

# Jamaica

## The IP war is heating up

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The seemingly slow pace of developments in IP legislative reform in Jamaica – which has still not implemented a modern patent law or digital amendments to the Copyright Law – has not stopped IP owners using the existing IP system to their advantage. IP ownership, rights infringement and piracy have increasingly been at the centre of many legal battles, catapulting IP issues to the top of many boardroom agendas and heightening the awareness of executives, employees and the public of this issue.

Amid uncertainties over who owns the intellectual property created by an employee as part of his or her job, and the blatant piracy and counterfeiting occurring outside formal commercial channels, IP litigation has spiralled over the past 18 months, manifested by the number of lawsuits filed and convictions made for IP rights infringement and offences. However, there have been various false starts and disappointments in terms of overturned judgments and acquittals as lawyers, litigants and prosecutors seek to navigate their way through the complex and still relatively unknown territory of IP litigation in Jamaica.

On the IP development front, rights holders continue in their quest for stronger IP enforcement and administration as they group together to form alliances that they hope will bolster their influence and effectiveness.

### Retrial for copyright ownership dispute

On May 12 2006, further to *ex parte* proceedings brought against him in the Supreme Court concerning the ownership of copyright in a computer program and rights in an internet domain name, Paul Lopez, a former employee of Stewart's Hardware Limited, was ordered by the court to disclose and deliver up the source codes of the computer program and the username and password of the domain name to Stewart's, which had filed a claim asserting copyright ownership in the program and domain name. Lopez appealed the decision to the Court of Appeal.

Stewart's based its ownership claim on the fact that Lopez, who had been employed as its IT manager, had written the program in the course of his employment and had, at the company's request, acquired the domain name 'stewartshardware.com' to be used in conjunction with the software to allow Stewart's to file goods clearance applications online. Further, Lopez, at Stewart's expense, underwent training on similar software enabling the ordering of goods and the tracking of shipments over the Internet. However, when Lopez resigned in August 2005 he failed to disclose the source codes for the program or the username and password for 'stewartshardware.com', thus preventing Stewart's from accessing and using the program and domain. The domain name registration subsequently lapsed. Following requests for disclosure Lopez refused, claiming copyright ownership.

In his appeal Lopez claimed that he had written the program using his own resources prior to being employed by the company. In respect of the domain name, he denied being asked to disclose the password and asserted that he was not responsible for the domain name and therefore could not transfer ownership of it.

However, before the substantive aspects were properly heard by the court, the matter was struck out for procedural and judicial impropriety. The court held that the case presented did not justify the order granted, and that the matter should be re-tried.

Under the Copyright Act 1993 the author is deemed to be the first owner of the copyright unless there is an agreement to the contrary. There is no statutory exception to the first ownership rule for works created under an employment contract or by commission. Therefore, unless there is an agreement to the contrary, copyright initially belongs to the author.

For certain works created before the 1993 act came into force, the provisions of the UK Copyright Act 1911 are applicable. Although the principle of first ownership generally applied under the 1911 act, there were some exceptions. Where the author was in the employment of

another person under a contract of service or apprenticeship and the work was made in the course of employment, the employer was, in the absence of any agreement to the contrary, deemed to be the first owner of the copyright.

Given the absence of a statutory exception for works created within the scope of employment or by commission under the prevailing 1993 act, employers need to ensure that employment and commissioning contracts appropriately address the issue of copyright ownership. The government has already taken steps to clarify the issue. In the case of government employees, the staff orders that govern their activities specify that copyright belongs to the government in respect of work, documents or reports produced within the scope of employment using government facilities, personnel or resources, or resulting from contracts between a government ministry, department or agency and a contractor in which the ownership has not been specified.

#### Copyright prosecutions on the rise

Since the beginning of 2005 over 40 people have been convicted of criminal offences under the Copyright Act, and the number of arrests and seizures of pirated material has risen quickly in recent months. In August 2006 alone three major seizures were made of alleged pirated material. At the start of the month members of the Organised Crime Division of the Jamaica Constabulary Force arrested four people for breaches of the Copyright Act. The alleged pirates pleaded not guilty to the charges and the matter is scheduled for trial. On August 8 2006 police from the Jamaica Constabulary Force IP Unit raided the streets of the capital, Kingston, where people routinely sell DVDs, seizing approximately 1,500 illegal DVDs and arresting alleged infringers. Two of these infringers pleaded guilty to breaches of the Copyright Act before the resident magistrate's court on August 16 2006.

Shortly afterwards, on August 17 2006, police raided premises elsewhere in Kingston and seized 35,000 illegal compact discs, DVDs and audio cassettes estimated to be worth over J\$1 million and arrested the owner of the premises, who is believed to be the city's largest supplier of illegal CDs and DVDs. On August 22 2006 the accused pleaded not guilty to charges of breaching the Copyright Act. Police reported that the evidence points to this operation being the centre of an island-wide network of illegal trading activities connected to the trade in illegal arms. The arrests and seizures made the media headlines, and have refocused public attention on the issue of piracy and the vigilance and resolve of the police to enforce the Copyright Act.

#### Copyright prosecution dropped

The first copyright prosecution for software piracy (which resulted from the arrest of a computer retailer in July 2003) was dropped in September 2006 when a *nolle prosequi* was entered by the director of public prosecutions (DPP) due to errors in handling the prosecution. A *nolle prosequi* is a formal entry on the record by a prosecutor declaring that the case will not proceed. The case, which was part-heard in the Resident's Magistrates Court, suffered several setbacks including court delays, changes in the prosecuting officer and the loss of critical evidence, leading the DPP to determine that it was better to enter a *nolle prosequi* than to proceed and risk an acquittal. The DPP retains the right to bring charges against the accused at a later date. Although disappointed with the outcome, the local representative of the Business Software Alliance is working closely with the Jamaica Constabulary Force IP Unit and prosecutors to ensure that software pirates are brought to justice. It is anticipated that with copyright prosecutions on the rise, prosecutors becoming more familiar with the copyright law and closer collaboration with the police, the chances of successful convictions will increase.

#### New anti-piracy alliance and copyright society

The Jamaican entertainment sector has recently banded together with other rights holder groups and formed an alliance to address the pernicious problem of the industry's vulnerability to piracy and assist local authorities in their efforts to combat it. Launched in January 2006, the Jamaica Anti-piracy Alliance has as its mandate collaboration with local authorities in the prosecution of pirates and the heightening of public awareness of the negative effects of IP piracy and counterfeiting.

The alliance's partners include the Business Software Alliance, the Jamaica Association of Composers, Authors and Publishers, the Jamaica Association of Dramatic Artists, the Jamaican Copyright Licensing Agency (JAMCOPY), the Jamaica Federation of Musicians, the Recording Industry Association of Jamaica, the Jamaica Songwriters' Guild and the Sound System Association of Jamaica. Associate partners include the Jamaica Intellectual Property Office (JIPO), the entertainment unit of the Ministry of Tourism and Culture, the Jamaica Constabulary Force, the Jamaican Bar Association, Palace Amusement Company and Anchor Recording.

In July 2006, to plug the gaps in rights administration, Jamaican record producers formed the Jamaica Music Society (JAMMS) to administer specific IP rights, including the licensing of producers' rights granted under the Copyright Act and the collection and distribution of royalties and fees payable for the exercise

of these rights. JAMMS is expected to become affiliated with other record producers' rights societies around the world and will offer an international repertoire of recordings on a reciprocal basis. The International Federation of the Phonographic Industry has been instrumental in the formation of JAMMS, and its Latin American division is collaborating with JAMMS to further these objectives.

#### JAMCOPY ramps up licensing negotiations

On May 24 2006 JAMCOPY signed licences with the Caribbean Graduate School of Theology and the Jamaica Theological Seminary permitting reprographic reproduction of published printed material on specified terms and conditions for the purposes of education or recreation associated with the institutions, including professional, research, archival and administrative activities. The licences, which contain standard provisions for both institutions, are the first set of licences to be signed by Jamaica's education sector, and also the first JAMCOPY licences permitting digital copying in respect of the works of its Jamaican publisher and author members and affiliates.

By the end of 2006 JAMCOPY is expected to have concluded negotiations with independent tertiary institutions and the Ministry of Education for the licensing of a wide spectrum of educational establishments operating in Jamaica, as well as those which fall under the remit of the government.

#### Patent assignee seeks enforcement against parallel imports

Pharmaceutical company Pfizer Ltd, the manufacturer and distributor of the drug amlodipine besylate and assignee of the Jamaican letters patent in salt of amlodipine, sought and obtained an injunction to restrain certain local pharmaceutical distributors from infringing its patent by importing, selling, supplying and distributing the drug in Jamaica.

On March 29 2005 the Supreme Court granted an interlocutory order restraining the local distributors from selling, distributing, manufacturing or otherwise dealing with any product or substance containing the drug in any amount, and from selling, distributing, manufacturing or otherwise dealing with the product normodipine. The local companies applied for a stay of the injunction but this application was dismissed on July 4 2005 and the court found in favour of Pfizer. The local companies have since appealed the decision.

The Patent Act 1857 does not expressly provide for the exhaustion of rights after the first authorised sale of the patented product and the question of whether

parallel importation is implicitly allowed may be for the court to determine in this instance. However, experts have recommended that, under the pending new Patent Law, Jamaica should clearly establish an international exhaustion regime – as it is permitted to do under the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) – in order to allow for parallel imports of medicines, particularly in the context of recent public health concerns. This will enable Jamaica to benefit from the flexibilities afforded through the Doha Decision on TRIPs and Public Health.

#### Trademark practice changes

On November 16 2005 the JIPO Trademarks Registry issued a practice notice concerning the registrability of surnames in light of the decision of the European Court of Justice (ECJ) in *Nichols PLC v Registrar of Trademarks*, in which it was held that in determining whether a surname was to be refused registration on the grounds of a lack of distinctiveness, a specific assessment was to be made in each case using the same criteria applied to other categories of sign. General criteria (eg, a predetermined number of instances of a name above which lack of distinctiveness might be presumed) were not to be applied.

It used to be the practice of JIPO, in determining the commonness of a surname, to check how many times a surname appeared in the national telephone directory. If it appeared fewer than 50 times the surname was deemed uncommon; 50 or more appearances made it common and the registry would object to the registration of a mark comprising such a surname on the basis of non-distinctiveness. However, in light of the ECJ decision and the resultant changes in UK practice that have been adopted by JIPO, the practice direction issued by JIPO outlined that the general criteria will not be used as the sole basis for an objection to an application.

Relying on Section 11 of the Trademarks Act 1999, the registrar will judge the surname against the criteria for registrability, including whether:

- the surname or mark comprising the name is actually capable of distinguishing the goods or services in question from those of another undertaking;
- the mark is devoid of distinctive character;
- the mark designates the type, quality, intended purpose, value, geographical origin or other characteristic of the goods or service;
- the mark consists exclusively of signs or indications which have become customary in the current language or in the good-faith and established practices of the trade; and
- the mark is of such a nature as to deceive the public

as to the nature, quality or geographical origins of the goods or services.

Where available, the registrar will rely on specific information concerning the extent of use of a particular surname in the relevant market or sector and may, in exceptional cases, take judicial notice of any relevant facts that are generally known.

#### **IP issues on the national radar**

As Jamaica gets ready to maximise its valuable JAMAICA brand with the hosting of the International Cricket Council (ICC) Cricket World Cup 2007, during which an estimated 25,000 sports tourists will grace the shores of the island, the

government has developed sunset legislation to ensure the adequate protection of the rights, titles and interests in various trademarks, logos and copyright content to be used during the games. In order to have in place a framework to cover various IP rights acquisitions and anticipated IP licensing activities that will occur during the period, on October 31 2006 the ICC Cricket World Cup West Indies 2007 Act came into force, well ahead of the commencement of the tournament in March 2007.

The increasingly active IP sector indicates a heightened awareness of the value of IP rights, which will hopefully translate into tangible economic value for Jamaica.

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