

## Accessory liability for intellectual property infringement: the case of authorisation

Richard Arnold\* and Paul S Davies<sup>§</sup>

### **I Introduction**

Accessory liability is an important, yet under-studied, aspect of both civil and criminal law. In civil law cases, claimants often wish, for a variety of reasons, to bring claims against parties additional to those who directly commit wrongs. While the criminal law recognises a uniform principle that any person who aids, abets, counsels or procures any offence can be punished as an accessory, accessory liability in civil law is fragmented. One reason for this is the tendency to compartmentalise the law of obligations into discrete subjects, such as contract, trusts, tort and intellectual property.<sup>1</sup> One of the authors has recently propounded a coherent law of accessory liability which would involve a standard approach across all obligations.<sup>2</sup> Nevertheless, it remains desirable to try better to understand how and why our law has reached its current shape, since this may shed light on its future development.

Intellectual property law has long recognised the need for accessory liability. As with civil law generally, however, intellectual property law's response to this need has been somewhat fragmented. Again, an important reason for this has been compartmentalisation, in this case into the different intellectual property rights: copyrights, designs, patents, trade marks and so on. A striking example of this is the doctrine of authorisation, according to which a person who authorises another person to commit an act restricted by copyright is liable for infringement. This is a principle of accessory liability which is to be found in UK copyright law, but not in any other field of UK intellectual property law. Why is this and what difference does it make?

This is an area of considerable practical significance. Claims are regularly brought against accessories rather than direct or primary infringers for a number of reasons. It may be that only the accessory is actually worth suing, or that the accessory is the only party within the court's jurisdiction. Indeed, a claimant might be required to establish a claim against an accessory in order to serve a primary wrongdoer outside the jurisdiction as a necessary or proper party to the claim against the accessory.<sup>3</sup> Furthermore, a claim against the accessory – particularly for injunctive relief – can represent the most cost-efficient

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\* Judge of the High Court of England and Wales, Chancery Division. We are grateful to Lionel Bently, Graeme Dinwoodie and Dev Gangjee for comments on an earlier draft, as well as the helpful suggestions of the editor and referee.

<sup>§</sup> Associate Professor, University of Oxford; Fellow and Tutor, St Catherine's College; Associate Member, Maitland Chambers.

<sup>1</sup> Intellectual property law forms part of the law of property, but it also forms part of the law of obligations as a regime with parallels to tort. Indeed, for some purposes, intellectual property laws are treated as tort laws.

<sup>2</sup> P. Davies, *Accessory Liability* (Oxford: Hart Publishing, 2015).

<sup>3</sup> See e.g. *Fish & Fish Ltd. v Sea Shepherd UK* [2015] UKSC 10; [2015] A.C. 1229.

method of enforcing the claimant's rights.<sup>4</sup> But accessory liability is not explained solely by such pragmatic concerns. Accessory liability can be justified on a variety of bases, which range from the moral to the economic. Although the rationales for accessory liability have rarely been clearly articulated, in our view liability essentially rests upon the principles of responsibility, culpability and protecting rights.<sup>5</sup> The defendant must have participated in the primary wrong in a more than minimal way such that he or she can be held to bear some responsibility for the infringement of the claimant's rights. Moreover, the defendant must be culpable in that he or she acted with a certain mental element. Of course, a balance needs to be struck when determining what constitutes "participation" or the appropriate "mental element". But where the law has decided that the claimant has a right worth protecting against "direct" or "primary" wrongdoers, it is suggested that that right is invariably also worth protecting against accessories. A person should not culpably participate in the infringement of the claimant's rights, regardless of their nature. On the other hand, a defendant may be able to rely upon a defence to escape accessory liability, and the nature of the claimant's right might influence how easy it is to establish a defence such as justification, for example.<sup>6</sup>

In our view, there is no reason why the core principles of accessory liability should apply differently as between different intellectual property rights. Although it has been suggested that there is "an unarticulated sense that aiding copyright infringement is more dangerous, more blameworthy, more wrong than facilitating trade mark infringement",<sup>7</sup> the general principles of accessory liability should apply in the same way. The fact that "authorisation" has been recognised only in copyright legislation is not the result of a deliberately constructed hierarchy of rights within intellectual property. Either a defendant should be liable for authorising an infringement of any intellectual property right or authorisation should cease to be a separate basis for liability. It is therefore important to understand the development and nature of authorisation more clearly.

We shall begin by considering the role played by the doctrine of authorisation in the common law and the relevant statutory provisions and case law prior to 1911, followed by the introduction of authorisation in the Copyright Act 1911 and the interpretation by the courts of those provisions and their successors in the 1956 and 1988 Acts. After comparing English<sup>8</sup> law with Australian law, which shares the same roots but has developed differently, and highlighting the absence of authorisation from other UK intellectual

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<sup>4</sup> This was explicitly recognised by French C.J., Crennan and Kiefel JJ. in *Roadshow Films Pty Ltd. v iiNet Ltd.* [2012] HCA 16; (2012) 248 C.L.R. 42 at [55]. See too *Cartier International AG v British Sky Broadcasting Ltd.* [2016] EWCA Civ 658 at [160]-[163] (Kitchin L.J.).

<sup>5</sup> See Davies, *Accessory Liability* (2015), especially at 12-21.

<sup>6</sup> See Davies, *Accessory Liability* (2015), ch. 7.

<sup>7</sup> M. Bartholomew, "Copyright, Trademark and Secondary Liability after Grokster" (2009) 32 Colum. J.L.&Arts 445. It is not clear where this leaves patents and designs.

<sup>8</sup> All the intellectual property statutes apply to the whole of the UK. In our discussion of the common law and cases under the Copyright Acts, English, Welsh and Northern Irish law is the same in all relevant respects; our understanding is that Scottish law is very similar.

property statutes, we shall consider the role of joint tortfeasance in this field before posing, and trying to answer, a series of questions about authorisation. We conclude that a uniform doctrine of accessory liability should apply to all areas of UK intellectual property law. This could be achieved either by extending authorisation to all IP rights or by removing authorisation from copyright. We prefer the latter solution.

## **II Authorisation in the common law prior to 1911**

Authorisation appears to have been an established concept in the law of tort, and specifically the law of nuisance, by the late nineteenth century.<sup>9</sup> In *Harris v James*, James was the tenant of land owned by Senhouse which was full of limestone. The land had been let by Senhouse to James expressly for the purpose of being worked as a quarry and for making lime. James worked the quarry by means of blasting and erected limekilns to burn the limestone and make lime. Harris owned adjoining land, and brought a claim for nuisance in respect of dirt and stones which were thrown on to his land by the blasting and in respect of smoke which spread over his land from the limekilns. Harris alleged in his statement of claim that the damage was partly the necessary and natural result of the blasting and of the operation of the limekilns and partly due to the negligent way these had been carried out. Senhouse brought a demurrer contending that the statement of claim did not show that he was liable for such damage. The Queen's Bench rejected the demurrer. Blackburn J. stated:<sup>10</sup>

“There can be no doubt that where a person authorises and requires another to commit a nuisance he is liable for that nuisance; and if the authority be given in the shape of a lease he is not the less liable.”

Despite authorisation being an established concept, it does not appear that the doctrine was applied in cases of infringement of copyright prior to 1911. There is no trace of it in Sir James Stephen Q.C.'s Digest of the Law of Copyright which was appended to the Report of Royal Commission on Copyright in 1878.<sup>11</sup> Nor is it mentioned in any of the first four editions of *Copinger on Copyright* published in 1870, 1881, 1893 and 1904 respectively, none of which cites *Harris v James*. Nor is it mentioned in any of the four editions of *Scrutton on Copyright* published in 1883, 1890, 1896 and 1904 respectively, none of which cites *Harris v James* either.

## **III Relevant statutory provisions and case law prior to 1911**

Prior to 1911, there was no statutory provision which made authorisation of a restricted act an infringement of copyright. Instead, there were a number of provisions which made it an infringement to “cause” a restricted act to be committed. Section 1 of the

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<sup>9</sup> See e.g. *Petrie v Lamont* (1841) Car. & M. 93 at 96 (Tindal C.J.); *M'Laughlin v Pryor* (1842) 4 Man. & G. 48 at 60 (Erskine J.); *Barker v Braham* (1773) 2 Wm. Bl. 866 at 888 (Grey C.J.).

<sup>10</sup> (1876) 45 L.J.Q.B. 545 at 546.

<sup>11</sup> C.2036. The setting up, composition and work of the Royal Commission is summarised in R. Arnold, “The need for a new Copyright Act: a case study in law reform” [2015] Q.M.J.I.P. 110 at 113-114.

Dramatic Literary Property Act 1833 (known as Bulwer Lytton's Act),<sup>12</sup> which created the performing right for dramatic works, provided that the author or his assignee should have as his property "the sole Liberty of representing, or causing to be represented, any Place or Places of Dramatic Entertainment whatsoever" any dramatic work, and section 2 of the same Act made it an offence to "represent or cause to be represented" any such work without the consent of the author or proprietor. Furthermore, section 20 of the Copyright Act 1842 (known as Talfourd's Act),<sup>13</sup> which extended the performing right to musical works, provided that "the sole Liberty of representing or performing, or causing or permitting to be represented or performed" any such work was the property of the author and his assigns.

These provisions gave rise to a somewhat confused body of case law on the circumstances in which a person would be liable for "causing" a work "to be represented or performed".<sup>14</sup> In *Russell v Briant* the plaintiff was the owner of the copyright in two songs and the defendant was the landlord of a tavern. A singer called Smith hired a room in the tavern and gave performances of the songs. The defendant rented the room, provided the platform, benches and lights and (by his servant) sold tickets for the performances. He also allowed Smith to put up placards advertising the performances. Prior to the performances, the plaintiff had notified the defendant of his rights and that, if the defendant caused or permitted Smith to perform the songs, the defendant would be liable. Wilde CJ held that the facts proved "afforded no evidence that the defendant represented, or caused to be represented, the musical composition in question, within the meaning of the statute" since the defendant did not by himself or his agent "actually [take] part in a representation which was a violation of copyright"<sup>15</sup>.

*Russell v Briant* was followed in *Lyon v Knowles*. The plaintiff was the owner of the copyright in two dramatic works and the defendant was the proprietor of a theatre. The defendant let the theatre to a producer called Dillon. Dillon provided the company, selected the works to be performed and managed their representation. The defendant paid for advertising, furnished the lighting, door keepers, scene shifters and supernumeraries and hired the band. Dillon and the defendant divided the gross receipts equally between them.

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<sup>12</sup> 3 & 4 William IV c. 15. The background to, and effect of, Bulwer Lytton's Act is discussed in I. Alexander, "Neither Bolt nor Chain, Iron Safe nor Private Watchman, Can Prevent the Theft of Words": The Birth of the Performing Rights in Britain" in R. Deazley, M. Kretschmer and L. Bently (eds), *Privilege and Property: Essays on the History of Copyright* (Cambridge: Open Book Publishers, 2010), at 321-346.

<sup>13</sup> 5 & 6 Victoria c. 45. The background to, and effect of, the 1842 Act is discussed in C. Seville, *Literary Copyright Reform in Early Victorian England: The Framing of the 1842 Copyright Act* (Cambridge: Cambridge University Press, 1999).

<sup>14</sup> There was surprisingly little separate consideration of the alternative of "permitting" the work to be represented or performed, perhaps because the 1842 Act was treated as merely extending the 1833 Act. No attempt appears to have been made in these cases of establishing joint tortfeasance, probably because of the relative obscurity of that doctrine prior to the seminal decision in *The Koursk* [1924] P. 140. Even Glanville Williams' seminal book on joint torts only devotes seven pages to accessory liability: G. Williams, *Joint Torts and Contributory Negligence* (London: Stevens & Sons, 1951), at 9-16.

<sup>15</sup> (1849) 8 C.B. 836 at 848 (137 E.R. 737 at 742).

The works in question were presented in the theatre. The Queen's Bench held that the defendant was not liable, and the plaintiff's appeal to the Exchequer Chamber was dismissed. The court held that the question was of fact, not law. But in so far as any question of law was involved, the judges thought the defendant was not liable. He took no part in the matter, and there was no evidence to show whether or not he knew what particular works were presented.<sup>16</sup>

*Lyon v Knowles* was distinguished in *Marsh v Conquest*. The plaintiff was the owner of the copyright in a dramatic work and the defendant was the proprietor of a theatre and the employer of the resident theatrical company. The defendant's son, who was the stage manager, hired the theatre and company for a benefit night for his father and presented the work. The Queen's Bench upheld the plaintiff's claim. Erle CJ said:<sup>17</sup>

"I think the defendant is responsible for that representation. He was the proprietor of the theatre, and had entire control over the establishment and all belonging to it; and what was done by his son was done by his permission. The case of *Lyon v. Knowles* seems to me to recognize that distinction. There, the defendant merely let his theatre, with the scenery, scene-shifters, band, lights, &c., to Dillon, who brought his own company to represent pieces of his own selection, the plaintiff having no control whatever over any person employed in the representation. Here, however, the piece is performed by the defendant's own corps dramatique, his son being one of them; and the performance takes place for the defendant's profit to the extent of 30l. I think, therefore, it is impossible to say that the defendant did not cause the piece to be represented."

*Marsh v Conquest* was followed in *Monaghan v Taylor*. The plaintiff was the owner of the copyright in a song and the defendant was the proprietor of a music-hall. The defendant engaged a singer called Bruce who sang the song 16 times. The defendant's evidence was that Bruce sang whatever songs he liked, but the defendant admitted that he had been present when the song in question had been sung. The Queen's Bench Division upheld judgment in favour of the plaintiff. Lord Coleridge said:<sup>18</sup>"Letting a place for the performance of any piece the party hiring chose was ... evidence of agency and authority to perform copyright pieces. "

A similar question arose in relation to two other provisions. The first was section 15 of the 1842 Act, which made it an infringement to "print or cause to be printed" any book protected by copyright. In *Kelly's Directories Ltd. v Gavin* Gavin published a book under an arrangement with Lloyds by which Lloyds permitted its name to be used in the title of the book in return for £100 a year and 5% of the proceeds. The book was to be printed by Lloyds, but after Lloyds had printed part of the book it became clear that Lloyds would not be able to complete the printing in time for the scheduled publication date. Accordingly, with Lloyds' agreement, Gavin instructed Strakers to print the remainder of

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<sup>16</sup> (1864) 5 B. & S. 751 (122 E.R. 1010).

<sup>17</sup> (1864) 17 C.B. (N.S.) 418 at 431 (144 E.R. 169 at 174).

<sup>18</sup> (1886) 2 Times L.R. 685 at 686.

the book. The part printed by Strakers infringed the plaintiff's copyright. Lloyds had no knowledge of this until after publication. Byrne J. held that Lloyds had not "caused" the infringing part of the book to be printed,<sup>19</sup> and his decision was upheld by the Court of Appeal.<sup>20</sup>

The second provision was section 6 of the Fine Arts Copyright Act 1862. This made it an infringement to "cause or procure" that any "Repetition, Copy or Imitation" of any "Painting, Drawing, or Photograph" protected by copyright to be imported, sold, published etc. In *Bolton v London Exhibitions Ltd.*, London Exhibitions had ordered a poster for the Earl's Court exhibition from a lithographer. The poster featured a drawing of a lion which was held to reproduce the plaintiff's photograph of a lion. Mathew J. gave judgment against the lithographer, but in favour of London Exhibitions "on the ground that they did not authorize the reproduction".<sup>21</sup>

The issue over these statutory provisions was given added prominence by the new technology of cinematographic films. In *Karno v Pathé Frères Ltd.* Karno was the owner of the copyright in a popular music-hall sketch. Pathé made a film of the sketch and sold copies of it to the proprietors of music-halls and other places of public entertainment. Jelf J. dismissed Karno's claim for infringement on two grounds: first, the sketch was not a "dramatic piece" within the meaning of the 1833 Act; secondly, if it was a dramatic piece, Pathé had not represented it or caused it to be represented. The Court of Appeal upheld the judge's decision on the second point (and appeared to find it unnecessary to consider the first point). Vaughan Williams L.J. agreed with Jelf J. that the case was covered by *Russell v Briant* and *Lyon v Knowles* and quoted the following statement with approval:<sup>22</sup>

"It might, indeed, be plausibly argued that the defendants who make and sell the infringing instrument without which the infringement could not take place, and do so with the knowledge and intention that it will and shall be used for that purpose, do take an important part in the infringement itself, but I think on the whole the inference would be held to be too remote and too far-reaching in its consequences to be accepted."

#### **IV Introduction of authorisation in the Copyright Act 1911**

Section 1(2) of the Copyright Act 1911 provided that:

"For the purposes of this Act, 'copyright' ... shall include the sole right [to do the acts specified in paragraph (a) to (d)] and to authorise any such acts as aforesaid."

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<sup>19</sup> [1901] 1 Ch. 374.

<sup>20</sup> [1902] 1 Ch. 631.

<sup>21</sup> (1898) 14 Times L.R. 550 at 551.

<sup>22</sup> (1909) 25 Times L.R. 242 at 243-244.

Section 2(1) provided that copyright in a work “shall be deemed to be infringed by any person who, without the consent of the owner of the copyright, does anything the sole right to do which is by this Act conferred on the owner of the copyright”.<sup>23</sup>

As will appear, it has been suggested that it was the decision in *Karno v Pathé Frères* that prompted the replacement of the language of the earlier Acts by the reference to authorisation. This is incorrect. Although the case was decided just two months before the Gorell Committee was appointed, it is not referred to in their report,<sup>24</sup> which was the final stimulus to the passage of the 1911 Act. Furthermore, provision for authorisation had already been made in the Copyright and Copyright (Artistic) Bills which were approved by the Select Committee of the House of Lords in 1900.<sup>25</sup> Clause 3 of the former Bill provided that “Copyright means the exclusive right of the owner of such copyright to do or to authorise another person to any all or any of the following things in respect of a book...”, and references to authorisation were also contained in clause 5(1) (performing right in dramatic and musical works) and clause 6(1) (lecturing right). Similarly, clause 16 of the latter Bill defined “copyright” in an artistic work as “the exclusive right to reproduce such work, or any material part thereof, in any form, in any material, or for any purpose, or to authorise another person to reproduce such work or any material part thereof. These Bills subsequently formed the basis of both the Australian Copyright Act 1905 (Cth)<sup>26</sup> and (together with the recommendations of the Gorell Committee) the 1911 Act. Although our researches have not found hard evidence to confirm the hypothesis, the language of authorisation may simply derive from its use in the Berne Convention.<sup>27</sup> Thus Article 5 of the original convention of 1886 provided that authors should enjoy “the exclusive right of making or authorising translations of their works”.<sup>28</sup> This would suggest that the inclusion of authorisation in the 1911 Act was not intended to change the law in any specific respect.

Immediately after the passage of the 1911 Act, MacGillivray expressed the opinion that the addition of “authorisation” was superfluous.<sup>29</sup> Although this view, as we shall see,

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<sup>23</sup> Note that section 2(3) provided that copyright was infringed “by any person who for his private profit permits a theatre or other place of entertainment to be used for the performance in public of the work ...”.

<sup>24</sup> Cd. 4976. The setting up, composition and work of the Gorell Committee is summarised in Arnold, “The need for a new Copyright Act” [2015] Q.M.J.I.P. 110, at 115-116.

<sup>25</sup> C. 377. These Bills, which were based on the recommendations of the Royal Commission, had a lengthy and convoluted gestation: see C. Seville, *The Internationalisation of Copyright Law: Books, Buccaneers and the Blag Flag in the Nineteenth Century* (Cambridge: Cambridge University Press, 2009) at 281-287 and I. Alexander, *Copyright Law and the Public Interest in the Nineteenth Century* (Oxford: Hart Publishing, 2010) at 238-241.

<sup>26</sup> See R. Burrell, “Copyright Reform in the Early Twentieth Century: the View from Australia” (2006) 27 J. Legal History 239.

<sup>27</sup> See J. Ginsburg and S. Ricketson, “Inducers and Authorisers: A Comparison of the US Supreme Court’s Grokster Decision and the Australian Federal Court’s KaZaa Ruling” (2006) 11 Media and Arts L.R. 1, at 20.

<sup>28</sup> The Berlin Revision of 1908 used the language of authorisation in Articles 8 (translations), 13 (mechanical reproductions of musical works) and 14 (reproduction by cinematography).

<sup>29</sup> *Copyright Act 1911* (London: Stevens & Sons, 1912) at 22.

gained the support of no less a judge and authority on copyright than Scrutton L.J., it was quickly doubted.

## V. Interpretation of authorisation under the 1911 Act

An early straw in the wind was the judgment of Buckley L.J. in *Monckton v Pathé Frères Pathephone Ltd.* The plaintiff was the owner of the copyright in a musical work. Before the commencement of the 1911 Act, the defendant made gramophone records of the work in Belgium and imported them into England. After the commencement of the Act, the defendant sold the records. The Court of Appeal upheld the plaintiff's claim for infringement. In the course of construing section 1(2)(d) of the Act, Buckley L.J. picked up the reference to authorisation and said:<sup>30</sup>

“The seller of a record authorizes, I conceive, the use of the record, and such user will be the performance of the work.”

In *Performing Right Society Ltd. v Ciryil Theatrical Syndicate Ltd.* the claimant was the now well-known collecting society PRS, which was the assignee of the performing right in two copyright musical works. Ciryil was the lessee of the Duke of York's Theatre in London. Faraday was the managing director of Ciryil, and was licensed by the Lord Chamberlain to have plays performed at the theatre. Faraday produced a play which was presented at the theatre. On behalf of Ciryil Faraday engaged an orchestra to perform musical selections during the intervals in the play. The orchestra performed the two musical works in question at a time when Faraday was abroad. There was no evidence that he knew or had any reason to anticipate that the orchestra would perform those works. PRS brought an action for infringement against Ciryil and Faraday. PRS's primary case against Faraday was that he had authorised the public performance of the musical works.<sup>31</sup> Rowlatt J. gave judgment against both defendants. The Court of Appeal allowed an appeal by Faraday.

Bankes L.J. said:<sup>32</sup>

“I agree ... that the Court may infer an authorization ... from acts which fall short of being direct and positive; I go so far as to say that indifference, exhibited by acts of commission or omission, may reach a degree from which authorization ... may be inferred. It is a question of fact in each case what is the true inference to be drawn from the conduct of the person who is said to have authorized the performance ....”

On the facts, however, he did not consider that Faraday had authorised the acts in question since there was no evidence that he either knew or had reason to suspect that in his absence the band were likely to give infringing performances.

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<sup>30</sup> [1914] 1 K.B. 395 at 403.

<sup>31</sup> Its secondary case was based on section 2(3); see also *Corporation of the City of Australia v Australasian Performing Right Association Ltd.* (1928) C.L.R. 481 (High Court of Australia).

<sup>32</sup> [1924] 1 K.B. 1 at 9.

Scrutton L.J. said:<sup>33</sup>

“It is clear from *Monaghan v. Taylor* and *Lyon v. Knowles* that [Faraday] could not have been hit by the old Act. The Act of 1911 made a change. It first defines copyright as ‘the sole right to produce or reproduce’ a work, and ‘to perform the work,’ and then it adds ‘and to authorize any such acts as aforesaid.’ Now if one person has the sole right to produce a work, I suppose no one else has the right to perform it; and I suppose the person who has the sole right to perform the work, and he alone, may authorize another to perform it. Consequently I am disposed to agree with a distinguished writer on copyright [MacGillivray], that the words ‘to authorize any such acts as aforesaid’ are superfluous and add nothing to the definition. ... As in *Lyon v. Knowles* a person in the appellant’s position was held not to have caused a work to be performed, so the appellant cannot be held to have authorized this work to be performed.”

*Performing Right Society Ltd. v Mitchell and Booker (Palais de Danse) Ltd.*<sup>34</sup> was a claim by PRS against the defendant proprietor of a dance hall at which works in PRS’s repertoire had been performed by a band employed by the proprietor. The defendant relied on the facts that the band’s contract contained a clause stipulating that the band should not infringe any copyright and that there were notices in the band room prohibiting the playing of copyright music. McCardie J. held that these were irrelevant because the band were employees of the defendant and therefore the defendant was liable for their infringing acts (i.e. vicariously liable). He rejected an argument that the defendant could not be liable unless it had actually authorised the infringements complained of, saying that he agreed with Scrutton L.J. in *PRS v Cyril* that the word “authorise” in section 1 was superfluous.

Another important early decision was *Evans v E. Hulton and Co Ltd.* The plaintiff owned the copyright in a number of stories. The second defendant, via a literary agent, sold the serial rights to the stories to the first defendant without the plaintiff’s authority and the first defendant published them in a newspaper. Tomlin J. held that both defendants had infringed the plaintiff’s copyright, in the case of the second defendant by authorising a restricted act. Having said that the dicta of Scrutton L.J. in *PRS v Cyril* and of McCardie J. in *PRS v Mitchell & Booker* were obiter, he adopted the definition of the word “authorise” given in the *Oxford English Dictionary*, namely “to give formal approval to; to sanction, approve, countenance”. He went on:<sup>35</sup>

“... when a man sold the rights to in relation to an MS. to another with the view to its production, and it was in fact produced, both the English language and common sense required him to hold that this man had ‘authorised’ the printing and publication.”

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<sup>33</sup> [1924] 1 K.B. 1 at 12.

<sup>34</sup> [1924] 1 K.B. 762.

<sup>35</sup> [1924] W.N. 130 at 131.

The key case on authorisation under the 1911 Act, and the leading English authority until *CBS v Amstrad* sixty years later, was *Falcon v Famous Players Film Co.*<sup>36</sup> The plaintiff was the UK exclusive licensee of the copyright in a play by an American author called Gillette. After he had entered into the agreement with the plaintiff, Gillette granted the first defendant Famous Players Lasky Corp., an American company, the worldwide motion picture rights in the play. Pursuant to its agreement with Gillette the first defendant made a film of the play. The first defendant sent the second defendant Famous Players Film Co, an English company, the negative and two positives of the film. The second defendant made further copies of the film which it supplied to the third defendant Famous Lasky Film Service Ltd., another English company. The third defendant entered into an agreement with the fourth defendant Chetham, the proprietor of a film theatre, letting a copy of the film for hire to Chetham and granting him the right to exhibit it for three days, which he did. In addition the agreement required Chetham to obtain posters to advertise the film exclusively from the third defendant, which he did. The plaintiff brought proceedings for infringement against all four defendants and succeeded at first instance. The defendants appealed on three grounds, one of which was that the first, second and third defendants had not committed any infringing act. The Court of Appeal unanimously dismissed the appeal, holding that the first, second and third defendant had all authorised the infringement by Chetham. The three members of the Court all gave slightly different reasons for their conclusion, however.

Bankes L.J. said:<sup>37</sup>

“ ... when the definition of ‘copyright’ is read in connection with that of ‘infringement,’ I think it becomes fairly apparent that the object of introducing the word ‘authorise’ was to get rid of the effect of certain decisions, of which *Karno v. Pathé Frères* was the most recent, in which it was held upon the language of earlier statutes that a defendant who for reward gave permission to a third person to represent a play in breach of the owner's copyright did not ‘cause it to be represented,’ unless the person so representing it was the servant or agent of the defendant. In the present statute that language has been deliberately dropped, and for the word ‘cause’ has been substituted the word ‘authorise’; and the decision of Tomlin J. in *Evans v. Hulton* and the dictum of Buckley L.J. in *Monckton v. Pathé Frères* both clearly indicate that in the opinion of those learned judges the present expression is to be understood in its ordinary dictionary sense of ‘sanction, approve, and countenance’.”

Scrutton L.J. reiterated his view that “the sole right to perform necessarily includes the sole right to authorize performances”, but nevertheless agreed that the wording of the 1911 had been intended to “sweep away” decisions such as *Karno v. Pathé Frères*.<sup>38</sup> He

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<sup>36</sup> [1926] 2 K.B. 474.

<sup>37</sup> [1926] 2 K.B. 474 at 490-491.

<sup>38</sup>Scrutton L.J. had evidently forgotten the language of the 1900 Bills even though he had appeared as a witness before the Select Committee with respect to both Bills and had been a member of the Gorell Committee.

did not express an opinion as to the meaning of “authorise”. Atkin L.J. thought that “to ‘authorize’ means to grant or purport to grant to a third person the right to do the act complained of”.<sup>39</sup>

This split between those who advocate a narrow interpretation (to grant or purport to grant the right to do the act)<sup>40</sup> and those who advocate a broad interpretation (to sanction, approve or countenance) has become a recurrent theme in the subsequent case law both in England and in Australia.

## **VI Interpretation of authorisation under the Copyright Acts 1956 and 1988**

The passage of the Copyright Act 1956 and the Copyright, Patents and Designs Act 1988 made no change in the law with respect to authorisation. Sections 1(1) and (2) of the 1956 Act provided that:

- “(1) In this Act ‘copyright’ in relation to a work ... means the exclusive right, by virtue and subject to the provisions of this Act, to do, and to authorise other persons to do, certain acts in relation to that work ...
- (2) In accordance with the preceding subsection, but subject to the following provisions of this Act, the copyright in a work is infringed by any person who does, or authorises another person to do, any of the said acts in relation to the work ...”

Section 16(2) of the 1988 Act currently provides that:

“Copyright in a work is infringed by a person who without the licence of the copyright owner does, or authorises another to do, any of the acts restricted by the copyright.”

Just as it was new technology that gave rise to some of the key disputes under the provisions that preceded the 1911 Act, it has been new technology which has driven subsequent debates about the scope of authorisation. Two technological innovations in particular have occasioned considerable case law: the advent of domestic sound recording equipment which made it easy to copy commercially-released sound recordings, and the advent of peer-to-peer file sharing on the internet and similar techniques.

In *CBS Inc v Ames Records & Tapes Ltd.* the plaintiffs were two record companies suing in a representative capacity on behalf of the members of British Phonographic Industry Ltd. (“BPI”). The defendant owned a chain of record shops. The defendant set up a record lending library. Members of the public were able to hire records upon payment of a subscription and fees. Members of the library were offered a discount of 10% on purchases of records (except for chart records) and of 5% on purchases of blank tapes. The plaintiffs alleged that the defendant was encouraging the home taping of their recordings,

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<sup>39</sup> [1926] 2 K.B. 474 at 499, also citing with approval Buckley L.J. in *Monckton v Pathé Frères* and Tomlin J. in *Evans v Hulton*.

<sup>40</sup> The narrow interpretation had previously been adopted by Peterson J. in the little-noticed case of *Transatlantic Film Co. Ltd. v Albion Cinema Supplies Co.* (1917-23) Macg.C.C. 118 at 120-121.

and brought a claim against the defendant for authorising such copying. Whitford J. dismissed the claim. Before considering the authorities, he said:<sup>41</sup>

“Any ordinary person would, I think, assume that an authorisation can only come from somebody having or purporting to have authority and that an act is not authorised by somebody who merely enables or possibly assists or even encourages another to do that act, but does not purport to have any authority which he can grant to justify the doing of the act.”

Having considered the authorities, he adhered to this view.

In *CBS Songs Ltd. v Amstrad Consumer Electronics Plc* the plaintiffs were three record companies suing in a representative capacity on behalf of the members of BPI and of Mechanical Rights Society Ltd. Amstrad manufactured and Dixons retailed audio systems incorporating a double cassette recorder that enabled a pre-recorded cassette to be copied onto a blank cassette tape at twice the normal playback speed. Amstrad had said in an advertisement that this enabled purchasers to “make a copy of your favourite cassette”. An asterisked footnote said: “The recording and playback of certain material may only be possible by permission. Please refer to the Copyright Act 1956, the Performers’ Protection Act 1958-72”. The plaintiffs claimed, among other things, that the defendants had authorised the copying of their recordings. The defendants applied to strike out the writ and statement of claim as disclosing no cause of action. Whitford J. refused the strike out application, but the Court of Appeal allowed the defendants’ appeal and the House of Lords upheld the decision of the Court of Appeal.

Lord Templeman gave the only reasoned speech in the House of Lords. He cited the dicta of Buckley L.J. in *Monckton v Pathé*, Tomlin J. in *Evans v Hulton* and Bankes and Atkin L.JJ. in *Falcon v Famous Players*, and said that in each case the use of thing in question was bound to be an infringing use.<sup>42</sup> Lord Templeman then said:<sup>43</sup>

“In the present case, Amstrad did not sanction, approve or countenance an infringing use of their model and I respectfully agree with Atkin L.J. and with Lawton L.J. in the present case [1986] F.S.R. 159, 207 that in the context of the Copyright Act 1956 an authorisation means a grant or a purported grant, which may be express or implied, of the right to do the act complained of. Amstrad conferred on the purchaser the power to copy but did not grant or purport to grant the right to copy.”

Although Lord Templeman did not expressly disapprove the test of “sanction, approve or countenance”, he evidently preferred the test propounded by Atkin L.J. On the facts, he held

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<sup>41</sup> [1982] Ch. 91 at 96.

<sup>42</sup> This is incorrect. For example, in *Monckton v Pathé* a purchaser of one of the records could have played it in private without infringing the copyright in the musical work.

<sup>43</sup> [1988] A.C. 1013 at 1054.

that Amstrad had not granted or purported to grant the right to copy the plaintiffs' copyright works because:<sup>44</sup>

“Amstrad’s advertisement was cynical because Amstrad advertised the increased efficiency of a facility capable of being employed to break the law. But the operator of an Amstrad tape recording facility ... can alone decide whether to record or play and what material is to be recorded. The Amstrad advertisement is open to severe criticism but no purchaser of an Amstrad model could reasonably deduce from the facilities incorporated in the model or from Amstrad’s advertisement that Amstrad possessed or purported to possess the authority to grant any required permission for a record to be copied.”

He went on to cite the dicta of Whitford J. in *CBS v Ames* and said they “precisely described Amstrad”.

The decision of the House of Lords in *CBS v Amstrad* is now the leading authority on the meaning of authorisation. More recently, however, a somewhat more nuanced approach to the question of authorisation has been adopted in a series of first-instance decisions concerning peer-to-peer file sharing websites which facilitate online infringement. In *Twentieth Century Fox Film Corp v Newzbin Ltd.*, the claimants were the six major film studios. The defendant operated a Usenet site called Newzbin which provided a search facility for content on Usenet accessible to members. The search facility enabled members to find content by type, genre and title. To achieve this, content was indexed by a team of editors who supplied other information about each item. Newzbin also enabled premium members who paid a weekly fee to download copies of content such as films posted on Usenet using a facility called NZB files. The evidence showed that a very large proportion of the content indexed on Newzbin in the category of Movies consisted of unauthorised copies of commercial films. Although the defendant imposed contractual restrictions upon editors and members prohibiting them from infringing third party copyrights, in practice these restrictions were not enforced.

Having referred to some Australian authorities and cited the first passage from the speech of Lord Templeman in *CBS v Amstrad* quoted above, Kitchin J. said:<sup>45</sup>

“In my judgment it is clear from this passage that ‘authorise’ means the grant or purported grant of the right to do the act complained of. It does not extend to mere enablement, assistance or even encouragement. The grant or purported grant to do the relevant act may be express or implied from all the relevant circumstances. In a case which involves an allegation of authorisation by supply, these circumstances may include the nature of the relationship between the alleged authoriser and the primary infringer, whether the equipment or other material supplied constitutes the means used to infringe, whether it is inevitable it will be used to infringe, the degree of control which the supplier retains and whether he has taken any steps to prevent

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<sup>44</sup> [1988] A.C. 1013 at 1053.

<sup>45</sup> [2010] EWHC 608 (Ch); [2010] F.S.R. 21 at [90].

infringement. These are matters to be taken into account and may or may not be determinative depending upon all the other circumstances.”

Kitchin J. rejected the defendant’s argument that it was simply a search engine like Google. He was satisfied that the defendant did authorise infringing acts since it made it much easier for its users to access copyright works, and had not installed any kind of filtering system to prevent infringements, which it could easily have done. Indeed, the defendant encouraged unlawful activity. He concluded:<sup>46</sup>

“... I am entirely satisfied that a reasonable member would deduce from the defendant’s activities that it purports to possess the authority to grant any required permission to copy any film that a member may choose from the Movies category on Newzbin and that the defendant has sanctioned, approved and countenanced the copying of the claimants’ films...”

The decision in *Twentieth Century Fox Film Corp v Newzbin Ltd.* has been very influential, principally as a result of the list of factors identified by Kitchin J. Yet it is debatable how strongly all these considerations are supported by the judgment in *CBS v Amstrad* which *Newzbin* strives to apply. Lord Templeman disapproved the proposition that a person authorised another to commit an infringement if he placed in the other’s hands materials which by their nature were almost inevitably to be used for the purpose of infringement,<sup>47</sup> even though he approved of findings of authorisation where (so he claimed) there was bound to be infringement. It has been said that Lord Templeman was “at best ambivalent” about whether the degree of control retained by the supplier, and whether the supplier had taken any steps to reduce the infringement, should influence whether or not there had been authorisation.<sup>48</sup> Moreover, Kitchin J. in *Newzbin* drew upon Australian authorities concerning authorisation and section 101 of the Australian Copyright Act 1968, which appears to lead to a broader approach to authorisation.<sup>49</sup> Nevertheless, the result in *Newzbin* seems satisfactory in order to combat online piracy, and the factors identified by Kitchin J. provide helpful guidance on the approach to be taken in that context.

The factors identified in *Newzbin* were applied in *Dramatico Entertainment Ltd. v British Sky Broadcasting Ltd.* The claimants were owners of the copyrights in sound recordings who were suing in a representative capacity on behalf of the members of BPI. The claimants were applying for an order requiring the major UK internet service providers to block, or at least impede, access to the notorious Pirate Bay website (“TPB”). As a preliminary step, they sought a determination that the operators and users of TPB infringed BPI’s members’ copyrights. The claimants argued that the operators authorised users’ infringing acts. Having cited the first passage from the judgment of Kitchin J. quoted above, Arnold J. considered in turn the nature of the relationship between the operators and

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<sup>46</sup> [2010] EWHC 608 (Ch) at [102].

<sup>47</sup> [1988] A.C. 1013 at 1054. See also *Falcon v Famous Players* [1926] 2 K.B. 474 at 499 (Atkin L.J.).

<sup>48</sup> See C. Angelopoulos, “Beyond the safe harbours: harmonising substantive intermediary liability for copyright infringement in Europe” [2013] I.P.Q. 253 at 256.

<sup>49</sup> See Section VII below.

the users, the means used to infringe, the inevitability of the infringements, the degree of control exercised by the operators and the lack of steps taken by them to prevent infringement. He concluded:<sup>50</sup>

“In my judgment, the operators of TPB do authorise its users’ infringing acts of copying and communication to the public. They go far beyond merely enabling or assisting. On any view, they ‘sanction, approve and countenance’ the infringements of copyright committed by its users. But in my view they also purport to grant users the right to do the acts complained of. It is no defence that they openly defy the rights of the copyright owners.”

This highlights a particular challenge for the concept of authorisation. TPB explicitly defied the right of copyright owners to control the online dissemination of their works. As a result, it might be said that it is difficult to see how TPB “authorised” infringement of copyright when the very idea of copyright was rejected by TPB.<sup>51</sup> Yet the result can be supported since TPB was telling users that they could use the site in order to access material regardless of copyright protection. TPB was effectively saying to users, “You can get your free music here whatever copyright law may have to say about it.” In so doing, it can be concluded that TPB was purporting to grant authority to the users to use the site as they wished, thereby infringing copyright. This approach has been followed in a number of subsequent applications for website-blocking injunctions against BitTorrent peer-to-peer file sharing and streaming websites.<sup>52</sup>

As Lord Templeman appears to have recognised,<sup>53</sup> it is important to ensure that liability for authorisation is not imposed too readily, because to do so would deter legitimate technological innovation.<sup>54</sup> The requirement to establish a purported grant of permission to do the relevant acts avoids this risk. But a liberal approach to this requirement can be justified as necessary in order to ensure that defendants who run websites which are designed to facilitate online infringement do not escape liability by saying that they simply provide the means for infringement. Although this does not sit entirely comfortably with *CBS v Amstrad*,<sup>55</sup> the decisions can be reconciled. In particular, in *CBS v Amstrad* the

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<sup>50</sup> [2012] EWHC 268 (Ch); [2012] 3 C.M.L.R. 14 at [81].

<sup>51</sup> See e.g. Angelopoulos, “Beyond the safe harbours” [2013] I.P.Q. 253 at 256-257.

<sup>52</sup> See *EMI Records Ltd. v British Sky Broadcasting Ltd.* [2013] EWHC 379 (Ch); [2013] ECDR 8, *Football Association Premier League Ltd. v British Sky Broadcasting Ltd.* [2013] EWHC 2058 (Ch); [2013] ECDR 14, *Paramount Home Entertainment International Ltd. v British Sky Broadcasting Ltd.* [2013] EWHC 3479 (Ch); [2014] ECDR 7 and *Paramount Home Entertainment International Ltd. v British Sky Broadcasting Ltd.* [2014] EWHC 937 (Ch). Cf. *Twentieth Century Fox Film Corp v Sky UK Ltd.* [2015] EWHC 1082 (Ch) concerning Popcorn Time applications, although see the comments of Birss J. at [50].

<sup>53</sup> [1988] A.C. 1013 at 1053. See too the concurring opinion of Justice Breyer in *Metro-Goldwyn-Mayer Studios Inc v Grokster Ltd.* 545 US 913 (2005) at 960.

<sup>54</sup> See M.A. Carrier, “Copyright and Innovation: The Untold Story” [2012] Wisc. L. Rev. 691 for empirical evidence of the adverse effect of copyright law, and in particular the US doctrine of contributory infringement, on innovation.

<sup>55</sup> For critical analysis of that decision, see Davies, *Accessory Liability* (2015), ch. 6, esp. 195-196.

machines were both capable of, and used for, substantial non-infringing use, whereas the websites in both *Newzbin* and *Dramatico* were almost exclusively concerned with infringing content.<sup>56</sup>

## VII Comparison with Australian law

The concept of authorisation was introduced into Australian copyright law by sections 13, 14 and 34 of the Copyright Act 1905 (Cth).<sup>57</sup> Section 36(1) of the Copyright Act 1968 (Cth) provides that copyright in a literary, dramatic, musical or artistic work is infringed by a person who “does in Australia, or authorises the doing in Australia of, any act comprised in the copyright”.

Australian law’s distinctive take on the law of authorisation was influenced by another technological innovation, namely the photocopier. In *Moorhouse v University of New South Wales* the plaintiffs were the author and publisher of a book. They complained about the photocopying on two occasions of a story in the book by the same person who had borrowed the book from the library of the defendant university using a photocopier near the library. The plaintiffs’ contention that the university had authorised the copying was accepted by the High Court of Australia. Both Jacobs J. (with whom McTiernan A.C.J. agreed) and Gibbs J. held, following Bankes L.J. in *Falcon v Famous Players*, that “authorise” meant “sanction, approve, countenance”. Jacobs J. went on:<sup>58</sup>

“It is a wide meaning which, in cases of permission or invitation, is apt to apply both where an express permission or invitation is extended to do the act comprised in the copyright and where such a permission or invitation may be implied. Where a general authorisation or invitation may be implied it is clearly unnecessary that the authorising party have knowledge that a particular act comprised in the copyright will be done.

The acts and omissions of the alleged authorising party must be looked at in the circumstances in which the act comprised in the copyright is done. The circumstances will include the likelihood that such an act will be done.”

He went on to cite the passage from the judgment of Bankes L.J. in *PRS v Cyril* quoted above. For his part Gibbs J. said:

“It seems to me ... that a person who had under his control the means by which an infringement of copyright may be committed – such as a photocopying machine –

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<sup>56</sup> There is a similar contrast between the decisions of the US Supreme Court in *Sony Corp of America v Universal City Studios Inc* 464 US 417 (1984) (concerning Betamax videocassette recorders, which enabled the copying of movies and television programmes from television broadcasts but had substantial non-infringing uses) and *Metro-Goldwyn-Mayer Studios Inc v Grokster Ltd.* 545 US 913 (2005) (concerning the Grokster peer-to-peer file sharing system, which was very largely used for infringing purposes), although the basis of the latter decision was that Grokster had actively induced the infringements.

<sup>57</sup> See Burrell, “Copyright Reform in the Early Twentieth Century” (2006) 27 J. Legal History 239, and B. Atkinson, *The True History of Copyright: The Australian Experience 1905-2005* (Sydney: Sydney University Press, 2007) at 15-42 for the background to the 1905 Act.

<sup>58</sup> [1976] R.P.C. 151 at 165.

and who makes it available to other persons knowing, or having reason to suspect that it is likely to be used for the purpose of committing an infringement, and omitting to take reasonable steps to limit its use to legitimate purposes, would authorise any infringement which resulted from its use.”

These principles were subsequently codified through the amendment of section 36 of the 1968 Act by the Copyright Amendment (Digital Agenda) Act 2000 (Cth) to introduce a new subsection (1A) as follows:

“In determining, for the purposes of subsection (1), whether or not a person has authorised the doing in Australia of any act comprised in the copyright in a work, without the licence of the owner of the copyright, the matters that must be taken into account include the following:

- (a) the extent (if any) of the person's power to prevent the doing of the act concerned;
- (b) the nature of any relationship existing between the person and the person who did the act concerned;
- (c) whether the person took any reasonable steps to prevent or avoid the doing of the act, including whether the person complied with any relevant industry codes of practice.”

A parallel amendment was made to section 101, which concerns copyright in subject-matter other than literary, dramatic, musical or artistic works, such as sound recordings and films.

In *Cooper v Universal Music Australia Pty Ltd*. Mr Cooper operated a website which provided access to numerous copyright sound recordings via hyperlinks to files hosted on other servers. The Full Court of the Federal Court of Australia upheld the plaintiff record companies' claim that Mr Cooper had authorised users of the website to copy the sound recordings. Branson J. held that, in the context of section 101(1A)(a), “a person's power to prevent the doing of an act comprised in a copyright includes the person's power not to facilitate the doing of that act by, for example, making available to the public a technical capacity calculated to lead to the doing of that act”.<sup>59</sup> He concluded that Mr Cooper did have the power to prevent the doing of the acts concerned because the website had been deliberately designed to facilitate the infringing downloading of sound recordings, that he had profited from the infringements and that he had not taken reasonable steps to prevent the infringements. There was a similar outcome in *Universal Music Australia Pty v Sharman License Holdings Ltd.*,<sup>60</sup> which concerned the file-sharing system known as KaZaa.

Such decisions indicate that the Australian approach to authorisation is somewhat broader than that traditionally favoured in England. Decisions such as *Moorhouse* and *Cooper* do not fit easily with *CBS v Amstrad*, since in England it is difficult to incur liability

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<sup>59</sup> [2006] FCAFC 187; (2006) 156 F.C.R. 380 at [41].

<sup>60</sup> [2005] FCA 1242; (2005) 65 I.P.R. 289.

simply by providing the means of infringement.<sup>61</sup> However, in *Newzbin* Kitchin J. thought that *Cooper* was correct, and it may be that English law is becoming more relaxed and moving towards the Australian position. At the same time, Australian law may be narrowing a little, and could perhaps come to meet English law half-way. In *Roadshow Films Pty Ltd. v iiNet Ltd.* the High Court of Australia rejected the plaintiff film and television companies' claim that the defendant internet service provider had authorised infringement by its customers as result of peer-to-peer file sharing since all the defendant had done was to provide access to the internet. In so doing, the High Court suggested a more restrictive approach should be adopted. Gummow and Hayne JJ noted that "[t]he phrase 'or purport to grant' used by Atkin L.J. has a significance not always appreciated in those later cases, including *Moorhouse*, which repeat the phrase 'sanction, approve, countenance'".<sup>62</sup> Of course, liability will inevitably turn upon a close analysis of the facts.<sup>63</sup> It may be that a crucial difference between *iiNet* and *Cooper* was that only in the former was the technology exploited for substantial non-infringing use (although this does not readily explain *Moorhouse*, where some of the copying is likely to have been fair dealing).

### **VIII Absence of authorisation from other intellectual property statutes in the UK**

Part III of the 1988 Act (which deals with (unregistered) design right) contains a provision for infringement by authorisation, namely section 230(3). By contrast, there is no reference to authorisation in Part II of the 1988 Act (which deals with performers' rights), the Registered Designs Act 1949, the Patents Act 1977 or the Trade Marks Act 1994. There is no obvious reason why authorisation should be a restricted act with respect to copyrights and design right, but not with respect to performers' rights, registered designs, patents or trade marks. All these statutes were enacted after the passage of the Copyright Act 1911 and after authorisation had become well established in that context. There is nothing about performers' rights, registered designs, patents or trade marks which explains this omission. Taking patents by way of example: if one person purports to grant another person the right to do an infringing act, why should the first person not be liable? The omission is particularly surprising in the case of performers' rights, given that the relevant statutory provisions are contained in the same Act as those dealing with copyright and design right.

For completeness, it should be noted that, although the Patents Act 1977 contains no provision with respect to authorisation, it does provide for an extended form of liability which might be regarded as a type of accessory liability even though no primary infringement is required. Section 60(2) of the Patents Act 1977 provides that "a person ... infringes a patent for an invention if ... he supplies or offers to

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<sup>61</sup> In *CCH Canadian Ltd. v Law Society of Upper Canada* [2004] SCC 13; [2004] 1 S.C.R. 339 the Supreme Court of Canada declined to follow *Moorhouse* for precisely this reason. Soon after *Moorhouse*, section 6 of the Copyright Amendment Act 1980 (Cth) was introduced, adding a new section 39A to the 1968 Act, which provided that in certain circumstances neither the body administering the library or archives, nor the officer in charge, were to be taken to have authorised the making of an infringing copy "by reason only" that it was made on a machine installed there.

<sup>62</sup> [2012] HCA 16 at [127]. See too [47]-[51] (French C.J., Crennan and Kiefel JJ.).

<sup>63</sup> [2012] HCA 16 at [63].

supply in the United Kingdom a person other than a licensee or other person entitled to work the invention with any of the means, relating to an essential element of the invention, for putting the invention into effect when he knows, or it is obvious to a reasonable person in the circumstances, that those means are suitable for putting, and are intended to put, the invention into effect in the United Kingdom”. Section 60(3) provides an exception for the supply of a “staple commercial product” unless the supply or offer is made “for the purpose of inducing” the person supplied or offer to infringe.

These provisions implement Article 26 of the Community Patent Convention (as revised in 1989),<sup>64</sup> which goes some way to explaining why similar provisions are not found in the other intellectual property statutes. Moreover, they are a response to a problem, namely the supply by one person to another of the critical means for an infringing act by the person supplied, which, although not unique to patents, is particularly important in that context. Nevertheless, the availability of this form of liability does not explain the absence of liability for authorisation. However, as discussed below, the doctrine of joint tortfeasance does apply to patents. Joint tortfeasance covers some situations which are not covered by section 60(2), while many cases of infringement under section 60(2) would not amount to joint tortfeasance.<sup>65</sup>

The omission of authorisation from other the UK intellectual property statutes is even more striking when they are compared with the corresponding Australian statutes. Section 13(1) of the Patents Act 1990 (Cth) provides that “a patent gives the patentee the exclusive rights ... to exploit the invention and to authorise another person to exploit the invention”. Similarly, section 10(1)(f) of the Designs Act 2003 (Cth) provides that “the registered owner of a registered design has the exclusive right ... to authorise another person to do any of the things mentioned in paragraph (a), (b), (c), (d) or (e)”. Likewise, section 20(1)(b) of the Trade Marks Act 1995 (Cth) provides that “the registered owner of the trade mark has ... the exclusive rights ... to authorise other persons to use the trade mark”. These provisions are interpreted in the same way as section 36(1) of the 1968 Act.<sup>66</sup>

## **IX Joint tortfeasance**

In the absence of any statutory provision for accessory liability in the fields of registered designs, patents and trade marks, the response of the common law has been to apply the doctrine of joint tortfeasance to these rights. And since the doctrine of joint tortfeasance is equally applicable to copyright infringement, it is commonplace in copyright cases for accessory liability to be argued both on the basis of authorisation and on the basis of joint tortfeasance. Detailed discussion of this doctrine is outside the scope

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<sup>64</sup> The background to Article 26 CPC, and hence section 60(2) and (3) of the 1977 Act, was explained in *Grimme Landmaschinefabrik GmbH v Scott* [2010] EWCA Civ 1110; [2011] F.S.R. 7 at [82]-[98]. Similar provisions are contained in section 117 of the Patents Act 1990 (Cth), considered in *Northern Territory v Collins* [2008] HCA 49; (2008) 235 C.L.R. 619.

<sup>65</sup> *Grimme v Scott* [2010] EWCA Civ 1110 at [88]-[89].

<sup>66</sup> See e.g. *Medical Switzerland GmbH v MDS Diagnostics Pty Ltd.* [2010] FCA 108; (2010) 85 I.P.R. 525 at [194] (Federal Court of Australia), a decision under section 13(1) of the 1990 Act.

of this article,<sup>67</sup> but it is worth noting that many of the leading cases on the topic have been intellectual property cases of one kind or another.<sup>68</sup> As Lord Sumption put it recently in *Fish & Fish Ltd. v Sea Shepherd UK*:<sup>69</sup>

“In both England and the United States, the principles have been worked out mainly in the context of allegations of accessory liability for the tortious infringement of intellectual property rights. There is, however, nothing in these principles which is peculiar to the infringement of intellectual property rights. The cases depend on ordinary principles of the law of tort”.

The common law of joint tortfeasance is somewhat messy. The term “joint tortfeasance” is very broad and covers a wide range of circumstances. In the context of “accessory liability”, there appear to be three crucial “participation links”:<sup>70</sup> inducement, authorisation, and combination. It is generally recognised that “authorisation” is a distinct from of participation, and in *Coventry v Lawrence (No 2)*, Lord Neuberger in the Supreme Court noted that “[i]t is worth recalling that the notion of authorising or participating in a nuisance is not limited to landlords: as Lord Millett pointed out in *Mills*,<sup>71</sup> the notion of authorising and participating in a nuisance is a general principle of tortious liability”.<sup>72</sup> This suggests that under the common law a defendant can be liable for authorising the infringement of any intellectual property right, since the general principles of tort law should apply.<sup>73</sup> On the other hand, the meaning of “authorisation” is generally understood to be the same as that established under section 16(2) of the Copyright, Patents and Designs Act 1988. The constraints of authorisation mean that the focus in many cases lies upon combination.

Combination requires a “common design”. In the leading case of *The Koursk*, Scrutton L.J. influentially said:<sup>74</sup>

“I am of the opinion that the definition in *Clerk and Lindsell on Torts*, 7th ed., p. 59, is much nearer the correct view: ‘Persons are said to be joint tortfeasors when their respective shares in the commission of the tort are done in furtherance of a

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<sup>67</sup> See Davies, *Accessory Liability* (2015), ch. 6.

<sup>68</sup> e.g. *CBS v Amstrad; Unilever Plc v Gillette (UK) Ltd.* [1989] R.P.C. 583.

<sup>69</sup> [2015] UKSC 10 at [40]. See too *Credit Lyonnais Bank Nederland NV v Export Credit Guarantee Department* [1998] 1 Lloyd’s Rep. 19 at 46 (Hobhouse L.J.). Cf J. Dietrich, “Accessorial Liability in the Law of Torts” [2011] L.S. 231 at 253.

<sup>70</sup> H. Carty, “Joint Tortfeasance and Assistance Liability” [1999] 19 L.S. 489.

<sup>71</sup> *Southwark London Borough Council v Mills* [2001] 1 A.C. 1 at 22 (Lord Millett).

<sup>72</sup> [2014] UKSC 46; [2015] A.C. 106 at [26]. See also *Cocking v Eacott* [2016] EWCA Civ 140; [2016] 3 W.L.R. 125 at [44] (Arden L.J.).

<sup>73</sup> Cf G. Dinwoodie, “Secondary Liability for Online Trademark Infringement: The International Landscape” (2014) 37 Colum. J.L. & Arts 463 at 466-467.

<sup>74</sup> [1924] P. 140 at 156.

common design’ .... ‘but mere similarity of design on the part of independent actors, causing independent damage, is not enough; there must be concerted action to a common end.’”

Since mere similarity of design is insufficient, the scope of combination appears quite restrictive. In *Kalman v PCL Packaging (UK) Ltd.*,<sup>75</sup> a claim was brought against a defendant who sold a filter to a purchaser, knowing that the filter infringed the claimant’s patent. Falconer J. rejected the contention that the defendant and purchaser shared a “common design” and refused to equate knowledge of the infringement with a common design. The interests of the purchaser and defendant were very different. The fact that both were involved in some way in the infringement of a patent did not suggest “concerted action to a common end”: after all, the defendant’s end was to make money from the sale, rather than to infringe the claimant’s intellectual property rights. Similarly, in *CBS v Amstrad* the House of Lords insisted that there was no “common design” between the manufacturer and an infringing purchaser.

Importantly, however, the boundaries of “common design” liability seem to have expanded since *The Koursk*. In *Unilever Plc v Gillette (UK) Ltd.*, Mustill L.J. held that “common design” or “concerted action” can rest upon a tacit agreement,<sup>76</sup> and in *Fish & Fish Ltd. v Sea Shepherd UK* there are suggestions that “sufficient knowledge that tortious acts were contemplated” might be enough to infer a common design.<sup>77</sup> Lord Neuberger signaled a move away from the *dicta* of Peter Gibson L.J. in *Sabaf SpA v MFI Furniture Centres Ltd.* Peter Gibson L.J. had said that the defendant needed to have “made the infringing act his own”<sup>78</sup> in order to be liable as a joint tortfeasor, but, as Lord Neuberger pointed out, “this formulation is ultimately circular and risks being interpreted as putting a potentially dangerous gloss on the need for a common design”.<sup>79</sup> By removing that dangerous gloss, it is surely easier to establish liability under a “common design”. And since acts of assistance suffice for accessory liability where they are of more than minimal importance,<sup>80</sup> it would appear that it is now somewhat easier to establish liability as an accessory at common law than had been previously thought.<sup>81</sup>

In any event, in the sphere of copyright, the courts frequently come to the same conclusion in respect of both authorisation and joint tortfeasance. Thus in *20C Fox v Newzbin* Kitchin J. said, in answering the question of whether the defendant was jointly liable with its users, “I consider that all of the facts and matters to which I have referred in

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<sup>75</sup> *Kalman v PCL Packaging (UK) Ltd.* [1982] F.S.R. 406.

<sup>76</sup> [1989] R.P.C. 583 at 594.

<sup>77</sup> [2015] UKSC 10 at [67] (Lord Neuberger). See too Lord Toulson at [27]. Compare Lord Sumption at [41].

<sup>78</sup> [2002] EWCA Civ 976; [2003] R.P.C. 264 at [59].

<sup>79</sup> [2015] UKSC 10 at [59].

<sup>80</sup> [2015] UKSC 10 at [82] (Lord Kerr).

<sup>81</sup> See G. McMeel, “Joint and Accessory Liability for Wrongs in Private Law” [2016] L.M.C.L.Q. 29; P. Davies “Accessory Liability in Tort” [2016] L.Q.R. 16.

considering the issue of authorisation are highly relevant”.<sup>82</sup> In such cases, the effect of including in the claim both authorisation (under the statute) and joint tortfeasance (at common law) is simply to increase the cost and complexity of the litigation.

There are cases in which the claimant has succeeded in an allegation of joint tortfeasance, but not in an allegation of authorisation.<sup>83</sup> More important for our purposes is the question whether a claimant can succeed in a claim for authorisation and not one for joint tortfeasance. Generally speaking, if the defendant has authorised the infringing act, then he or she is almost certain to be a joint tortfeasor. The main situation in which authorisation may make a difference is where the restricted act has not yet been committed. As the law presently stands, the doctrine of joint tortfeasance requires the commission of a tortious act.<sup>84</sup> Whether the same is true of authorisation we shall discuss below.

### **X Questions about authorisation**

Although authorisation has been part of copyright law for over a century, there remain a surprising number of open questions about this form of liability.

As with other doctrines of accessory liability, authorisation has a conduct element and a mental element. These elements are rarely separately analysed in the case law, however. Moreover, there are uncertainties with respect to both elements.

So far as the conduct element is concerned, it is clear that the authorisation must be of a restricted act, i.e. an act which would be an infringement of copyright. But it is unclear whether authorisation is complete as soon as there is authorisation or whether the restricted act must itself have been committed. In other words, does this form of liability extend to inchoate acts of infringement? This is a difficult issue. In the criminal context, a defendant could not be convicted at common law for assisting or encouraging a crime which was never committed. Statute has since intervened to enable a defendant to be convicted even where the principal crime has not occurred.<sup>85</sup> It is unclear whether section 16(2) of the 1988 Act and its predecessors have had a similar effect.

In what may have been the first case on authorisation under the 1911 Act, *Fenning Film Service Ltd. v Wolverhampton, Walsall and District Cinemas Ltd.*,<sup>86</sup> it was held that liability for authorisation did extend to inchoate acts of infringement. The plaintiff owned the copyright in a film. The defendant hired the film from the plaintiff for exhibition for three days each at two specific cinemas. In addition to exhibiting the film at those cinemas, the defendant exhibited it at two other cinemas and advertised the exhibition of the film at a fifth cinema. Horridge J. held that, by advertising the exhibition of the film, the defendant had authorised the performance even though it had not taken place. Nevertheless, in a

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<sup>82</sup> [2010] EWHC 608 (Ch) at [111].

<sup>83</sup> E.g. *Twentieth Century Fox v Sky* [2015] EWHC 1082 (Ch).

<sup>84</sup> See Davies, *Accessory Liability* (2015), at 183.

<sup>85</sup> Serious Crime Act 2007, Pt 2.

<sup>86</sup> [1914] 3 K.B. 1171.

number of subsequent cases, there were dicta and decisions that authorisation required the commission of the act authorised.<sup>87</sup> Yet in *MCA Records Inc v Charly Records Ltd.* Rimer J. reached a similar conclusion to Horridge J. and held that the “tort of authorisation created by s.16(2) of the 1988 Act is a quite separate tort. It is complete when the authorisation is effected; it is not a tort which is only completed once an infringing act is carried out in pursuance of the authorisation”.<sup>88</sup> Given that the judge did not refer to the contrary authorities, it would appear that they were not cited and the decision might be considered to be somewhat less persuasive as a result.

It is nevertheless suggested that Rimer J. was correct, at least as far as injunctive relief is at issue.<sup>89</sup> Admittedly, the view that a defendant might be liable for authorisation where no primary infringement has occurred has been criticised since, if the tort is completed once authorisation occurs, then it would be irrelevant that the defendant later cancels the authorisation prior to the “actual” infringement.<sup>90</sup> This would be a serious concern if the claimant was seeking damages from the defendant. But such a defendant is unlikely to be liable for damages suffered by the claimant or profits made through the purported authorisation because no loss or gain will have been caused by any primary infringement which does not occur. If the remedy sought is an injunction, however, then it is unnecessary to wait for the primary infringement to occur before granting equitable relief, and it would seem sensible to conclude that authorisation is complete such that specific relief can be granted at the moment of authorisation. At the very least, the general position that a *quia timet* injunction can be granted before the commission of a wrong where there is a sufficient threat that it will be committed<sup>91</sup> could provide grounds for relief.<sup>92</sup> However, this should not undermine the general principle that a claimant should

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<sup>87</sup> *Performing Right Society Ltd. v Mitchell and Booker (Palais de Danse) Ltd.* [1924] 1 K.B. 762 at 773; *Moorhouse v University of New South Wales* [1975] R.P.C. 454 at 467; *A & M Records Inc v Audio Magnetics Ltd.* [1979] F.S.R. 1 at 9-10; *RCA Corp v John Fairfax & Sons Ltd.* [1982] R.P.C. 91 at 97; *Copyright Agency Ltd. v Haines* [1982] F.S.R. 331 at 341 (affd on other grounds (1982) 64 F.L.R. 184); *WEA International Inc v Hanimex Corp Ltd.* [1987] FCA 379, (1986-8) 10 I.P.R. 349 at 363-364. In both *RCA v Fairfax* and *WEA v Hanimex* the courts gave two grounds for their decisions: first, that there was no evidence that a restricted act had been committed; second, that in any event the defendant had not authorised a restricted act.

<sup>88</sup> [2000] E.M.L.R. 743 at 807.

<sup>89</sup> See M. Vitoria et al (ed) *Laddie, Prescott & Vitoria, The Modern Law of Copyright and Designs* 4th edn (London: LexisNexis, 2011) at [19.6]-[19.8]; *Roadshow v iiNet* [2012] HCA 16 at [42] (although cf. at [8]).

<sup>90</sup> *Performing Right Society Ltd. v Mitchell and Booker (Palais de Danse) Ltd.* [1924] 1 K.B. 762 at 773; N. Caddick, G. Davies and G. Harbottle (eds), *Copinger and Skone James on Copyright* 17th edn (London: Sweet & Maxwell, 2016) at [7-258]. In *Century Communications Ltd. v Mayfair Entertainment UK Ltd.* [1993] E.M.L.R. 335 the copyright owner was found to have licensed the defendant to make forward bookings authorising a film to be shown, and the termination of the licence did not affect authorisations given up to the date of termination even though the screenings were later.

<sup>91</sup> See *Merck Sharp Dohme Corp v Teva Pharma BV* [2013] EWHC 1958 (Pat); [2014] F.S.R. 13 at [39]-[59]. If there is a threat at the time proceedings are commenced, but the defendant subsequently removes the threat (e.g. by giving an undertaking), the real issue between the parties may be as to costs.

<sup>92</sup> As was held by McLelland J. in *Copyright Agency Ltd. v Haines* [1982] F.S.R. 331 at 341-342 and approved by Gummow J. in *WEA International Inc v Hanimex Corp Ltd.* (1986-88) 10 I.P.R. 349 at 363-364.

be able to identify a primary wrong to which accessory liability can attach. In some situations, the court may be prepared to forego proof of specific infringement where such primary wrongs are overwhelmingly likely to have occurred.<sup>93</sup> This pragmatic approach might be thought to be generous to claimants, but to reflect the reality of many cases.

What is the territorial ambit of authorisation? It was held by the Court of Appeal in *ABKCO Music & Records Inc v Music Collection International Ltd.*<sup>94</sup> that authorisation under section 16(2) of the 1988 Act extended to an authorisation given outside the UK to do a restricted act in the UK. Although this decision has been criticised on the ground that it applies UK law to international suppliers of goods and services, it is consistent with the law with respect to joint tortfeasance.<sup>95</sup> It is also consistent with the law in related fields: for example, it would appear that a person may be liable for groundless threats of patent or trade proceedings in the UK even if the threats were communicated outside the UK.<sup>96</sup>

Can authorisation occur through omission? In the present state of the law, it seems fairly clear that authorisation cannot occur purely through inactivity.<sup>97</sup> But a failure to act can, taken together with other factors, constitute evidence from which authorisation will be inferred. Moreover it can be seen from the case law reviewed above that the courts have frequently upheld claims of authorisation based on a mixture of commission and omission, particularly where the authoriser has made available some device which makes infringing use by third parties (more or less) inevitable and has failed to take reasonable steps to prevent infringement.

Can one be liable for authorising an authoriser? This question was raised in *Universal v Sharman*, but the court did not find it necessary to address it.<sup>98</sup> In *Cooper v Universal Music Australia Pty Ltd.*, Branson J. doubted whether such liability could arise,<sup>99</sup> although Kenny J. was prepared to impose liability upon a defendant who procured another's authorisation.<sup>100</sup> There is rightly a concern that "an accessory to an accessory" is too remote from the primary infringement, and that if such a person were liable that would

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<sup>93</sup> See e.g. *Twentieth Century Fox v Newzbin* [2010] EWHC 608 (Ch) at [97].

<sup>94</sup> [1995] R.P.C. 657.

<sup>95</sup> See cases such as *Morten-Norwich Products Inc v Intercen Ltd.* [1978] R.P.C. 501, *Unilever Plc v Gillette (UK) Ltd.* [1989] R.P.C. 583, *Football Dataco Ltd. v Sportradar GmbH* [2010] EWHC 2911 (Ch); [2011] F.S.R. 10 (overruled in part [2011] EWCA Civ 330; [2014] 1 W.L.R. 3044, but not on this point), *Football Dataco Ltd. v Sportradar GmbH (No 2)* [2013] EWCA Civ 27; [2013] F.S.R. 30.

<sup>96</sup> See *Best Buy Co Inc v Worldwide Sales Corp Espana SL* [2011] EWCA Civ 618; [2011] F.S.R. 30.

<sup>97</sup> This appears to be the position concerning accessory liability in equity: *Fitzalan-Howard v Hibbert* [2009] EWHC 2855 (QB); [2010] P.N.L.R. 11 at [47]–[48].

<sup>98</sup> [2005] FCA 1242; (2005) 65 I.P.R. 289 at [364].

<sup>99</sup> [2006] FCAFC 187; (2006) 156 F.C.R. 380 at [12].

<sup>100</sup> [2006] FCAFC 187 at [163].

extend the boundaries of liability too far.<sup>101</sup> But too rigid an approach may lead to unsatisfactory results. Suppose, for example, that A purports to grant B a licence with the power to sub-licence, and B purports to sub-licence C to commit a restricted act, and that none of A, B or C has the consent of the copyright owner. In those circumstances, both A and B should be liable for authorising. It may be significant that A clearly envisages and contributes to the ultimate primary infringement at the time of A's authorisation.<sup>102</sup>

Turning to the mental element, there is surprisingly little explicit analysis of this in the case law. It seems plain, however, that there must be a mental element: authorisation could hardly be a doctrine of strict liability.<sup>103</sup> Broadly speaking, there would appear to be two main possibilities as to the required mental state. The first is knowledge and the second is intention. Courts do frequently take into account the perceived intention of the alleged authoriser. However, it seems tolerably clear that the defendant does not need to intend that the primary infringement should occur. It follows from this that there is no need for a "common design" for liability on the basis of authorisation to arise.<sup>104</sup> Thus the test must be one of knowledge, but knowledge of what? The alleged authoriser does not need to know that the act authorised will amount to an infringement of copyright.<sup>105</sup> Rather, it appears that the authoriser must have (sufficient) knowledge of the relevant circumstances and of the acts committed (or to be committed) by the primary infringer.<sup>106</sup> For example, in the peer-to-peer file sharing cases the courts have treated the defendants' knowledge of the widespread use of their websites to exchange copyright-protected content as highly material.<sup>107</sup>

What defences are there to claims of authorisation? It does not appear that there are any defences specific to authorisation as a form of accessory liability. As with joint tortfeasance, a defendant accused of authorisation can generally rely upon any defence which would be available to the principal infringer, such as the consent of the copyright owner, or any relevant exception. As with joint tortfeasance, there has been little

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<sup>101</sup> Indeed, this is possibly one reason why there was no liability in *Credit Lyonnais v ECGD* [2000] 1 A.C. 486.

<sup>102</sup> Cf. *Roadshow v iiNet* [2012] HCA 16 at [127] (Gummow and Hayne JJ.).

<sup>103</sup> It is suggested that Wilcox J.'s statement in *Universal Music Australia Pty Ltd. v Sharman License Holdings Ltd.* [2005] FCA 1242; (2005) 65 I.P.R. 289 at [370] that "there may be authorisation without knowledge" does not represent English law.

<sup>104</sup> In *CBS v Amstrad* [1988] A.C. 1013 at 1058, Lord Templeman went too far when suggesting that inducement required an "unlawful common design", and this should not be required of authorisation either: cf *Coventry v Lawrence (No 2)* [2014] UKSC 46 at [64] (Lord Carnwath).

<sup>105</sup> *Performing Right Society Ltd. v Bray Urban District Council* [1930] A.C. 377 at 390.

<sup>106</sup> *Unilever Plc v Gillette (UK) Ltd.* [1989] R.P.C. 583 at 594.

<sup>107</sup> See e.g. *Twentieth Century Fox v Newzbin* [2010] EWHC 608 (Ch) at [101].

development of the potential defence of justification, with the relevant facts tending to be taken into account in deciding whether there has been authorisation in the first place.<sup>108</sup>

Those accused of authorisation frequently rely upon disclaimers, warning notices, contractual terms prohibiting users from infringing and the like. In *CBS v Amstrad*, Lord Templeman placed some importance on the disclaimer in Amstrad's advertisement even though he regarded the advertisement as "cynical".<sup>109</sup> It is suggested that disclaimers need to be both genuine and effective in order to permit a defendant to escape liability for authorising copyright infringement.<sup>110</sup> Indeed, in *Newzbin* the warnings given to users not to engage in unlawful activities was dismissed as "entirely cosmetic and is neither intended to be nor is in fact acted upon by editors".<sup>111</sup> Courts are, rightly, generally unimpressed by superficial disclaimers if the reality belies them, as it often does.

What are the remedies for authorisation? This is tied in with the first question discussed above. In principle, the copyright owner can claim the same remedies against a person who is liable for authorisation as against a principal infringer: an injunction, delivery up and damages or an account of profits. But a claim for damages caused by the wrong or for an account of profits gained from the wrong will be subject to questions of causation and remoteness. If the authorisation is of an inchoate act of infringement, then there is unlikely to be a substantial claim for damages or profits. It is important to appreciate that the liability of the authoriser does not simply replicate the liability of the primary infringer: an injunction may be granted against the authoriser even if specific relief would not be available against the primary infringer, for example.

When does the limitation period begin to run: from the moment of authorisation or from the commission of the infringing act? Again, this is tied in with the first question discussed above. If it is correct that the tort is complete when the authorisation is effected, then the limitation period will start then. This is precisely what Rimer J. held in *MCA v Charly*. This means that the limitation period is different from that applicable to joint torfeasance.

## **XI Conclusion**

To return to the questions posed at the outset of this article, it seems clear that there is no reason of principle why the doctrine of authorisation forms part of UK copyright law, but not other UK intellectual property laws. On the contrary, as the Australian statutes demonstrate, it would be perfectly possible to include authorisation in all fields of intellectual property law. As to what difference it makes, the answer appears to be: not

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<sup>108</sup> By contrast, justification is much better established in US law as a defence to contributory infringement of copyright: see Davies, *Accessory Liability* (2015), at 241-245.

<sup>109</sup> The then-Chairman of Amstrad subsequently revealed that he had intended the disclaimer to give consumers the idea of using the machine to copy commercial recordings: A. Sugar, *What You See Is What You Get: My Autobiography* (London: Macmillan, 2010) at 230.

<sup>110</sup> On the facts of *CBS v Amstrad*, the result may well have been the same even if there had not been any disclaimer since the machines were capable of substantial non-infringing use.

<sup>111</sup> *Twentieth Century Fox v Newzbin* [2010] EWHC 608 (Ch) at [42], [101].

much. While authorisation has acquired a life of its own in terms of the case law, the practical effect of the availability of authorisation in copyright, but not in other fields of intellectual property law, is limited, because in other fields the space is largely filled by the doctrine of joint tortfeasance. The key potential difference is with respect to inchoate infringing acts, since at present the doctrine of joint tortfeasance does not apply to these.

There is clear scope for rationalisation and simplification of accessory liability in intellectual property law. We would suggest that a uniform doctrine should apply to all areas of UK intellectual property law.<sup>112</sup> The only justification for having different rules of accessory liability for different IP rights would be if this was militated by differences in the rules for principal liability. While it is true to say that the rules for principal liability do vary from right to right in a manner than reflects the different natures of the various rights, we would argue that there is nothing in these differences which warrants the application of different principles of accessory liability. Any differences that exist might be best accommodated by developing the defence of justification to accessory liability, since it may be easier to justify participating in the infringement of some rights than others.<sup>113</sup> In any event, there is nothing to indicate that the rules for “primary” liability in copyright leave a gap which requires a more extensive doctrine of accessory liability than the corresponding rules in designs, trade marks and patents.<sup>114</sup>

As to the nature of the uniform doctrine of accessory liability which should be applied to intellectual property law, we would suggest that there are two main options. The first would be to follow the Australian example, and extend authorisation to all statutory intellectual property rights. The second would be to remove authorisation as a statutory basis of liability from copyright law, so as to leave the common law of joint tortfeasance as the only basis for accessory liability with respect to all IP rights. The second course would have two significant advantages: first, of unifying the principles of accessory liability applicable to statutory and non-statutory IP rights; and secondly, of unifying the principles of accessory liability in intellectual property law with those in tort generally.

It would, of course, be a bold option to omit authorisation from the statutory scheme on the law of copyright. But we see no reason to apply different principles to intellectual property than those applied to other areas of civil law. As we have shown, the development of the law in this area has been driven largely by happenstance. It may be that parties rely upon the free-standing ground of authorisation in copyright cases because it is perceived to be easier to establish than joint tortfeasance, and that this perception is only enhanced by authorisation liability not being replicated in the legislative schemes concerning other intellectual property rights. However, it is unsatisfactory for joint tortfeasance to be circumvented in this way. The common law principles of accessory liability are sufficient in the realm of copyright, just as they are in other areas of intellectual property. Indeed,

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<sup>112</sup> Compare Vaver’s proposal for a uniform code for various other areas of intellectual property law: D. Vaver, “Reforming Intellectual Property Law: An Obvious and Not-so-obvious Agenda” [2009] I.P.Q. 143.

<sup>113</sup> As with the exception for staple commercial products in section 60(3) of the Patents Act 1977: see Davies, *Accessory Liability* (2015), at 226-250.

<sup>114</sup> On the contrary, the scope of many restricted acts, such as “communication to the public”, is very broad: see e.g. Case C-466/12 *Svensson v Retriever Sverige AB* [EU:C:2014:76], [2014] Bus. L.R. 259.

authorisation was a recognised concept in the common law prior to 1911, and there is no reason why this cannot be addressed in the context of joint tortfeasance. Abandoning authorisation as a statutory basis of liability would simplify the law, thereby reducing the costs and complexity of litigation.

Even if authorisation were to be removed from the copyright statute, that does not mean that the questions surrounding authorisation would disappear. By authorising a primary wrong, a defendant participates in the infringement of a claimant's right, so authorisation would remain a conduct element of accessory liability. As a result, tricky questions such as what the mental element of accessory liability should be would still need to be answered, and cases decided under the statutory scheme would still be relevant. The most significant perceived area of difference between the statutory scheme and the common law concerns liability for authorising infringing acts which have not yet occurred. It appears easier to establish such liability by relying upon the statute than the common law. However, the significance of this point essentially concerns injunctive relief, and it is suggested that the common law could develop in order to reach similar results. *Quia timet* injunctions can be awarded against a primary wrongdoer for an infringement that is about to occur, and there is no reason why they should not similarly be available against an accessory. Although it is generally said that there must be an "imminent danger of substantial damage",<sup>115</sup> there are good reasons to believe that the requirement of "imminence" should be interpreted broadly such that where there is a substantial and unjustifiable risk that the defendant's authorisation will lead to the infringement of the claimant's right then an injunction might be granted.<sup>116</sup> The other major impact of recognising inchoate liability under the statute concerns the date from which time begins to run for the purposes of a limitation period. Under the statutory scheme, it seems that limitation begins to run from the moment of authorisation,<sup>117</sup> whereas at common law the better view is that time only begins to run from the moment the claimant's rights are infringed. It is suggested that the approach of the common law is perhaps preferable here, such that the law would be improved if authorisation were removed from the copyright statutes. Otherwise, a claimant could perhaps be barred from bringing a claim against the accessory by lapse of time despite acting with reasonable speed. Of course, the longer the gap in time between the act of authorisation and the primary infringement, the more difficult it may be to establish a sufficiently important participatory link for accessory liability in the first place, but if this can be established then it does not seem unreasonable for time to begin to run against the claimant from the moment of infringement. On this basis, there seems to be little advantage in maintaining a distinct basis of authorisation liability in copyright alone.

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<sup>115</sup> *Fletcher v Bealey* (1885) 28 Ch.D. 688.

<sup>116</sup> J. Murphy, "Rethinking Injunctions in Tort Law" (2007) 27 O.J.L.S. 509 at 530-534.

<sup>117</sup> *MCA Records Inc v Charly Records Ltd.* [2000] E.M.L.R. 743.