

Call for evidence: Review of the UK Intellectual Property Enforcement Framework

Submitted to IPO 9 November 2020.

Responses to questions set out below. Only those questions directly relevant were replied to. [Note: the sections from number 2 onwards have been renumbered +1 due to a formatting error on the original question template document].

1. The cost of legal challenges

1.1 Costs of taking action

1. What costs have you or your business incurred when protecting your IP right(s) from infringement? When you respond, please include the type of IP right(s) you were protecting. What was the outcome of the case?

AOP: The Association of Photographers ('AOP') is a trade association for professional photographers. As such, part of our work is to support our members in any business activity they may need us to. Part of that activity is helping them enforce their rights when their IP rights, specifically copyright, have been infringed.

We welcomed the establishment of the Intellectual Property Enterprise Court ('IPEC') when it was created but are very concerned its effectiveness is compromised.

We have assisted many of our members with filing claims through the Intellectual Property Enterprise Court and many of them have raised concerns that the costs of pursuing action are disproportionate the level of damages awarded. The vast majority of our members who take legal action do so through the Small Claims Track ('SCT') of the IPEC and the issuance of a claim will involve fees of several hundred pounds with the level of damages being awarded in successful cases being frequently much lower than those costs, despite those claimants substantiating their claims with the necessary evidence.

The majority of our members are successful in the outcomes of the cases, but feel the victories are hollow due to the low level of quantum awarded.

2. Have you avoided making a claim or pursuing a case when protecting your or your business' IP? If so, please explain your reasons. For example, was it because of the costs involved?

AOP: Yes, many of our members have stated that they will not pursue a claim because of the initial costs involved.

3. Which costs did you consider when deciding what action to take to protect your IP? For example, the cost of the time spent dealing with the infringement or the possibility of paying an expert?

AOP: Our members confirm that they include the cost of their time as well as the court fees in dealing with infringements as they operate businesses and time spent on preparing a claim is time spent not attempting to generate income from client commissions. As a trade association, we support and guide members through the process and that is a member benefit to them, but for those claimants unsupported in this way, paying an expert may well be the only route open to them. This can be hugely dissuasive given the experience of those that have used the IPEC in terms of the level of damages received.

4. Were you aware of or did you consider the use of protective measures such as IP insurance? For example, BTE (before the event), ATE (after the event), legal expenses insurance, or free legal advice through services like the Citizens Advice Bureau or IP pro bono?

AOP: Our experience is that Citizens Advice Bureau are not equipped to deal with this type of claim, simply referring members to other legal representation. Our experience is that IP pro bono, whilst an excellent service, has an inordinately long delay between an expression of interest in representation and any outcome. Often our members will simply not hear back after their initial contact with the service.

5. Is there a reason you did not use protective measures such as IP insurance?

AOP: In our experience, the more cost-effective IP insurance policies are generally designed to offer protection to the policy-holder for *defending* claims, not pursuing them. Naturally, our members would not be interested in this type of insurance, and the costs of policies designed to cover pursuance of claims are disproportionately high.

There is also a connected issue with the valuation of unregistered IP rights, in this instance copyright, within the assets of the business-owner.

1.2 Pro bono publico

1. Have you considered or used IP pro bono or similar services to help with the costs of seeking legal advice? If so, please provide details of your case (this can be anonymised) and your overall experience.

AOP: The experience of those of our members that have attempted to use this as a route is that the length of time taken to establish contact and initiate support has been prohibitive.

2. Accessibility and effectiveness of judicial processes

2.1 Experience of the judicial system

1. Do you have experience of the judicial process? If you do, please provide details of your specific IP case. Please include whether you found the system easy to understand and use.

AOP: We provide support to our members to the extent that we will if required attend court with them in the role of lay representative or litigant's friend. The system is reasonably complex and at times the information provided can be conflicting

2. Were you aware of the different routes available to take to pursue the alleged infringement?

AOP: Yes, although our members individually are sometimes not aware of the other routes. That said, most of the activity we have experience with is through the SCT.

3. When your product or creation was being infringed, did you feel there was easy access to the court system? Was there easy access to information on which route would be the most suitable? Please explain what happened in your case.

AOP: The access to the court system itself is relatively straightforward. There is confusion about whether online filing in the SCT is allowed in relation to claims for IP rights infringement.

2.2 Preliminary and out of court solutions available

1. Have you stopped infringement of your rights without taking the infringer to court?
About half of the infringements we have experience of are settled before a claim has been issued.

AOP: Of those of our members who *do* issue, about 50% of them report that a settlement is reached just after the issuance of court papers and before the date of a hearing, leaving a final 50% of them (25% of the overall group) to pursue the matter further.

2. Did you use an alternative dispute resolution (such as mediation or arbitration)? If so, please provide details of which service you used, your experience and the outcome.

We are aware that some of our members have, but have no experience in this ourselves.

3. How did you find out what route to take to enforcement?

No comment here.

4. What was your experience of using the chosen method?

As a litigant's friend/lay representative, navigating the Civil Procedure Rules can be difficult and time-consuming. A level of drive and determination is required to continue to pursue a claim from start to finish.

3. Suggested remedies

3.1 Improvements to processes at Small Claims Track (SCT) at the Intellectual Property Enterprise Court (IPEC)

1. Have you used the small claims track? If you have, please describe what happened in your case? Did you find the available guidance easy to understand without the need to seek legal advice?

AOP: Yes - we have used it in the capacity of a litigant's friend/lay representative in supporting our members. There is a decent amount of guidance available, but we are concerned that some of it is conflicting (guides on the IPEC generally and the SCT specifically do not match up entirely) and there is confusion over whether e-filing is allowed for such claims in the SCT. The Civil Procedure Rules are at times impenetrable. Regular use makes the process easier, as with anything, but for first-time litigants-in-person, this is still a daunting prospect.

There is a significant time delay between initiating a claim and getting a judgment. This delay is commensurately worse in the current global pandemic and many of our members report an increase in infringements as infringers are aware that access to justice has been compromised and are taking full advantage. The IPEC needs to be able to deal with claims efficiently and swiftly.

2. Have you looked into using the small claims track and decided not to use it? If so please provide details of what happened and your reason for not using the service.

AOP: Some of our members have looked at the process and routes available and decided not to pursue because of cost and complexity.

3. Would providing examples of cases have helped when considering whether to use the small claims track and your understanding of the process?

AOP: Yes.

4. If you have used the small claims track would you use it again for a future infringement case? Please explain your reasons for your decision not/to use the small claims track again?

AOP: Yes, we would recommend our members use it again and would support them to do so insofar as it is the only option available to photographers seeking to enforce their rights.

5. Have you had experience of using the CE file application service to submit an IP claim? If so, please provide details of your experience, including whether it was submitted to one of the regional courts hearing SCT cases.

AOP: No comment here.

3.2 Introduction of a statutory damages regime

1. Have you had a case that resulted in damages being awarded? If You have, please explain on what basis the damages were awarded?

AOP: Yes, we have supported our members in cases where damages were awarded. Unfortunately, the damages were not awarded on the basis of what the claimants would have licensed the work for themselves (which has always been substantiated through previous invoicing and paperwork) but on what a similar kinds of photographs, in the view of the judges, could be licensed for elsewhere. These outcomes have heavily undermined the value of the claimants' IP and resulted in costs incurred far outweighing the level of damages received.

2. Do you think the introduction of a system such as statutory damages would help reduce barriers (if you believe there are any) for pursuing or defending legal action?

AOP: Yes. the option of statutory damages set at an appropriate level would ensure that claimants, particularly our members claiming through the SCT, would feel able to access justice without being financially penalised for doing so.

We strongly believe that infringers would see the implementation of statutory damages as a deterrence to infringement.

Smaller claimants would feel empowered to be able to use the system without risking financial loss.

Currently, the law provides for a claimant to choose between an accounting of profits or an award of damages. Electing for an accounting of profits precludes any additional damages and claimants will need specialist (paid-for) advice if pursuing this route, which may well be prohibitive. As mentioned previously, our members and our experience show that the assessment of the level of quantum is often not at the level that the claimant seeks (despite having substantiated it)

3. Do you consider that this could have a negative impact on the system? For example, an increase in false claims?

AOP: It is of course of paramount importance that the implementation of the option for statutory damages is not seen as a 'catch all' or a crude weapon for claimants. This can easily be addressed through greater transparency in the process.

The provisions in law (§ 97(1) CDPA 1988) already protect innocent infringers and additionally a tiered system that allows for adjustments between commercial and non-commercial infringement should be considered and would help the cause of greater transparency and clarity.

The Association of Photographers, 9 November 2020.