

Designs and Copyright Review
of the Year 2017

BRISTOWS

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Introduction

This is the first publication of our Designs and Copyright Review of the Year, to complement our existing publications, Patents Review of the Year and Brands Review of the Year.

Once again, developments in copyright law have been dominated by the communication to the public right, and we feature several Court of Justice of the European Union (“CJEU”) decisions which demonstrate how the right continues to evolve.

Design rights is another area where cases in the last 12 months or so (we have taken the liberty of including a couple of important cases from December 2016) have seen the various overlapping UK and Community design rights being the subject of judicial interpretation. Whilst we have also covered database rights, including those in the name of the publication was considered to be too much of a mouthful.

Copyright

Communications to the public - *Zürs.net*

In March 2017 the CJEU provided further guidance to member states regarding the ‘communication to the public’ right in *Zürs.net*¹ in the particular context of retransmission of broadcasts.

Zürs.net operates a cable network in Austria through which it transmits radio and television broadcasts, including retransmission of broadcasts by ORF, the national broadcasting organisation, and some by other broadcasters. AKM, a collecting society, sought information from *Zürs* as to the number of its subscribers connected to its network at various points in time and the content broadcasted in order to determine the appropriate fee for *Zürs*’ activities.

In proceedings before the Commercial Court in Vienna, *Zürs* claimed its transmissions were covered by an exception under Austrian Law which provides that the transmission of broadcasts via a communal antenna installation with less than 500 connected subscribers does not constitute a new broadcast. AKM considered that exception to be incompatible with EU law and so the Commercial Court referred the matter to the CJEU, seeking clarification on that point and also whether *Zürs*’ simultaneous, full and unaltered transmission of ORF broadcasts by means of cable constitutes part of the original broadcast, meaning that no authorisation was required or fees payable to AKM.

Article 3(1) of the InfoSoc Directive² provides authors with “*the exclusive right to authorise or prohibit the*

communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.”

The CJEU’s case law has established two key cumulative criteria for a communication to the public: (1) an act of communication; (2) to a public (either by different technical means to that of the original communication or, in the case of a transmission made using the same technical means, to a new public).

In *Zürs.net*, the CJEU noted that *Zürs*’ transmissions were made through cables which was a ‘different technical means’ to that of the initial broadcast by ORF. As such, in accordance with the CJEU’s line of reasoning concerning ‘different technical means’ in *TV Catchup*³, *Zürs*’ transmissions were an act of communication. However, the transmissions were made by *Zürs* to persons in Austria who had already been taken into account by the right holders when they initially granted ORF broadcasting rights. As such, there was no new public. On that basis, *Zürs* did not require the authorisation of the right holders in respect of its transmissions. It is interesting that the CJEU felt it necessary to consider whether or not there was a new public, since the CJEU in *TV Catch Up* had found that where there was a communication by a different technical means, there was no need to show a new public, and the communication amounted to a communication to the public.

The CJEU also addressed whether the exception under Austrian Law was compatible with EU law and specifically, Article 5(3)(o) of the InfoSoc Directive which permits exceptions and limitations to the communication to the public right in certain cases of minor importance and which already exist under national law. The CJEU noted that whilst the exception would not be relevant to *Zürs*’ transmissions of the ORF broadcasts - which were not to a new public and therefore did not require authorisation - it may nevertheless be relevant to *Zürs*’ transmissions of broadcasts by other broadcasters established elsewhere in the EU outside of Austria. These other broadcasts might constitute communications to the public, which was for the Austrian Commercial Court to decide. Given that the objective of the InfoSoc Directive is to provide a high level of protection for copyright owners, the CJEU in *Zürs.net* held that the exception under Austrian Law was precluded by Article 5(3)(o), which required a strict interpretation, because it could lead to continuous, cumulative and parallel use of a multiplicity of communal antenna installations across the whole territory.

It is possible to discern a trend from the various recent CJEU judgments towards finding retransmitters

¹ C-138-16
² Directive 2001/29

³ C-607/11

responsible for having made a communication to the public requiring the authorisation of the right holder. For example:

- In *Airfield*⁴, a case involving ‘communication to the public’ by satellite under the Satellite and Cable Directive, the CJEU considered the possibility that there could be a single act of communication to the public by satellite which was indivisible as between the broadcasters and the professional distributors but concluded that the satellite package provider (the ‘intervening’ party) required authorisation on three bases, namely: (1) it was more than merely an intervention limited to the mere provision of physical facilities for enabling or making a communication because it constituted an intervention “without which [the package provider’s] subscribers would not be able to enjoy the works broadcast”, effectively making the protected works accessible to a new public; (2) its intervention amounted to the supply of an autonomous service performed with the aim of making profit, the subscription fee being paid by those persons not to the broadcasting organisations but to the satellite package provider; and (3) it brought together a number of channels from various broadcasting organisations in a new audio-visual product, the satellite package provider deciding upon the composition of that package.
- In *SBS*⁵, a case involving direct-injection broadcasting, SBS, located in Belgium, transmitted programme-carrying signals to professional distributors via a “private line”. This was the first step of what the CJEU described as a “two-step process”. The professional distributors then sent the signals to their subscribers so that those subscribers could view the programmes on their television sets (step two). The CJEU concluded that the signals transmitted by SBS were transmitted to specified individual professionals without potential viewers being able to have access to those signals. It was not disputed that these professional distributors “such as those in question do not in any event make up part of such a public”. As such, there was only one “public”, namely that consisting of all the subscribers to each particular professional distributor. In those circumstances, SBS would not have made a communication to the public and as the intervention by the professional distributors was more than just a technical means, the communication to the public was made by the professional distributors rather than by SBS.

Broadening the ‘Communications to the Public’ Right: *Stichting Brein v Jack Frederik Wullems (Filmspeler)* – Case C-527/15

In April 2017 the CJEU handed down judgment in the case of *Stichting Brein v Jack Frederik Wullems*. This represented another important instalment in the long line

of CJEU judgments to consider the ‘communication to the public’ right under Article 3(1) of Directive 2001/29/EC (the “InfoSoc Directive”). The CJEU was asked by the Midden-Nederland District Court to answer a number of questions regarding the interpretation of Article 3 and also Article 5 (concerning the exception to copyright infringement for *temporary* acts of reproduction) of the InfoSoc Directive, in the context of sales of a multimedia player which provided access to websites on which copyright protected works were made available without the consent of the right holder.

The judgment extends the ‘communication to the public’ right beyond the position taken in the *Svensson*⁶ and *GS Media*⁷ cases (which dealt with the posting of hyperlinks on a website). The judgment should allow right holders to prevent the sale of a *physical device* which facilitates access to unlawful online streams of copyright works, even where the seller of the device is not responsible for the existence of the unlawful streams and does not initiate any unlawful transmission.

Case Background

The claimant in the main proceedings was Stichting Brein, a Dutch foundation for the protection of the interests of copyright holders. On the other side was Jack Wullems, an individual selling multimedia players on various internet sites including his own www.filmspeler.nl.

Wullems’ Filmspeler device carried pre-installed add-ons (software – in this case software that was freely available on the internet) which contained hyperlinks to streaming websites. Therefore, the device allowed purchasers, using their remote control and a ‘user-friendly’ interface, to play files from streaming websites on their TV set. Some of these streaming websites operated without the authorisation of the copyright holders, and marketing collateral for the player made clear that this was an attraction of the device.

In July 2014 Stichting Brein brought an action against Mr. Wullems, submitting that by selling the Filmspeler device he was making a ‘communication to the public’ in breach of the Dutch law on copyright and law of neighbouring rights. Mr. Wullems submitted in reply that the streaming (performed by the users of the Filmspeler device) of copyright works from an illegal source was covered by the temporary copying exception to infringement contained in Article 5(1) of the InfoSoc Directive.

The Dutch court considered that in order to decide the case it required guidance from the CJEU on the interpretation of both Article 3(1) and Article 5(1) of the InfoSoc Directive. Therefore, the Dutch court stayed its proceedings and referred four questions for a preliminary

⁴ C-431/09 and C-432/09
⁵ C-325/14

⁶ C 466/12
⁷ C 160/15

ruling, the first two of which concerned the interpretation of the ‘communication to the public’ right under Article 3(1) of the InfoSoc Directive and the latter two concerning the interpretation of the temporary copying exception under Article 5(1) of the Directive.

Article 3(1) of the InfoSoc Directive states that:
“Member States shall provide authors with the exclusive right to authorise or prohibit any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.”

Article 5(1) of the InfoSoc Directive states:
*“Temporary acts of reproduction referred to in Article 2 [the reproduction right], which are transient or incidental [and] an integral and essential part of a technological process and whose sole purpose is to enable:
 (a) a transmission in a network between third parties by an intermediary, or
 (b) a lawful use
 of a work or other subject-matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Article 2.”*

The Decision

Communication to the Public

The CJEU examined the referring court’s first and second questions together, considering whether Article 3(1) must be interpreted as covering the sale of a multimedia player which had pre-installed add-ons containing hyperlinks to websites on which copyright protected works had been made available without the consent of the right holders.

Under Article 3(1), authors have a right which allows them to prohibit third parties’ communication of their work to the public. The CJEU previously held (in the *GS Media* case and others) that due to the absence of a definition of ‘communication to the public’ in the InfoSoc Directive, the concept must be interpreted in light of the objectives of the Directive and the context within which it is being interpreted. Recitals 9 and 10 make clear that the objective of the Directive is to establish a high level of protection for authors, and recital 23 requires ‘communication to the public’ to be interpreted broadly.

‘Communication to the public’ requires two cumulative criteria: an ‘act of communication’ of a work; and the communication of that work to a ‘public’ (as set out by the CJEU in *Svensson*).

The CJEU has previously held that a user makes an act of communication when he intervenes, in full

knowledge of the consequences of his actions, to give access to a protected work, in particular where without his intervention his customers would not be able, in principle, to enjoy the work. In considering the act of communication in the present case, the Court referred to recital 27 of the InfoSoc Directive which states that ‘the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication.’ However, the Court held that the circumstances of this case were not concerned with mere provision of physical facilities. Mr. Wullems had full knowledge of the consequences of his conduct and had pre-installed add-ons to specifically enable purchasers to have unauthorised access to protected works. His intervention enabled a direct link between unauthorised websites and purchasers of the player, without which they would have found it difficult to access the protected materials. The Court noted that the websites to which the player linked were not readily identifiable by the public and changed frequently. These factors meant that Mr. Wullems’ intervention was quite different to the mere provision of physical facilities.

Consequently, the provision of a multimedia player with pre-installed add-ons which provide direct access to protected works without the right holder’s consent is an act of communication within the meaning of Article 3(1).

Turning to the question of whether the works had been communicated to a ‘public’, the Court noted that previous case law defined the concept of the ‘public’ as an indeterminate number of potential viewers and implies a fairly large number of people (*GS Media*). They also stated that the cumulative effect of making the works available to potential recipients should be taken into account.

The multimedia player in question had been bought by a ‘fairly large number of people’ and the Court observed that the communication at issue covered all people who could potentially purchase the player and had an internet connection. This meant that there was a large but indeterminate number of potential recipients, which the Court considered enough for the communication in question to be to a ‘public’ within the meaning of Article 3(1).

Finally, the Court noted that according to its settled line of case law, in order for there to be a ‘communication to the public’ there must be either: (a) a communication using technical means different to those used previously; or (b) a communication to a ‘new public’, that being a public that was not taken into account by the right holder when they authorised the initial communication of their work (*ITV Broadcasting*⁸; *Svensson*).

In *Svensson* (a case concerning posting hyperlinks on one website which linked to another where protected

works were made available *with the rights holder's consent*) it was held that there was no communication to a new public. This was because when the right holder consented to unrestricted communication of their work on one website, all internet users were included as the relevant 'public'.

The *GS Media* case, on the other hand, considered circumstances analogous to *Filmspeler*, with hyperlinks being provided to websites where content is made available *without* the right holder's consent. In *GS Media*, the CJEU held that providing such a hyperlink could constitute a communication to the public in three different scenarios:

1. Where it is established that a person knew or ought to have known that the hyperlink he posted provided access to work illegally placed on the internet;
2. Where a link allowed users to circumvent access restrictions on a website (e.g. where a subscription would be required to watch the media lawfully); and
3. Where the posting of the hyperlink is carried out for profit. This third scenario creates a rebuttable presumption that the posting has occurred with the full knowledge of the protected nature of the work and the possible lack of consent to publication from the right holder.

In the present case, it was common ground that the sale of the device was made in full knowledge that the add-ons contained hyperlinks to websites which made protected materials available without the right holder's consent – it had been specifically stated in advertising for the *Filmspeler* device. Consequently, the CJEU found that the sale of a multimedia player containing add-ons providing hyperlinks to websites, that are freely available to the public, on which protected works are available without the consent of the right holders constitutes a communication to the public within the meaning of Article 3(1) of the InfoSoc Directive.

Temporary Reproduction

The CJEU examined the referring court's third and fourth questions together, asking whether Article 5(1) and (5) must be interpreted as meaning that acts of temporary reproduction, on a multimedia player, of copyright protected works obtained by streaming from a third party website without consent satisfy the conditions of Article 5(1) and (5).

Under Article 5(1) of the InfoSoc Directive, a temporary act of reproduction may fall outside the scope of copyright infringement if it satisfies every one of the following five conditions:

- The act is temporary;
- It is transient or incidental;
- It is an integral and essential part of a technological process;
- The sole purpose of that process is to enable a

transmission in a network between third parties by an intermediary or a lawful use of a work or protected subject matter; and

- The act does not have any independent economic significance.

The exception in Article 5(1) must also be interpreted in light of Article 5(5), which requires that the exception is only to be applied in certain special cases which do not conflict with normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder (often referred to as "the three step test").

The CJEU decided that the applicability of the temporary reproduction exception in this case turned on the fourth condition under Article 5(1). The streaming in this case was not a transmission by an intermediary, so it was necessary to examine whether the relevant streaming activity constituted a lawful use of the protected works.

The Court held that the streaming activity made possible by the *Filmspeler* player did not constitute a lawful use of the relevant copyright works. In particular, the Court noted that *the main attraction* of the player (as indicated by its advertising material) is the pre-installation of the add-ons containing the relevant hyperlinks. In those circumstances, the Court found that purchasers of the player access unauthorised streams of protected works deliberately and in full knowledge of the unlawful nature of those streams.

Considering the impact of Article 5(5) of the InfoSoc Directive, the Court considered that the relevant acts of temporary reproduction would also adversely affect the normal exploitation of the relevant works and cause unreasonable prejudice to the legitimate interests of the right holder, as there would be a diminution of lawful transactions relating to the protected works.

In view of the above, the CJEU held that acts of temporary reproduction, on a multimedia player, of copyright protected works obtained by streaming from a third party website without the consent of the right holder do not satisfy the conditions set out in Articles 5(1) and (5) of the Directive.

Implications of the decision

The CJEU in *Filmspeler* had to consider – albeit indirectly – whether the end-user (as opposed to the provider) of an unlawful stream of copyright-protected content could be liable for copyright infringement. Having found that the temporary reproduction exception cannot apply in the case of the *Filmspeler* player, it seems that the CJEU's reasoning should apply to any end-user's enjoyment of an unlawful online streaming site. However, in *Public Relations Consultants Association Ltd v Newspaper Licensing Agency Ltd*

and Others (Case C 360/13), the CJEU had previously effectively come to the opposite conclusion, relying on the CJEU's earlier judgment in *Football Association Premier League Ltd and Others v QC Leisure and Others* (C-403/08) and *Karen Murphy v Media Protection Services Ltd* (C-429/08) which found that temporary copies made within a satellite decoder and on a television screen were made for the lawful purpose of allowing television broadcasts to be received for private circles. In *PRCA* the CJEU found that copies of websites made in a computer and on a computer screen by end-users of a commercial press monitoring service accessed on a website also fell within Article 5(1) because they were made for the lawful purpose of browsing the internet, even though in that case the right holders had not authorised the use of their content for commercial purposes in their website terms and conditions.

Right holders should nevertheless be pleased by the decision, but of course it does nothing to assist with the practicalities of enforcement against end-users of unlawful streams. Ultimately, the decision is unlikely to alter the fact that from an economic perspective it makes more sense to take action against providers rather than users.

In relation to the concept of 'communication to the public', in *Filmspeler* the CJEU has taken a flexible approach to the definition of an act of communication set out in its earlier judgments (including *Reha Training*⁹ and *GS Media*). Those judgments have indicated that an act of communication is only performed when, in the absence of the user's intervention, the user's customers would not, in principle, be able to enjoy the protected work. In other words, the user's intervention must be indispensable to the process of his customers gaining access to the protected work.

In *Filmspeler*, Mr. Wullems' intervention was not strictly indispensable to the process of his customers gaining access to the relevant works, because the streaming websites to which his device provided hyperlinks could be found without the assistance of the device. However, the CJEU noted that the relevant streaming websites were not readily identifiable by the public and that the majority of them "change frequently". It is clear that the Court's conclusion that Mr. Wullems was performing an act of communication was also heavily influenced by the fact that the main attraction of Mr. Wullems' device was that its pre-installed add-ons enabled users to gain access to unlawful streaming websites.

Finally, the decision may also be noteworthy for the assistance it can be seen to give to the interpretation of the CJEU's earlier decision in *GS Media*. The *GS Media* case established that, in the context of the provision of hyperlinks to third party websites providing content unlawfully, whether or not a 'communication to the public' is made may depend on whether the links are

provided for financial gain. This raised the question of whether it is necessary for the specific posting of a specific hyperlink to be performed in the pursuit of profit, or whether one should instead consider whether the hyperlinking activity is performed in a broader context of commercial activity. Given that, in the *Filmspeler* case, the profit of the provider of the hyperlinks was clearly derived from the sale of the multimedia player which contained the hyperlinks (and the CJEU considered this a relevant factor in the 'communication to the public' analysis), it seems likely that the correct approach is to consider the broader context in which the relevant hyperlinks are provided.

Having said the above, it is worth noting at this stage that a number of German national court decisions in 2017 showed reluctance to apply the "rebuttable presumption" of knowledge proposed in *GS Media*. In *GS Media*, the CJEU said that where a party provides a link to unauthorised content and the linker has *profit-making intention*, a rebuttable presumption that the linker has *knowledge* of the unlawful nature of the content being linked to should be applied, leading to a finding that the linker has carried out an act of communication to the public under Article 3(1) of the InfoSoc Directive. However, in some of the hyperlinking cases heard by German courts, the courts appeared not just to *rebut* the rebuttable presumption of the linker's knowledge but actually to decide that it was inappropriate to apply the rebuttable presumption in the first place. They said that the *GS Media* rebuttable presumption of knowledge should only be applied in circumstances in which it is *reasonable* to expect the linker to carry out the requisite checks to determine the status of the content being linked to. This expectation might not be reasonable, for example, if the linker's business model relies on the automatic creation of a large number of hyperlinks via the operation of algorithms, and one German court considered that the application of a (rebuttable) presumption of knowledge in such circumstances would amount to an undue restriction on the fundamental freedom to conduct a business (Article 16 of the EU Charter of Fundamental Rights). Therefore, it will be interesting to monitor over the course of 2018 how national courts continue to deal with the *GS Media* rebuttable presumption of knowledge.

Yet more Communications to the Public: *Ziggo*

This CJEU decision concerned the notorious file-sharing online platform, The Pirate Bay ('TPB')¹⁰. TPB provides a sharing platform which, by way of indexation and metadata, allows its users to locate and share protected works in a peer-to-peer network. The CJEU held that the making available and management of such an online sharing platform can constitute a communication to the public, even though the works were not hosted by the platform but by its users. In this case, TPB played an essential – active – role, with full knowledge, in making

⁹ C-117/15

¹⁰ *Ziggo BV*, C-610/15

protected works available to the public and its actions consequently fell within Article 3(1) of the InfoSoc Directive¹¹.

Ziggo and XS4ALL are internet access providers; a significant number of their subscribers use TPB. Stichting Brein is a Netherlands foundation which safeguards the interests of copyright holders. It requested that, in order to prevent its services being used to infringe copyright, Ziggo and XS4ALL block TPB's domain names and IP addresses. The question referred by the Netherlands Court concerned whether TPB communicates works to the public within the meaning of Article 3(1) of the InfoSoc Directive¹² where it: i) creates and maintains a system in which internet users connect with each other, to share works (which are split into segments) held on their computers; ii) operates a website from which users can download torrent files which refer to those segments of work; and, iii) indexes and categorises the files in such a way that enables the underlying works to be located and downloaded.

Adding to the list (which includes hyperlinks¹³ and multimedia players which have pre-installed add-ons containing hyperlinks to websites containing protected works¹⁴), the CJEU held that the making available and management of an online sharing platform, such as TPB, is also an act of communication. It recalled the Court's past emphasis on the actor playing an *"indispensable role"* and the *"deliberate nature of his intervention"*. An act is made when: *"he intervenes, in full knowledge of the consequences of his action, to give his customers access to a protected work, particularly where, in the absence of that intervention, those customers would not be able to enjoy the broadcast work, or would be able to do so only with difficulty."* (emphasis added).

TPB was held to play an *"essential role"* in making the works available. Despite the protected works having been put online by the users, TPB intervened, with full knowledge of the consequences of its conduct, to provide access to the works, allowing users to locate and share them, without which the works could not be shared, or sharing the works would prove far more complex. Further, TPB's involvement went beyond *"mere provision"* of physical facilities: it indexed the files, made them easily locatable and downloadable, classified the works under different categories such as type, genre, or popularity, deleted obsolete or faulty files and actively filtered some content.

There was also clearly a public, being a large number of subscribers, and a 'new' public, given that it was a public that was not taken into account by the copyright holders when they authorised the initial communication. TPB clearly knew, or as the CJEU politely put it *"could not be unaware"*, that its platform was used to circulate protected works, given the high proportion of the files

relating to protected content and that it had been informed that this was the case.

The CJEU once again, in the line of recent decisions on Article 3(1), emphasised the importance of the communicator's knowledge. However, given that TPB had actual knowledge that its platform was assisting copyright infringement, the CJEU did not have to broach the controversial issue of a 'presumption of knowledge' introduced in *GS Media*. As discussed above, some remain concerned that this presumption, firstly, conflicts with the prohibition on general monitoring in the E-Commerce Directive, and secondly, makes what is on its face a strict liability tort, an indirect liability (which some Member States' laws do not provide for). Whilst this decision pushes forward what some call the CJEU's "harmonisation project" of liability, despite some expectations, it did not provide any clarification to this debate. It has, however, provided further reassurance to right holders that the CJEU remains open to broadening what acts might constitute a communication under Article 3(1).

Copyright and Broadcasts to Televisions in Hotel Rooms

In *Verwertungsgesellschaft Rundfunk GmbH v Hettegger Hotel Edelweiss GmbH*¹⁵, the CJEU considered the scope of article 8(3) of the Rental and Lending Right Directive 2006/115/EC, which provides:

"Member States shall provide for broadcasting organisations the exclusive right to authorise or prohibit the rebroadcasting of their broadcasts by wireless means, as well as the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee."

This reference to the CJEU was made by the Commercial Court of Vienna (Handelsgericht Wien) in an action brought by an Austrian collecting society representing numerous broadcasting organisations (Verwertungsgesellschaft Rundfunk) against the operator of a hotel in the Austrian town of Grossarl (Hettegger Hotel Edelweiss). The collecting society claimed that Hotel Edelweiss, by providing television sets which broadcast television and radio in its hotel rooms, was communicating to the public broadcasts in a place accessible to the public against payment of an entrance fee, within the meaning of article 8(3).

The CJEU confirmed, as it had in previous cases (see C-306/05 SGAE and C-162/10 *Phonographic Performance (Ireland)*), that the provision of television and radio broadcasts by means of TV sets in hotel rooms constitutes a "communication to the public". However, it held that a hotel room is not a "place made

¹¹ Directive 2001/29

¹² Directive 2001/29

¹³ *Svensson*, C-466/12; *Bestwater*, C-348/13; *GS Media*, C-160/15

¹⁴ *Filmspeler*, C-527/15

¹⁵ Case C-641/15, 16 February 2017

accessible to the public *against payment of an entrance fee*” (emphasis added). Although a fee is undoubtedly rendered by hotel guests in the payment for the hotel room, the CJEU considered that this constitutes the consideration for, principally, the accommodation service. The fact that further complementary services are available (such as the in-room TV and radio broadcasts) does not change this conclusion. This is so even if the additional services offered influence the hotel’s standing and, as a result, the price of its rooms.

The CJEU confirmed that the condition for payment of an entrance fee should be interpreted narrowly to refer to a payment *specifically requested* in return for a communication to the public of a television or radio broadcast.

It should be noted that this decision relates to the rights of broadcasters, whose right of remuneration for communications to the public is subject to the requirement of an entrance fee being paid. This contrasts with the rights of the owners of the content of the programmes being broadcast, who have the benefit of the wider communication to the public right under article 3 of the Copyright Directive. For consideration of the extent to which a broadcast of such content might result in that communication to the public right applying, see the cases discussed above.

Two heads are not always better than one: Copyright and Joint Authorship: *Martin v Kogan*

In the *Florence Foster Jenkins*¹⁶ case (the title of a film about an American socialite who wanted to become an opera singer despite having a terrible singing voice), His Honour Judge Hacon provided a useful summary of the law on joint authorship. He ruled that minor plot suggestions, minor editing changes and contributions that do not rise above the level of providing useful jargon, were not sufficient to give rise to joint authorship of a copyright work.

This case concerned the writer of the screenplay for the BAFTA award-winning film *Florence Foster Jenkins*, Mr Martin and his estranged partner Ms Kogan (a professional opera singer). Some way into the film’s development, Ms Kogan claimed joint authorship in the copyright of the screenplay, having allegedly assisted with its drafting when the two had lived together. Mr Martin commenced proceedings seeking a declaration of sole authorship; Ms Kogan (unsuccessfully) counterclaimed for a declaration of joint authorship.

There are three requirements to find joint authorship:

- 1) A *collaboration* between two or more authors;
- 2) The contribution of each author *must not be distinct* from that of the other author/s; and
- 3) (as an implied third requirement) the contribution

must be *sufficient* for an individual to qualify as a joint author, given that the contributor must still be an *author* within the meaning of s.9(1) Copyright, Designs and Patents Act 1988 (“CDPA”) and therefore have contributed a significant part of the skill and labour protected by copyright.

The Judge confirmed that for collaboration to be found, there must be *common design* at the time of the work’s creation. For a literary work, suggestions or criticism would not qualify if the main author was the ultimate decision-maker as to whether to include such suggestions or criticism. Instead, a combined effort to remodel a work *together* was required. Given that the final draft of the screenplay was completed after the couple had parted ways, it was not possible for Ms Kogan to have collaborated in authoring the work. The Judge rejected Ms Kogan’s submission that the fact that she had given her consent to the use of her material in earlier drafts should make her a collaborator. Collaboration was not enough to amount to joint authorship – what was required was a common design.

Moving on to consider whether Ms Kogan held any copyright in the earlier drafts that had been infringed by the final draft of the screenplay, the Judge drew out guiding principles as to when a contribution might be sufficient to constitute joint authorship. Central to this is the test for originality: to be protected by copyright a work must be original, being an expression of the author’s own intellectual creation which constitutes a ‘substantial part’ of the work. If the contribution alone is protected by copyright, the contribution constitutes a substantial part and will be sufficient for the purposes of joint authorship. This will require both a quantitative and qualitative assessment. As usual, contributing only *ideas* will not be sufficient.

Judge Hacon introduced a consideration of whether the contribution was due to ‘primary’ or ‘secondary’ skills. For example, primary skills in a painting would be the use of a brush; secondary skills would be the selection of colour or arrangement. He considered that, whilst this distinction does not affect either skill’s intrinsic capacity to give rise to joint authorship, it will often be harder to prove that secondary skills alone establish a sufficient contribution.

Having heard the contradictory oral testimony of the parties (on which the judgment provides interesting direction on the reliability (or lack thereof) of recollection evidence in litigation), Judge Hacon focused on the documentary evidence. Ms Kogan’s contributions were found not to go beyond minor changes or contributions and nor was there evidence of common design. Her correspondence with Mr Martin strongly inferred that she believed the work was solely his. The fact that Ms Kogan only later (after the estrangement) began claiming

¹⁶ *Nicholas Martin v Julia Kogan* [2017] EWHC 2927

joint authorship undermined her claim.

This case provides a useful summary of UK law on joint authorship and the difficulties of having to assess the sufficiency of a putative author's contributions. Whilst providing reassurance to authors that using friendly and constructive criticism will rarely jeopardise their ownership of their work, it is a warning to aspiring joint authors to adequately document their role and contribution/s, and to maintain a consistent claim to the work in question. Whilst this decision provides useful insight into the particularities of judging a contribution's sufficiency, the distinction between primary and secondary skills may not provide anything beyond the requirements specified above. Provided that the contribution is capable of copyright protection (and derives from the author's own intellectual creation) it will be sufficient. Secondary skills may simply be harder to document and prove than primary skill contributions.

Is there something you should know about Reversion of Copyright?

The pop group Duran Duran went to battle with their former music publishing company at the end of 2016 in *Gloucester Place Music Limited v Simon Le Bon and others*¹⁷. The dispute concerned agreements that the members of Duran Duran entered into with their music publishers in the 1980s and 1990s, which contained worldwide assignments of copyright in songs written or composed by members of the group during the term of those agreements, in return for the payment of advances and royalties. 37 songs were written by the group during this time, including some of Duran Duran's most famous hits such as "Rio", "Girls On Film" and "Is There Something I Should Know?".

In 2014, Duran Duran's representatives served notices on the publishers purporting to terminate the copyright assignments under the agreements, citing s.203 of the United States Copyright Act 1976. This section provides that an author may terminate an assignment or licence of copyright 35 years (or 40 years, in certain circumstances) after the date of execution of the grant. The purpose of this piece of US legislation is to provide authors with some protection against the effect of transactions which involve assigning copyright for its full term.

It was agreed between the parties that the notices were valid and effective as a matter of US law. However, Gloucester Place Music claimed that by serving those notices, the members of Duran Duran had breached the terms of their agreements, and it issued proceedings in the English High Court seeking declarations to that effect. Although the notices were served pursuant to a provision of US legislation, as the agreements were governed by English law and conferred exclusive

jurisdiction on the courts of England, this was a question for the English High Court to decide.

The Court referred to the general rule that the English courts will enforce a contract which is valid and enforceable under English law, even if the contract would be unenforceable as contrary to public policy in another country in which the contract has a connection. Here, the language of the agreements suggested that the copyright in the songs should vest, and remain vested, in the claimant for its full term. Although the agreements were silent on the exercise of the right of termination under s.203 of the United States Copyright Act 1976, the Court held that the wide wording of the assignments in the agreements implicitly precluded Duran Duran's members from exercising their rights under US law, as this would result in the claimant's ownership of the copyright being brought to an end prior to term expiry. Duran Duran had therefore breached the terms of the agreements by serving the notices.

This is a cautionary tale for any author that enters into a wide assignment of their copyright for its full term; the lesson appears to be to include specific carve-outs for the exercise of statutory rights to reclaim the copyright. A postscript, however: the Judge commented that the arguments were "finally balanced" and he arrived at his decision "not without hesitation"; Duran Duran have been granted permission to appeal, with the appeal due to be heard in May 2018. Watch this space for whether the Court of Appeal decides to 'rioverse' this judgment...

Just a minute: Copyright and TV Show Format Rights

The UK High Court turned its attention to the copyright protection of television show formats in the case of *Banner Universal v Endemol and others*¹⁸. In this case, Banner claimed that the defendants' television show "Minute to Win It" infringed its rights in its television gameshow format, "Minute Winner". The saga began in 2005, when Mr Banner met with Friday TV, one of the defendants, to discuss new TV programme format ideas. Mr Banner insisted that he had disclosed his *Minute Winner* idea in the meeting, but this was denied by the defendants and their denial was supported by their contemporaneous note of the meeting. After the meeting, Mr Banner sent Friday TV an unsolicited email attaching ten further ideas for TV formats, one of which was *Minute Winner*. In 2011, the defendants (including Friday TV) were involved in the screening on ITV2 of a new gameshow called *Minute to Win It*. Rights to *Minute to Win It* gameshows have been sold by the defendants in over 70 countries worldwide.

Banner issued proceedings in the UK claiming: (i) copyright infringement; (ii) breach of confidence; and (iii) passing off. The defendants applied for summary

17 [2016] EWHC 3091 (Ch)

18 [2017] EWHC 2600 (Ch)

judgment and/or for the claim to be struck out. No episodes of *Minute Winner* were ever actually produced, so Banner had to rely on the document recording the *Minute Winner* format which Mr Banner emailed to Friday TV, alleging that copyright subsisted in that document as an original dramatic work. “Dramatic work” is not defined in the Copyright, Designs and Patents Act 1988, but the Court turned to the definition in *Norowzian v Arks*¹⁹, namely “a work of action, with or without words or music, which is capable of being performed before an audience”.

The Court held that it is at least arguable, on a conceptual basis, that a television game or quiz show can be the subject of copyright protection as a dramatic work. Copyright will not subsist, however, unless: (i) there are a number of clearly identified features which, taken together, distinguish the show in question from others of a similar type; and (ii) those distinguishing features are connected with each other in a coherent framework which can be repeatedly applied so as to enable the show to be reproduced in recognisable form.

In this case, the document recording the *Minute Winner* format explained in vague terms a TV gameshow in which contestants attempted to complete tasks in a minute in order to win prizes. The document was lacking in specifics: the length of the programme was not defined, neither was the location, the method for selecting contestants nor a framework that linked the tasks together. The Court concluded that the document did not satisfy (i) or (ii) and therefore there was no real prospect of Banner persuading the Court that the contents of the document qualified for copyright protection.

The Court also held that Banner’s allegation that a substantial part of its (alleged) copyright work had been copied by the defendants had no prospect of success at trial, finding that the *Minute Winner* and *Minute To Win It* formats were different “in every material respect”. Although *Minute To Win It* involved contestants performing one-minute games (a commonplace idea), there were no other material similarities. The Court therefore concluded that Banner’s claim for subsistence and infringement of copyright was without any realistic prospect of success. The Court reached the same conclusion in relation to Banner’s breach of confidence and passing off claims.

Although Banner was unable to claim successfully subsistence of copyright in the *Minute Winner* gameshow format in this case, this decision is interesting because it confirms that, if a television gameshow format is recorded with a suitable amount of specificity, it may be protected by copyright.

Tackling Online Copyright Infringement: Blocking

Injunctions: *Football Association Premier League v BT & Others*, [2017] EWHC 480 (CH) and [2017] EWHC 1877 (CH)

Website blocking orders, which require internet service providers such as broadband providers to block access to copyright infringing websites, have been available in the UK for many years.

Football fans, however, have increasingly been accessing unlawful live streams of matches by using a device (such as a set top box or a USB stick pre-loaded with software) in order to connect directly to streaming servers via their IP address, rather than by accessing a specific website. Website blocking orders have therefore become less effective in the fight against unauthorised sports streaming.

In *Football Association Premier League v BT & others* [2017] EWHC 480 Ch, Arnold J. provided a solution to what he described as this “growing problem” by granting an injunction which required the defendants (the UK’s six main broadband providers) to block access to the servers used to deliver infringing streams of Premier League footage to UK consumers.

The Court held that it had jurisdiction to make an order which blocks access to servers pursuant to section 97A of the CDPA (implementing Article 8(3) of the Infococ Directive) and also that it was proportionate to exercise its discretion and therefore grant such an order. In assessing the proportionality issue, the Judge considered: the comparative importance of the FAPL’s rights as against the ISP’s freedom to carry on business; the effectiveness of the order sought; the risk that consumers will find ways to circumvent the block; the availability of effective alternatives to the measures sought; and the cost and complexity of implementing the block.

Two interesting features of the case are that the blocking order granted is ‘live’ in that it only has effect at the times when Premier League matches are being broadcast, and that the list of target servers to be blocked can be re-set regularly to ensure that the order is effective.

It was also interesting to note the following statement from the Judge: “there is reason to hope that blocking access to the Target Servers will help to educate UK consumers that accessing infringing streams is not a lawful or reliable way to access Premier League content”. That comment suggests that the Judge considers that an end-user who accesses an unauthorised stream of copyright material infringes copyright. This contradicts the CJEU’s judgment in *PRCA* discussed in relation to the *Filmspelers* case above. In *PRCA*, the CJEU concluded that end-users did not infringe copyright

when accessing unauthorised content on the internet because they fell within the “temporary copies” exception, but in the later CJEU *Filmspeler* judgment the Court appears to have reached the opposite conclusion.

The order granted by Arnold J resulting from his judgment ([2017] EWHC 480 (Ch)) applied from 18 March 2017 until the end of the 2016/2017 Premier League Season in May 2017. It has been reported that, in that time, more than 5,000 server IP addresses which had previously been streaming Premier League content were blocked as a result of the Order.

In a second judgment in July 2017 ([2017] EWHC 1877 (Ch)) the parties returned to Court and, in light of the evidence of the effectiveness of the first blocking Order, the Court agreed to grant a second blocking injunction in broadly similar terms to the first. The Order made following the second judgment is in force for the entire 2017/2018 Premier League season.

Damages and Online Copyright Infringement: *Pablo Star Media v Richard Bowen* [2017] EWHC 2541 (IPEC)

His Honour Judge Hacon upheld a Deputy District Judge’s decision that, having applied the ‘user principle’, £250 (plus £3 interest) was an appropriate sum of damages for 17 days’ use of the claimant’s photograph on the defendant’s website. This case is a useful indication of how to assess damages for an online copyright infringement.

The defendant had used a cropped version of the claimant’s photograph of the famous Welsh poet, Dylan Thomas, on its website advertising holiday cottages in Wales. The photograph was live for 17 days before it was promptly taken down upon receipt of the claimant’s complaint.

The District Judge used the ‘user principle’ in assessing the amount of damages. This involves an assessment of what the parties *would* have agreed by way of payment for the use made of the copyright work had permission been sought to use it immediately prior to the infringement. For this hypothetical negotiation, the claimant is assumed to have been a reasonable and willing licensor and the infringer a willing and reasonable licensee.

The District Judge had correctly arrived at a sum of damages, having:

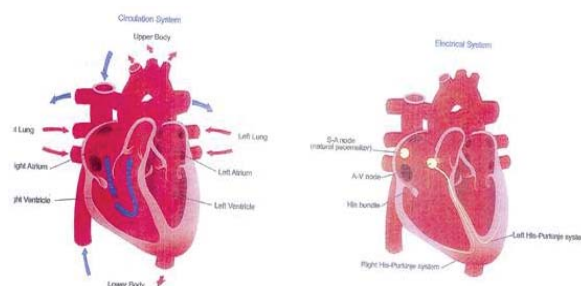
- 1) reviewed several comparable rates for the use of Dylan Thomas photographs;
- 2) selected the closest three; and
- 3) reduced the fees in relation to the period of the defendant’s use.

Judge Hacon rejected the claimant’s assertion that the District Judge’s decision failed to take into account the different acts of infringement committed by the defendant, i.e. downloading, storing, cropping, uploading and displaying the photograph to the public. Whilst there were several acts of infringement, there was significant overlap between them such that they did not require separate calculations of damage.

Copyright and Computer Programs: *Technomed Ltd & Anor v Bluecrest Health Screening Ltd & Anor* [2017] EWHC 2142 (CH)²⁰

In *SAS Institute Inc. v World Programming Ltd*, a reference from the UK High Court to the CJEU, the CJEU concluded, among other things that data file formats (used in a computer program to interpret and execute application programs and to read and write data in a specific format) related to functional elements of a computer program and therefore were not protected by copyright under the Computer Programs Directive. However, the CJEU also noted that notwithstanding the position under the Computer Programs Directive, data file formats might be protected by copyright under the InfoSoc Directive, provided that they constitute the author’s ‘own intellectual creation’. The High Court acknowledged this possibility although such a claim had not been advanced by SAS and it was also unclear whether the data file format satisfied the requirement of fixation.

In *Technomed Ltd & Anor v Bluecrest Health Screening Ltd & Anor* the High Court had a further opportunity to consider whether a data file format might be protected by copyright under the InfoSoc Directive. The claimants Technomed Limited and Technomed Telemedicine Limited (‘Technomed’) claimed that the defendants had infringed database right and copyright in their electrocardiogram analysis and reporting system known as ECG Cloud. Among the claims advanced by Technomed was a claim for copyright in a standardised XML format, used in providing patients with the results of their electrocardiogram screening via the ECG Cloud, as a literary work.



Extract from the claimant’s ECG report

David Stone, sitting as a Deputy High Court Judge, noted that counsel for the defendants had accepted in closing that the XML Format could be a literary work, provided that it constituted the author's "own intellectual creation". Accordingly, the judge was not required to address the (potentially problematic) requirement of fixation of the format and accepted counsel for the claimants' submission that the XML Format exhibited the personal stamp of its author (such as names chosen by the designer and syntax element dictated by the XML standard which meant that the XML Format contained content and not just structure) and was therefore entitled to copyright protection.

As a matter of principle, there is no reason why a data file format should not be protected by copyright. While elements of a data file format differentiated only by their technical function must be disregarded from consideration, and while it may not always be straightforward to demonstrate that a data file format constitutes a "work" capable of protection under the InfoSoc Directive, this case shows that the principle is now a reality.

Database Right

Database Right in a PDF: *Technomed Ltd & Anor v Bluecrest Health Screening Ltd & Anor* [2017] EWHC 2142 (CH)

The claimants in *Technomed* also relied on database right subsisting in the underlying database which contained information from which the ECG reports were produced. In fact, the claimants relied on a spreadsheet recording the database and a pdf of that spreadsheet showing the contents of the database. The Judge found that both the spreadsheet and the pdf were capable of being databases, since both allowed the information recorded in them to be accessed individually. In that sense, they were no different from a phone book or a list of information relating to football matches²¹. The Judge concluded that database right did subsist and had been infringed.

Designs

UK Unregistered Design Right - *Action Storage*

In December 2016, His Honour Judge Hacon delivered a decision in *Action Storage*²² which provided useful guidance on how a UK unregistered design right ('UDR') case should be brought, as well as a structured approach to the legal assessment.

This case concerned the claimant's plastic lockers, sold under the brand name 'eXtreme lockers'. A previous manufacturer of the eXtreme lockers launched a new

range of lockers, in conjunction with another defendant company sharing the same sole director. The claimant successfully sued the defendants for infringement of its UDR in the whole and part of its lockers.



The claimant's and the defendant's lockers

Notable guidance on assessing the subsistence of UDR includes:

- Designs may be original, despite the claimant having had another, pre-existing model in mind: a designer needn't reinvent the wheel to ensure their design is original.
- For designs to be excluded from UDR because they amount to a method or principle of construction (s.213(3)(a)), Judge Hacon thought that this exclusion was going to be less relevant following the removal by the Intellectual Property Act 2014 of protection for "any aspect of" the shape or configuration of the whole or part of an article. There has been some uncertainty as to the meaning of 'configuration' and whether that allows designers to claim UDR in any combination of elements of an article which may fall within their chosen definition of a design, much like a patent claim (see *Mackie Designs Inc v Behringer Specialised Studio Equipment (UK) Ltd* [1999] RPC 717 as an example of a case where the Judge favoured this approach). Judge Hacon's view (subsequently confirmed in *Neptune v deVOL* discussed below) was that the removal of the words 'any aspect of' from the definition of a qualifying design meant that it was now clear that UDR could only subsist in the appearance of a specific design, and not in abstract designs. As a consequence, any non-specific design will not be protected by UDR in the first place, and so the method or principle of construction exclusion is likely to be limited to rare cases where there is only one way of producing a specific method or principle of construction (such as the mesh fishing net in *Bailey v Haynes* [2007] FSR 10).
- For the must fit exclusion (UDR does not subsist in parts of a design which are designed in such a way as to enable them to 'fit' with another article, such as the studs on a Lego brick – s.213(3)(b) CDPA), there needs

²¹ See *Football Dataco Ltd & Ors v Stan James Plc & Ors* [2013] EWCA Civ 27

²² [2016] EWHC 3151

to be a sufficient degree of precision in the fit between two articles, though they needn't touch (the shape of the handle of a mug, for example, will not be excluded because it must 'fit' the shape of someone's hand). The shape of the lockers achieved this, even though further acts were needed to guarantee stability, e.g. drilling the lockers to the wall.

- To be 'commonplace' (UDR does not subsist in commonplace designs – s.213(4) CDPA), a prior design must be current in the thinking of designers in the relevant field. The onus of proof is on the defendant to identify the features of the prior art which it says renders the design in issue commonplace (either the whole design or the applicable part if UDR is claimed in a part of the design), and that evidence must not be obscure. For designs post-dating 2004, relevant prior art must be commonplace either within the UK, the EU or another qualifying country under the Act (which does not include the US, for example).

Judge Hacon went on to provide useful comment on how then to consider infringement. Features which are excluded from protection under s.213(3) are disregarded when considering infringement. Such features are not afforded design right protection. However, when considering an article which may include some parts which are not original or are commonplace, those features are not disregarded: infringement is assessed by reference to the whole design claimed, including any commonplace and unoriginal features.

This adherence to, and deduction from, the strict wording of the statute ought not to overextend protection. If the design (of either whole or part of an article) is commonplace (as opposed to a feature of the design being so) then there is no design right to infringe. Where there are commonplace features of a non-commonplace design, the infringing design will still need to be exactly or substantially identical to the claimant's whole design to infringe. It does, however, emphasise the importance of carefully pleading the significant features of the design so that they may be considered appropriately under s.213(4).

Judge Hacon consequently provided some practical advice for UDR proceedings.

Being unregistered rights, a claimant defines its design only when articulating its case against a potentially infringing product. It is therefore able to select the part or parts of their design which they believe most closely resemble the copy. This can become notoriously complicated. Judge Hacon remarked on the importance of having clear particulars of claim and the benefits of working from a pleaded list of the design's significant features which the claimant is relying on. Claimants are therefore advised to set out the significant features of their design and to make clear which

of these are allegedly infringed by the defendant's product. If helpful, the claimant could also provide a labelled diagram to locate each significant feature. The defendant can use the list (which need not be agreed) to identify its arguments in relation to each feature. A claimant ought to be careful how it describes its features: terms such as 'general' or 'approximate' (for instance: 'the approximate position of vents in the door') may go beyond what UDR protects, since the removal of *any aspect of* the shape or configuration of a design means that UDR does not subsist in abstract designs.

Shaker Leg: UK Unregistered Design Right in Parts of an Article: *Neptune (Europe Limited) v deVOL Kitchens Limited*

Mr Justice Carr gave judgment in favour of deVOL (for whom Bristows acted) in a design infringement claim concerning kitchen furniture²³. deVOL's 'Shaker' kitchen furniture range was found not to have infringed UK unregistered design right ('UDR') and a registered Community design relating to Neptune's 'Chichester' range. This case contains useful guidance on various issues, three of which are discussed here.

Copyright and Design Law

The decision warns against conflating copyright and design law, reminding us of important differences.

Unlike the case with copyright law, where each original drawing made by an artist may result in a new copyright work, minor changes to an existing article may not be sufficient to derive a new design right in the resulting design as a whole. It is "*important to prevent 'evergreening' of such design rights*", where small changes would bypass the limited duration of protection determined by legislation. Instead, minor changes to an existing design may only result in UDR subsisting in those new parts, rather than in the design as a whole.

Further, the test for infringement is different. To infringe copyright, one must copy the whole or a substantial part of the copyright work (s.16(3)(a) CDPA), with 'substantial part' being a qualitative rather than a quantitative assessment. For UDR, the test is phrased differently: one must copy the design so as to produce articles exactly or substantially to that design (s.226(2) CDPA). Consequent to a Court of Appeal judgment which had decided that these tests were different (*Wooley v A & A Jewellers*²⁴), Neptune was unsuccessful in arguing that the tests were analogous. For UDR infringement where a combination of features are relied upon, it is not enough merely to show that a particular feature has been copied (which might constitute a substantial part in copyright). This is particularly the case where a claimant relies on the design as a whole, as Neptune had sought to (albeit excluding a few limited features, as discussed below).

²³ *Neptune (Europe Limited) v deVOL Kitchens Limited* [2017] EWHC 2172 (Pat)
²⁴ [2003] FSR 15

Shorter Trial Scheme

This case was heard under the Shorter Trial Scheme (the 'STS'), the appropriateness of which was questioned by Mr Justice Carr. Given that UDR claims will always feature an allegation of dishonesty if copying is denied, which often gives rise to disclosure, significant cross-examination and an attack on credibility, they may not be suitable for the STS (given the requirements of practice direction 51N that effectively suggests it is only appropriate for simpler cases). Further, there were multiple designs in issue (12 in total). It was ordered at the pre-trial review that each side select three articles (in addition to the RCD claim) to proceed to trial. Whilst it is not the case that multiple issues in a UDR case make it automatically unsuitable for the STS, this decision warns both the parties and the court to control the case from an early stage by robust case management should it proceed under the STS.

Any aspect of – a part of – configuration

The most notable aspect of this case concerns its decision regarding the definition and subsistence of UDR, specifically in relation to the recent deletion of 'any aspect of' from the definition of design.

UDR automatically subsist in the shape or configuration, whether internal or external, of the whole or part of an article (s.213(2) CDPA). The right holder thus obtains a 'bundle of rights', from which it can individually select a particular design or designs to rely on having considered the alleged infringing article. In 2014, the definition of 'design' was amended such that UDR no longer subsists in 'any aspect of' an article, only the whole or part of it. There has been much debate regarding both the timing of its implementation (given the absence of a transitional provision) and the deletion's effect on what UDR might be claimed in an article. Mr Justice Carr took the opportunity in this case to extinguish uncertainty by ruling on these points.

The Judge held that the amendment to remove 'any aspect of' is not fully retrospective and that the law applicable to an act is the law in force at the time it was committed. Consequently, whilst it is still possible to sue for infringements of 'any aspect of' a design for acts committed prior to 1 October 2014 (when the above amendment came into force), it is not so on or after this date. From 1 October 2014, therefore, some rights are removed from a right holder's 'bundle'.

As to the effect of the deletion on the scope of protection, contrary to what some had previously argued, Mr Justice Carr stated that the deletion is not merely declaratory of existing law (and therefore of no effect whatsoever). Quoting from the Explanatory Notes to the 2014 Act implementing the amendment,

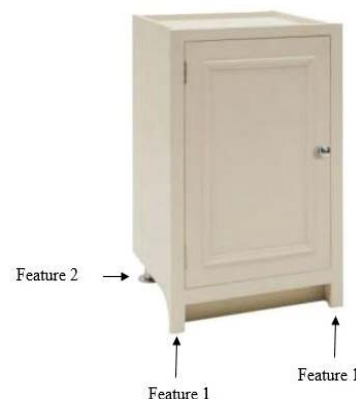
it was clearly intended to narrow the definition of (an unregistered) design, to "reduce the tendency to overstate the breadth of UDR and the uncertainty this creates". An 'aspect' included, explained Mr Justice Carr, "disembodied features which are merely recognisable or discernible whereas parts of a design are concrete parts, which can be identified as such".

Therefore, whilst it is still possible to exclude or protect elements of an article when claiming the design in a part, this will depend on whether the feature sought to be excluded or protected is a 'disembodied' feature (which would be too abstract for UDR to subsist in) or a 'concrete part' (which would be permitted).

It is clear that 'aspects' includes combinations of disembodied features, for example the combination of a cuff and a collar of a shirt, or the end of a spout and the top portion of a lid in a teapot. However, Mr Justice Carr felt comfortable in this case that parts which are manufactured separately and are then applied to the article would constitute concrete parts, such as the raised decorative edging on furniture referred to as 'cock-beading'. Neptune was thus able to define their designs by reference to the whole of the article, minus the excluded 'concrete' features such as cock-beading. The Judge also found that the cock-beading was not excluded from UDR as surface decoration (contrasting the finding in *Mark Wilkinson Furniture Ltd v Woodcraft Design (Radcliffe) Ltd*²⁵ where the cock-beading on the kitchen cabinets in that case was found to be surface decoration).

Mr Justice Carr also considered configuration designs. Seven of the 12 different Neptune cabinet designs in issue were floor-standing cabinets, which each shared the following features (see photo):

1. The feet of two straight front legs which ran vertically from the top to the bottom of the cabinet, and the sides of the front feet which had not been cut away from the bottom of the sides of the cabinet; and
2. Rear rotatably adjustable feet.



Neptune relied upon the combination of these two features as a key distinguishing feature of their 'whole minus elements' designs (but not as a separate distinguishable 'part' design in which a separate design right may have subsisted). Did that combination represent a concrete part of a design, or were they merely abstract concepts which may appear on different cabinets in a different visual arrangement? Neptune argued that design right extended to cover the same arrangement of components which may look visually different, so that, for example, it did not matter that the appearance of the rear adjustable feet on the deVOL cabinets were different to theirs. This was more akin to a patent: a claim to a novel invention which might be expressed in a variety of ways.

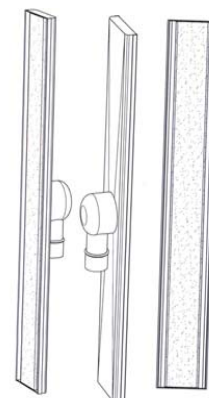
Case law (prior to the 2014 amendment) was ambiguous. In *Mackie Designs Inc v Behringer Specialised Studio Equipment (UK) Ltd*²⁶ and *JCM Seating Solutions Ltd*²⁷, Pumfrey J concluded that 'configuration' bore a wider meaning than 'shape' and included the relative arrangement of parts or elements of an article. In *Mackie*, Pumfrey J had found that design right could subsist in the arrangement of components on a printed circuit board, as recorded in a circuit diagram, saying: "This aspect of the design does not derive its merit from the particular physical layout of the components, or their appearance, or their colour. It derives its merit from the selection of the components and the manner in which they are to be interconnected." Yet, in *Rolawn Ltd*²⁸ Mann J declined to find design right subsisted in what he described as certain concepts relating to a grass-cutting machine. He said that design right can be claimed in the "configuration of the physical manifestation, not some underlying design concept" (emphasis added).

Mr Justice Carr found that the combination that Neptune sought to rely on would be so generalised as to amount to a method or principle of construction or the mere idea of using a combination of adjustable rear legs with fixed front legs (neither of which are protectable by UDR). However, whilst the Judge was clear that the deletion of 'any aspect of' removed any reliance on 'non-concrete parts', for configuration claims, it appears that if they are more than a method or principle of construction, some degree of abstract 'configuration' claims may still be permissible in the way that concrete parts of an article are arranged.

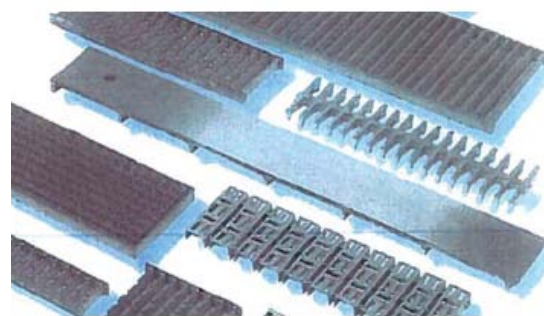
Ultimately the Judge found that none of the designs had been copied, and that even if he had found copying, none of the deVOL designs were sufficiently similar to the Neptune designs to infringe UDR or the Registered Design, which had a very narrow scope of protection over the prior art.

Design Rights down the drain? Registered Community Designs, Novelty and Individual Character: *Easy Sanitary Solutions*

The CJEU confirmed in *Easy Sanitary Solutions* (C-361/15 and C-405/15) that, in relation to Community designs, the type of product into which the prior art is incorporated is irrelevant for the purposes of assessing novelty. So, for example, a bottle-shaped lamp base may be novelty-destroying prior art for a later bottle design. This is a logical result given that the holder of a registered Community design is granted a monopoly across all sectors and products: if it were otherwise it would lead to "absurd results" (such as a prior design in a particular sector beginning to infringe upon the subsistence of a later design, since that later registered design would cover all sectors). This was already the UK's understanding following the Court of Appeal decision in *Green Lane v PMS* [2008] EWCA Civ 358, but the CJEU conveniently harmonises this position across the Community.



The Registered Community Design for 'a shower drain'



The earlier design of a 'drainage channel'

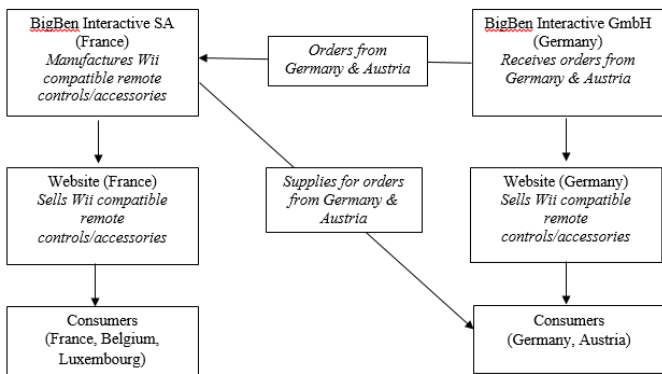
Further, the CJEU found that it was not necessary, when assessing the validity of a registered design based on it having individual character (which requires the registered

26 [1999] RPC 717
 27 [2002] EWHC 3218 (Ch)
 28 [2008] EWHC 989 (Pat)

design to give a different overall impression to the 'informed user' to any prior design), to show that the informed user had actual knowledge of the prior design.

Design Rights and Jurisdiction: Nintendo Co. Ltd v BigBen Interactive GMBH and BigBen Interactive SA (Joined Cases C-24/16 and C-25/16), 27 September 2017

BigBen Interactive SA ('BigBen France') manufactures and sells remote controls and other accessories compatible with Nintendo's Wii games console. It sells these items through its website to customers in France, Belgium and Luxembourg and to its subsidiary BigBen Interactive GmbH ('BigBen Germany') for onward sale to customers in Germany and Austria. BigBen Germany does not hold any stock; it forwards the orders received from its customers to BigBen France which then supplies those customers, meaning that all supplies are carried out from France.



Nintendo brought proceedings in Germany against BigBen France and BigBen Germany for infringement of its registered Community designs. The German courts asserted jurisdiction over BigBen Germany under Article 82(1) of Regulation 6/2002 ('the Community Design Regulation') as BigBen Germany was established in Germany. A dispute arose, however, over the extent to which the German courts could assert jurisdiction over BigBen France, which was established in France.

The usual rule under the Community Design Regulation²⁹ is that if you sue the defendant in their home State, EU-wide remedies and relief are available in those proceedings (Article 82(1)). However, if you sue in another EU Member State where the defendant has infringed Community design rights, the remedies and relief available in those proceedings are limited to that particular State (Article 82(5)).

The Higher Regional Court of Dusseldorf stated that its jurisdiction over the claims made against BigBen France arose from Article 79(1) of the Community Design Regulation read in conjunction with Article 6(1) of Regulation 44/2001³⁰, on the basis that Nintendo's claims against BigBen France and BigBen Germany were sufficiently closely connected because of the supply chain between the two entities to allow both defendants to be sued in the same proceedings. The Higher Regional Court, however, sought clarification from the CJEU on, amongst other matters, the extent to which Nintendo could enforce its claims and the remedies available against BigBen France in such circumstances. Most particularly, the Higher Regional Court wanted to determine whether it could adopt measures against BigBen France throughout the whole of the EU rather than being limited to the supply relationships upon which their jurisdiction was based.

The CJEU's clarification can be summarised as follows:

- For Article 6(1) of Regulation 44/2001 to apply, there must be a sufficient connection to make it expedient to determine the claims together to avoid the risk of irreconcilable judgments. For decisions to be regarded as irreconcilable there must be a divergence in the outcome even though the legal and factual circumstances are the same. The CJEU expressed its view that in this instance the legal circumstances were the same because the Community Design Regulation has unitary effect throughout the EU (including both France and Germany) and concluded that the factual circumstances were the same given that BigBen France and BigBen Germany are parent and subsidiary and both were accused of similar acts of infringement in respect of the same designs relating to the same goods.

- In fact, the CJEU went on to state that the 'same factual circumstances' should cover all the activities of such defendants, including supplies made by a parent on its own account, and not be limited to certain aspects or elements of them. In other words, once the Higher Regional Court had established jurisdiction over BigBen France under Article 79(1) and Article 6(1), that jurisdiction would not be confined to the supply chain with BigBen Germany but could extend to supplies of the same designs/goods by BigBen France of its own account.

- As explained above, Article 82(5) of the Community Design Regulation allows for proceedings to be brought in the courts of the Member State in which the act of infringement has been committed or threatened, rather than in the defendant's home State. In that instance, the scope of relief would be limited to the territory of the Member State in which the act of infringement has been committed or threatened. However, the CJEU concluded that in circumstances where, as in this case, a first

²⁹ Article 79(1) states: "Unless otherwise specified in this Regulation, the [Brussels Convention] shall apply to proceedings relating to Community designs and applications for registered Community designs, as well as to proceedings relating to actions on the basis of Community designs and national designs enjoying simultaneous protection."

³⁰ Article 6(1) states: "[A person domiciled in a Member State] may also be sued ... where he is one of a number of defendants, in the courts for the place where any one of them is domiciled, provided the claims are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings".

defendant is sued in their home State and a second defendant has been brought into those proceedings under Article 6(1) of Regulation 44/2001, the limitation under Article 82(5) of the Community Design Regulation does not apply, and EU-wide relief is available against both defendants.

- The CJEU considered Article 89(1)(a) of the Community Design Regulation – by which a Community design court is given jurisdiction for infringement and threatened infringement actions relating to a Community design – and applied the same rationale from its Community Trade Mark jurisprudence in *DHL Express France*³¹ that the scope of an injunction will extend across the entire EU. It did so on the basis of the “similarity of the provisions” between Article 82 of the Community Design Regulation, on which jurisdiction against BigBen Germany had been asserted, and its counterpart provision in the Community Trade Mark Regulation.
- The CJEU then applied the same rationale above to the ‘other sanctions’ in Article 89(1)(b) to (d) of the Community Design Regulation. These include seizure orders and other sanctions of the kind claimed by Nintendo such as requests for information, accounts and documents held by BigBen France, compensation, destruction or recall of goods, publication of the judgment and reimbursement of costs.

This is a very robust decision by the CJEU and one which is favourable to Community design right owners seeking to enforce their rights against multiple group company defendants in Europe. BigBen Germany is merely a subsidiary of BigBen France (which appears to be the driving force behind the group) and holds no stock of its own but its involvement has provided Nintendo with a foothold to litigate against the latter in Germany in respect of all claims arising from the same facts – not just those claims relating to its supplies into Germany and Austria – and without any territorial limitation to the scope of potential sanctions.

Enforcement of Intellectual Property Rights

Changes to the Unjustified Threats Provisions for Designs

On 1 October 2017 the *Intellectual Property (Unjustified Threats) Act 2017* (the ‘2017 Act’) brought about significant changes to UK legislation concerning unjustified threats of infringement proceedings. The changes made to the provisions regarding UK registered designs, UK unregistered design right and registered and unregistered Community designs were identical in all material respects (note that there are no unjustified

threats provisions in the UK relating to threats of proceedings for copyright infringement).

The most important changes to the threats provisions for designs are as follows. The word ‘design’ here should be read to include UK registered designs, UK design right and registered and unregistered Community designs.

Threats regarding additional infringing acts concerning a product in respect of which a non-actionable threat can be made

Both prior to and following the changes brought about by the 2017 Act, threats of design infringement proceedings relating to *making* a product and/or *importing* a product were/are not actionable. However, under the old provisions, if a right holder wrote to an alleged infringer threatening infringement proceedings relating to making/importing a product, but the letter required the alleged infringer to, among other things, cease *selling* the product (which is also an infringing act), the right holder’s requirement for the alleged infringer to cease selling the product could constitute an actionable threat.

This situation was unfavourable to right holders. If a right holder can make a threat regarding the making/importing of a product without fear of retaliation via an unjustified threats action, right holders would argue that restraining them from referencing other allegedly infringing acts in relation to the same product is inappropriate.

This issue was resolved in favour of right holders in respect of *patents* more than 10 years ago, by way of an amendment to the Patents Act 1977. However, the issue remained in respect of threats of design infringement proceedings until 1 October 2017, when the following wording was inserted into UK designs legislation (including the Community Design Regulations 2005): “A *threat of infringement proceedings is not actionable if the threat is made to a person who* [has made/imported a product or intends to make/import a product], *and is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that* [product]” (emphasis added).

If the right holder is mistaken and in fact the infringer did not, or did not intend to, make or import the product, this exemption covering other acts of infringement would not apply since the section uses the language “has made/imported or intends to ...”. There is therefore a separate exemption referred to below which provides further protection for right holders in this situation provided that certain conditions are met, so care must still be taken when drafting correspondence.

Defence relating to unidentifiable manufacturers and importers

Where a right holder has taken reasonable steps to identify manufacturers and importers of the product at issue but none has been identified, the right holder now has a defence to an unjustified threats action from an alleged infringer who is neither manufacturing nor importing the product at issue. The availability of this defence is conditional upon the right holder notifying the alleged infringer, before or at the time of making the threat, of the steps taken to identify manufacturers and importers of the product at issue.

Threats of legal proceedings outside the UK

The definition of a 'threat of infringement proceedings' has been clarified by the 2017 Act as follows: "A communication contains a 'threat of infringement proceedings' if a reasonable person in the position of a recipient would understand from the communication that [a relevant IP right exists], and a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the [IP right] by an act done in the United Kingdom, or an act which, if done, would be done in the United Kingdom" (emphasis added).

This amendment provides clarity on the operation of the UK unjustified threats provisions in circumstances such as those of the *Best Buy* case³², where the relevant threats were contained in a letter sent by lawyers based outside the UK.

Lawyers' liability for unjustified threats

In good news for lawyers, as of 1 October 2017 a lawyer who writes to an alleged infringer on behalf of a client can no longer be sued for making an unjustified threat, provided that the following conditions are satisfied: the lawyer is acting in his/her professional capacity and is regulated (by a regulatory body) in the provision of legal services; the lawyer is acting on the client's instructions; and the client is identified within the communication that contains the threat.

Permitted communications

The 2017 Act introduced the concept of 'permitted communications' into UK law relating to unjustified threats. Accordingly, if the threat of infringement proceedings does not fall within one of the exemptions referred to above, it will still not amount to an unjustified threat if it is contained in a permitted communication, provided that the threat is not an *express* threat to sue.

A communication is a 'permitted communication' if:

(i) it is made for a permitted *purpose*; and (ii) all of the information that relates to the threat is information that is necessary for the permitted purpose (e.g. details of the relevant IP right and information allowing identification of infringing articles), and the person making the communication reasonably believes that information to be true.

Permitted purposes include the following:

- giving notice that a [relevant IP right] exists;
- discovering whether, or by whom, a [relevant IP right] has been infringed by an act of manufacture or importation – i.e. identifying a manufacturer/importer; and
- giving notice that a person owns a [relevant IP right], where another person's awareness of the right is relevant to any proceedings that may be brought in respect of that right – e.g. making a party aware of the subsistence of design right in a design, for the purposes of a claim of secondary infringement of design right (which requires an importer/seller to know or have reason to believe that the relevant articles are infringing).

The following are specifically stated *not* to be permitted purposes:

- requesting a person to cease doing, for commercial purposes, anything in relation to an infringing article;
- requesting a person to deliver up or destroy an infringing article; and
- requesting a person to give an undertaking relating to an infringing article.

And another thing...

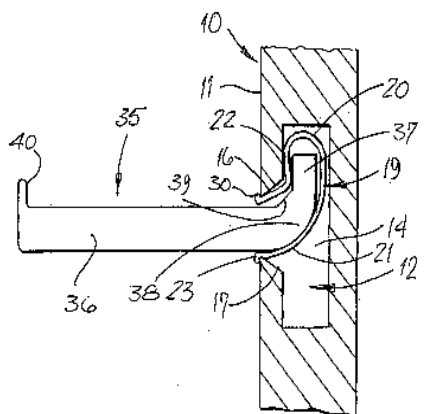
There has been some uncertainty as to the extent to which an unjustified threat claim can be made out when the recipient of the threat was unable to show any damage suffered as a result of the threat. In March 2017 the Intellectual Property Enterprise Court in the case of *Azumi Limited v Zuma's Choice Pet Products Limited*³³ confirmed that the recipient had succeeded on its unjustified threats claim even though no damages were awarded.

Account of Profits: *Abbott v Design & Display* [2017] EWHC 932 (IPEC) and [2017] EWHC 2975 (IPEC)

The long-running dispute between Abbott and Design & Display returned to the IPEC on two occasions in 2017. Whilst the case concerns a patent infringement it is of interest to readers of this publication because the two 2017 judgments concern the calculation of the sum due to a claimant who pursues an account of profits, and these are applicable to all areas of IP.

32 [2011] EWCA Civ 618

33 [2017] EWHC 609 (IPEC)



Extract from the patent showing the shelf and display panel

By way of recap, in 2013 Abbott's patent was found to be valid and to have been infringed by Design & Display. The *Island Records* disclosure (information disclosed by a defendant in order to enable a claimant to elect between seeking an assessment of damages they have suffered or an account of the defendant's profits resulting from the infringement) provided by Design & Display following this decision suggested that it had made a net profit from its infringing acts of over £100,000. The claimants duly opted for an account of those profits (as opposed to seeking damages). In a 2014 judgment His Honour Judge Hacon ordered Design & Display to pay Abbott a sum which was significantly more than £100,000, and in doing so he rejected the defendant's arguments that it was entitled to deduct certain general overheads of its business when calculating the profit made. Design & Display appealed Judge Hacon's account of profits decision to the Court of Appeal and the Court of Appeal set it aside and remitted the case to the IPEC for a retrial. In doing so, the Court of Appeal set out the principles to be followed when deducting overheads as part of the calculation of a party's profits. These principles were summarised by Judge Hacon in the first 2017 judgment ([2017] EWHC 932 (IPEC)) as follows:

- "(1) *Costs that were associated solely with the defendant's acts of infringement are to be distinguished from general overheads which supported both the infringing business and the defendant's other, non-infringing, businesses.*
- (2) *The defendant is entitled to deduct the former costs from gross relevant profits.*
- (3) *A proportion of the infringer's general overheads may be deducted from gross relevant profits unless*
- the overheads would have been incurred anyway even if the infringement had not occurred, and*
 - the sale of infringing products would not have been replaced by the sale of non-infringing products.*

(4) *The evidential burden rests on the defendant to support a claim that costs specific to the infringement and/or a proportion of general overheads are to be deducted from profits due to the claimant."*

These principles were not challenged by either party but they were nevertheless unable to agree the amount due to be paid. Abbott contended that the sum due was £128,000 whilst Design & Display's position was that it was nil because it had in fact run a net loss on its infringing business after the appropriate costs were deducted.

The issues which remained in dispute in the second 2017 judgment were:

1. Wages and salaries paid by Design & Display to some of its employees, together with consequential national insurance contributions. In the second 2017 judgment, these costs were found to have been properly deducted.
2. Some of the costs of hired and recharged labour. These were also found to be allowable deductions.
3. Directors' national insurance contributions. These could not be deducted. Judge Hacon found that, based on the evidence before him, the costs could not be said to bear any relation to the infringing business.
4. Minor dividends paid to the manufacturing director and to the technical sales estimating director as part of their remuneration. Again, these could not be deducted.

The result of the above findings was that Design & Display was found to have made a small loss on the infringing business and therefore no profit was due to be paid to Abbott.

Permission to appeal this judgment was refused by Judge Hacon and so this is likely to be the last instalment in the dispute.

The outcome demonstrates the considerable uncertainties associated with the pursuit of an account of a defendant's profits in an IP case, and the critical importance of careful interrogation of a defendant's *Island Records* disclosure before opting to take an account rather than seek damages. It is also worth remembering that, in cases where it transpires that a defendant's *Island Records* disclosure is either negligent or deliberately misleading, then it is open to a claimant to apply to re-elect for an inquiry as to damages and claim the costs which have been thrown away.

Enforcement: EU Commission Issues Guidance to Online Platforms for Tackling Illegal Content Online

On 28 September 2017 the European Commission published its Communication on 'Tackling Illegal Content Online' ('the Guidance'). The Guidance provides a set

of guidelines and principles directed towards online platforms ('OPs') and their role and responsibilities in dealing with illegal content.

The overarching aim of the Guidance, which is not legally binding, is to encourage the implementation of good practices for preventing, detecting, removing and disabling access to illegal content, increasing transparency, and 'clarifying' OPs' liability under the safe harbour of Article 14 of the E-commerce Directive when taking the proactive steps in the Guidance. The Guidance follows the Commission's stated intention to encourage EU-wide 'self-regulatory' efforts by OPs in the context of its Digital Single Market strategy and against a political backdrop in which OPs are coming under pressure to up their efforts in this area.

The main elements of the Guidance are as follows:

- OPs are encouraged to have the resources necessary to understand the legal frameworks in which they operate so that they can make swift decisions about illegal content without the need for a court order requiring it to be removed or blocked. To facilitate this, OPs should also cooperate closely with law enforcement and other relevant authorities, establishing points of contact and developing digital interfaces to ensure that they can be contacted quickly and deal with removal requests expeditiously.
- OPs are also encouraged to cooperate closely with 'trusted flaggers' (i.e., specialised entities with expertise in identifying illegal content such as Europol's Internet Referral Unit) and create 'fast-track' channels through which trusted flaggers can provide notices. The Commission also proposes to explore EU-wide criteria for classification of a 'trusted flagger'.
- OPs should deploy easily accessible and user-friendly reporting mechanisms which enable the electronic submission of high quality notices (i.e., sufficiently precise and adequately substantiated) of illegal content they might be hosting. Users should not be compelled to identify themselves in these notices, although they should be provided with an opportunity to do so, which in some instances may be necessary (e.g., to determine the illegality of the content by asserting ownership of IPR).
- OPs are strongly encouraged to take a proactive approach and "do their utmost" to detect and remove illegal content online, rather than simply reacting to notices that they receive, and utilise and develop automatic detection and filtering technologies. The Commission stresses that OPs should remove illegal content as fast as possible especially where serious harm is at stake (e.g., if content is inciting the commission of terrorism). The Commission also

proposes to further analyse the possibility of setting fixed timeframes for removal. Additionally, where an OP finds evidence of criminal activity in the context of the removal of illegal content that should be reported to law enforcement authorities.

- OPs should clearly explain their content removal policies in their terms of service, including information about what content is not permitted, the procedures governing removal and objecting to removal decisions (including those triggered by trusted flaggers). The Commission also encourages OPs to publish at least once a year transparency reports providing detailed information about the number and types of notices they have received, action taken, processing time, source of the notification and any counter-notices, and intends to explore the possibility of a standard form of reporting for this purpose.
- OPs should allow content providers the opportunity to contest any removal via a counter-notice and where a counter-notice provides reasonable grounds to consider that the notified information/activity is not illegal, the OP should restore it without undue delay or allow the user to re-upload it (without prejudice to the OP's terms of service).
- OPs are encouraged to put in place measures to dissuade users from repeatedly uploading illegal content (e.g., suspending or terminating their accounts) as well as using and developing automated technologies to prevent the re-appearance of illegal content.

Under Article 14 of the E-commerce Directive OPs are typically exempted from liability for hosting illegal content where they do not play an active role of such a kind as to give them knowledge or control over that content (see *Google France C-236/08 to C-238/08*). Ostensibly, the EU Commission maintains that this safe harbour hasn't really changed. However, it's quite evident that OPs are now being expected to take a much more pro-active approach which requires greater engagement with right holders, enforcement agencies and their users. The emphasis on OPs taking more pro-active steps means that they are more likely to obtain the knowledge or control over illegal content that they might be hosting and in respect of which they would be otherwise immune from liability as a passive intermediary.

The Guidance, if followed to the letter, looks set to significantly increase the administrative burden on OPs and place them in the challenging position of being arbiters over all manner of illegal activities, from statements which are defamatory, incite racial or religious hatred or promote terrorism to infringement of IPR. There may be a case for a more nuanced approach, where the measure of OP responsibility is

determined according to the particular illegal activities in question, rather than the 'one size fits all' approach adopted in the Guidance. Whilst it remains open to OPs to act expeditiously to remove or disable access to illegal content upon obtaining actual knowledge or awareness of it in order to stay within the safe harbour, in many instances they will need to make a value judgment as to whether content is legal or not, such as whether an intellectual property right has been infringed or whether a listing is defamatory.

The Guidance marks a change in emphasis under the EU safe harbour from passive conduct towards proactive policing and enhanced notice and takedown procedures. It begs the question what sort of sanctuary the EU safe harbour now offers OPs. It is also difficult to see how the approach can be reconciled with the requirement in Article 15 of the E-commerce Directive not to impose a general monitoring obligation on OPs which has always been understood to form an integral part of the EU safe harbour.

Although the EU Commission generally claims to favour self-regulation by OPs, it has also shown an inclination towards regulating some OP behaviours. As part of its Digital Single Market strategy, the Commission has proposed a directive on copyright, Article 13 of which requires OPs that provide access to large amounts of content uploaded by their users to cooperate with right holders, deploy measures such as content recognition technologies to automatically detect unauthorised content, and provide related information to right holders. It is very difficult to see how these requirements of Article 13 can be reconciled with the requirement not to impose a general monitoring obligation on OPs. Unsurprisingly, the provision has been the subject of much debate and some criticism, precisely because of the uncertainty that it introduces into the safe harbour regime.

Looking forward...

Based on the current run rate of CJEU decisions on the communication to the public right and its continued development apparently based on policy considerations, we can expect more of the same in 2018.

However, no doubt the dominant focus of attention will be Brexit, and in particular how the UK Government intends to deal with the loss of Community design rights in the UK post-Brexit. Given that UK unregistered design right has completely different subsistence and infringement criteria to unregistered Community design right (most notably, it does not protect surface decoration, but lasts between seven and 12 years longer), some new legislation will be required. At present, given the anticipated pressure on Parliamentary time, we expect a new UK design right will be

introduced to sit alongside the existing UK unregistered design right which will simply mirror the provisions of the unregistered Community design for the UK. So yet another design right for both UK and international design businesses to have to take account of.

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