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Copyright in photographs – acquisition, infringement and damages

BRIEFING

Cameras on our mobile phones have made amateur photographers of many of us. Apps and social media platforms have made the sharing of photographs an easy and common pastime. However, the increasing use of these technologies has not been mirrored by familiarity with the intellectual property law surrounding the use of images. For those for whom photographs are crucial to their business this is a cause for concern.

Copyright – acquisition of rights and rights identified

Copyright, as defined by the Copyright, Design and Patents Act 1988 (the “**1998 Act**”), is a property right which subsists in original artistic works. An artistic work is “original”, if it originates from its “author”, i.e. the person who creates it. The expression “artistic work” includes a photograph, which is itself defined as “*a recording of light or other radiation on any medium on which an image is produced or from which an image may by any means be produced, and which is not part of a film*”. A ‘copyright work’ is any such work in which copyright subsists.

Copyright in a photograph exists from the moment of its creation. No registration or

marking of the work is required to acquire copyright protection.

The 1998 Act identifies acts which the copyright owner has the exclusive right to do, or authorise others to do. In relation to photographs, these include the right to copy the work, issue copies of the work to the public, or rent or lend the work to the public. It follows that copyright is infringed by anyone who does or authorises another to do any of these acts without the licence of the copyright owner. Any person who possesses, sells, exhibits or distributes in the course of business a copy of a copyright work without the licence of the copyright owner, knowing or having reason to believe it to be an infringing copy is also infringing copyright.

Copyright – permitted acts of infringement

It is worth mentioning that there are a number of acts which can be done in relation to copyright works notwithstanding the existence of copyright. This includes use for research for a non-commercial purpose; for the purpose of private study; or for the purpose of criticism or review as long as sufficient acknowledgement is given and

the work has been made available to the public. These are often described as 'fair dealing' defences.

Copyright – moral rights

The 1988 Act confers on the author of the copyright work a number of rights described as "moral rights". This includes the right to be identified as the author of the copyright work (the "**paternity right**"); and the right not to have it subjected to derogatory treatment (the "**integrity right**").

Two further rights, commonly described as "author's rights", but in fact capable of being enjoyed by anyone, are the right not to have a work falsely attributed to him as author; and the right of any person to privacy in respect of photographs which he commissioned for private and domestic purposes (the "**privacy right**").

The 'privacy right' was introduced into the 1988 Act, in response to changes in the law which meant that a commissioner of a photograph was no longer automatically entitled to the copyright. The 1998 Act provides that a person who for private or domestic purposes commissions the taking of a photograph has, where copyright subsists in the resulting work, the right not to have copies of the work issued to the public, the work exhibited or shown in public, or the work communicated to the public. Subject to some limited exceptions, and in the absence of waiver or consent, any person who does or authorises the doing of these acts infringes that privacy right.

Remedies for infringement of copyright – damages

An infringement of a moral right, including the privacy right, is actionable as a breach of statutory duty. The person whose moral right is infringed will be entitled to general and special damages and an injunction to restrain future

breaches of duty, without proof of damage.

Under the 1988 Act a copyright owner is entitled to relief by way of damages, injunctions, and accounts. Damages will not be recoverable from a defendant who at the time of the infringement did not know, and had no reason to believe, that copyright subsisted in the work to which the action relates. However, where the infringement is flagrant, under section 97(2) of the 1988 Act the court may take that fact into account, as well as any benefit accruing to the defendant by reason of the infringement, and award "*such additional damages as the justice of the case may require*".

Determination and assessment of damages – a case study

In the case of *Absolute Lofts South West London Limited v Artisan Home Improvements Limited and another* [2015] EWHC 2608 (IPEC), the Intellectual Property Enterprise Court ruled on the quantum of damages to be paid by the Defendants to the Claimant for their infringement of copyright in and use on their website of 21 photographs without the consent of the Claimant, who was the copyright owner.

The Claimant, Absolute Lofts South West London Limited ("**Absolute Lofts**"), is in the business of loft conversions. With its customers' consent, Absolute Lofts' owner, Mr Colton, takes photographs of the work to put on Absolute Lofts' website. Copyright subsists in those photographs, and Mr Colton assigned such copyright to Absolute Lofts. The Defendants, Artisan Home Improvements Limited ("**Artisan**") and its owner, Mr Ludbrook, were also in the loft conversion business. Artisan established a website in September 2010, and, infringing Absolute Lofts' copyright in its photographs, displayed 21 such photographs on the Artisan website. The Judge concluded that Mr Ludbrook had either obtained the photographs from Absolute Lofts' website

or that he was aware of their source and indifferent about it.

By the time of Absolute Lofts' letter before claim to Artisan in May 2014, Artisan's business had expanded. Following receipt of the letter, Artisan replaced the photographs on its website with 21 licensed images acquired from a stock photograph library. There was no dispute that copyright in the photographs had been infringed. The issue for the Court to determine was the basis or bases on which damages were to be paid and the quantum of those damages.

The 'User Principle'

Article 8 of the Directive 2001/29/EC (the "**Information Society Directive**") on the harmonisation of certain aspects of copyright and related rights in the information society provides:

1. *Member States shall provide appropriate sanctions and remedies in respect of the infringement of the rights and obligations set out in this Directive and shall take all the measures necessary to ensure that those sanctions and remedies are applied. The sanctions this provided for shall be effective, proportionate and dissuasive.*
2. *Each Member State shall take the measures necessary to ensure that rightholders whose interests are affected by an infringing activity carried out on its territory can bring an action for damages and/or apply for an injunction...*

In assessing damages under the 'user principle' the Court assessed what the parties would have agreed, as willing licensor and willing licensee, had they entered negotiations for the use by Artisan of the photographic images of

Absolute Lofts, immediately prior to Artisan's use of them. It was accepted that Artisan's use of Absolute Loft's photographs had caused it no damage, since the businesses were not located in the same area and there was no overlap in custom or potential custom. The Court considered that in the absence of agreement, Artisan would have either hired a photographer to take photos or acquired them from a photographic library. Having heard evidence that following receipt of Absolute Loft's letter before claim, Mr Ludbrook of Artisan replaced Absolute Loft's photographs with photographs from a photographic library at a cost of £300, the Court considered that "*as good as a guide as any to what would hypothetically have been agreed between the parties*" and awarded Absolute Lofts £300.

Additional damages and the Enforcement Directive

As explained above, section 97(2) of the 1998 Act provides that where the copyright infringement is flagrant, the court may take that fact into account, as well as any benefit accruing to the defendant by reason of the infringement, and award "*such additional damages as the justice of the case may require*". The Court concluded that Mr Ludbrook of Artisan knew that the copies of Absolute Lofts' photographs on Artisan's website were infringing copies or that he had reasonable grounds to know that they were, and so the provisions of the 1998 Act relating to 'additional damages' were engaged.

However, the Court also determined that the provisions of Directive 2004/48/EC on the enforcement of intellectual property rights (the "**Enforcement Directive**") were also engaged.

Article 3 of the Enforcement Directive obliges Member States to provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights. These should be fair and equitable, should not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays. These should also be effective, proportionate and dissuasive and applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide safeguards against their abuse.

Article 13 of the Enforcement Directive provides:

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

When the judicial authorities set the damages:

- (a) *They shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement; or*
- (b) *As an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer*

had requested authorisation to use the intellectual property right in question.

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

In *Absolute Lofts*, Artisan argued that it should be required to pay damages either on the basis of a notional licence royalty or by reference to the negative economic consequences suffered by Absolute Lofts. Artisan supported its argument by reference to the provisions of the Intellectual Property (Enforcement, etc) Regulations 2006 (the “**2006 Regulations**”) which implemented the Enforcement Directive into UK law, and which also suggested an ‘either / or’ approach to the assessment of damages.

The Judge rejected this argument, pointing out that the relevant directive should take precedence over the UK implementing regulations; and, referring to Article 2(1) of the Enforcement Directive, which indicates that national legislation which is more favourable to rightholders than the remedies in the Enforcement Directive is preserved. Further, the Court decided that although art.13(1)(a) is an alternative to art.13(1)(b), it was preferable to read the two as parts of a consistent whole, and therefore, Absolute Lofts should be entitled to an award of damages taking into account unfair profits accrued to Artisan.

With article 8(1) of the Information Directive and article 3(1) of the Enforcement Directive in mind, the Judge considered that an element of

deterrence is more likely to be needed where there has been knowing infringement, as was the case in *Absolute Lofts*.

The Judge inferred that Absolute Lofts' photographs had made a contribution to Artisan's increasing profits in 2011 to 2013 and therefore profited from its acts of infringement. Although there was no corresponding loss to Absolute Lofts, the Court decided that it should be compensated for its failure to enjoy no part in the unfair profit accrued to Artisan. The Court assessed damages under art.13(1) at £6,000. The Court determined the same sum

to be payable under section 97(2) of the 1988 Act, arriving at the same figure albeit by a different route.

Conclusion

Absolute Lofts has confirmed that where national legislation contains measures, procedures and remedies that are more favourable to rightholders, they may elect whether to recover damages under the Enforcement Directive or the 1988 Act. This will be welcome news to copyright owners.

For further information or advice, please contact:



Marie-Louise King | Partner

T: 020 7593 5192

E: mlking@wslaw.co.uk