

Copyright disputes - overview

A Lexis®PSL document produced in partnership with
Squire Sanders

This subtopic outlines the steps to take where there may be a claim for copyright infringement.

UK copyright law is set out in the Copyright, Designs and Patents Act 1988

[CDPA 1988](#)

At a glance

- Before issuing proceedings, a claimant should establish that copyright subsists in the relevant work, that they own it and that the copyright has been infringed
- Infringement can be primary or secondary. Broadly, there will be primary infringement if a substantial part of the work is reproduced as a result of copying. There will be secondary infringement where an infringing copy is knowingly imported, possessed, sold or distributed
- The trial will be split between two hearings: one on liability and one on quantum
- A judge will decide whether infringement has occurred. Available remedies include damages or an account of profits

Assess the claim

Initially, you will need to establish:

- whether copyright exists in the work (subsistence)
- who owns it (ownership)

As copyright is an unregistered right it is not possible to establish this from a register. Instead, it will be necessary to investigate the circumstances surrounding the work's creation.

Subsistence

There are two elements to the question of subsistence.

First, the work must fall within one of the protected categories in the CDPA 1988. The work can be protected by copyright despite having no particular artistic merit provided it has been independently created using some degree of judgement and effort. This means that purely utilitarian works, such as manufacturing design drawings, service manuals or reports, can be copyright protected

[CDPA 1988, s1\(1\)](#)

Until 2010, the courts had refused to allow single words and titles to be protected by copyright on the basis that they were not literary works as such. The courts had said that a literary work was something intended for literary enjoyment, instruction or information. However, in *The Newspaper Licensing Agency v Meltwater Holding BV* [2010] All ER (D) 306 (Nov) the Court of Appeal held that a newspaper headline could be protected by copyright as a literary work.

Be aware that a work can be protected by a number of different copyrights. For example, a greetings card may have artistic copyright in the design on the front and literary copyright in the poetic words inside.

Second, copyright protects works for a defined term which differs according to the nature of the work. It will be necessary to establish when the work was created and confirm that the term has not expired.

Ownership

The author of the work will own the copyright in it.

The author is the person who created the work, for example the writer, composer or artist.

It will be necessary to establish the identity of the author. If an employee created the work in the course of their employment, their employer organisation will own the copyright. What is 'in the course of employment' can be a contentious issue and there is a significant body of case law on this point. The employee's contract of employment may contain a catch-all clause providing that their employer owns the copyright in any works that the employee produces. However, this is unlikely to vest copyright in the employer where a work is wholly unrelated to the employee's job role.

If the work was commissioned, the commissioned party will own the copyright unless the contract with them provides otherwise. The commissioner may be able to persuade a court that they are the beneficial owner of the copyright and that it should be assigned to them. However, this will be costly and time consuming. There is also conflicting case law in this area so there is no certainty that a court would find in the commissioner's favour. An alternative would be to approach the commissioned party and ask for an assignment after the event. Experience has shown, however, that some commissioned parties may seek to extort large sums of money in return for an assignment. The fact remains that a claim cannot be brought by anyone other than the owner or licensee of the copyright. The claim will end here unless the commissioned party agrees to assign or a court is asked to adjudicate on the ownership issue. To avoid this problem arising in the future, all contracts with commissioned parties should contain an assignment to the commissioner of present and future rights in the work being created.

The CDPA 1988 includes a helpful presumption that the person whose name appears on the work is the author unless proved otherwise. For this reason, copyright notices, such as © [name] [date], should always be used

See also *Ascot Jockey Club Ltd v Simons* [1968] 64 WWR 411.

CDPA 1988, ss 12-15

CDPA 1988, s11(1)

CDPA 1988, s 9(1)

CDPA 1988 ss 11(2) and 178

See CDPA 1988, s 96(1), *Robin Ray v Classic FM* (1998) IP & T Digest 19, *Clearsprings Management v Businesslink* [2005] All ER (D) 172 (Jul) and *Deakin v Card Rax* [2011] EWPCC 3.

CDPA 1988, ss104-106

Additionally, the CDPA 1988 requires the author to be a qualifying person or the work to have been first published in the UK. To be a qualifying person, individual authors must be British or domiciled or resident in the UK or a signatory country to the Berne Convention or Universal Copyright Convention. If the author is a corporate body, then it must be incorporated in the UK (or a Convention signatory country)

Infringement

Copyright infringement can be primary (in particular, copying a work) or secondary (dealing with an infringing copy, including selling or importing). Primary infringement is strict liability; the defendant's state of mind is irrelevant. Secondary infringement requires the defendant to have some knowledge that what they are doing is an infringement of someone else's rights.

To assess whether the work has been copied, a comparison should be made between it and the infringing work. The similarities and, to a lesser extent, differences should be noted. The aim is to establish whether the whole or a substantial part of the work has been reproduced. The test is primarily qualitative rather than quantitative. What has been copied is more important than how much has been copied. If the 'best bit' of the work has been reproduced this could be infringement even if this is only a small proportion of the overall work. Having said that, the quantity of copying is also relevant. A court is more likely to conclude there is infringement where a large proportion of the work has been taken, even if the 'best bit' has not.

Although there must be some objective similarity between the works, whether copying has occurred is really a question of overall impression and feel.

Copying may be deliberate or subconscious. There will be no infringement where a substantial reproduction of the work has been independently created. It will boost the case twofold to show that the defendant had an opportunity to copy. First, it makes the fact of copying more likely. Second, where one can show both opportunity and objective similarity, the burden of proof is reversed so the defendant has to prove that they did not copy. Is it possible to show, for example, that a former employee now works for the defendant? Did the work come onto the market first? Has a deliberate error or a trivial point been reproduced?

Defences

Consider whether the defendant's activities could fall within the scope of the permitted acts in the CDPA 1988 or whether the defendant may have any of the common law defences available. This could avoid wasted costs by highlighting a weak claim but it is only possible to assess the position on defences to a limited extent. Only the defendant knows the full story so be prepared to reassess the strength of the claim once the circumstances surrounding the infringement are revealed in the defendant's response

Gather your evidence

All documents that make up the audit trail of development of the work should be gathered together in readiness for disclosure, when each side is obliged to disclose to the other all documents in their control on which they rely and which adversely affect or support their own or the other side's case. An IT team should retrieve electronic documents. Disclosure from the defendant will be important. If the defendant has, in fact, independently created the 'infringing' work, then documentation demonstrating this should be produced at the disclosure stage. Seeking disclosure pre-action is a useful tactic.

[CDPA 1988, ss1\(3\), 153-155](#)

[See CDPA 1988, ss 16 22-26 and ZYX Music GmbH v King \[1995\] 3 All ER 1](#)
[See practice notes: Infringement of UK copyright and Secondary infringement of UK copyright.](#)

[See CDPA 1988, s 16\(3\), Ladbroke v William Hill \[1964\] 1 All ER 465, Designers Guild v Russell Williams \[2000\] All ER \(D\) 1950 and HRH Prince of Wales v Associated Newspapers \[2008\] IP & T 583](#)

[CDPA 1988, Chapter III](#)
[See practice note: Copyright works: permitted acts and defences.](#)

[See precedent: Electronic disclosure: practical steps in an intellectual property case](#)
[CPR 31](#)

Write a letter before action

You should initially seek to resolve the claim. This will provide protection from an adverse costs order and put a defendant engaged in secondary infringing activities on notice of the copyright, giving them the state of mind necessary for the claim to be successful.

The letter should set out the claim in full. The aim is to cover off all the elements of a copyright claim, as set out above. A copy of your work and the defendant's work should be enclosed where this is practical. The defendant should be asked to sign and return undertakings. These will require the defendant to take certain steps, which have the same effect as any remedies you would get at trial (see below). Alternatively, the defendant could be required to take a licence of the copyright in return for payment of a royalty. This might open up a useful income stream. The defendant should be given a reasonable period to respond. 14-21 days should be sufficient.

No threats provisions apply to copyright claims so the letter can be worded as you wish, although it should always be borne in mind that a judge may see it.

The availability of interim remedies, including interim injunctions, Norwich Pharmacal orders and search orders, should not be overlooked. If any of these orders are to be sought, a letter before action might be prejudicial to the application since it might either lead to delay or give the defendant the opportunity to destroy evidence.

An application can be made to the court at this stage seeking pre-action disclosure from the defendant. This can have two useful effects; it can provide the evidence needed to succeed in the claim (in which case an application for summary judgment can be made once proceedings are issued) and it can 'flush out' an infringer early on.

Issue proceedings

If no resolution is reached, proceedings may be issued. This can be done in the Chancery Division of the High Court, the Patents County Court or certain other county courts. Following recent reforms, the Patents County Court is now an attractive forum as litigants will benefit from a specialist judge, a clear, fast-track procedure and a cap on costs. As with all claims, proceedings will be slower and more expensive in the High Court but the scope of disclosure and the opportunities for expert evidence are greater.

A defendant may seek to deter a claimant from proceedings by seeking security for their costs. However, a court will order this only where a claimant is not likely to be 'good for the money' should the claim fail.

[See precedent: Letter alleging copyright infringement.](#)

[Media CAT Ltd v Adams \[2011\] EWPCC 6](#)

[CPR 31](#)

[CPR 63 and Practice Direction to Part 63](#)

[CPR 25](#)

At trial, both sides will present their case via witness evidence (written statements and, if necessary, witness testimony). Expert evidence may be needed, for example from a musicologist, who will be able to give evidence on such things as the practice in particular industry which has a bearing on whether copying has occurred. A judge will need to give permission for the use of experts. He will need to be convinced that they will genuinely assist the proceedings. This permission should be sought as soon as possible after proceedings are commenced. The expert will produce a report which will be used at trial and may also give evidence personally so that the other side has an opportunity to challenge their conclusions via cross examination.

The trial will be before a single judge who will decide whether there is infringement. Either party may appeal the decision to the Court of Appeal although the trial judge will need to give permission for this and is likely to do so only if there are substantial grounds. A further appeal is possible to the Supreme Court but only where the relevant law is unclear and a ruling on this is needed or permission is given.

If the claim is successful, the most significant remedies are a final injunction prohibiting the defendant from infringing copyright any further, an order for delivery up or destruction of all infringing copies and payment of financial compensation by way of damages or an account of profits. Damages compensate a claimant by putting them in the position they would have been in had the infringement not occurred. An account of profits takes the net profits of the infringement from the defendant and gives them to the claimant. The court also has discretion to award additional damages where the infringement is flagrant and the defendant has particularly benefited from it, although these must have been claimed in the particulars of claim. No damages will be awarded at all where the defendant is an innocent infringer: that is, a person who at the time of the copyright infringement did not know and had no reason to believe that copyright subsisted in the work to which the action relates. In practice, this defence is only likely to be available in very limited circumstances. The judgment can be enforced in the usual way pursuant to CPR 70.

In addition to issuing proceedings, it is possible to make a complaint to Trading Standards. Trading Standards officers are obliged to enforce the criminal provisions in the CDPA 1988 and have new powers for this purpose. Although this is a useful procedure, it is not a credible alternative to proceedings, not least because Trading Standards have no obligation to act on the information given to them. Also, if they take action, they will have complete control of the criminal proceedings with the claimant obliged to incur the costs of assisting, by way of producing witness statements and the like.

An alternative forum for dispute resolution is the Copyright Tribunal. However, its remit is limited. Its main function is to decide the terms and conditions of copyright licences offered by collective licensing bodies where the parties cannot agree this themselves. Anyone who has been unreasonably refused a licence by a collecting society or considers the terms of a licence to be unreasonable may refer the matter to the Tribunal. Tribunal decisions are appealable to the High Court but only on points of law.

[See also CDPA 1988, ss 96\(2\), 97-100 and Hoffman v Drug Abuse Resistance Education UK Ltd \[2012\] EWPCC 2](#)

[CDPA 1988, ss 107, 107A](#)
[See practice note: Copyright criminal offences.](#)

[CDPA 1988, ss 149, 205B and Schedule 6](#)

Produced in partnership with Squire Sanders



At Squire Sanders, we combine sound legal counsel with a deep knowledge of our clients' businesses to resolve their legal challenges. We care about the quality of our services, the success of our clients and the relationships that are forged through those successes. Whatever is needed, we are able to deliver the seamless cross-practice, cross-border and industry-specific support that clients require for success in today's competitive markets. The client base of our global legal practice spans every type of business, both private and public, worldwide.

In London, Squire Sanders provides a full range of services to both local and international clients, offering focused and commercial legal advice. Our London office is international in nature, comprising a combination of both UK- and US-qualified lawyers who between them speak numerous languages. Lawyers in our London office advise UK and international clients from a wide spectrum of industries on investing, litigating or doing business in the UK, in continental Europe or beyond. They counsel clients on patent, trademark, copyright and design disputes and contractual disputes relating to intellectual property. They also file and prosecute trademark and design applications, advise on the commercial exploitation of intellectual property and provide corporate due diligence support.

Squire Sanders has approximately 1,300 lawyers in 37 offices and 18 countries around the world. With one of the strongest integrated global platforms and our longstanding "one-firm firm" philosophy, Squire Sanders provides seamless legal counsel worldwide.

If you would like to contribute to Lexis®PSL IP & IT please contact:

Simon Hamlet
LexisNexis
Halsbury House
35 Chancery Lane
London, WC2A 1EL

simon.hamlet@lexisnexis.co.uk
+44 (0) 20 7400 2907

For details of how to access to more practice notes like this one,
please visit www.lexislegalintelligence.co.uk/psl