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A Pirate too Needs to be Heard: Procedural Compromises in Online Copyright Infringement Cases in the UK

Poorna Mysoor

Faculty of Law, University of Oxford, St. Cross Building, St. Cross Road, Oxford OX1 3UL, UK;
E-Mail: poorna.mysoor@law.ox.ac.uk

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Abstract: Online copyright infringement is one of the toughest challenges the content industry has faced in the twenty first century. Article 8(3) of the Information Society Directive, implemented under section 97A of the UK Copyright, Designs and Patents Act, 1988, provides an injunctive remedy in response to such online infringement. Given the elusive nature of the website operators and the sheer number of their users, rights owners have turned to the Internet Service Providers (ISPs) to implement the injunctions granted under section 97A to block websites with infringing content. In their battle to keep pace with online infringers, the UK courts have permitted significant compromises to the procedures while granting these injunctive blocking orders. One of the pioneers in this line of cases in the UK is the Pirate Bay case (TPB case), which ruled as a matter of law that the procedure under Section 97A does not require the alleged infringers to be made parties to those proceedings. TPB case also marks the trend of the ISPs consenting to an order of injunction, and not defending the proceedings. This has resulted in the absence of any adverse party in the proceedings under section 97A. This threatens the basic tenets of procedural fairness and propriety, having adverse consequences on both the substantive and procedural aspects, evident in the cases that followed TPB case. This article examines the aspects of the judgment in TPB case that led to these procedural compromises, whether it had any basis in the pre-existing case law, what the nature of an injunction under section 97A is and how the subsequent line of cases have followed TPB case as a precedent. It further explores the adverse consequences of the procedural compromises and whether any safeguards are available against such compromises¹.

¹ I have presented a version of this article in a presentation entitled “A Battle to Keep Pirates at Bay: the Context, the Challenges and the Aftermath of the Pirate Bay” at Technology, Law and Public Interest, Ottawa-HKU Conference, Hong Kong, held on 10–11 April 2014.

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“Doth our law judge any man, before it hear him, and know what he doth?”

King James Bible (1611) John 7:51

1. Introduction

Online copyright infringement is one of the toughest challenges the content industry has faced in the twenty first century. Charleton, J, while dealing with a case of large scale online copyright infringement, described it as a problem that not only undermines the business of the content industry, but also ruins the ability of a generation of creative persons to earn a viable living ([1], para. 8). Peer to peer (p2p) file sharing platforms, such as The Pirate Bay (TPB) alone had 30 million users worldwide, had indexed 4 million torrent files, and had over 1 million music files available for sharing, by December 2011 when they were sued in the UK for copyright infringement ([2], para. 26–28). Aside from p2p technology, the turn of the century has seen the rise of a variety of business models and technologies, all geared towards sharing large amounts of content online at increasingly higher speed and precision.

The legal remedies to tackle copyright infringement online, such as notice and take down procedures, have largely been inadequate, or impractical in case of mass online infringement. In many cases, *Norwich Pharmacal* orders have been pressed to service, to discover the identities of the alleged infringers, so that they can be sued for infringement in a later proceeding [3]. However, these orders are expensive and cumbersome to implement, in that joining and serving all infringers would be disproportionately burdensome, and there would be no basis for singling out some infringers ([2], para. 14).

Recognizing that in the online environment the service of the intermediaries is used to commit infringement and that these intermediaries are well placed to stop or reduce infringement [4], a specific remedy was enacted under Article 8(3) of the Directive 2001/29 concerning the Information Society (Infosoc Directive), which came into force on 22 May 2001. This provision obligates Member States of the EU to ensure that rights owners are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe copyright. Section 97A was incorporated into the UK Copyright Designs and Patents Act, 1988 (CDPA) as a result of the implementation of this provision in the UK. Section 97A, which came into force on 31 October 2003, empowers the court to grant injunction against a service provider who has the knowledge of its services being used for copyright infringement. The term “service provider” is defined broadly enough under the UK law to include any entity that provides any service online, be it hosting services or transmission services [5]. A court can order an injunction against the website operators as much as the Internet Service Providers (ISPs) under this provision. Informally called a “blocking order”, this remedy has been used extensively in recent times, especially in the UK, to obtain injunctions to block the access to infringing content online.

While the battle rages on to contain, if not eliminate, the large scale copyright infringement online, an issue that has received much less attention is the nature of the blocking order and the procedure

surrounding it. Although positioned as a remedy quite unlike its predecessors such as notice and take-down or *Norwich Pharmacal* order, Section 97A raises more questions than it answers. The reality is that website operators can shift their IP addresses or move their domain registrations in such a way that they cannot even be identified, let alone be located. The sheer volume of the users or subscribers of these websites is daunting. Suing website operators or the users, therefore, is becoming a difficult challenge. As a result, content owners have begun to sue the ISPs, seeking injunctions to block access to infringing content. In their zeal to keep up with the growing problem of online infringement, the UK courts have readily granted these injunctions; but in doing so, have compromised the procedure to such an extent that it could threaten procedural fairness.

Firstly, the courts have ruled as a matter of law that the website operators and the users of these websites against whom copyright infringement is alleged, are not required to be made parties to a proceeding under section 97A. Essentially, the liability for copyright infringement is determined in the absence of the party required to answer for it, violating one of the most basic rules of natural justice, *audi alteram partem* (let the other side be heard) ([6], para. 5.03). Secondly, since the ISPs only implement the remedy and are exempt from the liability of copyright infringement [7], they do not actively defend against a grant of injunction. This has resulted in the claimants' being the only voice "heard" in the court. The absence of an adverse party to ensure a balanced proceedings has resulted in an incomplete or inaccurate assessment of facts, and a cursory discussion of law. Further, the consistency of success of the claimants in these proceedings has meant little or no opportunity for appeal.

This article examines the interpretation of Section 97A of the CDPA by the UK courts, with a focus on compromises made to procedural fairness, and its impact on substantive and other procedural issues. To begin with, the article deals with the compromises pioneered by TPB case, and how these compromises were perpetuated in cases that followed TPB case. This part also explains whether there was any basis in the case law that had been decided before TPB case, namely in *Twentieth Century Fox v Newzbin* (Newzbin1) [8] and *Twentieth Century Fox v British Telecom* (Newzbin2) [9,10] cases, for such sweeping procedural compromises. In the next part, the article deals with the consequences of the procedural compromises on the substantive and other procedural aspects, by relying on specific analyses of facts and law in cases that followed TPB case. The final part will examine how the safeguards that exist in an ex-parte proceeding does not apply here as the website operators and the users do not enjoy the status of a defendant. This part further explains how the proportionality assessment which is obligated by Article 3 of the Directive 2004/48 on Enforcement of Intellectual Property Rights (Enforcement Directive) is inadequately applied in these cases.

2. The Compromises

2.1. Section 97A of the CDPA

Before we proceed to analyze the cases that have been decided under section 97A, it would be essential to dissect this section to understand what each component means. As stated above, Section 97A of the CDPA empowers the court to grant an injunction against a service provider where the service provider has the actual knowledge of "another person" using their service to infringe copyright. To begin with, we must examine the constituent elements of this provision:

- Injunction: Although the remedy is expressly stated to be an “injunction”, the nature and extent of the order to be granted is left entirely to the court to decide, based on the circumstances of each case;
- Service provider: A service provider as defined under Regulation 2 of the Electronic Commerce (EC Directive) Regulations, 2002 is a person providing the information society services. Information society services in the same Regulations is defined as any service normally provided for remuneration, at a distance, by electronic means for the processing and storage of data, and at the individual request of a recipient of services [11]. This broad definition of a service provider could encompass content providers online, providers of hosting services as well as a mere conduit ISP. Accordingly, the nature of injunction could also vary depending on the role of the service provider in a specific case.
- Actual knowledge: To prove actual knowledge, section 97A (2) says that all relevant circumstances are to be taken into account, including whether any notice has been received by the service provider, and the extent to which the notice discloses the identity of the person notifying and the details of the infringement.
- Another person: It is unclear how “another person” is to be understood. Within the context of this provision, it might simply mean that it is a person other than the service provider. However, Article 8(3) of the Infosoc Directive, which is the basis of section 97A, refers to “another person” as “third party”, further alienating this person from the proceedings under this provision. This makes one wonder what the law makers intended to be the status of ‘another person’—a defendant or a third party.

Having identified the elements, the next task is to ascertain how these elements interact. The service provider merely having the actual knowledge that “another person” is using their service to infringe copyright does not by itself determine the liability for infringement of “another person”. There appear to be three distinct aspects of causation that need to be proved before an injunction can be granted:

- another person infringed copyright of the claimant;
- another person used the services of the service provider to infringe copyright; and
- the service provider had actual knowledge of another person infringing copyright.

The legal wrong being addressed here is copyright infringement. The liability for copyright infringement, if proved, would rest upon “another person”. In order to resolve this fundamental issue of liability, “another person” must be made a party to the proceedings under section 97A. As such, it appears implicit in this provision that “another person” is meant to be the defendant in the proceedings, and not be regarded a third party. In addition, if the service provider is a mere conduit whose transmission of data is exempt from liability for copyright infringement [12], the role of the service provider would be merely to implement the injunction. In such situation, the service provider would have no influence on the determination of the merits of the case. As such, a mere conduit service provider would be a third party, and not a defendant.

Although this provision appears in the copyright legislation and not among the civil procedure rules, a parallel can be drawn between this provision and some of the provisions in the UK Civil Procedure Rules (CPR) that deal with remedies. CPR 25.1, which came into force on 26 April 1999, provides a list of interim remedies a court is empowered to grant. A plain reading of this provision

throws no light on who should be made parties to the proceeding, simply because a provision that sets forth the powers of the court to grant remedies presupposes that all other procedures would be followed [13]. By the same token, section 97A as a provision that empowers the court to grant a remedy does not need to spell out who the parties to the proceedings should be. Similar to other provisions on remedies, section 97A too presupposes that other procedures in determining who the parties to the proceeding should be, would be followed.

However, as we shall see below, the manner in which the English courts have viewed this provision is markedly different. The court, starting from the decision in the Pirate Bay case (TPB case) [2] essentially made the ISPs the defendant, and the alleged infringers a third party who have no right to be heard in a proceeding under section 97A.

2.2. How the Pirate Bay Court Saw Section 97A

The claimants in this case were record companies, who claimed copyright infringement in their own right and in representative capacity on behalf of the members of British Recorded Music Industry Limited and Phonographic Performance Limited. These claimants sued six main ISPs in the UK for an injunction pursuant to section 97A of the CDPA, to take measures to block or at least impede access by their customers to the website of TPB ([2], para. 1). One of the most significant features of this case was that it pioneered the finding of liability for infringement in the absence of the alleged infringers. In his judgment, Arnold J identifies four reasons why this is acceptable.

2.2.1. No Jurisdictional Requirement to Join or Serve

The first reason Arnold, J identified is that “there is no jurisdictional requirement to join or serve the operators or the users of TPB” ([2], para. 10). He further goes on to say that neither Article 8(3) of the Infosoc Directive nor Section 97A requires the joinder of the third party infringer ([2], para. 10). This is truly a sweeping statement of law with far reaching implications, and raises several issues of grave concern. To begin with, it is a statement of law interpreting section 97A. It was not a conclusion Arnold J arrived at based on the facts of TPB case. He appears to be stating that regardless of what the facts of a case reveal, the provision itself does not require the joinder of or service of court process on the operators or users of a website. Since it is not a conclusion based on facts, one cannot even conclude that if the facts were different, joinder of and service on the website operators and the users would be required. Therefore, the ability to distinguish this case based on the facts in order to avoid the application of *stare decisis* is not available with a ruling of law of this nature.

Secondly, it would appear plainly wrong that Arnold, J should hold that the website operators need not be joined in a proceeding under section 97A, when the definition of service provider is broad enough to include website operators too. If an injunction was indeed to be ordered against a service provider who provides hosting service such as a website operator, Arnold J’s sweeping statement of law would mean that even in such proceeding the website operator need not be joined or served.

Thirdly, at best one might mitigate the effect of Arnold, J’s statement by proposing that the proceedings under Section 97A presuppose a trial on merits to establish the liability of infringement, in which the alleged infringers should be joined and served; for a proceeding that only deals with the injunction, the only parties are the rights owners and the ISPs. As stated under point 2.1 above,

CPR 25.1 is a comparable provision under procedural rules that presupposes a trial on merits, where the person being alleged to bear the liability must be joined and served. However, this is not how these proceedings were conducted in TPB case. The merits of the case were settled in the same proceedings as those for granting injunction. By holding that the operators of a website and its users are not required to be joined or served in a proceeding where the liability for infringement against them will be determined, Arnold, J seems to have departed from certain fundamental tenets of procedural fairness.

Fourthly, it cannot even be regarded that Arnold, J's ruling of excluding the website operators and users amounts to an *ex-parte* proceeding under section 97A. An *ex-parte* proceeding presupposes and acknowledges the existence of a defendant. If it is an interim order, there would be a requirement that the order is served on the defendant [14]. However, with this ruling, the website operators are essentially non-parties to the proceeding and are denied the status as a defendant. As such, the website operators and the users are deprived of the right to heard, or even informed of the order that is passed against them.

We shall see under point 2.3 below, that cases of mass online copyright infringement that followed TPB case have all dispensed with the presence of the website operators and their users. This drives home the point that regardless of the facts of those cases, this ruling has indeed been treated as a rule of law independent of facts.

2.2.2. Following Footsteps of the Other Decisions

The second reason why Arnold, J dispensed with the appearance of the website operators and the users is because he found that the courts in the UK and in other Member States of the EU have proceeded on the basis that it is not necessary to join or serve the "third party" ([2], para. 11). In support of this, he cited his own judgment in *Newzbin2* [9], where he had granted the injunction although the operators of the website had not been joined. It is submitted that the reference to this case appears to be out of context, in that Arnold, J took the absence of the operators of the website in that decision as a precedent for the absence of the website operators in TPB case. As we shall see in point 2.4.2 below, the judgment in *Newzbin2* [9] had been written as a sequel to an earlier judgment in *Newzbin1* [8], and in *Newzbin1* the website operators had appeared before the court and put up a defense. The reason for the absence of website operators in *Newzbin2* was not because they did not have to be joined or served, but because the injunction against the direct infringers in *Newzbin1* had failed to stop infringement.

Arnold, J insists that the same approach of excluding the website operators has been adopted in Belgium, Denmark and Netherlands, and quotes from the decision in *Stichting Bescherming Rechten Entertainment Industrie Neederland BREIN v Ziggo BV* ([15], para. 4.42), as follows:

...[It] is not required that all its subscribers are parties to the proceedings or are heard. It provides that 'the person or persons concerned' must be heard. In a case like the present one, in which an order is claimed against intermediaries, such intermediaries can be considered to be the persons concerned in the sense of this provision...

The court in the Belgian case went on to point out that any other interpretation would render the orders against intermediaries meaningless ([15], para. 4.42). Clearly, the quoted text Arnold, J relies on

refers to the subscribers or users, and not website operators. The quoted text does not seem to explain why the website operators are not “person or persons concerned”. It is understandable that making millions of subscribers or users parties to the injunction proceeding would render the proceeding unduly onerous. However, that does not justify why the website operators should also be excluded.

2.2.3. Impractical and Disproportionate to Join or Serve

The third reason that Arnold, J gives is that it would be impracticable and disproportionate to require the joinder of or service to operators or users ([2], para. 12). In support, he relies on the happenings of TPB case in the Swedish court. He explains that the founders of TPB were convicted for criminal infringement in Sweden, and while their conviction was on appeal, they left Sweden. He observes that record companies in Sweden have also sued the founders of TPB for civil infringement, but have not been successful in serving the proceedings on them. Therefore, he states that there is no reason to believe that an attempt to serve the proceedings on them in the UK would be successful ([2], para. 12).

He goes on to say that even if joined or served, there is no reason to believe that they will appear ([2], para. 13). In support of this Arnold, J relies on several facts reflective of the attitude of TPB towards copyright infringement. To begin with, the name “the Pirate Bay” and the fact that the founders are part of a Swedish anti-copyright organization ([2], para. 78(i) and (ii)). Besides, Arnold, J noted that the website description said ([2], para. 13):

Only torrent files are saved at the server. That means no copyrighted and/or illegal material are stored by us. It is therefore not possible to hold the people behind The Pirate Bay responsible for the material that is being spread using the tracker. Any complaints from copyright and/or lobby organizations will be ridiculed and published at the site.

The website had a link called legal threats where it listed a series of cease and desist letters sent by right owners, together with the operators’ responses [16]. Arnold, J noted that this page ends with a statement that no action, except ridiculing the senders, has been taken by TPB ([2], para. 13). He also goes on to say that the claimant’s own complaints about infringement have received no response from the operators of TPB ([2], para. 13). This reasoning for not joining the website operator, as opposed to the one pointed out in 2.1.1 above, is specific to the facts of TPB case. If therefore, the facts of another case did not reveal such an active disregard for notices of infringement, it should be possible for the website operators to be joined and served. One can envisage cases where the operator of a website that contains a good measure of both legal and infringing content would be interested in defending against the whole website being blocked. If a website operator is deliberately dodging notices of infringement, then the court might have to dispense with service in order to let the proceedings go on. However, if a website operator responds to notices of take down by rights owners and wishes to appear before the court, there is no reason why the website operators should not appear and defend their case in a section 97A proceeding.

If Arnold, J’s only reasoning for excluding the website operators was factual as explained in this point, then one could have taken comfort that if the facts were different, the exclusion of service to website operators and users would not apply. However, as stated in point 2.2.1 above, Arnold, J has given a ruling on law, which is not dependent on any facts. If the courts close their doors to website

operators who have legitimate interests to protect, then there is a grave problem. It is in this light that TPB's ruling on dispensing with the presence of the alleged infringers should be looked at. As we shall see under point 2.3 below, not only has the court followed TPB case as a rule of law, but has also relied on the facts of TPB case in this regard, without providing the specific facts of the case at hand.

As for the users of TPB, Arnold, J says that there is a considerable number of them in the UK, and while in theory it would be possible to identify those users by way of a *Norwich Pharmacal* order directed towards the ISPs, that would be an expensive exercise in itself. He goes on to note that this would be wholly disproportionate, and there is no reason to believe that the users would want to defend themselves ([2], para. 14).

TPB will have one believe that the operators of the website and the users will not appear in the court even if they were served. It was not the case with Newzbin2. Arnold, J did receive a letter from a user by name Desmond McMahon requesting to be heard, which Arnold, J granted. Mr. McMahon's evidence was that Newzbin2 can also be used for lawful purposes. However, Arnold, J disregarded his evidence stating that it should have been filed before the first hearing took place, and that most of the evidence filed was either prepared for this hearing or inaccurate ([10], para. 2–3).

It is not clear how Arnold, J expected Mr. McMahon to have filed his evidence before the first hearing when he had not been made a party to the application. Arnold, J's rejection of the evidence appears better supported by the quality of the evidence rather than the timing of its filing. What is surprising is that despite having seen that the users might want to be heard, Arnold, J went ahead to give an order in TPB effectively ruling out any participation of the users from the proceedings under Section 97A.

Nevertheless, as regards the point on convenience raised by Arnold, J in TPB case, it will almost always be the case that the number of users in a mass online infringement case would run into hundreds of thousands, and sometimes even millions. It would be disproportionately onerous to make claimants join and serve all the users. To this extent, Arnold, J's reasoning of balancing the convenience appears reasonable.

2.2.4. Proceedings not Binding on Website Operators and Users

The final reason pleaded before Arnold, J was that the proceedings would not be binding on the operators or the users. Arnold, J does not fully endorse this reason, as he states that although this is technically correct, an order would still adversely affect them ([2], para. 15). Having realized that an order he passes does affect the website operators and the users, one questions the prudence of a general rule of law of declaring that section 97A does not require joinder or service on these parties.

2.3. Impact of TPB Ruling on Subsequent Cases

The cases that followed TPB case as a precedent reveal that the importance given to identifying and communicating with the website operators has reduced over time. In *EMI Records Limited v British Sky Broadcasting Ltd.* (the EMI case), which immediately followed TPB case, record companies joined hands to seek an injunction against six main ISPs representing 94% of the UK internet users ([17], para. 1). In this case claimants appear to have exercised some caution by seeking directions from the court whether they should try and serve applications on the operators of the websites ([17],

para. 9). This shows that there were still doubts in the mind of these practitioners whether the service of proceedings on the alleged infringers could be dispensed with so easily. Arnold, J confirmed that he did not require them to try to serve the applications on the operators of the websites. The reasons for so directing, he said, are the same as those he gave with regard to operators of TPB ([2], para. 10–13). He further added that the evidence on those applications satisfies him that it would be impracticable and pointless to try to serve the operators of the websites ([17], para. 10).

It is problematic here because some of the reasons in TPB case are specific to that case. One of the reasons concerned the criminal conviction of TPB's operators and how an attempt at serving proceedings in other countries in relation to civil proceedings had failed ([2], para. 12). Arnold, J simply said in this case that similar pressing reasons exist, without discussing the facts in this case akin to TPB case.

In the next case that followed, namely Football Association Premier League v British Sky Broadcasting Ltd. (the FAPL case), FAPL sued the ISPs to block a website called FirstRow for online infringement of copyright in recordings of television footage of sporting content ([18], para. 1). In this case, service of process on operators of the website and the users was not even considered. Unlike in EMI case, no directions from the court were sought as to whether the website operators and the users must be served. By this time, it appears to be understood that it is a settled law. However, Arnold, J pointed out that the claimant had been unable to establish who the operators of FirstRow were and where they could be contacted, since FirstRow had been registered under different domain names using a combination of what appeared to be false names and addresses ([18], para. 21). He also pointed out that the investigator for the claimant had sent many notifications to Firstrow but none had been responded to, and the address given for sending take-down notices was fictitious ([18], para. 22).

In Paramount Home Entertainment International Ltd. v British Sky Broadcasting Ltd. (Paramount case 1) the ISPs were sued to block websites [19]. Curiously, there is no discussion on the difficulty in identifying or locating the operators of the website at all. As an obvious result, there is no discussion on serving the operators or users of the websites. It appears to be simply assumed that there is no need to even raise this issue. The message this case could convey is that it is not because it is difficult to serve the court proceedings on the website operators and users that the proceedings are not served, but because serving them is a non-issue.

In the subsequent case where Paramount again sued British Sky (referred to as Paramount case 2) once again there is no reference to joining or serving the website operators and users [20]. In fact, this case goes a step further by referring to the website only as Target Websites ([20], para. 3), without even an acknowledgment of the person behind the website. While granting the injunction, Henderson, J states that if any problems arise, there is a liberty to apply in the unlikely event that any of the operators of the Target Websites themselves wish to make submissions ([20], para. 43). One fears that this would start a new trend of giving a finding of infringement first and then have the person held liable to come to the court to defend itself.

Unlike other cases, in the FAPL case, Arnold, J added an additional term to the order that the operators of this website and of any other website who claim to be affected by this order are to have permission to apply to vary or discharge this order insofar as it affects such an applicant ([18], para. 57–58). This takes some note of the interests of those who were not made parties to the proceedings, but might be affected by the injunction. However, it does not appear that in the next line of cases after this case, such terms were considered in the order of injunction.

2.4. Did TPB Court Have a Precedential Basis?

TPB case was not decided in a vacuum. Arnold, J did believe he was following a precedent, which he had himself set in prior decisions. One must ascertain to what extent the legal landscape was ready for a decision as remarkable as TPB to be handed down.

2.4.1. Website Operators not Always Elusive

A case like TPB would have one believe that the website operators always elude copyright enforcement. This is far from the truth. In *Newzbin1 Twentieth Century Fox (20C Fox)* and other studios sued the operators of a website called Newzbin for copyright infringement online in films and television shows, in 2010 (*Newzbin1*) [8]. Far from being elusive, the operator of Newzbin appeared before the court and put up a defense. Newzbin argued that it is simply a search engine like Google, but directed to Usenet rather than the World Wide Web ([8], para. 2). It further argued that it is content agnostic, and that it is designed to index the entire content of Usenet. When the search is carried out, it argued, a hyperlink is provided in the results where possible, and if the content of such hyperlinks is unlawful, it is a matter between the Usenet server operators and the users, and not a matter for Newzbin ([8], para. 2). It further claimed that it had no knowledge of the infringement on its website ([8], para. 2).

Curiously, the claimants had pleaded for an order under Section 97A of CDPA ([8], para. 130). This appears to have been made possible due to the broad definition of service provider under Section 97A, which could include access provider as well as content provider. The scope of the injunction requested by the claimants was to remove all content on the Newzbin website, regardless of the claimants' ownership in such content. One of the few points on which Newzbin won is to have the injunction directed only to the content that claimants claimed to own, declaring that Newzbin did not have actual knowledge of content not owned by the claimants.

Newzbin went into winding up due to financial difficulties and the website ceased to exist soon after the judgment. Newzbin1 confirms that it is an incorrect premise that website operators always elude copyright enforcement.

2.4.2. Newzbin2 as a Sequel to Newzbin1

After the disappearance of Newzbin, a new website called Newzbin2 appeared back online in its place. The challenges were that Newzbin2 operated exactly like the original Newbin (in Newzbin1), with the same capability and scale. Infringement of copyright in films and television shows continued as if the previous injunction order had made no difference. What was worse was that the operators of the website were unknown, and operations were believed to have moved offshore ([9], para. 2).

There was a recognition that since direct methods of dealing with infringement by suing the infringers had failed, the claimants had to resort to indirect methods. The studios had been left with only one option—to obtain an injunction against the ISPs. Thus, this case became the first case in the UK to apply section 97A remedy against an ISP ([9], para. 5).

What was significant about Newzbin2 was that the judgment was written as a sequel to the Newzbin1 judgment. In other words, establishing the liability of the infringers was regarded a

pre-requisite. A review of the judgment will reveal that Arnold, J in fact summarizes Kitchin, J's findings in the judgment of Newzbin1, reinforcing the view that this discussion is necessary before an order for injunction can be made ([9], para. 25–44).

This is because claiming the remedy under Section 97A against an ISP appears to be an exception to the normal rule that the person liable for infringement is the same person who is ordered to effectuate the remedy. In this case, these persons are different. This is not unusual, since there are other remedies of a similar nature, such as a freezing order against a bank to freeze a defendant's bank account, under CPR 25(1)(f). However, in every such case, establishment of liability must precede or follow the granting of such remedy, depending on whether it is an interim order or is in aid of execution. Since the establishment of substantive liability of infringement was found in Newzbin1 decision, Arnold, J referred to the judgment as almost a foundation for judgment in Newzbin2 ([9], para. 25–44). In other words, Newzbin2 was founded on a case where the website operator was made a defendant, whose appearance had not been dispensed with.

Even though the operators of Newzbin2 were different from that of Newzbin1, the court realized that there was no way to enforce the presence of the operators of Newzbin2. The underlying implication was that the facts proved and the liability established against the website operators would similarly apply to Newzbin2, since Newzbin2 was so closely similar to Newzbin1 in its operation and scale. Thus, it is clear that Newzbin2 was by no means a precedent for TPB to rely on to support the point that the joinder or service to website operators was not necessary.

2.5. The Appearance of the ISPs in the Proceedings

Another striking feature of TPB case is that even the ISPs were not present or represented at the court proceedings. Section 97A only requires that an injunction be ordered against the intermediaries. As stated above, the Directive on Legal Aspects of Electronic Commerce (E-Commerce Directive) under Article 12 makes it clear that service providers who only provide transmission and communication services, in other words, mere conduits, are exempt from the liability for infringement. For this reason, and for reasons to be discussed under point 2.6.6 below, there was little or no incentive for the ISPs to make any representation before the court.

As a result, the only voice that was “heard” in the court was that of the right owners. All evidence was submitted by way of affidavits, since there was no one to cross examine the witnesses of the right owners. The procedure was streamlined to the point that it was unrecognizable as an adversarial proceeding, as will be further discussed under point 3.2 below.

2.6. The Nature and Scope of the Injunction under Section 97A

Newzbin2, as stated earlier, as the first case to be brought against an ISP under section 97A. The ISP in this case, namely British Telecom (BT) had put up an effective defense. As a result of this decision, we now have some clarity on what the court believes to be the scope and nature of an injunction under section 97A. Since the ISPs did not appear in TPB case, nor in any of the subsequent cases under section 97A, the rulings of Newzbin2 have also remained unchallenged.

2.6.1. Not an Interim Injunction, nor a Freezing Order

BT sought to draw a parallel between the injunction under section 97A and an interim injunction, and in particular a freezing order in the context of seeking cross undertaking in damages from the claimants. BT's argument was that if it complied with the order of injunction, and later it turns out that the injunction was not justified, resulting in any kind of loss to BT, then such loss must be compensated by way of a cross undertaking in damages provided by the claimants ([10], para. 34, 36).

Arnold, J saw no analogy between the injunction under section 97A on one hand, and an interim injunction or a freezing order on the other. He observed that in an interim injunction, since the parties' legal rights and liabilities have yet to be ascertained, a cross undertaking in damages tries to protect the party against whom the injunction is ordered, if it subsequently transpires that no injunction should have been granted. In contrast, Arnold, J held that an order under section 97A is a final injunction, and accordingly there is nothing in it to warrant cross-undertaking ([10], para. 35).

Arnold, J's reasoning would imply that an order under section 97A is a final order because the parties' legal rights and liabilities would have been ascertained before the grant of the order. This seems to support the contention under point 2.1 above that an order under section 97A presupposes a trial on merits where legal rights and liabilities would be ascertained. If Arnold, J does envisage a trial on merits, then he should not have ruled in TPB case that there is no jurisdiction under section 97A for the person/s against whom the liability is alleged (namely the website operators and the users), to be made parties in those proceedings.

Going a step further, the exclusion of the website operators and the users could be the very reason why an order under section 97A might be reopened. To this extent, despite regarding the order under section 97A as a final order, Arnold, J has left open a possibility that it might not really be so.

A comparison with a freezing order, to the extent that the ISPs are in the position of merely implementing the order, would have been apt. However, Arnold, J disagreed that there was any analogy between a freezing order and an order under section 97A. In support, he states that the cross-undertaking in the context of a freezing order provides a mechanism for third parties to claim against the party which obtained the injunction rather than the party enjoined ([10], para. 37). This shows why Arnold, J is unable to see that freezing order is analogous to an order under section 97A. In a freezing order, the person enjoined is the defendant and the third party is the person implementing the freezing order (such as a bank). Similarly, in an order under section 97A, as argued under point 2.1 above, the website operators and the users should have been the defendants and the ISPs regarded third parties implementing the order. BT did try to argue that it was in the position of a third party rather than the defendant, and therefore a cross-undertaking was in order. Arnold, J refused to view section 97A in this light.

2.6.2. Not even like a *Norwich Pharmacal* Order

Norwich Pharmacal order is an order that is granted where a person through no fault of his gets mixed up in tortious acts of others, but comes under a duty to assist the person who has been wronged, by disclosing the identity of the wrongdoers. If this causes him expense, the person seeking the information ought to reimburse him ([21], p. 175). BT argued that an order under Section 97A is

comparable to a *Norwich Pharmacal* order in that BT is not itself an infringer of copyright, but is only mixed up in another person's wrongdoing, and to the extent that BT assists in dealing with the wrong, the claimants should bear the costs of implementing the order ([10], para. 26). The claimants argued, and Arnold, J agreed with them ([10], para. 30), that the two orders are different for the following reasons:

- First, Article 8(3) of the Infosoc Directive confers on the rights owners a legal right to the substantive remedy of a final injunction, whereas applicants for *Norwich Pharmacal* orders have no such right where the respondent is innocent of wrongdoing ([10], para. 27).
- Second, an application for *Norwich Pharmacal* order is a preparatory step and hence, the position of the respondent to a *Norwich Pharmacal* application has been treated as similar to that of a witness called upon witness summons. Thus, the applicant must generally pay the respondent's costs. In contrast, an order under section 97A is not preparatory to proceedings or other steps against the infringer, but may follow such proceedings ([10], para. 28).
- Third, the exposure of intermediaries to an injunction under section 97A is part of the price they pay for the immunity from damages for infringement the service providers are entitled to under Articles 12(1) (as a mere conduit), 13(1) (for caching data) and 14(1) (for hosting services) of E-Commerce Directive ([10], para. 29).

Even though Arnold, J is able to see the status of the person embroiled in a legal wrong through no fault of his own as merely that of a witness and not defendant, he is unable to see an analogy with the ISPs under section 97A. Even though the analogy is clear that the ISPs have done no wrong, Arnold, J refuses to treat them as anything but defendants. Indeed, it is the immunity from infringement that E-Commerce Directive provides which made Arnold, J conclude that the cost of implementing the injunction should be borne by the ISPs ([10], para. 32).

2.6.3. The Meaning of “Actual Knowledge” of Infringement

As explained under point 2.1 above, section 97A requires the “actual knowledge” of the service provider. BT contended that that the knowledge of a particular infringement was required ([9], para. 120, 131). After a detailed discussion on case law of “knowledge” in the context of secondary infringement and construction of the provisions themselves ([9], para. 132–44), Arnold, J concluded that the requirement of actual knowledge should not be interpreted too restrictively ([9], para. 145). He also noted that the wording of Section 97A (1) requires the actual knowledge of another person *using* the access providers services to infringe copyright, rather than upon the *infringement* committed thereby (emphasis supplied) ([9], para. 147). This, Arnold, J observed, was much more general and open ended ([9], para. 147). He went on to point out that the provision does not require the alleged infringer to be “identified or even identifiable” ([9], para. 147). He concluded that the access provider is not required to have actual knowledge of a specific infringement of a “specific copyright work” by a “specific individual” (emphasis supplied) ([9], para. 148).

Thus, in the *Newzbin2* ruling, Arnold, J took away all manner of specificities in the actual knowledge that the service provider must have under Section 97A. The connection between the access provider and the alleged infringers came to be weakened substantially. However, *Newzbin2* still did not go as far as suggesting that the presence of alleged infringers should be dispensed with. Indeed,

Arnold, J in *Newzbin2* goes to pains to assert that the judgment is a sequel to *Newzbin1*, lest it should be interpreted that establishing the liability of the infringers was superfluous. However, considering that it is the same judge looking at the next transition from *Newzbin2* to *TPB*, when the claimants pleaded the difficulty in finding and serving the alleged infringers, dispensing with the presence of the alleged infringers may have appeared to the judge to be the next logical step.

The question still remains as to how far it is possible to lose specificities of the actual knowledge. Arnold, J accepts that to assess actual knowledge it is relevant to consider whether the ISP has been given a sufficiently detailed notice and a reasonable opportunity to investigate the position ([9], para. 149). It follows then that BT can only have actual knowledge of the rights of the claimants who served such notices, of having been infringed. Even if we were to accept that under section 97A all relevant circumstances need to be taken into account in addition to such a notification, it does not seem possible for BT or any ISP to gain actual knowledge of copyright of all parties whose works are being shared using its networks. Only those who notify the ISP in some manner can expect the ISP to have actual knowledge of their rights being infringed, even if the specifics of the works are not clear. In other words, the ISP should be under no obligation to take down any content of which the rights owners have done nothing to bring their rights within the ISP's actual knowledge. Since the court is only empowered to grant an injunction in relation to what the ISP has actual knowledge of, actual knowledge is closely linked to the scope of the injunction granted, which leads us to point 2.6.4 below.

2.6.4. Scope of the Injunction

As stated above, a question arose as to whether the injunction should only extend to the infringement of which the service provider has the actual knowledge ([9], para. 150). This question arose because in *Newzbin1*, Kitchin, J had given a restrictive injunction in relation to only those works whose ownership had been claimed ([8], para. 135). As to other works, Kitchin had said that the rights of all other right holders are wholly undefined and consequently the scope of the injunction would be very uncertain ([8], para. 135).

In *Newzbin2*, Arnold, J on the other hand, took the contrary view and held that the scope of the injunction could also extend well beyond the content over which the claimants have rights, based on the following arguments:

- He relied on the decision of the CJEU in *L'Oréal v eBay*, which had held that that the measures could not only bring an end to an infringement, but also to prevent further infringements of that kind ([22], para. 144). He went on to state that section 97A should be interpreted consistently with this decision ([9], para. 156). He further declared that the reasoning of the CJEU in that decision means that the jurisdiction for the grant of injunction under section 97A not only extends to prevention of the continuation or even repetition of infringement of which the ISP has actual knowledge of, but goes well beyond the actual knowledge ([9], para. 156).
- He also referred to Kitchin, J's concern in *Newzbin1* that there was little or no evidence of third party rights before him ([8], para. 135), and tried to distinguish *Newzbin2* based on the facts ([9], para. 157). He opined that since BT had knowledge that *Newzbin2*'s users had been engaging in large scale infringement, it follows that it was aware of other persons' rights also being infringed ([9], para. 157). He also noted that certain collecting societies, including the

British Recorded Music Industry Ltd., the Association for the UK Interactive Entertainment and so on had indicated their support the claim for injunction ([9], para. 157). As far as the other rights owners are concerned, he held that their right to property under Article 1 of the First Protocol of European Convention of Human Rights (ECHR) is engaged and there is no reason to believe they would not support this request for an injunction.

- He drew a parallel with cases on breach of privacy under the UK Human Rights Act, 1998, under which the court is obliged to take into account the rights of persons other than the parties to the proceeding, if such rights are protected under the ECHR ([9], para. 183).

It is essential to address each one of these points. As regards the decision in *L'Oréal v eBay*, it is doubtful whether it supports the present case, since the prevention of infringement in that case was in relation to future infringement; whereas in the present case the question is of infringement in relation to content over which rights have not been claimed. The decision in *L'Oréal v eBay* was in relation to infringement of trademark by sale of infringing goods on the online marketplace, namely eBay. It was made very clear in this decision that a court could order injunction to prevent further infringement of that kind by the same seller in respect of “the same trade mark” ([22], para. 141). This obviously means that the essential connection between the intellectual property rights and its owner cannot be lost, even if an injunction is being ordered to prevent future infringement. Therefore, the decision in *L'Oréal v eBay* cannot support an injunction against copyrights that have not been claimed by their respective owners.

As regards the second reason, on the facts, the claimants had formed the single largest group of rights owners of the content on Newzbin2 website ([9], para. 185). Further, in distinguishing Newzbin2 on the facts, it might be possible to argue that when large collecting societies claim rights, they are likely to represent a large number of rights owners. As such, as far as the facts of Newzbin2 are concerned, the claim for injunction might have represented a large majority of rights owners. However, to grant injunction in relation to other rights owners who have not claimed any of their rights, simply because their rights under the ECHR are engaged is too drastic a relief. If this rule stands, then there is a danger of a very broad injunction being granted, as indeed we shall see in EMI case under point 3.1.3 below.

It is also doubtful whether privacy cases are so easily comparable to intellectual property cases of this nature. Privacy of members of the family, even if not made parties to a proceeding will have to be protected, which rests in the nature of privacy as a right. One struggles to find such parallels with intellectual property cases such as these.

2.6.5. Possibility of Non-Infringing Content

Finally, Arnold, J recognized that the order would potentially prevent BT subscribers from making use of Newzbin2 for non-infringing uses. On the evidence, however, Arnold, J found that the incidence of such use was *de minimis* ([9], para. 186). This at least appears to leave room for argument that if a website also has legal content in good measure, then an argument could be advanced that an injunction blocking the entire website cannot be granted.

The biggest difficulty is that neither the website operators nor users are made parties to the proceedings under section 97A, nor do the ISPs enter appearance in these proceedings. The question

then is—who is to bring to the attention of the court the legal content on the website? In EMI case this issue comes alive, as we shall see below under point 3.1.3 below.

2.6.6. Costs of the Proceedings

When the issue of who must bear the cost of the proceedings under section 97A arose, Arnold, J did acknowledge that the section provides for an unusual remedy ([10], para. 53). He made the claimants bear the costs of the proceedings in *Newzbin2* until they adduced evidence in the court, as it was essential for BT's own protection that claimants' rights be established ([10], para. 53). However, beyond this, Arnold J observed that BT could have opted to simply consent to an order or take a neutral stance, but instead it went for an all-out opposition. As such, he held that BT should bear the costs until order on merits was passed ([10], para. 54). Since in the hearing for the actual wording of the injunction, both parties had achieved some amount of success, each party bears its own costs ([10], para. 55).

The costs order effectively penalized BT for defending its case by choosing to defend itself, rather than choosing a more cost-effective strategy. However, if that had happened, much of the explanation this decision has produced as to the nature of the injunction under Section 97A would not have seen the light of the day.

The ruling in *Newzbin2* impacted on TPB case also in that it resulted in a trend of the ISPs consenting to an order, and not contesting in the proceedings. As stated above, *Newzbin2* almost penalized BT for defending its case in that much detail, by imposing an adverse costs order on them. There must have been a realization among the ISPs that their defense to a Section 97A procedure is too weak. In any event, the ISPs would enjoy immunity under Article 12 of the E-Commerce Directive, from the liability for infringement when they act as mere conduit. A simple cost-benefit analysis would have made them realize that they should rather bear the costs of implementing the blocking order than those of litigation.

3. The Consequences

One of the principles of natural justice is *audi alteram partem*, which requires that the parties to a proceeding be given a proper opportunity to be heard ([23], para. 6-011). In modern times, the term “natural justice” has largely been replaced by a general duty to act fairly, which is a key element of procedural propriety ([16], p. 275; [23], para. 7-003). The question then arises as to who the parties to the proceeding are, and who should be heard to ensure compliance with procedural fairness. In a literal interpretation of section 97A, Arnold, J in effect took the view that the only parties to a proceeding under this section are the rights owners and the service providers. However, it is submitted that it is the party who faces a liability who must be heard, in addition to the party effectuating the remedies, for procedural fairness to be meaningful. Lord Denning's speech in *Sessions Appeal Committee Ex Parte Rossi* ([24], p. 691) may be quoted in support of this statement.

... it is to be remembered that it is a fundamental principle of our law that no one is to be found guilty or made liable by an order of any tribunal unless he has been given fair notice of the proceedings so as to enable him to appear and defend them. The common law had

always been very careful to see that the defendant is fully apprised of the proceedings before it makes any order against him.

The consequence of not making the alleged infringer a party to the proceedings is bound to have implications on both the substantive and procedural aspects of the case. This part will discuss both these aspects.

3.1. Consequences on the Substantive Issues

As far as the substantive issues are concerned, firstly, all matters of fact leading to the liability of infringement become uncontested. Likewise, all matters of law applying those facts also become uncontested. A case like TPB would have one believe that it is fairly straightforward to establish the facts leading to infringement in an online mass copyright infringement case. Newzbin is an example where it was simply not the case. A review of the judgment reveals that it was an adversarial trial, with oral statements and cross examination ([8], para. 68, 69, 71, 72, 74). Kitchin, J himself admitted that ([8], para. 4):

The nature of Usenet and the structure of Newzbin were not in dispute. Not surprisingly, the other matters were more contentious, some highly so, and involved fundamental disputes between the parties, the resolution of which depends, on occasion, upon my assessment of the credibility of the defendant's witnesses.

It is obviously quite difficult to say for sure what findings of fact or what manner of application of the law would have been different in these cases had at least the website operators, if not users, been represented in the court. However, in our analysis below, what we can do is to point out some of the glaring lacuna in the assessment of facts and application of law which could have been quite easily picked up if the proceedings had been adversarial. As will be evident from some of the decisions that we will see below, the judge was not even inclined to give a fully reasoned order or provide a careful analysis of the facts.

The cases being discussed here are all characterized by the existence of two distinct classes of infringers—the users of the infringing content and the operators of the website. Infringement is alleged against them in the following manner:

- The users are alleged to have committed direct infringement of copyright by the following means:
 - copying of the copyright works; and
 - communication to the public of copyright works
- Operators of the website on the other hand are alleged to have committed a combination of direct and indirect infringement of copyright by one or more of these means:
 - communicating the copyright works to the public;
 - commission of the tort of authorizing the users of the website to commit copyright infringement (by copying and communicating to the public); and
 - joint-tortfeasance or liability as accessories together with the users of the website for copyright infringement (by copying and communicating to the public).

Within this framework of liability, the paragraphs below will discuss some of the more blatant inadequacies in the court's judgments.

3.1.1. Authorization of Infringement by Communication to the Public

We shall first lay down the law on communication to the public and authorization of infringement, and then illustrate with the help of FAPL case a glaring lacuna in the reasoning provided to support infringement.

A line of decisions by the CJEU has interpreted the right of communication to the public. For an act to amount to communication to the public, essentially one must prove that copyright content is transmitted elsewhere from its place of origin, the extent of intervention by the person communicating, that such communication is targeted and receptive, and finally that the communication is to a new public [25]. New public is essentially the public different from the one intended to be recipients of the original content by its owner. However, the concept of new public must be decided based on the facts of the specific case.

As far as the users are concerned, the alleged infringement of the right of communication to the public is always direct, whereas in relation to the website operators, direct infringement has been found in some cases and not in others. Depending on the technology adopted, where the website operators in some cases provided a hyperlink to the allegedly infringing content on their website, the question arose as to whether the provision of hyperlinks amounts to communication to the public. This issue was decided by the CJEU in *Svensson v Retriever Sverige AG* [26] that merely providing a hyperlink to content that already exists online does not amount to communication to the public, as the communication is not to a new public. In *Svensson* case the content to which hyperlinks were provided was lawful content. The question as to whether a hyperlink to infringing content amounts to communication to the public has not been settled yet [27].

In most cases, including TPB, the technology itself could be largely content neutral in the sense that it could be used for both legal and infringing purposes. It therefore becomes important to see what services the website operators provide beyond simply providing the web platform, to assist in sharing of the content, resulting in its communication to the public. This accounts for the level of intervention the website operators engaged in, in order to enable the users to communicate content to the public. This could include indexing of files, easy access by way of a search function, editorial service to see if the uploaded files are of good quality, advice on how to circumvent technological measures and so on. However, it is still unclear what level of intervention leads to a direct liability for communication to the public, and what level of intervention leads to the authorization of infringement by communication to the public. Therefore, let us examine the criteria for determining authorization of infringement.

Although there is much debate as to whether copyright infringement could be regarded as a tort in other jurisdictions, as far as English law is concerned, the tort of authorizing infringement has been recognized since the 1980s, in relation to the twin cassette speed copying device in *CBS Songs Ltd. v Amstrad Consumer Electronics Plc* (*Amstrad case*) [28]. Based on this decision and other authorities including the Australian Copyright Act of 1968 [29], the criteria for the tort of authorization of infringement were crystalized in *Newzbin1* case. These are: the nature of the relationship between the alleged authorizer and the primary infringer, whether the device provided constitutes a means used to infringe, whether it is inevitable that it will be used to infringe, the degree of control which the supplier retains and whether he has taken any steps to prevent infringement ([8], para. 90).

Closely related to the liability of infringement by authorization is the liability as joint-tortfeasors. Kitchin, J in *Newzbin1* relied on the ruling in *Amstad* case that the one who procures a breach of copyright is liable jointly and severally with the infringer for damages suffered by the plaintiff as a result of the infringement ([28], p. 1058, per Lord Templeman). Kitchin, J found that the question to be answered is ([8], para.110):

- whether the defendant has engaged in a common design by so involving himself in the infringement as to make it his own; or
- whether the defendant has procured an infringement by inducement, incitement or persuasion.

It is evident that whether a person has authorized infringement depends on the facts of each case, which must be assessed in the light of these criteria. Kitchin, J further held that all those facts that are relevant in determining the liability for authorization are highly relevant to the liability of joint tortfeasance too ([8], para. 111).

The above sets down the legal framework within which the infringement is alleged. In all cases uniformly, users have been held liable for communicating to the public. However, the liability of the website operators for communicating to the public is much less certain. This is best illustrated by the *FAPL* case, where in view of this uncertainty, in the alternative the judge has tried to hold the website operator jointly liable for infringement, but provided no analysis of facts to support such alternative liability.

The website in *FAPL* case, *FirstRow* was technologically different from the previous cases in that it involved live streaming of sporting events ([18], para. 6). The streams of video on *FirstRow* were provided by user-generated content websites (UGC websites) taken during a live match or copied from a broadcast, without the right owners' consent, and transmitted real time to the UGC website ([18], para. 15). However, none of the infringing content was on *FirstRow*'s servers or were transmitted by *FirstRow*, but were on the respective UGC websites' servers and transmitted by them ([18], para. 16). The communication of these videos was not restricted to private homes, but extended to public houses ([18], para. 20).

Arnold, J tried to establish that operators of the website *FirstRow* had themselves communicated the copyright works to the public, by actively intervening in such a way that it made it possible for the users to access infringing content ([18], para. 42). He goes on to say that although the technical effect of clicking on the link results in the stream coming from the UGC websites rather than *FirstRow*, it is still presented in a frame of *FirstRow* website ([18], para. 42). The problem here is with the origin of the communication: if it did not emanate from *FirstRow* website, it would be difficult to hold *FirstRow* responsible for such communication, even if it was framed within *FirstRow*'s website.

Therefore, Arnold, J went on to add quickly that even if he was wrong in concluding that *FirstRow* was directly responsible for communicating to the public, *FirstRow* would still be jointly liable for communication together with the UGC websites. In support of this, he discussed no facts of the *FAPL* case, but simply asks the reader to compare with the *EMI* case at paragraphs 71–74 ([18], para. 43). These paragraphs refer to the discussion on joint liability of infringement in *EMI* case. In particular, paragraph 74 refers to the facts establishing authorization of infringement in *EMI* case which would similarly be useful in establishing joint liability for infringement. However, in *FAPL* case Arnold, J specifically stated that in view of having established the liability for communication to the public, he

finds it unnecessary to consider authorization of infringement, and discussed no facts in this regard ([18], para. 50). Essentially what this results in is a doubtful conclusion as to whether FirstRow themselves communicated to the public, and more doubtfully, whether they communicated to the audience in the pubs and bars. The judge expected to ring-fence the liability issue by providing for joint liability with the UGC websites in the alternative. As stated above, joint liability is established by and large based on facts that are also established for authorization of infringement. As such, the expectation would have been a discussion on the facts that lead to authorization of infringement. However, having realized that, the judge could not have stated that there is no need to establish authorization of infringement. A fully reasoned order would have required that he discussed the facts for the joint liability for infringement.

3.1.2. Action Taken to Prevent Infringement

While establishing the liability for authorization of infringement, a question arises as to how far one must go before it is decided that the actions taken to prevent infringement were inadequate. EMI case might assist in illustrating this issue. Let us consider the facts considered by the judge to give the finding that the website operators authorized infringement, and in particular the inevitability of infringement and steps to prevent infringement. Consider the following facts which Arnold, J considered ([17], para. 60–61, 66–68):

- User Rules conspicuously fail to include any prohibition in respect of the uploading or downloading of copyrighted content beyond informing the users that the web operators are obliged to remove content if they are contacted directly by the copyright owner ([17], para. 60(i)).
- Although KAT operators also state that their team is completely against piracy, sincerity of the statement must be judged based on the quantity of infringing content found on their website ([17], para. 61).
- Arnold, J considered the number of files that still remained accessible through their website after six months despite being notified of their infringing nature. These numbers were: KAT—76% of the notified URLs, H33T—83%, but Fenoply only 25% remained online after notification ([17], para. 66(i)–(iii)). Arnold, J however, tried to explain this away by saying that it is uncertain if the removal of URLs was a response to the notification or was coincidental ([17], para. 67).

There should be nothing unusual about the terms of the User Rules and the fact that there was a statement that the website is against piracy on the website. Importantly, Fenoply having denied access to about 75% of the infringing content should have accounted for something. Of concern is whether this decision will make a rights owner believe that even if the website operators have cooperated, and have denied access to a majority of infringing content, they could still be held liable for authorizing infringement. Together, these findings of fact make one wonder how far the website operators should go before they can avoid their website being blocked.

One must accept that the website operators had been trying to conceal identities by changing domain registrant details in different countries, giving spurious addresses, shifting between service providers for hosting between different countries, and so on. Any attempt to engage in correspondence had also failed, as a response was non-existent or obstructive ([17], para. 63, 69). Therefore, the

concern is not that the ruling on facts of this case is necessarily incorrect, but rather its ability to become a bad precedent in that, even where a genuine web operator reduces access to infringing content by three fourths, it could still be held liable for authorizing infringement.

3.1.3. Scope of Injunction

Reference is made here to point 2.6.4 above on the scope of injunction. Initially, in *Newzbin1* Kitchin, J had given a restrictive injunction in relation to only those works whose ownership had been claimed, and as to other works, he had said that since the rights were undefined the scope of the injunction would be very uncertain ([8], para. 135). This might not have been questioned if not for a vigilant defendant. Since in *Newzbin1* the website operators were present and had defended themselves, they could ensure that the injunction granted against them was not so broad that they would have to take down content which they had been notified no rights of any other parties. However, in *Newzbin2*, Arnold, J distinguished this approach and gave a broad injunction, including even those right owners who had not been represented in the court. We see this ruling being applied in the EMI case.

Technologically, websites in the EMI case used BitTorrent p2p file sharing platform, just like TPB. Table 1 below shows the extent of infringement revealed in the claimants' evidence in relation to each of the websites KAT, Fenoply and H33T ([17], para. 17–19).

Table 1. Infringing content as a percentage of content accessible through each website and the number of files, with shaded part showing the content not covered in this litigation.

Website	Percentage of Music Content	Percentage of Music Commercially Available	Percentage not Covered in Litigation (Deduction)	Total Number of Torrent Files	Number of Files Commercially Available	Number of Files not Covered in Litigation (Deduction)
KAT	21.05%	78.4% of 21.05% = 16.5%	83.5%	4,267,677	704,300	3,563,377
H33T	21.04%	97.1% of 21.04% = 20.4%	79.6%	241,477	49,330	192,147
Fenoply	25.79%	72.1% of 25.79% = 18.59%	81.41%	5,689,961	1,058,024	4,631,937

Claimants' own evidence reveals that only a part of the overall content accessible through the websites is music files (second column above). Even admitting that among the music files, a big percentage is commercially available, and therefore likely to be infringing copies (third column), the percentage of infringing content is still small. Compared to the total number of files (fifth column) the number of files that are likely to contain infringing content (sixth column) is very small. When one looks at the fourth and the seventh columns (shaded in blue), the vastness of the content that is not even covered in this litigation becomes clearer. It must be reiterated here that the only content industry the claimants represented was the music industry, and not video, film or literature, which the remaining files might have contained. Or indeed, there may have been non-infringing content.

Although it is clear that a vast majority of the torrent files did not concern the rights of the claimants, an order to block the whole website was requested and was granted. This would have been

exactly the kind of inadequacy in evidence that a website operator, or even users would have picked up on as a defense to the alleged infringement, had they been made parties. Indeed as we have seen above, in *Newzbin1* operators of *Newzbin* managed convince Kitchin, J for a restrictive injunction on this basis. It might be argued that since no one has so far challenged the blocking order on the basis that it had predominantly legal content, the ruling is vindicated. However, there could be all manner of reasons why the ruling may not have been challenged, not least of which being the prohibitive cost of litigation. Of concern is the message the ruling conveys to the right owners. Will it convey a message to the right owners that even if they can prove their rights to only a quarter of the content on a website, regardless of the nature of the remaining content, they can still walk away with an injunction under Section 97A blocking the entire website?

3.2. Consequences on the Procedural Aspects

The consequences of not making the website operators and users a party to the proceeding under section 97A, on other procedural aspects can be identified at two levels—first is with the very nature of proceedings under section 97A, and second the possibility of appeal.

As regards the nature of the proceedings, once the joinder and service of the website operators and the users was dispensed with in TPB case, in EMI case which next followed it, the claim was brought under CPR Part 8 Claim Forms. This is a more streamlined procedure which is used when the claimant “seeks the court’s decision on a question which is unlikely to involve a substantial dispute of fact” [30]. It is unclear if the subsequent claims in *FAPL* case, *Paramount* case 1 and 2 were all brought under CPR Part 8. However, the trend is disconcerting in that the courts are acknowledging right at the outset that there will be no one in the court to dispute the facts of the case.

There is a provision for the defendant to object to the proceedings being conducted under Rule 8 [31]. However, as we are aware, the defendants in a section 97A proceeding is an ISP, who will not appear in the court or defend the case, but simply agree on the terms of the injunction with the claimants. The court is empowered to order on its own that the proceedings continue as if they were not brought under Rule 8 [32]. However, going by the trend *Arnold, J* has set, even other judges (such as *Henderson, J* in *Paramount* case 2) are beginning to take the rulings of *Arnold, J* as a given, and proceed on that basis. As such, there could be no one to challenge the proceedings being conducted under Part 8 if there are genuine disputes of fact.

As for the possibility of appeal, given the success rate of these proceedings and the absence of any adverse party, no appeal has been or will be filed. All findings of fact and law remain unchallenged after the decision is given. It might be argued that if there were genuine rights to be defended on behalf of website operators, one or more of these proceedings would have been re-opened, if not appealed; the fact that all these decisions have stayed unchallenged shows that there are no genuine rights of the website operators to be defended here. However, the judicial system must operate in such a way that it leads to a just result; not in a way that leads to a convenient result, which is vindicated over time as a just result by not being challenged.

4. The Safeguards

There are certain safeguards a party acquires the moment he is designated a defendant. This includes a reasonable opportunity to be heard before a liability against him is determined. If for any reason an order must be passed in his absence, all the procedural safeguards that apply to an *ex-parte* proceedings would apply, as discussed under point 2.2.1 above. However, in a proceeding under section 97A the website operators and users are not even defendants, and therefore the question as to whether they can benefit from the safeguards applicable to an *ex-parte* proceeding does not arise.

The question then arises—how should the interest of these parties not present in the court be protected? To some extent, this issue is addressed by the balancing exercise, reflected in the assessment of proportionality conducted before granting the injunction, in accordance with the legal framework of the Enforcement Directive. Article 3(1) of the Enforcement Directive requires that the remedy granted be fair and equitable, and shall not be unnecessarily complicated or expensive. Article 3(2) of Enforcement Directive, requires that the remedies must be effective, proportionate and dissuasive, and should not become barriers to trade. The CJEU has also ruled on this point that when adopting measures to protect copyright owners against online infringement, national courts must strike a fair balance between the protection of intellectual property rights and the protection of the fundamental rights of individuals affected by these measures ([33], para. 61–68; [34], para. 42–46, 50–53).

All cases examined here undertook this assessment of proportionality before granting the injunction under section 97A ([9], para. 199–200; [17], para. 90–107; [18], para. 55–59; [19], para. 41–42; [20], para. 42; [35], para. 10–12). This involved an assessment of fundamental rights guaranteed under the ECHR and the Charter of Fundamental Rights of the European Union (the Charter) of each party engaged in the dispute and deciding whose rights trumped. The competing rights considered were largely the right to freedom of expression and information [36] of the ISPs, website operators and the users on one hand, and the right to property in general and intellectual property in particular [37] of the rights owners on the other. Having undertaken an analysis, in each case, the judge came to the conclusion that it was the right to property and the right to intellectual property of the rights owners that would take precedence over the right to freedom of expression and information of the ISPs, website operators and users.

In respect of cases that go on to provide some analysis of these rights, the proportionality test has largely laid emphasis on the interests of the ISPs, to some extent the interest of the internet users, and only in passing the interests of the website operators. None of the decisions before the UK courts so far have addressed the legitimate interests of the website operators that arise from the existence of legal content on or accessible through their websites. In this case, the rights of the website operators that would need balancing would be the right of fair hearing in determining civil rights under Article 6(1) of the ECHR, and right to work and to do business under Articles 15 and 16 of the Charter. Especially in cases such as EMI case discussed under point 3.1.3 above, proportionality assessment should have necessarily taken into account not only the protection of legitimate business interest of the website operators, but also the right to a fair hearing of the website operators and the users.

To some extent, the decision of the CJEU in *UPC v Constantin* [38] addressed some of the concerns, but in a different context. The purpose of the reference was really to ascertain how a court can determine whether an ISP has done enough to comply with the injunction order, if the injunction

does not specify the means to be adopted by the ISP to block a website ([38], para. 42). In this context, the CJEU held that the measures adopted by the ISP must be strictly targeted to bring an end to a third party's infringement of copyright, but without affecting the internet users who use the ISP's services to access information lawfully. Failing that, the CJEU stated the ISP's interference in the freedom of information of these users would be unjustified ([38], para. 56). CJEU further stated that to prevent the fundamental rights being violated by an injunction the national procedural rules must provide a possibility for internet users to assert their rights before the court ([38], para. 57). Importantly, the court reiterated that there is nothing whatsoever in the wording of Article 17(2) of the Charter to suggest that the right to intellectual property is inviolable and must for that reason be absolutely protected ([38], para. 61). This essentially indicated that if there was a contest between the rights of the owners and the users, in appropriate cases the users' rights could trump.

Although the decision only looks at the proportionality issue from the users' point of view, it could still work in favor of owners of websites with both infringing and lawful content. Potentially, the legitimate interests of the users are also affected if the access to lawful content is obstructed by a blocking order. In order not to deny the users the access to lawful content, it is possible that specific URLs with infringing content are blocked, rather than all pages of a website. Indeed, in *Newzbin2*, BT had requested that the claimants give them URLs containing infringing content on a daily basis. Arnold, J was of the view that this would have been required if *Newzbin2* had a large amount of non-infringing content, implying that this strategy is not ruled out in appropriate cases ([9], para. 201). In an appropriate case, nothing should prevent a judge from adopting this course of action.

5. Conclusions

Large scale copyright infringement online is an undeniable reality. However, consider the following: websites such as YouTube will always have the danger of providing access to infringing content uploaded by its users, although the web platform can be equally used for lawful purposes. Can one conceive of an order by the court to block access to the home page top level domain of YouTube [39] simply because about 25% of the content accessible on it was found to be infringing, applying the EMI case? Can one conceive of a blocking order against the home page top level domain of YouTube [39] even if YouTube has removed access to 75% of the infringing content, similar to the EMI case? Can one conceive of a situation wherein the operators of YouTube only realize that there has been a court order when their website is blocked, since section 97A does not require their joinder or service in those proceedings? Can one imagine no opportunity for YouTube to defend itself or its legal content? Even if it appears that these examples are farfetched, cases of online copyright infringement are never so bipolar that the websites concerned either provide access to only infringing content or none at all. As such, the law must remain flexible enough to cater to different situations.

The point of this article is not that the content owners should always ensure that the website operators and the users are joined and are served the court proceedings. There are cases where the website operators are so evasive with shifting domain registrations and moving IP addresses that it might not be possible even to identify them, let alone join them in the proceedings. At the same time, this does not mean that the court should retaliate by regarding all website operators as equal and lay down a rule of law that there is no jurisdiction under section 97A to make them parties to the

proceedings. The jurisdiction in a proceeding for the alleged wrongdoer to defend himself cannot be ousted indiscriminately.

Instead of being a rule of law, the joinder and service to the website operators and the users should be based on facts of each case. A discussion of the efforts made to identify and locate the operators of the website must necessarily be assessed in each case. This could ensure that genuine website operators will always know if a party is trying to bring a proceeding against it, and can decide whether to defend it. If facts reveal that the alleged infringers will be absent from the proceedings under section 97A, the courts could explore if an interim injunction would be feasible. For example, an order providing a window of opportunity of a defined period of time for the website operators and the users to raise any objections to the order, could be passed, adding that on effluxion of such time, the injunction will be made final. This might ensure that the procedural propriety is maintained.

In view of the absence of any adverse party in the proceedings, and the fact that there might be no opportunity for appeal leaving all findings of facts and law unchallenged, judges should exercise great care in arriving at the liability of the alleged infringers. Based on the assessment of cases seen in this article, a judge should at all costs avoid overreaching scope of injunctions, sloppy assessment of facts, misapplication of law and orders with incomplete reasons.

Mass online copyright infringement has challenged the ability of the judges to keep pace with the growth in technology like no other area of law. In their enthusiasm to catch up, judges cannot compromise the very objectives of the judicial system, which are to achieve substantive and procedural justice.

Conflicts of Interest

The author declares no conflict of interest.

References and Notes

1. EMI Records (Ireland) Ltd. v UPC Communications Ireland Ltd. [2010] IEHC 377 (11 October 2010).
2. Dramatico Entertainment Ltd. v British Sky Broadcasting Ltd. [2012] EWHC 268 (Ch) (20 February 2012).
3. For example, a *Norwich Pharmacal* order was granted in Golden Eye (International) Ltd. v Telefonica UK Ltd. [2012] EWCA Civ 1740 (21 December 2012) against an ISP to disclose the names and addresses of customers of the ISP who appeared to have infringed the claimant's copyright.
4. Recital 59 of the Infosoc Directive (which came into effect on 22 May 2001).
5. The provision, the definitions and its interpretation are described in point 2.1 of this article.
6. Neil Andrews. *English Civil Procedure*. Oxford: Oxford University Press, 2003.
7. The UK Electronic Commerce (EC Directive) Regulations, 2002, which implements the E-Commerce Directive, provides under regulation 17 (which came into effect on 21 August 2002) that an ISP which is a mere conduit in transmitting information will not be held liable for damages for the content transmitted, so long as the ISP did not initiate the transmission, select the recipient or the information transmitted.
8. Twentieth Century Fox Film Corporation v Newzbin Ltd. [2010] EWHC 608 (Ch) (29 March 2010).

9. Twentieth Century Fox Film Corporation v British Telecommunications Plc. [2011] EWHC 1981 (Ch) (28 July 2011).
10. Twentieth Century Fox Film Corporation v British Telecommunications Plc. [2011] EWHC 2714 (Ch) (26 October 2011).
11. It is unclear whether an intermediary as referred to under the Infosoc Directive is the same as the service provider under section 97A. However, Recital 45 of the Directive 2000/31/EC on legal aspects of electronic commerce (E-commerce Directive) which came into effect on 8 June 2000, refers to “intermediary service provider”, while reinforcing injunctive relief for online copyright infringement. This hints at these terms being interchangeable.
12. Article 12 of E-commerce Directive (which came into effect on 8 June 2000) exempts service providers that are “mere conduit”, in that they do not determine the sender or the recipient of the data transmitted, nor do they alter the data. This provision has been incorporated under regulation 17 of the Electronic Commerce (EC Directive) Regulations 2002 (which came into effect on 21 August 2002).
13. CPR Rule 25.1 (which came into effect on 26 April 1999) begins with the words the court may grant the following interim remedies, and goes on to list the types of remedies the court can grant, without any reference to any party to the proceeding.
14. CPR Rule 23.9 (which came into effect on 26 April 1999) deals with the scenarios where an application is made without notice and requires that once the order is passed, the application, evidence and the order should all be served on the other party.
15. Stichting Bescherming Rechten Entertainment Industrie Nederland BREIN v Ziggo BV, Case 374634/HA ZA 10-3184 (11 January 2012).
16. See Michael A. Carrier. “The Pirate Bay, Grokster, and Google.” *Journal of Intellectual Property Rights* 15 (2010): 7–18. Available online: <http://ssrn.com/abstract=1481854> (accessed on 29 July 2014), for more details on the Pirate Bay’s responses to infringement notice of content owners, with some responses even including expletives.
17. EMI Records Limited v British Sky Broadcasting Ltd. [2013] EWHC 379 (Ch) (28 February 2013).
18. Football Association Premier League Ltd. v British Sky Broadcasting Ltd. [2013] EWHC 2058 (Ch) (16 July 2013).
19. Paramount Home Entertainment International Ltd. v British Sky Broadcasting Ltd. [2013] EWHC 3479 (Ch) (13 November 2013)
20. Paramount Home Entertainment Ltd. v. British Sky Broadcasting Ltd. [2014] EWHC 937 (18 February 2014).
21. Norwich Pharmacal Co. v Customs and Excise Commissioners [1974] AC 133.
22. L’Oréal SA v eBay International AG, Case C-324/09 (12 July 2011).
23. Stanley A. De Smith, Jeffrey L. Jowell, Andrew P. Sauer, Catherine M. Donnelly, and Ian Hare. *De Smith’s Judicial Review*, 7th ed. London: Sweet & Maxwell, 2013.
24. [1956] 1 QB 682.
25. See Poorna Mysoor. “Unpacking the right of communication to the public.” *Intellectual Property Quarterly* 2 (2013): 166–85, for a detailed discussion on the components of the right of communication to the public.
26. Svensson v Retriever Sverige AG [33] [2014] EUECJ c-466/12.

27. *C More Entertainment v Sandber* (Case C-279/13) and *BestWater International v Mebes* (Case C-348/13).
28. *CBS Songs Ltd. v Amstrad Consumer Electronics Plc.* [35] [1988] AC 1013), wherein the term “authorize” was held to mean to sanction, approve or countenance an infringing use. The existence of control over the use of the device was recognized as an additional element.
29. Section 101 of this Act (which came into effect on 1 May 1969) provides for infringement of copyright by doing an act or by authorizing the doing of that act; in determining whether a person has authorized the doing of an infringing act, the court can take into account the extent of a person’s power to prevent infringing act, the nature of relationship between such person and the person committing infringing act and whether the person took any reasonable steps to prevent infringement are all matters to be considered to assess authorization of infringement.
30. Rule 8.1(2)(a) of CPR Part 8 (which came into effect on 26 April 1999).
31. Rule 8.8 of CPR Part 8 (which came into effect on 26 April 1999).
32. Rule 8.1(3) of CPR Part 8 (which came into effect on 26 April 1999).
33. *Productires de Musica de Espana (Promusicae) v Telefonica de Expana SAU* [2008] EUECJ C-275/06 (29 January 2008).
34. *Scarlet v SABAM* [2011] EUECJ C70/10 (14 April 2011).
35. *Dramatico Entertainment Ltd. v British Sky Broadcasting Ltd.* [2012] EWHC 1152 (Ch) (2 May 2012).
36. Guaranteed under Article 10 of the ECHR (which came into effect on 3 September 1953) and Article 11 of the Charter (which came into force on 1 December 2009).
37. Guaranteed under the Article 1 of the First Protocol of the ECHR (which came into force on 10 June 2010) and Article 17(2) of the Charter (which came into force on 1 December 2009).
38. *UPC Telekabel Wein v Constantin Film Verleih GmbH* [2014] EUECJ C-314/12 (27 March 2014).
39. YouTube. Available online: www.youtube.com (accessed on 20 August 2014).

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