

Copyright litigation in UK (England and Wales): overview

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SOURCES OF LAW

1. What are the principal sources of law and regulation relating to copyright and copyright litigation?

The principal sources of law are legislation and case law.

Case law comprises decisions of the courts, which clarify the meaning of legislation and develop previous court decisions.

Copyright legislation comprises UK legislation, EU legislation and international treaties. Some of the key instruments are set out below.

UK legislation

The main statute governing copyright is the Copyright, Designs and Patents Act 1988 (CDPA). Several acts and regulations have been passed to amend the CDPA and implement the EU copyright Directives.

EU legislation

There are many pieces of EU legislation that affect copyright but the main Directives are:

- Directive 2001/29/EC on copyright and related rights in the information society (Copyright Directive).
- Directive 2009/24/EC on the legal protection of computer programs (Computer Programs Directive).
- Directive 96/9/EC on the legal protection of databases (Database Directive).
- Directive 2011/77/EU on the term of protection of copyright and certain related rights.

International treaties

The UK is a signatory to several international conventions, treaties and agreements, requiring that the authors of the protected works enjoy the same rights of protection for their works as do the nationals of the signatory state, including:

- WIPO Berne Convention for the Protection of Literary and Artistic Works 1971 (Berne Convention). This provides for automatic protection between members without the requirements of prior registration, or the need to mark a work.
- Universal Copyright Convention (UCC). This provides automatic protection conditional on works being marked with the © symbol, the name of the copyright owner and the year of first publication.
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), which forms part of the WTO agreement. TRIPs incorporate the main copyright provisions of the Berne Convention and provides for automatic protection.

- WIPO Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 (Rome Convention).
- WIPO Copyright Treaty 1996.

These international instruments are not self-executing in the UK, and are therefore not a directly applicable source of law to private parties. They must be domestically absorbed by means of intervening Acts of legislation.

Order of priority of the relevant sources. EU regulations are completely binding and do not need implementing into national legislation. The ECJ concludes from their direct applicability the primacy of the regulation in relation to conflicting national laws. EU Directives require implementation into national law and are legally binding only in respect of the result to be achieved. However, if the UK does not implement EU Directives correctly, the European Commission may institute infringement procedures under Articles 226 and 227 of the Treaty establishing the European Community (EC Treaty) (Treaty of Rome) for failing to fulfil a treaty obligation. UK courts are also obliged, under the Marleasing principle of conforming interpretation, (*Marleasing SA v La Comercial Internacional de Alimentación SA (C-106/89)*) to interpret national legislation in the light of the wording and purpose of EU Directives.

Court decisions are governed by a doctrine of judicial precedent, as follows:

- The Supreme Court (SC) binds all lower courts.
- The Court of Appeal (CA) binds all High Courts and other lower courts.
- Other lower courts are bound by decisions of the High Courts.

Currently, all UK courts are bound by decisions of the ECJ. UK judges can also refer cases for a binding preliminary ruling to the ECJ on the interpretation or validity of EU law that is not *acte clair* (a doctrine that states that if a judgment or rule of law is clear enough, then a member state has no duty to refer a question for preliminary ruling to the ECJ), but the national courts will remain competent for the original case.

As part of the on-going process of the UK leaving the EU (Brexit), the UK Government has published the European Union (Withdrawal) Bill 2017 to 2019. The overall intention of the Bill is to (if it comes into law):

- End the direct effect of EU law in the UK.
- Convert EU law as it stands on the day of Brexit into UK domestic law.
- Curb the jurisdiction of the ECJ over UK law.

The UK Government intends the UK courts to interpret the meaning of "preserved" EU law by reference to historic ECJ case law, which will have the same binding precedent status as



decisions of the SC. This would appear to include the *Marleasing* case so UK courts other than the SC will need to continue to interpret national legislation after Brexit in light of the wording and purpose of preserved EU Directives. The UK courts will not be required to follow future ECJ jurisprudence and will no longer be able to refer cases for a preliminary ruling.

COURT SYSTEM

2. In which courts is copyright enforced?

Under Rule 63.13 of the Civil Procedure Rules (CPR), civil copyright claims must be started in certain specialist courts:

- Intellectual Property List.
- Intellectual Property Enterprise Court List (IPEC) within the Business and Property Courts of the High Court.
- County Court hearing centre in the Business and Property Courts list.

The choice of forum will depend on the value of the claim and the complexity of the issues to be decided.

Copyright disputes of substantial value are generally started in the High Court and heard as part of its normal business. Lower-value claims are litigated in the IPEC, which has a fixed scale of recoverable costs capped at GB£50,000 and damages awards capped at GB£500,000. There are no judges who specialise only in copyright. However, a full-time IP-specialist judge presides over the IPEC and the Business and Property Courts of the High Court have several IP-specialist judges, and copyright matters are most often allocated to such judges.

Decisions of the High Court can be appealed to the Court of Appeal (CA). Final orders of the IPEC are appealed to the CA whereas interim orders of the IPEC are appealed to the High Court. The Supreme Court (SC) hears civil appeals from the CA (or sometimes the High Court) where a case is of public or constitutional importance. Parties must obtain permission from the court before an appeal can be filed.

The SC is currently obliged, and the lower courts are empowered, to ask the ECJ for a preliminary ruling concerning the interpretation or validity of EU law (such as the Directives) if one of the parties requests this (Article 267, *Treaty on the Functioning of the European Union (TFEU)*) and the rule of law is not *acte clair*.

Criminal copyright infringement proceedings can take place in a regional Magistrates Court or the Crown Court depending on the severity of the alleged offence. The magistrates and judges are unlikely to have IP experience.

The Intellectual Property Office (IPO) is the UK government body responsible for implementing the national framework governing IP rights (including copyright) and for promoting the UK's interests in the development of the international IP system. The IPO grants patents, registered designs and trade marks that cover the UK only. It does not grant copyright as there is no system of copyright registration in the UK (the right arises automatically).

The Copyright Tribunal is an independent tribunal with jurisdiction under section 149 of the Copyright, Designs and Patents Act 1988 to resolve commercial licensing disputes between copyright owners or their agents (collecting societies) and end users of copyrighted works. In particular, it resolves disputes regarding royalties and other remuneration to be paid under licences, other disputes concerning the terms of licences and applications relating to licences under licensing schemes.

3. Who can represent parties before the court?

Parties have the right to represent themselves. However, in general, a solicitor will handle day-to-day matters with the client and a barrister will represent them in court. Solicitors are able to appear before the lower courts or obtain rights of audience for the higher courts. Members of the Association of Law Costs Draftsmen and the Institute of Legal Executives (among others) can also appear before the lower courts.

4. What is the language of the proceedings? Is there a choice of language?

Proceedings are conducted in English, although civil proceedings in Wales can be conducted in Welsh if the parties and witnesses consent.

5. To what extent are courts willing to consider, or are bound by, the decisions or opinions of other national or foreign courts, or other national or international bodies, that have handed down decisions in similar cases?

Currently, the Supreme Court (SC) is obliged, and the lower courts are empowered, to ask the ECJ for a preliminary ruling concerning the interpretation or validity of EU law, if one of the parties requests this (Article 267, *Treaty on the Functioning of the European Union (TFEU)*) and the rule of law is not *acte clair*. There have been a number of references to the ECJ regarding copyright, including from the SC in relation to whether internet browsing is a copyright infringement (see *Question 9*). The current intention of the Brexit process is to remove the on-going jurisdiction of the ECJ and to give ECJ case law that pre-dates Brexit the same binding precedent status as decisions of the SC.

Decisions of other foreign courts are not binding, but can be referred to, and may have persuasive value (particularly decisions from other common law countries). It is possible that the UK courts will treat future ECJ case law in this way after Brexit.

The principle of *res judicata* means that once a judicial tribunal has given a final judgment, which disposes of the matters to be decided and is no longer subject to appeal, the matters cannot be raised again in the same or a different court (cause of action estoppel). A party is also barred from bringing subsequent proceedings on an issue that has already been finally determined by the court (issue estoppel). There may be a *res judicata* if a foreign court has already ruled on a particular matter but the UK court cannot apply these principles more restrictively than the foreign court of origin.

SUBSTANTIVE LAW

6. What types of works can be protected by copyright?

The following provides a closed list of categories of copyrightable work (section 1, *Copyright, Designs and Patents Act (CDPA)*):

- Original literary, dramatic, musical or artistic works.
- Sound recordings, films or broadcasts.
- The typographical arrangement of published editions.

The CDPA provisions defining these types of work are considered below, although case law has also contributed significantly to their meaning.

Literary, dramatic and musical works

A literary work is any work other than a dramatic or musical work which is written, spoken or sung (*section 3(1), CDPA*). It includes a:

- Table or compilation other than a database.
- Computer program.
- Preparatory design material for a computer program.
- Database (meaning, under section 3A of the CDPA, a collection of independent works, data or other materials which constitute the author's own intellectual creation and are):
 - arranged in a systematic or methodical way; and
 - individually accessible by electronic or other means.

A dramatic work includes a work of dance or mime, and a musical work is a work consisting of music, exclusive of any words or action intended to be sung, spoken or performed with music (*section 3(1), CDPA*).

In order for copyright to subsist in a literary, dramatic or musical work, the work must be recorded, in writing or otherwise (*section 3(2), CDPA*).

Artistic works

An artistic work is a (*section 4(1), CDPA*):

- Graphic work, photograph, sculpture or collage (irrespective of artistic quality).
- Work of architecture being a building or a model for a building.
- Work of artistic craftsmanship.

Under section 4(2) of the CDPA a:

- Building includes any fixed structure, and a part of a building or fixed structure.
- Graphic work includes:
 - any painting, drawing, diagram, map, chart or plan; or
 - any engraving, etching, lithograph, woodcut or similar work.
- Photograph means a recording of light or other radiation on any medium on which an image is produced or from which an image may by any means be produced, and which is not part of a film.
- Sculpture includes a cast or model made for purposes of sculpture.

Sound recordings

A sound recording is a (*section 5A, CDPA*):

- Recording of sounds, from which the sounds may be reproduced.
- Recording of the whole or any part of a literary, dramatic or musical work, from which sounds reproducing the work or part may be produced, regardless of the medium on which the recording is made or the method by which the sounds are reproduced or produced.

Copyright will not subsist in a sound recording to the extent it is a copy of a previous sound recording.

Films

Film means a recording on any medium from which a moving image may by any means be produced (*section 5B, CDPA*). Soundtracks to films are treated as part of the film.

Copyright will not subsist in a film to the extent it is a copy of a previous film.

Broadcasts

The definition of broadcast under section 6 of the CDPA is more detailed than definitions for other types of work. There are certain safeguards in section 6A relating to satellite broadcasts where the place from which a broadcast is made is outside the EEA and the law of that country fails to provide a required level of protection. In broad terms, broadcast is defined as an electronic transmission of visual images, sounds or other information that is either:

- Transmitted for simultaneous reception by members of the public and is capable of being lawfully received by them.
- Transmitted at a time determined solely by the person making the transmission for presentation to members of the public.

Excluded is any internet transmission, unless it is a:

- Transmission taking place simultaneously on the internet and by other means;
- Concurrent transmission of a live event.
- Transmission of recorded moving images or sounds forming part of a programme service offered by the person responsible for making the transmission.

Copyright will not subsist in a broadcast to the extent it infringes the copyright in another broadcast.

Typographical arrangement of published editions

A published edition is a published edition of the whole or any part of one or more literary, dramatic or musical works (*section 8, CDPA*).

Copyright will not subsist in the typographical arrangement of a published edition to the extent it reproduces the typographical arrangement of a previous edition.

Copyrightable software. Computer programs and their preparatory design materials are granted copyright protection as literary works under section 3(1)(b) and (c) of the CDPA, implementing Article 1(1) of the Computer Programs Directive. While the term "computer program" is not defined in the CDPA, copyright protection is granted to the source code and object code of a program (including to any substantial modifications and updates of these) as they constitute different forms of "expression" of the program, permitting reproduction in different computer languages, for the purposes of eligibility of protection under Article 1(2) of the Computer Programs Directive.

Graphic user interfaces (GUIs) do not constitute such a form of expression, and are therefore not protected literary works. The Court of Appeal case of *SAS Institute Inc v World Programming Ltd* [2013] EWCA Civ 1482, confirmed that a program's functionality, its programming language, and the format of data files used to exploit certain functions are not protected by copyright.

However, GUIs may be protectable as copyright artistic works if they represent the author's own intellectual creation, and other elements of software (such as screen displays or other elements visible as a program is running) may be protectable in a similar manner. Music created and/or played as part of a computer program may also be protected as a musical work, and the text embodied in a screen display as a separate literary work.

Nationality of the author. There are two bases of qualification of a work for copyright protection:

- Qualification by reference to the status of the author of the work.
- Qualification by first publication of the work, specifically:
 - the author must be, at the time the work is made, a qualifying person, meaning in broad terms, a British citizen, an individual domiciled or resident in the UK or another country to which the CDPA extends (for example, the

Channel Islands and the Isle of Man), or a body incorporated in the UK or another country to which the CDPA extends; or

- the work must be first published in (or in the case of a broadcast, made from a place in) the UK or another country to which the CDPA extends.

In practice, copyright protection is provided where the author of the work is first published in a state which is a signatory to one of the various international conventions (see *Question 1*) (for example, the Berne Convention and/or the WIPO Copyright Treaty). The Intellectual Property Act 2014 now provides copyright protection to nationals of, and works first published in, other countries, without the need to list such countries in an order.

The general rule is that the author of a work is the first owner of copyright (*section 11 (1), CDPA*) unless this is an employee acting in the course of employment (in which case the employer is the first owner). The author is defined generally as the creator of the work (*section 9, CDPA*), with the creator varying depending on the type of work.

7. What are the main acts that constitute primary and secondary infringement of copyright?

The copyright owner has the exclusive right to (*section 16(1), Copyright, Designs and Patents Act (CDPA)*):

- Copy the work.
- Issue copies of the work to the public.
- Rent or lend the work to the public.
- Perform, show or play the work in public.
- Communicate the work to the public.
- Make an adaptation of the work (or do any of the preceding points in relation to an adaptation).

Copyright in a work is infringed by a person who, without the permission of the copyright owner does, or authorises another to do, any of the acts listed above in relation to the whole work or any substantial part of it either directly or indirectly. This is known as primary infringement, which is a strict liability tort, meaning that it is not necessary to show knowledge or intention on the part of the defendant.

However, in *GS Media v Sanoma Media Netherlands (C-160/150)*, the ECJ introduced an element of knowledge into the primary infringement of communication to the public, at least in relation to hyperlinking to content that has been placed on the Internet without the copyright owner's permission. The ECJ confirmed that an individual assessment of a number of interdependent criteria had to be made on the facts of each case and hyperlinking to unauthorised content could be a communication to the public if the:

- Person knew or ought to have known that the hyperlink provided access to a work illegally placed on the internet.
- Link circumvented access restrictions.

If the hyperlink is posted for profit, the operator is presumed to have carried out "necessary checks" so has a rebuttable presumption of knowledge.

In *Stichting Brein v Filmspeler (C-527/15)* the ECJ expanded this reasoning to the sale of multi-media players pre-installed with add-ons containing hyperlinks to websites, which hosted unauthorised copyright material. The court emphasised that there could be a communication to the public because the players were sold in full knowledge that the hyperlinks gave access to illegally published works and this was done in order to make a profit.

Most recently, in *Stichting Brein v Ziggo BV (C-610/15)* the ECJ determined that a sharing platform, which indexed metadata relating to protected works and provided a search engine, thereby allowing users to locate and share them in a peer to peer network, was also communicating to the public. The ECJ stated that a rule can be inferred from the case law that, any act by which a user, with full knowledge of the relevant facts, provides its clients with access to protected works is liable to constitute an act of communication.

The effect of the above decisions may be to widen the scope of liability for primary infringement. The UK courts have also referred to the above case law in assessing communication to the public, for example, in *FA Premier League v BT & ors* [2017] EWHC 480 (Ch).

The CDPA also provides remedies in respect of acts of "secondary infringement" (*sections 22 to 26, CDPA*). These acts require the defendant to have certain knowledge or reason to believe that such acts were carried out in relation to an infringing copy of the work. Secondary infringement can be divided into two general categories:

- Those who distribute or deal with infringing copies once they have been made.
- Those who facilitate copying by providing the equipment or means to enable the copying to take place. They include the following acts (if carried out without the permission of the copyright owner):
 - importing an infringing copy of a work into the UK, for uses other than for private and domestic use;
 - possessing, or dealing with infringing copies which includes possessing, selling or hiring, distributing or exhibiting infringing copies in the course of business. It is also an infringement to distribute infringing copies outside of the course of business if this distribution prejudices the copyright owner;
 - providing means for making infringing copies. This consists of making, importing into the UK, possessing in the course of business, selling, letting, or advertising to sell or let equipment which is designed to make infringing copies of a copyright work;
 - allowing the performance of a literary, dramatic or musical works in public. This includes permitting a public place of entertainment to be used for the performance of that copyright work.

Performers' rights

Under Part II of the CDPA, performers may be entitled to rights in their performances and rights in recordings, films or broadcasts of their performances. A performer's consent must be obtained before making a recording of a live performance and before making copies of that recording. Broadcasting, renting or playing those copies to the public may entitle the performer to remuneration.

8. Does your jurisdiction provide authors with moral rights?

The CDPA defines four moral rights subsisting in favour of the creators of literary, dramatic and artistic works, and of films:

- The right to be identified as the author or film director (the right of paternity) (*section 77, CDPA*).
- The right to object to derogatory treatment of a work (the right of integrity) (*sections 80 to 83, CDPA*).
- The right against false attribution of a work (*section 84, CDPA*).
- The right to privacy in private photographs and films (*section 85, CDPA*).

The rights of paternity, integrity and privacy last for the normal term of copyright. The right to prevent false attribution is limited to 20 years after the death of the author. Authors can waive contractually, but cannot assign, moral rights.

Performers are granted two moral rights, the right to be identified as the performer of, and the right to object to derogatory treatment of, a qualifying performance.

9. What defences are available to an alleged infringer?

The Copyright, Designs and Patents Act 1988 (CDPA) allows certain acts to be done in relation to copyright works notwithstanding the subsistence of copyright (*sections 28 to 76, CDPA*). Following various consultations at UK and EU level, and in an attempt by the government to bring copyright law more in line with the digital age, the scope of a number of these copyright exceptions (for libraries, education, research, public bodies and use by people with disabilities) were simplified and extended, with effect from 1 June 2014. In addition a new exception to permit data analysis for non-commercial research was introduced. Other new exceptions, those relating to parody/caricature/pastiche, quotation, and the making of personal copies for private use (including making back-up copies, and copies for purposes of format-shifting and storage) came into force later, on the 1 October 2014.

Making temporary copies

Copyright in a literary work (other than a computer program or database) or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental. This is an integral and essential part of a technological process and the sole purpose of which is to enable:

- Transmission of the work in a network between third parties by an intermediary.
- A lawful use of the work, and which has no independent economic significance (*section 28A, CDPA*).

This exception was introduced in order to implement Article 5(1) of the Copyright Directive. The ECJ, following a question referred by the UK Supreme Court, ruled on the scope of this exception in relation to internet browsing, and held that on-screen and cached copies, made by an end-user in the course of viewing a website can be made without the authorisation of the copyright holders (*Public Relations Consultants Association v Newspaper Licensing Agency and others, C-360/13*).

Incidental inclusion

Copyright in a work is not infringed if that work is incidentally included in an artistic work, sound recording, film or broadcast. It is also not infringed by the issue to the public of copies, or the playing, showing or communication to the public of anything whose making was not an infringement of the copyright under section 31(1) of the CDPA. Whether inclusion is incidental is an objective question based on aesthetic and commercial considerations.

No defence for private or personal use

UK law does not contain an exception permitting private or personal use. A narrow exception was introduced in 2014, allowing the making of personal copies for private use (that is, back-up and format-shifted copies) but the legislation was successfully challenged by the UK music industry and quashed by the High Court in June 2015, on the basis that the government had not provided sufficient evidence that the rights holders would not suffer any damage.

The defence that allowed the re-transmission of Public Service Broadcasts (PSB) via cable was also repealed in July 2017.

Fair dealing

There is no general fair use defence in UK copyright law, but sections 29 and 30 of the CDPA allow fair dealing in relation to certain types of work for the defined purposes of:

- Non-commercial research or private study.
- Criticism or review.
- Reporting of current events.

In determining whether the dealing is fair, a number of factors will be considered including whether:

- It is commercially competing with the proprietor's exploitation of the copyright work.
- There has been prior publication of the copyright work, and how much of it has been used.
- A fair minded and honest person would have dealt with the copyright work in the same way, and the extent to which use of the copyright work is necessary for the permitted purpose.

Research and private study

Fair dealing with a copyright work is permitted for the purpose of research for a non-commercial purpose, provided it is accompanied by a sufficient acknowledgement (*section 29(1), (1B), CDPA*), or private study (*section 29(1C), CDPA*).

Research that is undertaken for a purpose which will have some commercial value in the future will not be considered "non-commercial" and will fall outside this exception. Contractual terms purporting to prevent or restrict these exceptions are unenforceable.

Criticism, review and news reporting

Fair dealing for the purpose of criticism or review does not infringe copyright in any copyright work provided it is accompanied by a sufficient acknowledgment, and the work has been made publicly available (*section 30(1), CDPA*). Criticism or review is interpreted relatively widely and can cover criticism or review of ideas and philosophy behind a work, as well as the work itself.

Fair dealing with a work other than a photograph for reporting current events does not infringe copyright in any copyright work provided it is accompanied by a sufficient acknowledgment (*section 30(2), CDPA*). Current events include events that are recent in time, as well as events that are of continuing interest to the public, even though they are not recent. Reporting must be construed broadly and can include content created by the public if it is used in order to inform the audience about a current event and not only to share content (*ECB & Sky v Tixdaq* [2016] EWHC 575 (Ch)).

10. Is there a requirement for copyright registration?

It is not necessary to register copyright, because copyright protection automatically attaches to new qualifying works from the moment of their creation into tangible form. However, it is useful to mark a work with the copyright symbol (©), the name of owner, and the year of first publication (which are requirements under the Universal Copyright Convention). This provides notice that the work is protected, a means of identifying the copyright owner (and a rebuttable presumption of ownership) and may deter infringement or plagiarism.

11. How long does copyright protection last for the principal types of copyright work?

The duration of copyright, as it applies to works made on or after 1 August 1989 is set out below. Different rules apply to works that were made before that date.

Protection for an original literary, dramatic, musical or artistic work lasts from creation of the work until 70 years after the end of the year in which the author dies (*section 12(2), CDPA*). If the work is computer generated, copyright expires 50 years from the end of the year in which the work was made (*section 12(7), CDPA*).

Copyright in a film expires 70 years after the end of the year of death of the last to survive of the (*section 13B, CDPA*):

- Principal director.
- Author of the screenplay/dialogue.
- Composer of any music created for and used in the film.

In cases of joint authorship (that is, where two or more people have created a single work protected by copyright and where the contribution of each author cannot be distinguished from that of the other) or co-authorship (that is, a work produced by the author of a musical work and the author of a literary work, in order for the works to be used together) the relevant year of death is that of the last surviving author (*section 12(8), CDPA*).

There are more complex rules where the country of origin of the work is not an EEA state and the author is not a national of an EEA state. The term of protection may be shortened if it is shorter in the country of origin. Additionally, the term of protection for works created before 1 January 1996 may vary.

Sound recordings

Sound recordings published or made available to the public are protected for 70 years, from the date of such publication or communication to the public.

More complex rules apply where the author of a sound recording is not a national of an EEA state. Generally, the duration of copyright is that to which the sound recording is entitled in the country of which the author is a national (provided that does not exceed the period provided under UK law).

Broadcasts

Copyright in a broadcast lasts 50 years from the end of the year the broadcast was first made. Like sound recordings, where the author is not a national of an EEA state, generally the term of protection is that to which the broadcast is entitled in the country of which the author is a national (provided that does not exceed the period under UK law).

Typographical arrangements of published editions

Copyright in typographical arrangements of published editions lasts 25 years from the end of the year in which the edition was first published (*section 15, CDPA*).

12. How is copyright infringement assessed?

Under the Copyright, Designs and Patents Act 1988 (CDPA), copyright will be infringed if, without the permission of the copyright owner, any of the restricted acts are carried out in relation to the whole or a substantial part of the work (directly or indirectly (*section 16(3), CDPA*).

To establish infringement, the claimant needs to prove the following:

- An infringing act took place in the UK.
- The alleged infringing work is derived from the copyright work.
- The alleged infringing work is a substantial reproduction of the copyright work.

The burden of proof is on the claimant. If copying is denied, and the defendant had access to the work and there is a sufficient degree of objective similarity between the copyright work and the alleged infringement, there is a rebuttable presumption that copying took place.

To assess whether there has been copying of a substantial part, the court must look at the part of the copyright work which has been copied (not the copy) and assess substantiality on a qualitative not a quantitative basis (*Designers Guild Limited v Russell Williams (Textiles) Limited* [2001] 1 W.L.R. 2416). However, English (*Newspaper Licensing Agency Ltd and Others v Meltwater Holdings BV and Others* [2011] EWCA Civ 890 (Meltwater) and European case law (C-5/08, *Infopaq International A/S v Danske Dagblades Forening* (Infopaq)) indicates that the test for whether a substantial part is taken has been replaced (or at least supplemented) by the question of whether or not part of the author's own intellectual creation has been taken, at least in relation to those rights that have been harmonised within the EU under the Copyright Directive.

Computer programs

Computer programs and their preparatory design materials (including any substantial modifications or updates) may be protected as literary works. Therefore literal copying of code which amounts to a substantial part of the program copied (includes translating the code from one computer language to another) will infringe copyright. The non-literal copying of software (including its "look and feel") is more nuanced. In *SAS Institute v World Programming* [2013] EWHC 69 (Ch), the High Court, following the *Infopaq* test of infringement, held that there will only be reproduction of a substantial part of a literary work where what has been reproduced represents the expression of the intellectual creation of the author of the literary work. The court confirmed that a program's functionality, its programming language and its data file formats did not constitute a form of "expression", and were consequently not protected and therefore had to be disregarded when considering infringement. The Court of Appeal upheld the High Court's decision, pointing out that to allow the functionality of a program to be protected as such by copyright, would amount to making it possible to monopolise ideas.

However, the CDPA allows certain lawful uses in relation to programs, which would otherwise infringe copyright. It is permissible to:

- Make a back-up copy if required for normal use (*section 50A, CDPA*).
- Decompile the program in order to create another program that can be operated in the decompiled program (*section 50B, CDPA*). This should be interpreted strictly and cannot take place where the user does not have access to the source code.
- Observe, test and study a program to determine how it functions and the ideas and principles underpinning this program (*section 50BA, CDPA*).
- Copy or adapt a program, provided this is necessary for lawful use (for example, for the purpose of de-bugging) and it is not restricted under any agreement (*section 50C, CDPA*).

Hyperlinking to unauthorised content on the Internet

In *GS Media*, the ECJ set out a new test for communication to the public, in relation to hyperlinking to content that has been placed on the Internet without the copyright owner's permission. The court confirmed that an individual assessment of a number of

interdependent criteria had to be made on the facts of each case and there could be a communication to the public if the:

- Person knew or ought to have known that the hyperlink they posted provided access to a work illegally placed on the Internet.
- Link circumvented access restrictions.

If the hyperlink is posted for profit, the operator is presumed to have carried out "necessary checks" so has a rebuttable presumption of knowledge.

These principles were followed in:

- *Stichting Brein v Filmspeler* (C-527/15) in relation to the sale of multi-media players pre-installed with add-ons containing hyperlinks to websites, which hosted unauthorised copyright material. The court emphasised that there could be a communication to the public because the players were sold in full knowledge that the hyperlinks gave access to illegally published works and this was done in order to make a profit.
- *Stichting Brein v Ziggo BV and Anor* (C-610/15) in relation to a sharing platform, which indexed metadata relating to protected works and provided a search engine, which allowed users to locate and share them in a peer to peer network.
- *FA Premier League v BT & ors* [2017] EWHC 480 (Ch) in relation to the blocking of unauthorised live streaming of Premier League matches.

13. On what grounds can copyright in a work be declared invalid or unenforceable?

Copyright arises automatically, which means there is no official registration system, and therefore it cannot be declared that a work has been invalidly registered. However, in a dispute, a defendant may wish to argue, for example, that copyright does not subsist in the claimant's work (because, for example, it does not fall into a category of work which is protectable or the work is not sufficiently original to qualify for protection) or the claimant is not the true owner of copyright.

14. What limitation periods apply to copyright infringement actions?

The limitation period is six years from the date when the infringing act is committed.

15. To what extent can the enforcement of copyright expose the copyright holder to liability for an anti-trust violation?

The improper exercise of copyright can breach EU competition law, namely Articles 101 and 102 of the TFEU. In the *Magill* and *IMS Health* cases (C-241/91, C-418/09) concerning Article 102, the ECJ considered that the refusal by companies in a dominant position to provide a copyright licence to competitors operating in an equivalent market was abusive in circumstances where the information sought was indispensable, and the refusal to grant a licence prevented the development of the secondary market to the detriment of consumers.

Furthermore, as the cases C-403/08 and C-429/08 *Football Association Premier League and others v QC Leisure* referred by the UK courts to the ECJ illustrate, copyright licences containing contractual obligations which confer absolute territorial protection (not just exclusive territorial licences) and forcing users to deal with monopoly providers in each territory, are incompatible with the

internal market and are an object breach of Article 101(1). These copyright licences could not benefit from the Article 101(3) exemption.

Software copyright licences have also fallen foul of EU competition law (for example, *Sega and Nintendo* Cm 2781(1995)), but are now covered by the Technology Transfer Block Exemption Regulation No. 316/2014.

PARTIES TO LITIGATION

16. Who can sue for copyright infringement?

In general, the following persons can sue for copyright infringement:

- The legal owner of copyright.
- An equitable owner (entitled to start an action and seek interim relief, but not to final relief unless they have joined the legal owner as a party or obtained an assignment of title).
- An exclusive licensee (except against the copyright owner).
- A non-exclusive licensee (as long as the infringing act was directly connected to a prior licensed act and the licence is in writing signed by or on behalf of the copyright owner, expressly granting the non-exclusive licensee a right of action).
- Joint owners (although co-owners are unable to exploit their share of the copyright without the other's permission (*section 173(2), CDPA*)).

Copyright is not registrable in the UK, and therefore there is no requirement of registration before an action can be commenced.

17. Can copyright collecting societies sue for copyright infringement to enforce their members' rights?

In the UK, most copyright collecting societies, or licensing bodies are formed and operate on a voluntary basis. However, the Collective Management of Copyright (EU Directive) Regulations 2016 (implementing Directive 2014/26/EU) introduced a uniform definition of a Collective Management Organisation (CMO) and certain minimum standards regarding the control of rights (in particular the option for right holders to withdraw their rights from a CMO), payments to right holders, and decision-making and transparency.

As licensing bodies (*section 116(2), CDPA*), CMOs can negotiate or grant licences on behalf of authors, either as owners (by way of an assignment of copyright), exclusive licensees (by way of licences), or agents of the authors. If a CMO receives an assignment or exclusive licence of copyright, it can bring enforcement proceedings on behalf of the right holder. In contrast, a mere agent acting on behalf of the right holder generally does not have a sufficient interest in the work to be entitled to claim relief. A CMO can bring a copyright infringement claim in a representative capacity provided CPR Rule 19.6(1) is satisfied where both it and at least some of its members possess a common interest in the proceedings (*Independiente v Music Training On-Line (HK) Ltd* [2003] EWHC 470 (Ch)).

18. Under what conditions, if any, can an alleged infringer bring proceedings to obtain a declaratory judgment of non-infringement?

The court has discretion to grant a declaration of non-infringement under its inherent jurisdiction if it would be just to do so (*Point Solutions Limited v Focus Business Solutions & Anor* [2005] EWHC

3096 (Ch)). The court will assess whether there has been a sufficient assertion of a right, whether the declaration would serve any purpose and the balance of justice of the declaration to both parties.

19. Who can be sued for copyright infringement?

In certain circumstances, the following can be sued for copyright infringement:

- Primary infringers (usually individuals and companies who, without the licence of the copyright owner, do or authorise others to do, any of the restricted acts).
- Secondary infringers.
- Employees, agents, and directors in their personal capacity for primary or secondary infringements committed personally in the course of carrying out their duties.
- Joint tortfeasors.
- Parties to a conspiracy to infringe copyright.
- Directors and controlling shareholders where a company has committed an infringement.
- Employers with vicarious liability for their employees.

20. How is the liability of intermediaries, such as internet service providers treated? Under what conditions can they be liable for copyright infringement? Are there any specific defences available to them?

Under the Directive 2000/31/EC on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Electronic Commerce Directive), Internet Service Providers (ISPs) are not liable for copyright infringement carried out by third parties that use their services in circumstances where they are acting as a mere conduit of information, caching information or providing hosting information at the request of the third party. To escape liability, ISPs must not actively participate in the use of the information, and must act expeditiously to remove or disable infringing content once they become aware of it. Where an ISP has actual knowledge of a person using its services to infringe copyright, the copyright holder can seek an injunction against the ISP to block access to the infringing content and take measures which contribute to preventing further infringements. An ISP is unlikely to be jointly liable unless they can be found to have acted in concert with the copyright infringers under a common design in the infringement. ISPs are more likely to be considered mere facilitators, in contrast to the infringing websites whose purpose is considered to be to cause or procure acts which will amount in law to infringement by any UK user of them.

As the activities of many online platforms diversify, the distinction between passive and active use of hosted content is becoming blurred and the EU Commission has expressed a desire to address the "value gap" between those who create and host online copyright content. The proposed Directive on Copyright in the Digital Single Market therefore includes an initial proposal for service providers that store and provide access to large amounts of copyright works. They must take, in co-operation with rights holders, appropriate and proportionate measures to ensure the functioning of agreements with rights holders for the uses of their works (including the use of content recognition technologies). This proposal is controversial and hotly contested because it may shift more responsibility onto online platforms to monitor for copyrighted material.

21. Is it possible to add or remove parties during litigation?

It is possible to add or subtract parties with the permission of the court, although the new party must consent to being joined as a claimant (*CPR Rule 19*).

ENFORCEMENT OPTIONS

22. What options are open to a copyright holder when seeking to enforce its rights in your jurisdiction?

Civil proceedings

The main recourse for a copyright owner is to bring (or threaten to bring) civil infringement proceedings. In certain circumstances, a copyright owner has the right to seize infringing copies and illicit recordings without the need for a court order (*sections 100 and 196, Copyright, Designs and Patents Act 1988 (CDPA)*).

Criminal proceedings

In certain circumstances, criminal proceedings may be available where copyright has been infringed (*sections 107 and 198, CDPA*). The maximum penalty for these offences (on conviction on indictment) is ten years' imprisonment, and/or an unlimited fine (both for online and traditional copyright infringement). The main bodies for the enforcement of the criminal offences are the police and trading standards officers. It is also open to a copyright owner to bring a private prosecution directly. The courts have been vocal in their disapproval of prosecutions involving difficult legal questions of copyright law.

Border measures

Customs enforcement of intellectual property rights, including copyright, is harmonised throughout the EU. Regulation (EU) 608/2013 (Customs Enforcement Regulation) applies to counterfeit and pirated goods declared for release to free circulation, export or re-export in the EU, or that have been found during checks on goods entering or leaving the EU customs territory, or placed under a suspensive procedure, or in a free zone or free warehouse. Parallel imports ("grey" goods), and goods in transit through the EU, are excluded from the scope of this Regulation. The new Regulation (EU) 2015/2424 on the Community trade mark (Trade Marks and Designs Regulation) provides for the suspension of counterfeit goods in transit, but currently there is no equivalent for copyright-infringing pirated goods.

Copyright holders requiring customs action to be taken in relation to infringing goods, can apply in writing by submitting an Application for Action (AFA) under national rights, or alternatively customs may take action on their own initiative, including suspending or detaining the goods.

If an AFA is in place, HMRC or UK Border Force will detain any infringing goods, notify the right holder and declarant, and seek from the copyright owner within ten days:

- Confirmation of the goods' infringing status.
- Consent to their destruction.

A failure to respond by the declarant within this period is deemed consent to destruction of the goods. However, if the declarant objects to the destruction, the right holder must start court proceedings within ten days of the notification (this can be extended by a further ten days on request). The detention period for perishable goods (during which court proceedings must be initiated) is a maximum of three working days.

Copyright owners can opt-in to a procedure for small consignments, which are those containing three units or less or

weighing less than 2kg. Relevant goods can be destroyed without the explicit agreement of the right holder in each case if the declarant has consented to their destruction.

Section 111 of the CDPA contains similar provisions, and applies to infringing printed copies of published literary, dramatic or musical works and to infringing copies of sound recordings or films arriving in the UK from outside the EEA, or from within the EEA but not entered for free circulation. Section 111 will not apply to goods for which action may be undertaken using the Customs Enforcement Regulation.

23. Is interim relief available for the rapid removal of infringing content from the internet?

The court has power to grant interim injunctions in relation to infringing online content if the copyright owner acts very quickly on becoming aware of the infringement (see *Question 35*).

Civil enforcement by way of a blocking injunction is available under section 97A of the Copyright, Designs and Patents Act 1988 (CDPA) against Internet Service Providers (ISPs) providing access to illegal or infringing content on infringers' websites. This provides an effective tool to fight online piracy by blocking access to infringing content from the UK. This can therefore be used where the content is hosted beyond the jurisdiction of the UK. The case of *Twentieth Century Fox Film Corporation v British Telecommunications plc* [2011] EWHC 1981, illustrates that orders against ISPs can be extended to cover any IP address or URL whose sole predominant purpose enables or facilitates access to this site. However, any remedy must be proportionate and specific, because the court must balance the rights of ISPs and right holders.

Blocking injunctions are developing. In *FA Premier League v BT & ors* [2017] EWHC 480 (Ch) the High Court granted its first "live blocking injunction", which blocked access to unauthorised live streams of Premier League football matches. Unlike previous blocking injunctions, this injunction:

- Blocked access to the streaming servers by way of IP address, as opposed to a particular website.
- Only applied when those servers were streaming infringing content.
- Allowed the list of target servers to be re-set every week.

The initial injunction was demonstrably effective, and consequently was extended to all of the 2017/18 season. The UK court is undoubtedly willing to be flexible in granting remedies, using new technology to block evolving types of infringement.

The Police Intellectual Property Crime Unit (PIPCU), in partnership with the creative and advertising industries and with the assistance of verification technology, has developed an initiative whereby legitimate brand advertisements on infringing websites are replaced with banners warning that the relevant site is under investigation, and advising users to exit the site. This also disrupts advertising revenue accruing to infringers.

24. Is it advisable to send a letter before action (cease and desist letter) to an alleged infringer before commencing copyright infringement proceedings?

While not mandatory, it is advisable that a claimant sends a letter before claim to a defendant setting out the details of the matter, together with any relevant factual information/essential documents supporting the claim. This is to enable the defendant to understand and investigate the issues without needing to request any further information (*Practice Direction on Pre-Action Conduct*

(*PDPAC Annex A 2.1*). Failure to do so could give rise to costs and other sanctions.

For secondary infringements, a letter before claim must be sent in order to prove that the defendant knew or had reason to believe that further dealings by them would amount to infringement.

There is no statutory provision for unjustified threats for copyright, although the courts can grant injunctions to restrain threats where it appears arguable that this conduct amounts to an abuse.

25. To what extent are your national courts able to grant cross-border or extra-territorial injunctions (preliminary or permanent)?

It is settled law that where a defendant is domiciled in the UK, it will be possible to obtain a cross-border injunction if the copyright infringement is occurring in another signatory state to the Regulation (EU) 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Recast Brussels Regulation). The Supreme Court (*Lucasfilm v Ainsworth* [2011] UKSC 39), recognising the modern trend in favour of the enforcement of foreign intellectual property rights, held that infringements of copyright which take place outside the EU (in this case in the US) are justiciable in the UK if there is no challenge to the subsistence of copyright.

26. To what extent are arbitration, and alternative dispute resolution (ADR) methods (such as mediation), available to resolve copyright disputes?

ADR methods are available and increasingly encouraged in all copyright sectors (and to date have been prevalent in cases involving artistic production and software licences). Such methods include (among others) arbitration, mediation (or a hybrid process of both) and expert determination. In *Cowl v Plymouth City Council* [2001] EWCA Civ 1935, the court emphasised the obligation that lawyers have to resolve disputes so far as practicable without involving litigation and the Practice Direction on Pre-Action Conduct (PDPAC) requires a consideration of the use of an appropriate form of ADR in order to do so. Under the relevant SRA Code of Conduct, solicitors should discuss whether mediation or some other ADR procedure may be more appropriate than litigation or arbitration. Court case management directions often include a direction as to ADR.

The court must consider the conduct of the parties when deciding on costs. A party who refuses to consider ADR following an invitation from the court or the other side will be at risk as to costs (*Halsey v Milton Keynes General NHS Trust* [2004] EWCA Civ 573). A failure to respond to a request for mediation is itself unreasonable conduct that can be penalised through costs (*PGF II SA v OMFS Company* [2013] EWCA Civ 1288).

PROCEDURE IN CIVIL COURTS

27. What is the format of copyright infringement proceedings?

After the parties have served their main written statements of case, a case management conference (CMC) is held, at which the court will set directions about the steps which are to be taken to secure the progress of the case to trial. A CMC will not be necessary if the parties can agree directions between themselves. Directions normally address allocation of the case to a "track" depending on the:

Value and complexity of the claim.

Suitability of the case for resolution by ADR (a stay of one month may be ordered for the parties to attempt to settle).

- Appropriate approach to disclosure of relevant documents.
- Timetable for exchange of witness statements and expert evidence, if any.
- Trial arrangements.

Unless the value of the claim is GB£10 million or greater, the parties must also submit costs budgets for the litigation (based on a court template). These must be discussed between the parties, and the court will then typically make a costs management order to resolve any disagreements and to assist with managing deviations from the budget as the matter progresses.

Skeleton arguments outlining each party's case are submitted to the court shortly before trial.

Judgment is usually given in writing some weeks after trial. On rare occasions the judgment may be given *ex tempore* (that is, orally, directly following the conclusion of the trial).

In civil courts, disputed issues are decided by a judge alone.

28. What are the rules and practice concerning evidence in copyright infringement proceedings in your jurisdiction?

Documents

Documents are used by the parties to provide the court with evidence supporting their arguments. Disclosure plays a key role in identifying documents which are adverse to a party's case or on which either party may wish to rely.

Witness evidence

In most cases, witnesses will produce a written witness statement setting out their evidence. That statement will serve as the witness' primary evidence. Unless that evidence is undisputed or it is not possible for the witness to attend the trial, the other side will have the opportunity to cross-examine the witness on their statement at the trial.

Expert evidence

The court makes its own assessment of copyright/ substantial reproduction. However, it may be assisted by expert evidence in specialist or technical cases, for example, those involving software or music. Experts have a duty to help the court by giving their expert opinions on the matters within their expertise. This duty overrides any obligation to the person from whom they have received instructions or by whom they are paid (CPR Rule 35.3). Experts must provide their evidence in a written report unless directed otherwise (CPR Rule 35.5). That report will serve as the expert's evidence in chief. The expert may then be asked to attend the trial to answer questions on their evidence.

Each party may appoint their own expert on a particular issue. Alternatively, the court may direct that the evidence on that issue is to be given by a joint expert. Where the parties cannot agree who the expert should be, the court may select the expert from a list prepared by the parties or direct that the expert be selected in any other manner as the court wishes (CPR Rule 35.7).

29. To what extent is survey evidence used?

There is no need to use survey evidence in copyright infringement proceedings. In recent years, the UK courts have increasingly doubted the value of surveys in demonstrating public confusion in trade mark cases (*Marks & Spencer v Interflora* [2012] EWCA Civ

1501) and a court would be similarly doubtful of the probative value of survey evidence in a copyright case.

30. Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?

The court decides on the admissibility of evidence. Based on *R. v K* [2009] EWCA Crim 1640, the key factors for a court in deciding whether evidence produced in civil proceedings is admissible in criminal proceedings appear to be:

- Consideration of the rule against self-incrimination.
- Consideration of the right to a fair trial as under Article 6 of the ECHR.
- How such incriminating evidence was obtained.
- The proportionality of admission of such evidence.

Whether evidence obtained in criminal proceedings is admissible in civil proceedings was considered in *British Coal Corporation v Dennis Rye (No. 2)* [1988] 1 W.L.R. 1113. The court held that production in criminal proceedings will not in itself give rise to a waiver of privilege for the purpose of subsequent civil proceedings.

31. Is evidence obtained in civil proceedings admissible in other civil proceedings?

CPR Rule 31.22 provides that a person to whom a document has been disclosed can only use that document for the purpose of the proceedings in which it is disclosed unless it has been read to or by the court in a public hearing or if the court gives consent or the parties agree. Similarly, CPR Rule 32.12 provides that a witness statement can be used only for the purpose of the proceedings in which it is served unless the witness gives consent, the court give permission or the statement has been put in evidence at a hearing held in public.

32. To what extent is pre-trial discovery permitted and what other mechanisms are available for obtaining evidence from an adverse party or third parties?

Pre-trial discovery

Discovery is known as "disclosure" in the UK. Standard disclosure requires a party to disclose documents (defined broadly, and including electronic documents) on which they rely and documents which adversely affect their case, adversely affect another party's case or support another party's case, and the documents they are required to disclose by a relevant practice direction (*CPR Rule 31.6*).

Each party must make a reasonable search for such documents. Reasonableness depends on the (*CPR Rule 31.7*):

- Number of documents involved.
- Nature and complexity of the proceedings.
- Ease and expense of retrieval of any document.
- Significance of any document which is likely to be located.

A party's duty to disclose documents is limited to documents which are or have been in their control, meaning it is or was in their physical possession, they have or had a right to possession of it, or they have or had a right to inspect or take copies of it (*CPR Rule 31.8*).

The parties are encouraged to agree the scope of disclosure. The court does have the power to dispense with or limit the scope of disclosure and may do so in circumstances where the disclosure sought would be unduly expensive, inconvenient or troublesome. The court also has the power to order pre-action disclosure and specific/expanded disclosure, in response to an application by a party or on the court's own initiative.

Subject to limited circumstances, a disclosed document can only be used for the purposes of the proceedings in which it has been disclosed.

Parties do not have to disclose documents which are privileged.

Other mechanisms

It is possible to apply for an order for a third party to disclose certain relevant documents, where this is necessary to ensure the case is disposed of fairly and/or to save costs (*CPR Rule 31.17*). It is also possible for the court to issue witness summons to obtain evidence at trial from an otherwise unwilling witness.

33. What level of proof is required for establishing infringement?

To succeed in the civil courts, the claimant must prove their case on the balance of probabilities. Defendants do not try to invalidate copyright as copyright exists automatically. However, a defendant may wish to argue that copyright in the work does not subsist or that the claimant is not the true owner of copyright, in which case the claimant must rebut such allegations on the balance of probabilities.

34. How long do copyright infringement proceedings typically last?

It usually takes 12 to 15 months from the commencement of proceedings to the start of trial. Judgment is issued a month or so thereafter.

Expediting proceedings

It is possible to ask for an expedited trial if it can be shown that there is an "objective urgency" to decide the claim. Other ways of resolving the case more quickly without the need of a full trial, include:

- Applying to strike out the other side's case where, for example, their statement of case discloses no reasonable grounds for bringing or defending the claim (*CPR Rule 3.4*).
- Applying for default judgment, where the defendant has failed to file an acknowledgment of service or has failed to file a defence (*CPR Rule 12*).
- Applying for summary judgment against either party, on the grounds that their case has no reasonable prospect of succeeding and there is no other compelling reason why the case should be disposed of at a trial (*CPR Rule 24.2*).

Delaying proceedings

The courts are keen for cases to keep to their timetable, but a stay is sometimes possible (*see below*).

Staying proceedings

It is possible to ask for a short stay of proceedings in an attempt to settle the case. A stay of proceedings may also be granted to permit resolution of a dispute by arbitration or where justice requires.

More unusual ways for a defendant to delay proceedings include applying for a stay on the grounds of *forum non conveniens* (that

there is a more convenient forum elsewhere for the case to be heard) or to argue that the claim is already being heard by the courts of another country.

Counteracting delay to proceedings

The most effective way to counteract delay (if such delay is illegitimate) is to:

- Argue at the case management conference for a detailed and tight timetable to trial.
- Proactively list hearings in the court diary at the earliest opportunity.

PRELIMINARY RELIEF

35. Is preliminary relief available, and if so what measures are available and under what conditions?

The court has power to grant a range of interim relief including interim injunctions, search orders, and freezing orders providing for the preservation of property or evidence, before any judgment can be satisfied.

To obtain a preliminary injunction a copyright owner must normally act very quickly on becoming aware of the infringement or the threat of infringement. The injunction can usually be obtained within a few days or, in exceptional cases, a few hours. The court can also order an expedited trial (to commence within three to four months).

In deciding whether to grant a preliminary injunction, the court asks first whether there is a serious issue to be tried. This is a fairly low threshold; the claimant is not required to establish a strong *prima facie* case. If the answer is yes, the court goes on to consider two main questions (*American Cyanamid v Ethicon Ltd [1975] 2 WLR 316*):

- Would damages be an adequate remedy for the injured party?
- If damages are not an adequate remedy, where does the balance of convenience lie, that is given the parties' positions, what is just and convenient?

Usually, the court will attempt to preserve the status quo. Delay in applying for the injunction will normally be a significant factor against the claimant in deciding the balance of convenience.

The court will normally refuse to grant an interim injunction unless the claimant undertakes to the court that it will compensate the alleged infringer for any loss sustained by reason of the injunction if it subsequently turns out that it ought not to have been granted (for example, because the alleged infringer is successful at trial). The claimant is also often required to back up the undertaking with security, for example a bond or a payment into court.

If the undertaking is enforced, the court normally orders an inquiry as to damages. The measure of damages has not been settled authoritatively by the courts. The preferred approach in most cases is to regard the undertaking as a notional contract between the parties that the claimant would not prevent the defendant from doing the enjoined acts and to award damages for breach of that notional contract. On this basis, only loss that was reasonably foreseeable at the time of the grant of the injunction will be recoverable and the alleged infringer must take reasonable steps to mitigate its loss. The court distinguishes between loss caused by the litigation and loss caused by the injunction; only the latter is recoverable.

In cases where the alleged infringer's right to freedom of expression is engaged, there is a higher threshold, although it is flexible. The court must be satisfied that the applicant's prospects of success are sufficiently favourable to justify the order being made in the circumstances (*Cream Holdings v Banerjee [2004] UKHL 44*).

Ex parte relief. This is available, even where the defendant is given no notice at all. However, if an interim injunction is sought without notice, with incomplete evidence, there must be real urgency and the applicant has a duty to make full and frank disclosure. The defendant may apply at a subsequent *inter partes* hearing to have the injunction lifted.

36. Can a protective writ be filed at the court at which an ex parte application may be filed against that defendant?

There is no procedure for a potential defendant to file a protective writ.

37. What is the format for preliminary injunction proceedings?

General

The format is flexible, in cases of urgency the application may be heard over the telephone. Typically it is an adversarial procedure involving the exchange of written evidence and skeleton arguments in writing. The parties' counsel will argue the case orally but no witnesses are called or cross-examined.

Level of proof

The claimant must show that there is a serious issue to be tried, after which the balance of convenience test normally applies (see *Question 33*).

After application of this test, if the potential disadvantage to the parties does not differ widely then the court may in some instances consider the strengths of their respective cases as a factor in tipping the balance. This is particularly where one party's case is disproportionately stronger than the other given the undisputed evidence before the court.

Evidence

Witness statements from the parties' solicitors (and/or key individuals working for the parties) are most typically used. The statements are likely to exhibit key documents. It is rare for expert evidence to be adduced at this stage of proceedings.

Copyright validity

The defendant can put subsistence or ownership in issue.

Length of proceedings

Typically the hearing will be about half a day. The interim injunction proceedings as a whole may last between several hours and three to four weeks depending on the degree of urgency.

38. Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction, and if so, what is the deadline?

An application for an interim injunction is made as part of the main proceedings. It cannot generally be made before the claim in the main proceedings, except in cases of urgency. Often the application for interim relief is made at the same time that the main proceedings are issued. If the injunction is granted before a claim is made the court will give directions requiring a claim to be commenced as soon as possible.

39. What remedies are available in a copyright infringement action?

The following remedies are available against a copyright infringer:

- Permanent injunction to restrain future infringements. As an injunction is a discretionary remedy, general equitable principles will apply such as the "clean hands" principle.
- Monetary remedies (see below, *Monetary remedies*).
- Forfeiture of infringing articles.
- Destruction of infringing articles.
- Delivery up of infringing articles.
- Declaratory judgment that copyright subsists in specific existing works and/or that specific actions infringe copyright.
- Publicity orders.

Permanent injunction

Successful claimants will normally be entitled to a permanent injunction to restrain future infringement, although the court will not grant an injunction to restrain infringement generally. Permanent injunctions will not be effective against the infringer's suppliers or customers, unless they are parties to the proceedings.

Monetary remedies

In copyright infringement proceedings, liability and quantum are normally assessed at separate hearings. A claimant who succeeds on liability is usually able to elect between an inquiry as to damages or an account of the infringer's profits (but is not entitled to both). So-called *Island Records* ([1996] 1 WLR 1250) disclosure will be available to assist the claimant on their decision as to whether to elect for damages or an account of profits.

Delivery up or destruction of infringing goods

The copyright owner can apply for an order that infringing copies of works or articles specifically designed or adapted for making copies be delivered up (*section 99(1), Copyright, Designs and Patents Act 1988 (CDPA)*). An order can be obtained under section 114 of the CDPA for infringing goods to be forfeited or destroyed.

Publication of the decision

Article 15 of Directive 2004/48/EC on the enforcement of intellectual property rights (Intellectual Property Directive) requires EU member states to allow applicants in IP infringement actions to apply for the publication of the whole or a part of the decision (and other publicity measures in particular circumstances) at the expense of the infringer. In *Samsung Electronics (UK) Limited v Apple Inc* [2012] EWCA Civ 1339 the Court of Appeal held that the court's general power in section 37 of the Senior Courts Act 1981 extended to a publicity order in favour of a non-infringer if such an order was proportionate and there was a need to dispel commercial uncertainty.

Recall order

Article 10 of the Intellectual Property Directive requires EU member states to provide courts with the power to order that infringing goods and materials principally used in the creation or manufacture of those goods to be recalled from channels of commerce.

Declaration of infringement and validity

The court can make binding declarations whether or not any other remedy is claimed (*CPR Rule 40.20*).

40. How are monetary remedies assessed against a copyright infringer?

Following *General Tire and Rubber Company v Firestone Tyre & Rubber Company Ltd* [1976] R.P.C. 197, as far as possible, the measure of damages should be the sum of money which will put the claimant in the position that they would have been in had they not sustained the wrong. The claimant has the burden of showing

their loss and, while damages should be liberally assessed, the object is to compensate the claimant and not punish the defendant.

The court may, having regard to all of the circumstances, particularly the flagrancy of the infringement and the extent to which the defendant has benefited, award such additional damages as justice may require, including aggravated damages to take account of humiliation, distress, insult or pain caused by the defendant's conduct. The ECJ has recently suggested that additional damages can include an exemplary or punitive element (Case C-367/15, *OTK v SFP*). The remedy of additional damages is discretionary and cannot be awarded where the claimant has opted for an account of profits.

If the claimant elects for an account of the infringer's profits they must take the infringer as they find him. In other words, even if the infringer's business has not been profitable, the claimant will not be able to recover more than the profits actually made by the infringer.

APPEAL REMEDIES

41. What routes of appeal are available to the unsuccessful party and what conditions apply?

The destination of an appeal from the Intellectual Property Enterprise Court List (IPEC) is either the Court of Appeal (CA) or the High Court (Chancery Division). Final orders are appealed to the CA whereas interim orders are appealed to the High Court.

The CA hears appeals from the High Court. The Supreme Court (SC) hears civil appeals from the CA (or sometimes the High Court) where a case is of public or constitutional importance.

Parties must obtain permission from the court before an appeal can be filed.

Permission will only be given if an appeal has a real prospect of success or if there is some other compelling reason why the appeal should be heard. An appeal must be filed within strict time limits.

Generally, appeals to the CA last at least a year. An appeal to the SC is likely to take longer, unless the issue in question is one of great public importance.

LITIGATION COSTS

42. What level of cost should a party expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and appeal proceedings?

Costs will vary significantly based on the nature of the case, the volume of disclosure, the number of witnesses and whether expert evidence is required. As a general guideline, costs will be in the region of up to about:

- GB£75,000 for preliminary injunction applications.
- GB£50,000 to GB£150,000 for a full trial in the Intellectual Property Enterprise Court List (IPEC).
- GB£400,000 to GB£750,000 for a full trial in the High Court.
- GB£200,000 to GB£300,000 for appeal proceedings.

Costs are generally recoverable from the losing party. Recoverable costs in the IPEC are capped at GB£50,000. Costs are not capped in the High Court, but most proceedings will be subject to a costs management order, so in practice recoverable costs will be limited unless the court exercises its discretion to permit greater recovery. In practice, up to 60% to 70% of the winning party's costs are actually recovered from the losing party.

REFORM

43. What are the important developing and emerging trends in your country's copyright law?

One of the most important trends is how the courts have been prepared to use traditional remedies to prevent infringements using emerging technologies, for example, the use of "live" blocking injunctions to prevent access to infringements on streaming servers (*see Question 22*).

The law regarding communication to the public continues to develop and the ECJ is also showing a willingness to interpret existing laws very broadly in order to prohibit new forms of objectionable conduct (*see Question 12*).

There will be continuing debate as to the role of intermediaries in the fight against online infringements, as seen by the EU's Digital Single Market proposals (*see Question 21*).

The effect of Brexit will need to be assessed before it can be ascertained whether UK copyright law will start to develop separately from EU law.

ONLINE RESOURCES

Copyright, Designs and Patents Act 1988

W www.legislation.gov.uk/ukpga/1988/48/contents

Description. The main statutory source of copyright law in the UK, maintained by an editorial team at the National Archives. Legislative changes are not always reflected immediately.

British and Irish Legal Information Institute (BAILII)

W www.bailii.org

Description. The most comprehensive free-to-access database of UK and Ireland case law (although note that it does not contain every decision, and updates in relation to new cases are not always immediate).

Court of Justice of the European Union (CURIA)

W curia.europa.eu/juris/recherche.jsf?cid=1486216

Description. A comprehensive database of the Court of Justice of the European Union decisions, maintained by CURIA staff. Translations of judgments are official.

United Kingdom Intellectual Property Office (UKIPO)

W www.gov.uk/topic/intellectual-property/copyright

Description. Some useful non-binding guidance provided by the UKIPO, aimed primarily at non-lawyers.

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Non-professional qualifications. BEng (first class honours), Aerospace Systems Engineering, University of Southampton ; MSc (with distinction), Structural Molecular Biology, Birkbeck College, University of London; LLM (with distinction), Intellectual Property, King's College London; CPE (with distinction); Law Society Finals (first class honours)

Recent litigation and transactions

- Specialises in all areas of IP litigation and advisory work.
- Wide experience of patent, trade mark, and passing off, copyright and confidential information disputes.
- Experience includes proceedings before the High Court, Court of Appeal and European Court of Justice.

Professional qualifications. Solicitor of the Senior Courts of England and Wales; admitted as a Solicitor in Ireland

Areas of practice. Intellectual property; litigation.

Non-professional qualifications. Diploma in Intellectual Property Law and Practice, University of Oxford, 2016

Recent litigation and transactions. Advises on all areas of IP, particularly in a contentious context, with a focus on brands and copyright. Advises clients in the media/entertainment, consumer goods, life sciences and tech sectors (among others).

Publications

- "Duran some interesting arguments with a View to Reclaim, but Le Bon et al. Come Undone in an Ordinary World: no Rio-version of US Copyright!" *European Intellectual Property Review*, forthcoming.
- "Can they take off, Bake Off" *Managing Intellectual Property*, October 2016.



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Publications

- *UK Threats: worldwide consequences?*, Fox, Thompson, Potts and Döring, *European Intellectual Property Review*, January 2018.
- *Blocked but not forgotten*: Cordell and Potts, *IP Magazine*, May 2017
- *AG applies linking case law to media players*, Cordell and Potts, *IP Magazine*, March 2017.
- *Sky-High IP*, Cassidy and Potts, *Estates Gazette*, September 2016.
- *Courts get tough on intermediaries in fight against online counterfeits*, Rose and Potts, *Managing IP*, September 2016.
- *Review of the Year: Copyright*, Potts and Pakenham-Walsh, *IP Magazine*, December 2015.