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### **Review of the Copyright Act 1994, Issues Paper**

The New Zealand Law Society welcomes the opportunity to comment on MBIE's *Issues Paper – Review of the Copyright Act 1994, November 2018* (Issues Paper). The Law Society's Intellectual Property Law Committee has considered the Issues Paper and comments are set out below on the following issues: authorisation, industrial design protection, default rules for copyright ownership, and site blocking.

#### **1. Authorisation**

##### **1.1 The Issues Paper**

1.1.1 The Issues Paper notes at [190] that infringing copyright in New Zealand requires infringing acts such as authorisation to take place in New Zealand. Accordingly, overseas hosted websites that provide active and curated links to infringing content do not infringe the copyright owner's authorisation right in New Zealand.

1.1.2 Issue 17 asks:

What are the problems (or advantages) with the way authorisation liability currently operates? What changes (if any) do you think should be considered?

##### **1.2 Submissions**

###### **The current law in New Zealand**

1.2.1 At present, section 16 of the New Zealand Copyright Act reads:

“16 Acts restricted by copyright

(1) The owner of the copyright in a work has the exclusive right to do, in accordance with sections 30 to 34, the following acts in New Zealand:

...

(i) to authorise another person to do any of the acts referred to in any of paragraphs (a) to (h).”

1.2.2 The leading New Zealand case on the restricted act of authorisation is *Inverness Medical Innovations Inc. v MDS Diagnostics Ltd*<sup>1</sup>. Here Woodhouse J stated:

*“In respect of copying, the evidence does not establish that either of the defendants, in New Zealand, copied any of the works. Nor do I consider that liability for infringement could arise by one of the defendants authorising Pharmatech, or another overseas entity, to copy the work overseas. Infringement arising by doing the restricted act of authorising the making of a copy is, having regard to the provisions of s 16(1), directed to authorising another person to make a copy in New Zealand.”*

1.2.3 Woodhouse J made it clear in the following paragraph that “a territorial restriction applies to what is authorised”.

1.2.4 As a result of this ruling, it is clear that copyright in a work is directly infringed only by a person who, without the consent of the owner, authorises another to do in New Zealand one of the acts set out in section 16(1)(a) to (h). “Authorisation” is a separate act of infringement from the act that is itself infringed. As a result of *Inverness* the act of authorising must occur in New Zealand. This is different from the position applying in the UK which was in part the model for the New Zealand provision.

#### United Kingdom

1.2.5 Authorisation is dealt with in section 16 of the UK Copyright, Designs and Patents Act 1988 CDPA, which states:

“16 The acts restricted by copyright in a work

(1) The owner of the copyright in a work has, in accordance with the following provisions in this Chapter, the exclusive right to do the following acts in the United Kingdom:

...

(2) 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.

...”

1.2.6 So, the act of “authorising” is not included as one of the acts restricted by the copyright and in respect of which the owner of the copyright has the exclusive right in the UK. Instead, the act of “authorising” is dealt with separately in section 16(2). The importance of this is that in the UK, the territorial restriction on the scope of a copyright owner’s exclusive rights does not apply to authorising. This means that in the UK the act of authorising can occur anywhere in the world, and still amount to being a statutory tort.

1.2.7 In *ABKCO Music & Records Inc. v Music Collection International Ltd*, the UK Court of Appeal rejected the argument that section 16(2) had no extra-territorial effect and that, hence, it could not apply to a licence granted outside the UK. Hoffmann LJ noted that while in principle the law of copyright is strictly territorial in its application, citing *Deff Lepp Music v Stuart-Brown*, he stated that in his view the reason why section 16(2) places no limit upon the place of authorisation is that the requirements of territoriality are satisfied by the need for the act authorised to have been done within the United Kingdom.

1.2.8 Neill LJ similarly held that section 16(2) required no territorial limitation, stating:

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<sup>1</sup> (2009) 93 IPR 14.

*“It is plain that the “doer” of a restricted act will infringe the copyright if, but only if, he does that act within the United Kingdom. The act, if committed outside the United Kingdom, would not be a restricted act. I can however see no satisfactory basis for placing a similar territorial limitation on the liability of a person who ‘authorises another to do’ a restricted act. It is to be noted that authorising another to do a restricted act is not itself a restricted act.”*

Relevance of issue of authorisation to infringing acts of communicating and copying

- 1.2.9 The scope and reach of the restricted act of ‘authorising’ and infringing act has become increasingly important in cases where there is illegal streaming or the uploading and downloading of films, broadcasts or sound recordings via the internet. In the United Kingdom operators of torrent sites have been found liable for “authorising” users’ infringing acts of copying and communication to the public located in the UK.
- 1.2.10 In New Zealand the territorial limitations on the act of authorising noted in *Inverness* lead to anomalies particularly in relation to possible action against infringing file-sharing websites and streaming sites.
- 1.2.11 Almost without exception, the operators of file-sharing and streaming websites do not host these on-servers in New Zealand. As a result, on the clear and plain meaning of section 16 at present it would not be possible to rely on authorisation on the part of the operator of an offshore website.
- 1.2.12 There are other examples which are much closer to home. On the basis of *Inverness* (and indeed exemplified by the facts of that case) a person located in Australia who authorises an infringing act in New Zealand would not be liable because the authorising takes place outside of New Zealand. Given the integration of the Australian and New Zealand economies this would seem an unnecessarily narrow approach.
- 1.2.13 The Law Society submits that the New Zealand provision needs to be changed to accord with the approach taken in section 16(2) of the UK CDPA 1988 so as to allow liability for authorisation where the authorising occurs outside the jurisdiction but the authorised act takes place in New Zealand.

1.3 Extended definition of authorising

- 1.3.1 The Australian provision containing the restricted act of ‘authorising’ contains in s101(1A) an extended definition of authorising:

“1A In determining, for the purposes of subsection (1), whether or not a person has authorised the doing in Australia of any act comprised in a copyright subsisting by virtue of this part 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 other reasonable steps to prevent or avoid the doing of the act, including whether the person complied with any relevant industry codes of practice.”

- 1.3.2 We submit that this should be considered for implementation as part of the New Zealand Act so as to provide additional certainty as to the scope of what comprises authorising.

## 2. Industrial design protection under the Copyright Act

### Relationship between Copyright and Registered Design protection: Issues 89, 90 and 91

#### 2.1 The Issues Paper

2.1.1 The Issues Paper at [522] contains a short description of industrial design protection under the Copyright Act 1994. It notes that the creation of an industrial design will usually involve the development of drawings or models. The term of protection is defined by section 75 and is 16 years from the date of first industrial application anywhere in the world (or 25 years if it is a work of artistic craftsmanship).

2.1.2 At [532] the Paper states that the Ministry has heard that providing dual protection for industrial design may be creating problems for local designers. It lists:

- The suggestion that by relying on copyright protection in New Zealand this could be making it difficult to obtain protection in other countries.
- New Zealand provides greater protection to foreign designers compared to the protection that other countries provide to New Zealand designers.
- Innovations like 3D printing make it difficult to determine whether a design has been applied industrially.

2.1.3 Issue 89 asks: Do you think that there are any problems with (or benefits from) having an overlap between copyright and industrial design protection.

2.1.4 We propose to answer only Issue 89 but also with some comments on Issue 8 as this issue does link to Issue 89.

#### 2.2 Background

2.2.1 In New Zealand it is possible to rely on both copyright protection and a registered design. The issue as to whether there should be such overlapping protection was considered in detail by the Dalglish Committee in 1959 immediately prior to the development of the then Copyright Act 1962.

2.2.2 At the urging of the Justice Department and a number of manufacturing groups which contended that the Designs Act had failed to give protection to industrial designs (as evidenced by the fact that only 200-300 designs were registered each year),<sup>2</sup> the Dalglish Report recommended that all designs which are artistic works should be protected under copyright law.<sup>3</sup>

2.2.3 The Dalglish Report noted that there was a lack of popularity of registered designs<sup>4</sup> and identified some reasons for the lack of popularity. Referring to evidence which it had received it said "... no manufacturers wants to incur the cost of registering new designs produced by his artists until he knows that they are going to be worthwhile selling patterns. This was always a matter of chance. By the time a pattern was proved to be really worthwhile it was too late to register because prior publication could be proved."<sup>5</sup>

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<sup>2</sup> Brown & Grant, *The Law of Intellectual Property in New Zealand* at 4.14.

<sup>3</sup> Dalglish Report para 310.

<sup>4</sup> Dalglish Report para 302.

<sup>5</sup> Brown & Grant, *The Law of Intellectual Property in New Zealand* at 5.4

2.2.4 Current statistics are available from IPONZ showing the position with registered designs for the calendar years 2006 – 2018. These show that 50 – 60 years later in a much more industrialised economy than in 1959 there is still a relatively low number of registered design applications and registrations:

Year	Design Applications Total Per Year	Design Registrations Total Per Year
2006	1527	1266
2007	1506	1365
2008	1334	1498
2009	1203	1083
2010	1258	945
2011	1206	990
2012	1318	1151
2013	1144	1042
2014	1280	990
2015	1322	1311
2016	1433	1190
2017	1330	1267
2018	1644	1362

2.2.5 These statistics are for all design applications and registrations including from New Zealand applicants and from all other countries including Australia.

2.2.6 The number of applications from New Zealand will be lower than the total numbers shown. For example, IPONZ has provided online statistics for the number of applications from New Zealand for the month of December 2018.<sup>6</sup> The total number of applications is 144 whereas the number of applications in New Zealand is 55, i.e. just 38% of total applications.

The relevant copyright works

2.2.7 Copyright cases involving industrially applied designs and innovations typically rely on copyright in drawings, sketches, sculptures, engravings, models and, in rarer cases, works of artistic craftsmanship.

2.2.8 The range of cases coming before the New Zealand courts where copyright has been relied on to protect industrially applied products is diverse and includes:

- Farm gates
- Kiwifruit pocket packs
- Advertising leaflet designs
- Steel filling cabinets
- Plastic tie straps
- Fashion garments

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<sup>6</sup> Statistics for other months are not presently available from IPONZ.

- Workwear garments
- Knitted jerseys
- Caravan parts
- 3D engravings of coins
- Children's shoe designs
- Industrial digger attachments
- Chainsaw parts
- Bottle designs
- Lavatory pan connectors
- Toilet seat designs

### 2.3 Response to Issue 89

2.3.1 For New Zealand businesses there are valuable benefits from the current overlap between copyright and registered designs.

#### *The position of SMEs*

2.3.2 MBIE statistics from 2017 show that 97% of all New Zealand businesses are small to medium enterprises.<sup>7</sup> They employ 584,000 people and contribute 30% of the country's GDP.<sup>8</sup>

2.3.3 The statistics on the small number of registered designs being filed in New Zealand are an indication that SMEs in New Zealand do not look to registered designs as a significant way of protecting their innovations. From experience with registered designs, the factors that lead to designs not being relied on by New Zealand businesses include:

- SMEs do not want to file applications for a design before they know that the innovation is going to be successful commercially. (This is an echo of the same reason given to the Dalglish Committee back in 1959.)
- It is a common experience that a designer at an SME may produce several alternative designs. The SME will not know which is successful until these have been trialled (often publicly so as to defeat novelty for a design). To have filed multiple registered designs ahead of time is an added expense.
- For the fashion industry it would simply be impractical and too expensive to have to seek registered design protection for each new garment design produced. Many businesses in the New Zealand fashion industry produce four seasonal ranges each year, so the volume of new garments from a fashion house can be significant. In addition, there are often original individual fabric designs being created as well.
- The cost of a registered design and professional costs: In addition to the application cost for a registered design and the cost of renewal every 4 years, it is generally necessary (or advisable) to obtain professional advice from a patent attorney or

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<sup>7</sup> MBIE statistics 2017: <https://www.beehive.govt.nz/sites/default/files/2017-12/Small%20Business%20-%20Annex%203%20Small%20Business%20Factsheet.pdf>; Institute of Directors [www.iod.org.nz](http://www.iod.org.nz).

<sup>8</sup> Ibid.

solicitor to ensure that the registered design protection is maximised. If a search is carried out to ascertain if the proposed registered design is novel, then this is a further expense. Cumulatively these costs can mount up whereas copyright is free.

- There is often a need as part of a registered design application to produce detailed draftsman's drawings in order for the design protection to be maximised. This too is an added cost.

2.3.4 The fact copyright is both free and automatically subsists in any original work provides an important backstop protection for those SMEs that produce new product designs but either do not have the resources to file registered designs for all their innovations or where, for the reasons given in the previous paragraph, the registered design regime does not work for them.

2.3.5 For some of the smaller and newer SMEs in New Zealand that are not particularly IP savvy, it is a huge relief for them to have copyright protection. Often they come to inquire about what protection is available for their innovative design only when their work is copied. Copyright is a very valuable right for designers in this category.

2.3.6 For other SMEs in New Zealand the existence of copyright protection for industrial design is perceived as a problem. They feel it restricts their ability to import into, manufacture, or sell in New Zealand products which they could lawfully import into, manufacture or sell in many other countries including Australia.

#### *The fashion industry*

2.3.7 For the fashion industry copyright protection will subsist in drawings of a new original garment as well as (a) the patterns produced for the first version of the garment and (b) the first model for prototype garment itself. There have been a number of copyright cases in New Zealand involving the copying of garments in the fashion industry. A considerable number have settled before trial but the availability of copyright has been a very significant form of protection for them.

2.3.8 The Intellectual Property Society of Australia and New Zealand at its Annual Conferences in 2004 had a session on Copyright in the Fashion Industry. The presentations at this session contrasted the fact that in New Zealand copyright protection is available to fashion designers whereas in Australia only registered designs are available. Colin Golvan SC, a leading barrister in Australia who has acted for many fashion houses, spoke enviously about New Zealand's copyright protection and how the lack of such protection in Australia means that there is rampant copying of fashion designs.

2.3.9 One of our members has acted for a New Zealand fashion house which sells its garments in both Australia and New Zealand. In one instance in Australia, a rival business gained access to the showing of the new season's garments at which the fashion house was taking orders from stockists all over Australia. The rival Australian business photographed the garments and then subsequently contacted all the stockists offering to have the identical garments made in China for \$100 a garment less but with different sewn-in labels. Even the individual garment fabric designs were to be copied. Under Australian law no copyright protection was available to protect the garments or the fabric design. Protection would only have existed if registered design protection had been taken out.

2.3.10 In New Zealand copyright would have protected the garments and the fabric designs so that there would have been immediate remedies.

Does relying on copyright protection make it difficult to obtain protection in other countries?

- 2.3.11 The possible issue behind this “potential issue” listed in the Issues Paper at [532] is a postulation that if New Zealand businesses rely on copyright alone then if they later come to protect their designs overseas, they will have missed out on protection because many other countries do not rely on copyright protection, only registered designs.
- 2.3.12 On this issue we submit that education is more sensible than removing copyright protection. It would be a strange outcome to remove copyright protection for New Zealand SMEs as a means of educating them that in other countries they should be looking to registered designs to protect their innovations. Far more straightforward ways of advising SMEs of this reality would be ongoing education programmes through IPONZ. In any event organisations such as the Employers and Manufacturers Association already provide such programmes.

Is there a problem in offering greater protection to foreign designers than they offer to New Zealand designers?

- 2.3.13 We suggest that this is a problem that is more apparent than real. While there are some cases, e.g. the frisbee case,<sup>9</sup> there have not been a large number of such cases.
- 2.3.14 Further, we suggest it is important to consider that when proceedings are being brought in the New Zealand courts by a foreign copyright owner, this is usually because the foreign owner has a New Zealand subsidiary or licensee and the proceeding is designed to protect ongoing commercialisation of the copyright work in this jurisdiction. That was certainly one of the motivations in the frisbee case.
- 2.3.15 The UK does provide reciprocal protection for New Zealand copyright works under the unregistered design provisions of its CDPA 1988. We are aware of a number of cases where New Zealand SMEs have relied on this reciprocal protection to take action against copyists in the UK market. The period of protection in the UK is 10 years compared to New Zealand’s 16 years.
- 2.3.16 There are a number of instances where such issues of disparity arise under copyright legislation as between different jurisdictions. A particular example is in relation to copyright term. Some blocs and countries have already moved to a term of life + 70 years or 70 years for different types of copyright work. New Zealand currently is at life + 50 years or 50 years.
- 2.3.17 Some countries which offer longer protection apply a ‘rule of the shorter’ so that only the shorter period of protection applies to royalties payable. But there are some countries which allow the benefit of their longer term.
- 2.3.18 If it were thought that there were to be an issue of disparity, then consideration could be given to a mechanism for limiting protection. But a very relevant factor is the point made earlier, that very often infringement proceedings brought in New Zealand by a foreign copyright owner are only issued to protect a domestic business in the innovative product design. So denying protection based on the country of domicile of the creator, may have unintended consequences on businesses that are investing in the New Zealand economy (or their licensees).

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<sup>9</sup> *Wham-O Mfg v Lincoln Industries* [1984] 1 NZLR 641.



### **3. Default rules for copyright ownership**

#### **3.1 Issue 8: What are the problems (or benefits) with the way the default rules for copyright ownership work? What changes (if any) should we consider?**

3.1.1 The reliance by New Zealand SMEs on copyright in artistic works to protect industrially applied products (Issue 89) has important ramifications for the rules in section 21(2) and (3) of the Copyright Act as to ownership.

3.1.2 We submit that there are no problems in practice with the rule in section 21(2) of the Act, that works produced in the course of employment should belong to the employer. As the Issues Paper itself notes, this rule can be varied by agreement.

3.1.3 The issue that is important to comment on is the commissioning rule. This rule has been a part of New Zealand copyright legislation since 1962. Section 21(3) provides that where a person commissions and pays or agrees to pay for the creation of certain works and the work is made in pursuance of that commission, the person who so commissioned the work is entitled to the copyright subsisting in it.

3.1.4 This provision has been very beneficial to the extended protection which New Zealand copyright law has given to SMEs and others in the field of industrial design since the normal copyright works that are encountered in the design and production of an industrial article are drawings, models, engravings and sculptures and these are encompassed within the section.

3.1.5 For those conducting cases involving such copyright works, it is a common experience that the innovative New Zealand designer will often take its design concept or sketch to an engineer or professional and commission that person to render the design in greater detail or with dimensioning. Alternatively, the engineer may be asked to add some features which the designer has in mind but which are beyond his or her technical experience.<sup>10</sup>

3.1.6 Section 21(3) provides important protection in such instances and it would be contrary to normal expectation and practice for the consultant to own the copyright. The innovator or initiator of a design would typically create a working sketch or a design brief, retain the designer and pay or agree to pay that designer for their work and accordingly would expect to own any copyright in the resultant work. One of the benefits of the current commissioning rule is that it is simple, relatively easy to understand and has been analysed in some depth by our courts. As a result, the rule is now reasonably well embedded and understood in industry/commerce.

### **4. Site Blocking**

#### **4.1 The Issues Paper**

4.1.1 The Issues Paper notes that the use of pirate websites (usually hosted overseas and therefore beyond the New Zealand jurisdiction) together with the development of new technologies for online infringement create new challenges for copyright owners. It states that “Traditional enforcement measures are becoming largely ineffective for addressing online infringements.”

4.1.2 At [509] the Paper refers to the fact that in a number of countries, website blocking injunctions are available to stop people from accessing overseas pirate websites. Typically these require the ISP to block access. It is noted as being uncertain whether such injunctions

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<sup>10</sup> For example, render in a CAD drawing.

are available in New Zealand. MBIE states that “copyright owners may be able to apply for a website blocking injunction by relying on section 92B of the Copyright Act, rules 2.1 and 1.6 of the High Court rules and the Court’s inherent jurisdiction but this is yet to be tested.”

## 4.2 Features of piracy in New Zealand

4.2.1 The features of piracy of both sound recordings and films can be summarised briefly as follows:

- Music and film piracy sites are almost always based outside New Zealand. These sites include P2P file sharing network sites such as thepiratebay.org; stream ripping sites from live television broadcasts such as vipleague.lc and stream ripping sites where music can be stream ripped from YouTube (zippyshare.com and ytmp3.cc).
- Almost always the operators of these pirate sites ensure that they are anonymous by using domain privacy services.

4.2.2 Options to enforce copyright against pirate sites are very limited:

- (a) Notice and take down in respect of infringing works on the site may be possible, but the sites which provide stream ripping services do not handle or store infringing content. So this avenue is ineffective.
- (b) Criminal or civil action is not practical, as the relevant sites and operators do not reside in New Zealand and are usually in difficult to reach locations.

## 4.3 The availability of site blocking injunctions in other countries

4.3.1 Because of the jurisdictional difficulties highlighted in the previous paragraphs, many other countries have implemented statutory provisions under which site blocking injunctions can be sought against ISPs either through the courts or through administrative bodies. These proceedings are brought as no-fault injunctions. There is no suggestion that the ISP is responsible for the infringing site. Rather such jurisdiction is a recognition that the only realistic and sensible way of blocking ongoing infringement by websites based outside the jurisdiction is for ISPs to be ordered to block them.

4.3.2 In Europe 16 countries have provided a legal basis for site blocking.<sup>11</sup> In the Asia Pacific Region ten countries including Australia have made provision for site blocking.<sup>12</sup> Five countries in South America also allow for this jurisdiction.<sup>13</sup>

4.3.3 In most of these countries the site blocking is obtained by court order. In other countries (e.g., Italy and South Korea) it is done by an administrative body with power to make orders against ISPs.

4.3.4 The most direct comparator countries to New Zealand – the UK and Australia – have provided by statute for site blocking injunctions.

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<sup>11</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Norway, Netherlands, Portugal, Sweden, Spain and UK.

<sup>12</sup> Australia, India, Indonesia, Malaysia, Russia, Turkey, Singapore, South Korea, Thailand, Vietnam.

<sup>13</sup> Mexico, Brazil, Argentina, Uruguay, Peru.

4.3.5 In the UK section 97A of the UK CDPA 1998 provides as follows:

“97A Injunctions against service providers

- (1) The High Court (in Scotland, the Court of Session) shall have power to grant an injunction against a service provider, where that service provider has actual knowledge of another person using their service to infringe copyright.
- (2) In determining whether a service provider has actual knowledge for the purpose of this section, a court shall take into account all matters which appear to it in the particular circumstances to be relevant and, amongst other things, shall have regard to -
  - (a) whether a service provider has received a notice through a means of contact made available in accordance with regulation 6(1)(c) of the Electronic Commerce (EC Directive) Regulations 2002 (SI 2002/2013); and
  - (b) the extent to which any notice includes -
    - (i) the full name and address of the sender of the notice;
    - (i) details of the infringement in question.
- (3) In this section “service provider” has the meaning given to it by regulation 2 of the Electronic Commerce (EC Directive) Regulations 2002.”

4.3.6 In Australia the provision is contained in section 115A Copyright Act 1968.

#### 4.4 Is site blocking available in New Zealand?

4.4.1 At present there are possible legal arguments under section 92B(2) and (3) that there is jurisdiction for a copyright owner to seek a site blocking injunction where an ISP is put on notice that its services are being used to illegally upload/download or stream infringing content.

4.4.2 However there have been no cases yet to test the arguments.

4.4.3 There is also a possible jurisdictional basis for site blocking injunctions under the Court’s inherent jurisdiction. See the decision of the UK Supreme Court in *Cartier International AG & Ors v British Telecommunications PLC & Anor*.<sup>14</sup>

4.4.4 This was a trade mark case in which three luxury brands, Cartier, Montblanc and IWC, requested that UK ISPs block or attempt to block specified target websites that were advertising or selling counterfeit copies of their goods.

4.4.5 Whereas the UK has a specific statutory provision in section 97A of the Copyright Act providing for site blocking injunctions, there was no direct statutory provision for trade mark owners in the trade marks context. Jurisdiction was sought under both Article 11 third sentence of the EU Enforcement Directive *and* (relevantly for New Zealand purposes) the Courts’ inherent jurisdiction in equity.

4.4.6 At first instance Arnold J held that the Court had general equitable jurisdiction under section 37(1) Senior Courts Act 1991 (UK).<sup>15</sup> To order an ISP, which, according to the argument before the Court, was innocent of any infringement itself, to implement site blocking the following conditions needed to be met:

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<sup>14</sup> [2018] UKSC28.

<sup>15</sup> This reads: “The High Court may by order (whether interlocutory or final) grant an injunction ... in all cases in which it appears to be just and convenient to do so.”

- The ISPs must be intermediaries.
  - Either the users and/or the operators of the website must be infringing the claimant’s trade marks.
  - The users and/or the operators of the website must use the ISP’s services to do that.
  - The ISPs must have actual knowledge of this.<sup>16</sup>
- 4.4.7 Arnold J drew an analogy with the equitable protective duty described in *Norwich Pharmacal Co v Customs & Exercise Commissioners*.<sup>17</sup> He noted that although that principle was inapplicable to the circumstances of the case before him, “it is not a long step from this to conclude that, once an ISP becomes aware that its services are being used by third parties to infringe an intellectual property right, then it becomes subject to a duty to take proportionate measures to prevent or reduce such infringements even though it is not itself liable for infringement.”
- 4.4.8 On appeal the Court of Appeal agreed with Arnold J as to the jurisdiction.<sup>18</sup> The Supreme Court also held<sup>19</sup> that a website blocking order could be made “on ordinary principles of equity”.
- 4.4.9 This suggests that the New Zealand courts may be able to bring such proceedings under the courts’ inherent jurisdiction. But again, the matter is not beyond doubt until a decision is issued.
- 4.5 Solution is a specific provision to allow site blocking injunctions
- 4.5.1 The opportunity now presents itself as a result of the Issues Paper for this matter to be dealt with by legislation in the new or updated Copyright Act. The Law Society submits that there should be active consideration of a statutory provision to allow the implementation of site blocking injunctions in New Zealand.

We hope you find these comments helpful. If you have any questions or wish to discuss the comments, the convenor of the Law Society’s Intellectual Property Law Committee, Greg Arthur, can be contacted via the Law Society’s Law Reform Adviser, Emily Sutton ([Emily.Sutton@lawsociety.org.nz](mailto:Emily.Sutton@lawsociety.org.nz) / 04 463 2978).

Yours faithfully



Kathryn Beck  
**President**

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<sup>16</sup> [2014] EWHC 3354 at [141].

<sup>17</sup> [1974] AC 133.

<sup>18</sup> [2016] EWCA Civ 658.

<sup>19</sup> [2018] UKSC 28 at [15].