the material presented to the court a tribunal properly directing itself will conclude that

there exists a right which has apparently been infringed by the opposite party as to call for an explanation or rebuttal from the latter."

23. The applicant argued that its copyrights have been infringed by the 2nd respondent through the production and airing of the film known as "Baba Twins". The applicant raised issues of copyright infringement by the respondents due to the similarity of the plot and/or storyline of the said film and the plot and/or storyline created by the applicant proposed as "Houseband". In this regard the applicant has attached emails dated 22nd and January 23, 2022 sent to the 1st respondent. There is no evidence of copyright infringement as the applicant did not present any proof of copyright as claimed. based on the material placed before this court the court is not satisfied that the applicant has a *prima facie* case to warrant the grant of an injunction order.

24. The next issue is to determine whether the Applicant has demonstrated irreparable injury if a temporary injunction is not granted. In *Nguruman Limited v Jan Bonde Nielsen & 2 others* (supra) the Court of Appeal stated the following with regard to irreparable loss;

> "On the second factor, that the applicant must establish that he "might otherwise" suffer irreparable injury which cannot be remedied by damages in the absence of an injunction, is a threshold requirement and the burden is on the applicant to demonstrate, prima facie, the nature and extent of the injury. Speculative injury will not do; there must be more than an unfounded fear or apprehension on the part of the applicant. The equitable remedy of temporary injunction is issued solely to prevent grave and irreparable injury; that is injury that is actual, substantial and demonstrable; injury that cannot "adequately" be compensated by an award of damages. An injury is irreparable where there is no standard by which their amount can be measured with reasonable accuracy or the injury or harm is such a nature that monetary compensation, of whatever amount, will never be adequate remedy."

25. The applicant in his affidavit contended that he will suffer immense loss, damage and prejudice. All that the applicant has done is to state that it would suffer substantial loss. It is not sufficient to merely state that the applicant will suffer immense loss. This ground fails as the applicant has not demonstrated the substantial loss it is likely to suffer if the injunction is not granted.

26. The applicant's application fails on the first two limbs and there is no need to go a step further on the issue of balance of convenience. The applicant has failed to demonstrate that it has met the threshold for grant of temporary injunction.

Findings and determination

27. This court finds the application to be devoid of merit and the same is hereby dismissed.

    i. Matter to be mentioned on March 14, 2023 before the deputy registrar for case management to enable the main suit to be set down for hearing;

    ii. Each party to bear their own costs on the application.

    Orders accordingly.

DATED SIGNED AND DELIVERED AT NAIROBI THIS 3RD DAY OF MARCH, 2023.

HON. A. MSHILA

JUDGE

In the presence of;-

Odari for the plaintiff/Applicant

No appearance for Respondent

Lucy.....Court Assistant