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Injunctions and monetary remedies compared: the English judicial response to the IP Enforcement Directive

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Abstract: This article reviews and compares English case law developments on injunctions (including intermediary injunctions) and monetary remedies under the IP Enforcement Directive. Highlighting the divergent judicial response to the IPED across these different remedies, it argues that the cases on monetary remedies suggest particular concern about the disruptive impact of this aspect of the IPED on the wider private law.

1. Introduction

It is now over a decade since Directive 2004/48/EC on the enforcement of intellectual property rights (the ‘IPED’) became operative in the UK. The IPED has been highlighted as one of the most extensive and ambitious interventions by the EU in the field of private enforcement. Building on TRIPS and covering matters ranging from recovery of evidence to injunctions, damages and recovery of legal costs, it applies to any infringement of IP rights provided for in Community or Member States’ national laws. A minimum-standards directive, its objective is to ‘ensure a high, equivalent and homogeneous level of protection in the internal market’.

Against this backdrop and with questions looming over the future of EU-derived IP law post-Brexit, it is timely to assess the reception of the IPED in the UK. At the time of the Commission’s initial proposal, concerns were expressed about the impact of an IP-specific regime on the integrity of national legal systems. In the UK, the IPED was implemented by the Intellectual Property (Enforcement, etc.) Regulations 2006 (the ‘IPER’). The prevailing view was that, unlike in other Member States, most of what was required was already available; as a result, legislative transposition was very limited.

2 Article 2(1). The IPED also applies to cross-border enforcement, recovery of costs for wrongful seizure of goods and in proceedings for recovery of information on infringing networks initiated after the end of the original infringement proceedings (Real Chemie Nederland BV v Bayer Cropscience AG (Case C-406/09) EU:C:2011:668; Diageo Brands BV v Simiramida-04 EOOD (Case C-681/13) EU:C:2015:471; NEW WAVE CZ as v ALLTOYS spol s r o (C-427/15) EU:C:2017:18), but not to pure invalidation proceedings or cases on ‘fair compensation’ under InfoSoc Directive 2001/29/EC (Bericap Záródástechnikai bt v Magyar Szabadalmi Hivatal (Case C-180/11) EU:C:2012:717; ACI Adam BV and Others v Stichting de Thuiskopie and Another (Case C-435/12) EU:C:2014:254).
3 Article 2(1); Recital 10.
5 SI 2006/1028. There were also adjustments to the Civil Procedure Rules.
Certain aspects of the IPED – particularly intermediary injunctions - have generated considerable recent UK commentary. However, there has been little by way of broader assessment of the IPED’s reception in the UK. Focussing on English law, this article will look at injunctions (including intermediary injunctions) and monetary awards.

These are key remedies for infringement which nonetheless generated potentially challenging issues during transposition of the IPED. Those transposition issues provide an insightful entry point from which to assess the judicial response to the IPED. Key legislative provisions are set out in the Appendix to this article for ease of reference. Sections 2 and 3 of this article address injunctions, looking first at intermediary injunctions then at developments more widely. Section 4 considers monetary remedies. Drawing the discussion together, section 5 compares the judicial response to these different aspects of the IPED, analysing in particular what the methodologies deployed by the courts tell us about how the IPED has been received into English law. As will be shown, the case law presents a divergent picture. On the one hand, the English courts have responded positively to the provisions of the IPED relevant to injunctions, deploying domestic and EU law methodologies to resolve difficulties in transposition and even to extend development of the law beyond the requirements of the IPED. On the other hand, the English courts appear resistant to the IPED’s requirements on monetary remedies, a resistance highlighted by uncharacteristic methodological weakness in the key cases. This suggests an underlying concern about the disruptive impact of this aspect of the IPED on the wider private law, and a degree of instrumentalism in the approach to interpreting the new law which, given the particularities of the IPED’s transposition, seems likely to continue post-Brexit.

2. Intermediary injunctions - developments in domestic law

The transposition issues arising in relation to intermediary injunctions are well-known. Article 11 IPED requires that injunctions must be available not only against infringers but also against:

‘intermediaries whose services are used by a third party to infringe an intellectual property right…’.8

The availability of such orders against non-infringers was noted as ‘remarkable’ in early commentary. However, only a couple of years earlier Article 8(3) InfoSoc Directive 2001/29/EC had already

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8 The conditions and procedures relating to intermediary injunctions are left to national laws: Recital 23 IPED. Interlocutory intermediary injunctions are also required by Article 9(1)(a) IPED.

introduced an identical requirement for no-fault injunctions against intermediaries in relation to infringements of copyright and related rights. Article 11 IPED expands this to other IP rights.

Although the UK had initially proposed taking no action to implement Article 8(3) InfoSoc Directive, in view of concerns expressed during consultation new statutory powers had ultimately been enacted at ss97A and 191JA CDPA 1988. Oddly, while the enactment of those new powers was noted during consultation on the IPED, no steps were taken to transpose Article 11.10 It was, however, far from clear that injunctions could be granted against intermediaries which themselves had committed no wrong. Most IP statutes refer to the availability of injunctions in only relatively inspecific terms.11 Furthermore, while s37(1) Senior Courts Act 1981 (formerly the Supreme Court Act 1981) provides that the High Court may grant an injunction ‘in all cases in which it appears just and convenient to do so’, the proper ambit of this power was unclear. With limited exceptions not relevant here, the power to grant an injunction pursuant to s37(1) was considered by some to be limited to two situations - where the impugned party had invaded or threatened to invade a legal or equitable right, or had behaved or threatened to behave in a manner which was unconscionable.12 None of this permitted the sort of no-fault intermediary injunction required by Article 11.

Strikingly, the English courts have chosen to respond to this transposition challenge by innovating primarily in domestic law. The first case to address the issue was L’Oréal SA v eBay.13 Alongside claims of trade mark infringement, the claimant sought an injunction requiring eBay – even if not itself liable - to prevent future infringements by the other defendants in the action. In the view of Arnold J, it was ‘not entirely clear’ that English law was compliant with Article 11.14 However, acknowledging the limitations on s37(1) SCA 1981 articulated in the case law, he also noted other dicta suggesting that the power to grant an injunction under s37(1) was not so confined.15 He concluded that Article 11 provided a ‘principled basis for the exercise of an existing jurisdiction in a new way’.16 Having disposed of the basis for the order sought, Arnold J concluded that it was unclear what could in practice be ordered of an intermediary, and promptly referred the case to the CJEU on that point.17

eBay settled after the CJEU’s decision, but doubts over the UK’s implementation of Article 11 persisted. The availability of intermediary injunctions came before Arnold J again in Cartier v British Sky

10 See further: Arnold (note 6), p624.
11 Referring to ‘all such relief by way of… injunctions… or otherwise… as is available in respect of the infringement of any other property right’: ss96(2) and 229(2) CDPA 1988, s14(2) TMA 1994, ss24A(2) RDA 1948, reg 1A(2) Community Design Regulations 2006 (SI 2005/2339); reg 5 Community Trade Mark Regulations 2006 (SI 2006/1027). Section 61(1)(a) PA 1977 refers more specifically to ‘an injunction or interdict restraining the defendant or defender from any apprehended acts of infringement’, but s61 also preserves any other jurisdiction of the court and thus does not constitute a full remedial code: Union Carbide Corporation v BP Chemicals Ltd [1998] FSR 1; Dyson Appliances Ltd v Hoover Ltd (No 2) [2001] RPC 27.
12 See, for example, South Carolina Insurance Co v Assurantie Maatschappij “De Zevn Provincien” NV’ [1987] AC 24, p40 per Lord Brandon of Oakbrook.
14 eBay (note 13) at [447].
16 eBay (note 13) at [454].
17 eBay (note 13) at [455]-[465]. See further L’Oréal SA v eBay International AG (C-324/09) EU:C:2011:474.
In Cartier, the claimants sought injunctions requiring the defendant internet service providers to block access to certain websites which had been identified as selling trade mark infringing goods. It was argued for the defendants that, because Article 11 had not been transposed into UK law, the court had no jurisdiction to grant the order sought.

Expanding on the matters covered at some speed in eBay, Arnold J’s conclusion was again that, on a purely domestic interpretation of s37(1), the court had power to grant the injunction sought. Arnold J noted the ‘surprising divergence of views at the highest level’ in judgments of the House of Lords, Privy Council and Supreme Court. In many cases, however, the point had not been directly in issue and the statements of law not comprehensive. In Arnold J’s view, the decision of the House of Lords in Fourie v Le Roux (decided after the IPER came into force and not considered in eBay) contained the most authoritative statement of the law.Drawing a clear distinction between, on the one hand, the court’s jurisdiction and, on the other, its practice on grant of injunctions, Fourie confirmed that the court had jurisdiction, in the strict sense, to grant an injunction whenever it had in personam jurisdiction over the defendant, and that the courts’ practice in relation to the exercise of its powers had also ‘not stood still’. Noting influential writing on the issue, Arnold J concluded that the principles governing exercise of the court’s jurisdiction were ‘not immutable’. Reasoning by analogy with the equitable protective duty in Norwich Pharmacal, it was also ‘not a long step’ to conclude that an ISP became subject to a duty to take proportionate measures to prevent or reduce infringement once aware of its services being used to infringe. The breadth of the s37(1) jurisdiction and the power to exercise that jurisdiction in new ways were further supported by the earlier Court of Appeal decision on publicity orders in Samsung v Apple. In short, the court had jurisdiction to grant the injunction sought and there was a principled basis for doing so, all as a matter of domestic law. Alternatively, Arnold J also held that s37(1) should be interpreted consistently with the requirements of Article 11 IPED under the Marleasing principle – that is, the doctrine of consistent interpretation requiring national courts to adopt an interpretation of existing and new domestic legislation which is, as far as possible, in conformity with relevant EU law.

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19 Cartier (note 18) at [96]-[97].
20 Cartier (note 18) at [97].
21 Cartier (note 18) at [98]-[100].
22 Fourie v Le Roux and Others [2007] 1 WLR 320 per Lord Scott of Foscote at [30], Cartier (note 18) at [102] and [105], quoting Spry again (see note 15).
23 Cartier (note 18) at [102] and [105], quoting Spry again (see note 15).
24 Cartier (note 18) at [104].
25 Cartier (note 18) at [106].
26 Cartier (note 18) at [107]-[109], discussing Samsung Electronics (UK) Ltd v Apple Inc [2013] FSR 9. The Court of Appeal had confirmed the power under s37(1) to grant an injunction requiring a rightholder to publicise a ruling of non-infringement after unsuccessful infringement proceedings. This was inspired by, but went beyond the requirements of Article 15 IPED, which only required publicity orders in successful infringement cases.
27 Cartier (note 18) at [110]-[111].
28 Cartier (note 18) at [121]-[132]. The CJEU had indicated in eBay that a Marleasing interpretation could be required: eBay (note 17) at [137]. On either basis, Arnold J held that, in terms of whether to grant the order, similar threshold
The granted injunctions were upheld on appeal, also as a matter of domestic law.\textsuperscript{29} Giving the leading judgment of the Court of Appeal,\textsuperscript{30} Kitchin LJ noted that the courts had ‘shown themselves ready to adapt to new circumstances’ by their developing practice on the grant of injunctions.\textsuperscript{31} To hold otherwise would be to ‘impose a straightjacket’ on the court not warranted by principle.\textsuperscript{32} Although he was – with some reservations - prepared to accept that s37(1) should be given a \textit{Marleasing} conforming interpretation,\textsuperscript{33} in Kitchin LJ’s view the preferable analysis required recognition of the ‘great width’ of the courts’ equitable powers to grant an injunction and acceptance that injunctions may issue in new categories when appropriate, pursuant to general equitable principles.\textsuperscript{34} Endorsing the points made by Arnold J, Kitchin LJ added that Article 11 itself provided a ‘further and important consideration’ in terms of the development of the domestic law practice of the court.\textsuperscript{35} There was jurisdiction to grant the order sought and, in light of Article 11 and the guidance from CJEU in \textit{eBay}, also a principled basis for doing so. Kitchin LJ observed:

‘I believe that this court must now recognise pursuant to general equitable principles that this is one of those new categories of case in which the court may grant an injunction when it is satisfied that it is just and equitable to do so’.\textsuperscript{36}

The difficulties posed by the non-implementation of Article 11 were thereby overcome.

3. \textbf{Further developments on injunctions - Article 3 IPED to the fore}

Although attracting less attention than \textit{eBay} and \textit{Cartier}, as this section will go on to explain there have also been significant further IPED-prompted developments in relation to injunctions more generally. Although Articles 9 and 11 IPED address interim and final injunctions against infringers, it is not these provisions of the IPED which have been in issue.\textsuperscript{37} Instead, it is the courts’ response to the general

conditions applied as under s97A CDPA 1988 as well as the general principles at Article 3 IPED and a requirement to balance relevant fundamental rights: \textit{Cartier} (note 18) at [139] \textit{et seq}.


\textsuperscript{30} There was dissent on which party should bear the costs of implementing the blocking order: \textit{Cartier} (note 29) at [197]-[211]. At the time of writing, this point is on appeal to the Supreme Court.

\textsuperscript{31} \textit{Cartier} (note 29) at [46].

\textsuperscript{32} \textit{Cartier} (note 29) at [54].

\textsuperscript{33} \textit{Cartier} (note 29) at [66]-[74]. It was submitted for the defendants that, as s37(1) embodies the courts’ pre-existing inherent equitable powers, it was not susceptible to a \textit{Marleasing} interpretation. Kitchin LJ had some sympathy; however, noting the ‘broad and far reaching’ nature of the \textit{Marleasing} obligation, it would have been appropriate to adopt a conforming interpretation if required: [71]-[72].

\textsuperscript{34} \textit{Cartier} (note 29) at [54], citing Lord Woolf in \textit{Broadmoor Special Hospital Authority and Another v Robinson} [2000] 1 WLR 1590 at [20], where he referred to Spry (note 15).

\textsuperscript{35} \textit{Cartier} (note 29) at [56]; see also [35].

\textsuperscript{36} \textit{Cartier} (note 29) at [65]. The Court of Appeal also upheld Arnold J’s approach to the relevant threshold conditions Article 3 principles and fundamental rights: [80] \textit{et seq}. Those threshold conditions are also understood to be under consideration by the Supreme Court.

\textsuperscript{37} Article 9(1)(a) requires that national courts be empowered to grant interim injunctions against imminent infringement and continuation of infringement; Article 11 requires courts to be empowered to grant final injunctions prohibiting continuation of the infringement.
principles at Article 3 IPED which is of particular interest – the challenge facing the courts being that, again, no steps were taken to transpose Article 3 into UK law.

Article 3(1) IPED – which is of general application - requires that all relevant measures, procedures and remedies be fair and equitable, not be unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays. Article 3(2) requires that they be ‘effective, proportionate and dissuasive’, be applied in such a manner as to avoid creating barriers to legitimate trade and provide safeguards against their abuse.\(^{38}\) Proportionality and dissuasiveness are not typical considerations in the tortious and equitable remedies available in English IP cases. With its emphasis on only what is suitable, necessary and proportionate, proportionality may moderate traditional approaches; conversely, combining ‘general prevention’ (deterrent effect on third parties) alongside ‘individual prevention’ (deterrent effect on the infringer),\(^{39}\) dissuasiveness may suggest a need for greater stringency. Although commentary had noted that it was of the ‘utmost importance’ that the Article 3 general principles be taken account when interpreting the IPED,\(^{40}\) UK consultation on the IPED characterised Article 3 as relating essentially to case management.\(^{41}\) There was no evaluation of how far Article 3 principles formed part of the legal tests applied by the English courts in relation to particular remedies.

As regards final injunctions, in English law the decision on grant or refusal has traditionally depended on the application of general equitable discretionary considerations.\(^{42}\) Given the invasion of property rights, in IP cases final injunctions have generally been granted in respect of future infringement.\(^{43}\) It has been argued that Article 3 should not have any impact on this practice.\(^{44}\) This has not, however, been the approach of the English courts. Instead, despite the lack of legislative transposition, the Article 3 general principles have been quickly absorbed into English courts’ decision-making on the grant or refusal of injunctions.

In the early case of *Cantor v GameAccount*, while confirming the existing domestic discretion to refuse an injunction where the breach is technical or trivial, the court emphasised with reference to the IPED the


\(^{39}\) Norrgård (note 38), p209.


\(^{42}\) Such as laches, hardship, acquiescence and clean hands: see Spry (note 15), p344 and pp405-407.


\(^{44}\) Its only effect being, it has been argued, in relation to the terms of any injunction granted: R García Pérez, ‘Injunctions in intellectual property cases: what is the power of the courts?’ IPQ 2016, 1, 87-101, pp96-97. García Pérez also discusses various issues in relation to Article 12 IPED (damages in lieu) not considered further here.
increased importance of proportionality in this assessment. In *Virgin Atlantic v Premium Aircraft*, citing Article 3 IPED Jacob LJ noted that, while the decision of whether or not to grant an injunction is always discretionary, ‘[o]n top of that… in the special context of enforcement of intellectual property rights, the remedy to be granted should be proportionate’. The relevance of the IPED was further reiterated by the Court of Appeal in *Vestergaard v Bestnet*. Upholding the refusal of the first instance judge to grant an injunction, Jacob LJ noted:

‘I should add a word about the Judge's references to proportionality and the passage of time. Whether or not conventional English law principles as to the grant of an injunction embody that concept (I rather think they do, though the now fashionable word “proportionate” is not to be found in the older case law), in the case of enforcement of an intellectual property right, the requirement is explicit’.

More recently, in the context of discussion on refusal of injunctions in favour of damages in lieu in *HTC v Nokia* Arnold J observed:

‘In my view, the time has come to recognise that, in cases concerning infringements of intellectual property rights, the criteria to be applied when deciding whether or not to grant an injunction are those laid down by art.3(2) : efficacy, proportionality, dissuasiveness, the avoidance of creating barriers to legitimate trade and the provision of safeguards against abuse’.

As regards proportionality, it was necessary to balance other relevant rights, including fundamental rights. Effectiveness and dissuasiveness were also important. Arnold J concluded:

‘Drawing these threads together, I consider that art.3(2) of the Enforcement Directive permits and requires the court to refuse to grant an injunction where it would be disproportionate to grant one even having regard to the requirements of efficacy and dissuasiveness’.

Most recently, Kitchin LJ has commented of Article 3(2) IPED that ‘[t]here can no longer be any doubt, if ever there was, that this general obligation applies to national courts in considering whether or not to grant an injunction’. Article 3 has also been treated as relevant to the terms of the relevant order, ‘springboard’ and interim injunctions. Article 3 is also important in the context of intermediary
Injunctions.\textsuperscript{55} Injunctions have been qualified or declined in a number of cases on the basis of proportionality and related concerns.\textsuperscript{56} Thus, despite its non-implementation, these cases firmly establish the relevance of Article 3 and the related balancing of fundamental rights to injunctions in IP infringement cases.\textsuperscript{57}

4. Monetary remedies - reluctance and resistance

Compared to Articles 3 and 11 IPED, the transposition of the provisions of the IPED on monetary remedies posed a rather different challenge for the English courts.

Article 13(1) IPED, reproduced in full in the Appendix, sets out the requirements for the award of damages in cases of knowing infringement.\textsuperscript{58} Questions that immediately arise from the text of Article 13(1) include the meaning of ‘moral prejudice’ and the inclusion of the infringer’s ‘unfair profits’ as a head of damages. This is in direct conflict with the traditional demarcation in English law between damages and an account of profits, and the requirement to elect between them.\textsuperscript{59} Commentators have argued that Article 13(1) requires substantial re-thinking of monetary remedies for infringement, making the need to elect and remedy of an account of profits effectively redundant.\textsuperscript{60} Others have also noted that Article 13(1) does not follow traditional tort law principles and have identified a shift away from purely compensatory damages, the possibility for exemplary awards and that awards exceeding traditional measures of compensatory economic loss should become more common.\textsuperscript{61} Nonetheless, the UK

\textit{Limited} [2014] EWHC 3258 (Ch) at [11]; Interflora Inc and Another v Marks & Spencer Plc (No. 2) [2015] ETMR 5 at [197].


\textsuperscript{55} See notes 28 and 36.

\textsuperscript{56} Virgin Atlantic (note 47); Vestergaard (note 48), upholding the decision at first instance; Comic Enterprise (note 53); Napp v Dr Reddy’s (note 53).

\textsuperscript{57} Cf Specsavers International Healthcare Ltd v Asda Stores Ltd (No. 2) [2012] FSR 20 at [20] where it was noted that the principles applicable to injunctions in IP cases were the same as in other cases. However, this decision does not refer to the IPED. It is possible that the Supreme Court may comment on Article 3 in the \textit{Cartier} appeal. There is some scope to consider the meaning of the Article 3 principles more closely. In \textit{Cartier}, deterrence of the infringer was treated falling within the principle of effectiveness: note 18 at [178], upheld note 29 at [119]. However, as a principle of EU law effectiveness is generally understood as requiring that relevant substantive and procedural conditions not be such as to make virtually impossible or excessively difficult the exercise of Community rights: G. Cumming, M. Freudenthal and R. Janal, \textit{Enforcement of Intellectual Property Rights in Dutch, English and German Civil Procedure} (Alphen aan den Rijn: Wolters Kluwer, 2008), pp4-5. Other English case law has treated deterrence of the infringer as falling within the principle of dissuasiveness, which seems preferable: \textit{Phonographic Performance Ltd v Hagan} [2017] FSR 24 at [24]-[25]; \textit{Pablo Star Media Limited v Richard Bowen} [2017] EWHC 2541 (IPEC) at [26].

\textsuperscript{58} Article 13(2) IPED contains optional provisions for non-knowing infringement, not discussed further here.


\textsuperscript{60} Fitzgerald and Firth (note 59),

appeared initially comfortable that little was required by way of transposition. It was only by the time of the enactment of the IPER that legislative doubts emerged, the Explanatory Memorandum to the IPER explicitly highlighting uncertainty as to what Article 13(1) required:

‘Article 13(1) sets out a range of factors which must be taken into account in awarding damages. It includes a number of terms the meaning of which is unclear […] It does not therefore seem appropriate to attempt to translate these terms into those of national law, and accordingly to ensure that the United Kingdom is in compliance with Article 13(1) the copy out approach has been adopted’.

In consequence, the requirements of Article 13(1) were set out in full at regulations 3(1) and (2) IPER (although it is worth noting that, despite the protestations quoted above, the ‘copy out’ approach was not fully adopted, Article 13(1)(b) IPED being substantively altered in regulation 3(2) IPER). Regulation 3(3) IPER preserved national law save insofar as inconsistent with regulations 3(1) and (2), thereby explicitly passing the buck to the courts to determine the meaning and impact of Article 13(1).

As can be seen from this, the transposition challenge posed Article 13(1) was quite different. Rather than facing non-transposition of relevant IPED provisions, instead the English courts faced a new statutory measure which repeated the IPED wholesale alongside explicit acknowledgement that it was not known what was required. How, then, did the English courts respond?

It seemed likely that Article 13(1) would quickly generate significant case law. This did not, however, occur. The English courts took up exploration of the issues surrounding Article 13(1) slowly. In 2009, in Ciccone v Associated Newspapers, Mann J was asked to consider a preliminary issue on the relationship between the two limbs at Article 13(1)(a) and (b). Declining to decide the matter at that stage, he noted simply that this was:

’av matter which is capable of being attended with some difficulty, and difficulties perhaps going beyond the difficulties with which we have become familiar when it comes to relying on European legislation and the language in which it is expressed’.

Unwillingness to analyse Article 13(1) persisted, the English courts perfunctorily concluding in various cases that regulation 3 IPER/Article 13(1) were consistent with established English law approaches.

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62 The only action initially identified was to provide for recovery of non-economic factors in Scotland, there being no aggravated damages in Scots law: Patent Office consultation (note 41), pp37-38 and 57.

63 Explanatory Memorandum to The Intellectual Property (Enforcement, etc) Regulations 2006, para 3.1.

64 Regulation 3(2)(b) IPER refers to damages calculated ‘on the basis of the royalties or fees which would have been due had the defendant obtained a licence’. Article 13(1)(b) refers, however, to award of ‘a lump sum on the basis of elements such as at least the amount of royalties or fees…’ (emphasis added). The Commission had made it clear that this was to include not only the hypothetical licence fee but also the ‘expense incurred by the right holder such as administrative expenses incurred in identifying the infringement and researching its origin’: Proposal for a Directive, COM(2003) 46 final, 30 January 2003 (the ‘Proposal’), p23.

65 Madonna Ciccone (formerly Ritchie) v Associated Newspapers Limited, Bonnie Robinson [2009] EWHC 1107 (Ch) at [24].

The new and uncertain provisions of Article 13(1)(a) were not discussed; the differences between Article 13(1)(b) and regulation 3(2) IPER were not identified.

It was only with the Court of Appeal decision in *Hollister v Medik Ostomy* that Article 13(1) began to receive any greater substantive consideration.67 *Hollister* was a trade mark parallel import case in which, drawing from pre-IPED CJEU case law, the judge at first instance had reduced the account of profits awarded to reflect the minimal damage to the rightholder.68 Giving the leading judgment, Kitchin LJ explicitly acknowledged that the scope of Article 13(1) was ‘not entirely clear’.69 He recognised that:

> ‘the Community legislature may well have used the term “damages” in a broad sense to include both reimbursement of the right holder’s lost profits and the return of profits made by the infringer’.70

It was also possible that:

> ‘Member States must […] provide a rightholder with a remedy… [which is] appropriate to the prejudice suffered by the right holder and takes account of all relevant circumstances such as the profits the rightholder has lost and the profits the infringer has made’.71

Nonetheless, this potentially *sui generis* meaning of the expression ‘damages’ was explored no further. Instead, reversing the outcome at first instance, it was swiftly concluded that the traditional English remedy of an account was unaffected by Article 13(1).72

Subsequent case law continued to engage only cursorily with Article 13(1),73 the next decision to consider it more fully coming in the IPEC case of *Henderson v All Around the World Recordings Ltd*.74 Even then, the new concepts of Art 13(1) gained little traction. After calculating a hypothetical royalty according to the long-standing English ‘user principle’, Hacon J rejected an argument that Article 13(1) also entitled the rightholder to an account of the infringer’s profits: while acknowledging that the expression ‘damages’ in Article 13 could be given a ‘broad meaning’ to include restitutionary damages,75 in his view it was hard to envisage circumstances in which an award of damages and an account of profits would match the ‘actual prejudice’ suffered.76 Hacon J then went on to consider what the

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68 *Hollister Inc and Another v Medik Ostomy Supplies Ltd* [2012] FSR 17, referring to *Boehringer Ingelheim KG v Swingward Ltd* (C-348/04) EU:C:2007:249.
69 *Hollister* (note 67) at [60].
70 *Hollister* (note 67) at [60].
71 *Hollister* (note 67) at [60].
72 *Hollister* (note 67) at [60]-[65], making brief reference to Recital 26. For completeness, Kitchin LJ considered the general EU law requirements of effectiveness, proportionality and deterrence, concluding that an account was compliant: [69].
73 *Xena Systems Ltd v Cantideck* [2013] FSR 41, [111]-[114]; *Pendle Metalwares Limited (T/ A Thomas Barker & Son) v Walter Page (Safeway’s) Limited, Empteezy Limited* [2014] EWHC 1140 at [46]; *Kohler Mira Ltd v Bristan Group Ltd (No. 2)* [2015] FSR 9 at [60].
74 *Henderson v All Around the World Recordings Ltd* [2014] EWHC 3087 (IPEC).
75 *Henderson* (note 74) at [76].
76 *Henderson* (note 74) at [76], also drawing support from Recital 26 IPED: [77].
reference to ‘unfair profits’ in Article 13(1)(a) should be taken to mean. Rejecting the notion that this created a blanket entitlement to recovery of the infringer’s profits in knowing infringement cases,77 but otherwise without articulating the basis for his view, Hacon J held:

‘I think art 13(1)(a) must contemplate something else, namely that wherever the court reaches the view that the claimant would not receive adequate compensation for the actual prejudice he has suffered if damages were to be assessed by reference to lost profits, moral prejudice and expenses (part of art 13(1)(a)), or royalties according to the ‘user principle’ (art 13(1)(b)), or an account of profits, there is flexibility under art 13(1)(a) to award an additional sum related to the profit the defendant has made from knowing infringement’.78

Hacon J also considered ‘moral prejudice’. After considering this concept in other contexts, Hacon J noted that in Article 13(1) ‘moral prejudice’ must have a single autonomous meaning as a matter of Community law.79 However, he found little assistance in the travaux préparatoires, dismissing comments in the Commission’s Explanatory Memorandum that ‘moral prejudice’ arises from damage to brand image or reputation.80 Without further explanation, he concluded that he ‘had to assume’ that Article 13(1)(a) entitled the rightholder for damages for mental distress, injury to feelings and humiliation.81 After expressing concern that such damages not be too readily available or dependent on the strength of the claimant’s emotional reaction to the infringement,82 but without otherwise offering any explanation for his conclusion Hacon J held that the recoverability of damages for moral prejudice was also subject to significant limitations:

‘In my view the moral prejudice contemplated by art. 13(1)(a) is confined to prejudice arising in limited circumstances, in particular where the claimant suffers little or no financial loss and would either be left with no compensation unless the moral prejudice were taken into account, or the compensation would not be proportionate to the overall damage suffered where this includes significant moral prejudice’.83

Henderson was followed in Hacon J’s subsequent decision in DKH Retail.84 It was not until late 2015, with his further decision in the IPEC case of Absolute Lofts,85 that some greater acknowledgement of the potential significance of Article 13(1) has been forthcoming. It has now been identified that – unlike its inaccurate transposition in regulation 3(2)(b) IPER – Article 13(1)(b) IPED does not simply equate to

77 Henderson (note 74) at [79].
78 Henderson (note 74) at [80].
79 Henderson (note 74) at [89].
80 Henderson (note 74) at [90]-[91]. Hacon J was ‘not convinced’ that this was non-economic loss: [91]. Contrast Laddie et al (note 61) at 63.32 and the discussion on damage to reputation as a form of ‘moral prejudice’ at Johnson (note 59), p303.
81 Henderson (note 74) at [92].
82 Henderson (note 74) at [93].
83 Henderson (note 74) at [94]. Copinger notes that these are ‘very confined circumstances’: note 43 at 21-296. A claim for domestic statutory additional damages under the CDPA 1988 was also rejected, Hacon J indicating inter alia that Article 13(1) made such a claim obsolete: [97].
84 DKH Retail Ltd v H. Young (Operations) Ltd [2016] ECDR 9 at [117]-[122].
existing English law royalty or ‘user’ principles. Instead, the reference in Article 13(1)(b) to award of a damages ‘such as at least’ the sum due if the infringing acts had been licensed gives national courts ‘express authority to go above what (using English terms) would have been negotiated between a willing licensor and willing licensee’. A royalty-based award could be supplemented with the infringer’s unfair profits or an award for moral prejudice. Most strikingly, although Hacon J’s view remained that an award of ‘unfair profits’ could never amount to the traditional remedy of an account on top of compensatory damages, his thoughts on Article 13(1) appear to have evolved. Suggesting that Article 13(1) does not align with the long-standing English law principles that recoverable losses are limited to what was foreseeable, caused by the wrong and not excluded from recovery by public or social policy, he noted:

‘I think it would be a mistake to interpret the limitation on the award of damages in art. 13(1) – to the actual prejudice suffered by the rightholder – in the same way. To my mind it is a looser limitation than the English concept of strictly compensatory damages’.

While the IPED’s recitals prohibit punitive damages, they go ‘no further than that’. Article 13(1) damages can ‘include a restitutionary element where appropriate’. The ‘actual prejudice’ suffered by the claimant in the case was said to be that the claimant had not shared in the unfair profits made by the defendant from the infringement. Hacon J also emphasized, referring to Article 3, that ‘an element of deterrence is more likely to be needed where there has been knowing infringement’.

### 5. Evaluating the judicial response to the IPED: injunctions and monetary remedies compared

What can we take from this review of how the English courts have handled the transposition issues and other challenges brought about by the IPED in relation to injunctions and monetary remedies?

On the one hand, there has clearly been a high degree of willingness to give effect to the ‘Europeanising’ aspects of the IPED relevant to injunctions. This has sparked domestic law innovation in eBay and Cartier. Cartier has since been applied in circumstances going beyond website blocking; indeed, it

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86 *Absolute Lofts* (note 85) at [47].

87 *Absolute Lofts* (note 85) at [48], noting that ‘as a matter of permissible national law there is apparently unfettered freedom’ to exceed the hypothetical royalty given the minimum-standards provision at Article 2 IPED.

88 *Absolute Lofts* (note 85) at [52].

89 *Absolute Lofts* (note 85) at [53].

90 *Absolute Lofts* (note 85) at [52].

91 *Absolute Lofts* (note 85) at [52]. Changing his view from *Henderson*, he also held that statutory additional damages continue to have effect, claimants being entitled to whichever of them or Article 13(1) damages was greater: [36]-[42]. See further: Liu, ‘Reforming’ (note 7), pp590-592.

92 *Absolute Lofts* (note 85) at [58].

93 *Absolute Lofts* (note 85) at [55]; see also [58]. Two further decisions have since also emphasised the relevance of deterrence in this context: *Hagan* (note 57) at [24]-[25]; *Pablo Star* (note 57) at [26].

94 See *Warner-Lambert Company LLC v Sandoz GmbH and Others* [2015] EWHC 2924 (Pat), concerning an order against Lloyds Pharmacies (not an alleged infringer) requiring the issuing of certain dispensing instructions. After further consideration, this order was not continued but the in-principle availability of such an injunction was confirmed: [2015] EWHC 3153 (Pat).
extends the courts’ competence in a manner not limited to IP cases. As the order made against NHS England in *Warner-Lambert v Actavis* suggests, going forward *Cartier* could provide a basis for orders against third parties who are not ‘intermediaries’. *Cartier* may even stand as an innovation in English law going beyond the issue of the scope of the s37(1) power: there having been no substantive proceedings either active or contemplated against the actual infringers in the case, *Cartier* challenges (perhaps inadvertently) the proposition that an injunction is not a cause of action in itself.

Methodologically, *eBay* and *Cartier* are notable for the alacrity with which the courts cut through the divergent domestic authorities on s37(1) SCA 1981 which existed at the highest level. It would, of course, have been obviously undesirable for the courts to conclude that there was no basis for Article 11 intermediary injunctions in English law, thereby putting the UK in breach of its transposition obligations. In the period between *eBay* and *Cartier*, statutory copyright blocking orders had become well-established, and it would also have been illogical for such orders not to be available for other IP rights. There was, however, no necessity for the courts to tackle these concerns by taking on the long-standing domestic law questions over s37(1). After all, as noted at both first instance and on appeal in *Cartier*, a *Marleasing* conforming interpretation would have been sufficient for IPED compliance purposes. Nonetheless, the courts in *eBay* and *Cartier* struck out decisively to innovate as a matter of domestic law. The court in *eBay* was also quick to engage the CJEU via the preliminary reference procedure – the first English case on intermediary injunctions generating the first decision of the CJEU on reference from any Member State on this issue.

These are innovations which, it is suggested, should survive Brexit. Because Article 11 IPED was not transposed into UK law, there is no ‘EU-derived domestic legislation’ which will continue to have effect under s2(1) of the currently pending European Union (Withdrawal) Bill 2017-19 (‘EUWB’). However, although the decision of Court of Appeal decision in *Cartier* has been said to blend EU and domestic considerations in a way which has ‘muddied things somewhat’, given the keen judicial response in *eBay*


96 In *Warner-Lambert Company, LLC v Actavis Group PTC EHF and Others* [2015] EWHC 485 (Pat), the rightholder and NHS England agreed for the purpose of that application that, following *Cartier*, s37(1) provided a basis for making an order against NHS England requiring it to issue certain prescribing guidance.

97 It has been argued that it was not a proper exercise of the court’s jurisdiction under s37(1) to grant such the order in the absence of such proceedings in England or abroad: S. Gee, *Commercial Injunctions* (London: Sweet & Maxwell, 6th edn, 206) at 1-009. Davies has suggested, however, that the ‘pragmatic approach’ in *Cartier* accords with the flexibility of the courts’ equitable jurisdiction: note 6, p336. In *Cartier*, although the courts were satisfied that the operators of the target website were infringing, whether there was need for substantive proceedings against them as a matter of principle does not seem to have been addressed. This may have its origins in s97A website blocking case law which, although initially involving proceedings against the infringing websites, seems gradually to have become detached from this, in part reflecting the explicit statutory basis for the orders sought and in part as a matter of expediency – see for example *Dramatico Entertainment Ltd and others v British Sky Broadcasting Ltd and others* (No. 2) [2012] ECDR 24 at [10]-[15] and *EMI Records Ltd v British Sky Broadcasting Ltd* [2013] FSR 31 at [10]. More recent non-IP case law has suggested that, post-*Cartier*, the court will grant injunctions ‘in new areas where there is a lacuna and there is the need for the court to have such a power when it appears, in all the circumstances, appropriate’, but otherwise the requirement for a cause of action remains: *Octagon Overseas Limited and Another v Alan Coates* [2017] 4 WLR 91 at [22].

98 K. Frolova-Fox and J. Jones, ‘Getting the look for less? The blocking cost: Cartier International v BskyB (Court of Appeal)’ EIPR 2017, 39(1), 58-65, p63. The issue relates to Kitchin LJ’s reference to Article 11 as a factor in the assessment of whether there was principled basis for granting the order.
and *Cartier* it is hard to see the English courts divesting themselves of an important new competence. As noted in the Court of Appeal in *Cartier*:

‘… the courts could and probably would have developed this jurisdiction regardless of the requirement in the two Directives that it be made available as specified’.99

Similar considerations arise for Article 3 IPED. As highlighted above, Article 3 has also been given a positive reception in the post-IPED English case law on injunctions.100 Methodologically, the basis for these developments is less clear — although not explicitly identified in the cases themselves, these cases are probably best read as examples of s37(1) being given a *Marleasing* conforming interpretation, reading the requirements of Article 3 IPED into s37(1) as far as IP cases are concerned. This is consistent with other cases which have more openly acknowledged applying *Marleasing* to Article 3 or other provisions of the IPED.101 It is also quite usual to see other English IP cases argued by direct reference to the relevant EU directives,102 a habit which seems to have continued here.103 Most importantly, the case law highlights a willingness both to accept the relevance of the Article 3 general principles in relation to injunctions and to give effect to them. Post-Brexit, with the *Marleasing* obligation falling away, the foundation for referring to these principles will become much less clear — although it is, again, difficult to see the English courts abandoning considerations such as proportionality going forward.

Either way, the positive judicial response to these aspects of the IPED stands in marked contrast to the response to Article 13(1) IPED. As described above, the English courts were, in effect, charged by the UK legislature with responsibility for working out the implications of Article 13(1). Despite this, Article 13(1) has been considered in only relatively few cases and, even then, with a disappointing level of superficiality. It has been warned that it cannot be assumed that some form of ‘loose analogue’ between traditional remedies and the wording of the IPED is all that is required.104 Nonetheless, the upshot of the case law is that damages under Article 13(1) are essentially treated as a form of ‘bonus’ award,105 apparently relegated to cases where application of the usual English law rules would be insufficient. There are signs of a nascent acceptance, most visible in *Absolute Lofts*, that Article 13(1) may go further,

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99 *Cartier* (note 29) at [205].

100 See also the references to Article 3 in the cases on damages (note 93) and in other remedies case law such as *Golden Eye (International) Ltd v Telefo Nica UK Ltd* [2012] RPC 28 at [116] and at [15] and [2013] 2 CMLR 27 at [18].

101 At first instance and on appeal in *Cartier* (above) and in *Hagan* (note 57) at [24] (on Article 3 and damages) and *Football Association Premier League Ltd v Wells and Another* [2016] Bus LR 350 at [10] (on Article 8 IPED).

102 Dinwoodie has noted that the UK courts have been ‘effectively treating the Directive as a regulation’ in trade mark cases, this approach also being evident in UK design and copyright litigation: G. Dinwoodie, *The Europeanization of Trade Mark Law* in Olhy and Pila (eds) *The Europeanization of Intellectual Property Law* (2013), pp80-81.

103 No doubt also influenced by the growing body of CJEU decisions on intermediary injunctions, although those CJEU decisions post-date the earliest cases discussed above, which had already embraced Article 3.


105 See Hacon J in *DKH Retail* (note 84) at [120].
but even then that judgment remains quite vague and comments in more recent case law suggest that questions over Article 13(1) remain.\textsuperscript{106}

What is particularly striking about the cases on Article 13(1) is their weakness in methodological terms. The terms of Article 13(1) - stipulating explicitly that the rightholder is entitled to recover both his losses and unfair profits made by the infringer – have barely been acknowledged. Instead, extensive caveats have been read into recoverability of ‘unfair profits’ and ‘moral prejudice’ for which there is no basis in the language of Article 13(1) and for which no justification has been offered.\textsuperscript{107} The meaning of ‘moral prejudice’ has been simply assumed. Aside from brief references to Recital 26 IPED, there has been no discussion of the overall scheme and purpose of the IPED, particularly its explicit objective of a ‘high’ degree of protection.\textsuperscript{108} Reference to the \textit{travaux} has also been erratic. On ‘moral prejudice’, the \textit{travaux} were at least mentioned (albeit thereafter being immediately dismissed); on recovery of the infringer’s profits, no consideration has been given to the \textit{travaux} at all. This is notwithstanding that the Commission explicitly envisaged cumulation of compensatory damages and an award of the infringer’s profits as part of the aim of achieving deterrent effect in appropriate cases.\textsuperscript{109} Until the decision in \textit{Absolute Lofts}, cases overlooked the substantive difference between Article 13(1)(b) and regulation 3(2) IPER on royalty-based awards. Despite on-going acknowledgement of the uncertainties over its interpretation – and in sharp contrast to the speed with which questions on intermediary injunctions were referred - the English courts have also made no preliminary references on Article 13(1).\textsuperscript{110}

National courts have been described as the ‘foot soldiers’ of the implementation and enforcement of EU law.\textsuperscript{111} The English courts have shown themselves more than capable of careful and full ‘European-style’

\begin{footnotes}
\item[106] For example, Hacon J also quoted with approval his earlier judgment in \textit{Henderson} on the very limited recoverability of ‘unfair profits’: \textit{Absolute Lofts} (note 85) at [54]. See further Unwired Planet International Ltd v Huawei Technologies Co. Ltd, Huawei Technologies (UK) Co. Ltd v Unwired Planet LLC [2017] EWHC 2988 (Pat) at [797].
\item[107] Contrast Laddie et al (note 61) at 63-31 where it is observed that unfair profits and moral prejudice should be recoverable ‘in every case’ in which the defendant has the requisite knowledge.
\item[108] See also Liu, ‘Reflecting’ (note 7), p628, noting that English case law ‘ignores the broad picture of the spirit of the Directive’.
\item[109] According to draft Article 17(2) in the Commission’s initial Proposal, where compensatory damages were awarded, Member States could additionally provide for ‘the recovery, for the benefit of the right holder, of all the profits made by the infringer which are attributable to the infringement and which are not taken into account when calculating the compensatory damages’; Proposal, Article 17(2), p40. The Commission highlighted explicitly that ‘profits made by the infringer which are not taken into account in calculating the compensatory damages may be added. The idea is to provide a deterrent against, for example, intentional infringements perpetrated on a commercial scale’: Proposal, pp23-24. For more on the drafting history of Article 13, see F. Wilman, \textit{Private Enforcement of EU Law Before National Courts: the EU Legislative Framework} (Cheltenham: Edward Elgar, 2015), pp133-134.
\item[110] Johnson notes the ‘missed opportunity’ for a preliminary reference in \textit{Hollister} note 59, p303. Although only recently starting to filter through, CJEU case law on Article 13(1) tends towards greater, rather than lesser, financial recovery. In \textit{Liappers v Producenci Mandarina SL} (C-99/15) EU:C:2016:173, the CJEU confirmed that damages for moral prejudice under Article 13(1)(a) can be cumulated with a royalty-based award under Article 13(1)(b). In \textit{Stowarzyszenie Olanska Telewizja Kablowa (OTK) v Stowarzyszenie Filmowcow Polskich (SFP)} (C-367/15) EU:C:2017:36, the CJEU confirmed that the IPED poses no bar on punitive damages in national law and that Article 13 does not preclude national legislation permitting a lump sum award of double the relevant hypothetical royalty.
\end{footnotes}
reasoning in other IP cases. Why, then, have the English law cases on monetary remedies been so thinly reasoned?

Addressing the issue of ‘Europeanisation’ in the wider tort law context, Gilliker has noted that the judiciary ‘may... resist change and seek to adopt the most restrictive interpretation of such sources to minimise the disruption to national law’ and may ‘seek to ‘anglicise’ the incoming law, opting for the familiar rather than seeking to respond to difference’. Referencing various tort law examples, Gilliker argues that such resistance to European integration is:

‘more than path dependency – the instinctive adoption of familiar rules – but expressive of national discomfort at a perceived attack to the internal coherence of the common law’.

It is suggested here that these observations are also highly apt in the context of Article 13(1) IPED. The implementation of the IPED across the EU has not been without its difficulties and the particular sensitivity of harmonising national law on damages has been highlighted. Nonetheless, the uncharacteristic methodological weakness of the Article 13(1) case law is strongly suggestive of an unwillingness to test long-standing national law principles against a new, specialist European regime. Whereas Article 11 IPED and the Article 3 general principles may be welcomed for their potential to expand national courts’ armoury of remedies and range of discretionary considerations, Article 13(1) can only result in fragmentation of the private law at the domestic level. In English law, this is not limited to the tort law sphere: if accepted that the IPED covers breach of confidence (and, indeed, in any event if the Trade Secrets Directive is implemented into UK law), there may also be conflict with the contractual measure of damages applicable in relevant confidentiality cases. This has the potential to cause wider ‘ripples’ beyond the specific sphere of IP law.

Uneven reasoning is, of course, not a new feature of IP law at the EU judicial level. The CJEU has been criticized in particular for employing different interpretative methods in different cases in its copyright case law, one commentator noting that different interpretative techniques have been used so ‘haphazardly’ that ‘one wonders if [they] are just means to an end’. A similar suspicion springs to mind here. The uncharacteristic weakness of the Article 13(1) case law suggests unstated underlying concerns about the disruptive impact of Article 13(1) and a degree of instrumentalism in the courts’ resistance to its innovations which are likely to continue post-Brexit. Perhaps ironically, Article 13(1)’s implementing

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114 Gilliker (note 113), pp203-204.
116 It is by no means clear that the IPED covers breach of confidence: although applied in Vestergaard and Force India (notes 47 and 66), Lewison LJ has more recently expressed doubt: Force India Formula One Team Limited v Aerolab SRL [2013] RPC 36 at [108]. In any event, Trade Secrets Directive 2016/943 contains a similar regime for monetary remedies to Article 13(1).
provision - regulation 3 IPER – will remain on the statute books post-Brexit under the EUWB unless and until repealed at some point in the future. However, given the judicial response to date - and without any compulsion (as things currently stand under the EUWB at least) to follow post-Brexit CJEU case law - it seems highly questionable whether the survival of regulation 3 IPER will spark any greater developments on monetary remedies from the English courts.

6. Conclusion

This article has reviewed and compared English case law developments in relation to injunctions (including intermediary injunctions) and monetary remedies. As has been shown, the judicial response to the IPED has been distinctly uneven. Responding positively on intermediary injunctions and in relation to Article 3 IPED, the courts have innovated in domestic law and shown themselves willing to impose a Marleasing conforming interpretation of domestic legislation where required. These innovations should, it is argued, survive Brexit. In contrast, on monetary remedies the courts have shown themselves unwilling to engage with Article 13(1) IPED, with evident methodological weakness in the key cases. This sharp contrast across the judicial response to the IPED suggests underlying concerns about the disruptive impact of Article 13(1) on the wider private law. Although Article 13(1) has been specifically implemented into UK law and will therefore survive in English law after exit from the EU, given the judicial reaction to date it is suggested that there is unlikely to be post-Brexit case law development in this regard.

Appendix – key legislative provisions


Article 3 (General obligation)

1. Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by this Directive. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

2. Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

Article 9(1) (Provisional and precautionary measures)

1. Member States shall ensure that the judicial authorities may, at the request of the applicant:

   (a) issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by national law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the rightholder; an interlocutory injunction may also be issued, under the same conditions, against an intermediary
whose services are being used by a third party to infringe an intellectual property right; injunctions against intermediaries whose services are used by a third party to infringe a copyright or a related right are covered by Directive 2001/29/EC;

(b) order the seizure or delivery up of the goods suspected of infringing an intellectual property right so as to prevent their entry into or movement within the channels of commerce.

**Article 11 (Injunctions)**

Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC.

**Article 13 (Damages)**

1. Member States shall ensure that the competent judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him as a result of the infringement.

When the judicial authorities set the damages:

(a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement;

or

(b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

2. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, Member States may lay down that the judicial authorities may order the recovery of profits or the payment of damages, which may be pre-established.

**InfoSoc Directive 2001/29/EC**

**Article 8(3) (Sanctions and remedies)**

Member States shall ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe a copyright or related right.
Copyright, Designs and Patents Act 1988

**Section 97A(1) (Injunctions against service providers)**

The High Court (in Scotland, the Court of Session) shall have power to grant an injunction against a service provider, where that service provider has actual knowledge of another person using their service to infringe copyright.

**Section 191JA(1) (Injunctions against service providers)**

The High Court (in Scotland, the Court of Session) shall have power to grant an injunction against a service provider, where that service provider has actual knowledge of another person using their service to infringe a performer's property right.

Senior Courts Act 1981

**Section 37(1) (Powers of High Court with respect to injunctions and receivers)**

The High Court may by order (whether interlocutory or final) grant an injunction or appoint a receiver in all cases in which it appears to the court to be just and convenient to do so.