

# Injunctions against Innocent Third Parties: The Case of Website Blocking

by Martin Husovec, Doctoral Fellow at International Max Planck Research School for Competition and Innovation at Max Planck Institute for Intellectual Property and Competition Law in Munich.

**Abstract:** The paper discusses the phenomenon of injunctions against third parties that are innocent from the tort law perspective. One such type of injunction, website blocking, is currently appearing in the spotlight around various European jurisdictions as a consequence of the implementation of Article 8(3) of the Information Society Directive and Article 11 of the Enforcement Directive. Website-blocking injunctions are used in this paper only as a plastic and perhaps also canonical example of the paradigmatic shift we are facing: the shift from tort-law-centric injunctions to in rem injunctions. The author of this paper maintains that the theoretical framework for the latter injunctions is not in the law of civil wrongs, but in an old Roman law con-

cept of ‘in rem actions’ (actio in rem negatoria). Thus the term ‘in rem injunctions’ is coined to describe this paradigm of injunctions. Besides the theoretical foundations, this paper explains how a system of injunctions against innocent third parties fits into the private law regulation of negative externalities of online technology and explores the expected dangers of derailing injunctions from the tracks of tort law. The author’s PhD project – the important question of the justification of an extension of the intellectual property entitlements by the in rem paradigm, along with its limits or other solutions – is left out from the paper.

**Keywords:** Injunctions; Third Parties; InfoSoc Directive; Tort Law; In Rem actions; Enforcement Directive; Liability of ISPs; Intermediaries

© 2013 Martin Husovec

Everybody may disseminate this article by electronic means and make it available for download under the terms and conditions of the Digital Peer Publishing Licence (DPPL). A copy of the license text may be obtained at <http://nbn-resolving.de/urn:nbn:de:0009-dppl-v3-en8>.

Recommended citation: Martin Husovec, Injunctions against Innocent Third Parties: The case of Website Blocking 4 JIPITEC, 2, para. 116.

## A. European Union law

1 The last two years in Europe were marked by an interesting growing enforcement practice of privately litigated website blocks. In more than eight European jurisdictions, various blocking orders were reportedly issued.<sup>1</sup> The website-blocking cases are usually civil proceedings of private plaintiffs holding copyright or trademark rights against the Internet access providers, who as defendants are asked to employ certain technical means to make the access to disputed websites more difficult for its subscribers (an uncircumventable website block is technically impossible). In these cases, the plaintiffs invoke injunctions against Internet access providers who are not liable in terms of tort law. The vehicle used to re-

ceive such injunctions is the national implementation of Article 8(3) of the InfoSoc Directive (for copyright and related rights) and the third sentence of Article 11 of the Enforcement Directive (for other intellectual property rights).

### I. Injunctions against intermediaries

2 The wording of the relevant part of the provision of the Enforcement Directive reads:

*Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right.*

- 3 Article 8(3) of the InfoSoc Directive is identical. The only change is a reference to ‘copyright or related right’ instead of ‘intellectual property right’ at the end of the sentence. Practical consequences of these two provisions were rather latent until very recently. A common reading of Article 11 was based on recital 23:

*Without prejudice to any other measures, procedures and remedies available, rightsholders should have the possibility of applying for an injunction against an intermediary whose services are being used by a third party to infringe the rightsholder’s industrial property right. **The conditions and procedures relating to such injunctions should be left to the national law of the Member States.***

- 4 EU Member States thus implemented various conditions enabling such injunctions against intermediaries whose services are used by third parties to infringe intellectual property rights. It was by no means clear whether the injunctions should disregard the tort law boundaries at all. This common reading, however, was recently challenged by a decision of the Court of Justice of the European Union in *L’Oreal v eBay* C-324/09. In this case, the Court faced this question:

*[This] provision requires the Member States to ensure that the operator of an online marketplace may, **regardless of any liability of its own** in relation to the facts at issue, be ordered to take, in addition to measures aimed at bringing to an end infringements of intellectual property rights brought about by users of its services, measures aimed at preventing further infringements of that kind.*

- 5 CJEU used a contextual reading of Article 11 to point out that injunctions against intermediaries stipulated in the third sentence differ from ‘injunctions which may be obtained against infringers of an intellectual property right’ (injunctions against infringers) as stipulated in the first sentence of the very same provision (para 128). From how CJEU rephrased the submitted question (above), it becomes clear that the Court does not intend to limit injunctions by any liability in the tort law. One could argue that injunctions against infringers refer only to direct infringers, i.e. persons who themselves act against the scope of the right, and thus injunctions against intermediaries can as a separate category require a secondary liability in the tort law; however, from reading the subsequent paragraphs of the judgment (paras 134, 144) this becomes rather unconvincing. The European Commission also seems to have a clear reading of this provision that goes exactly in this direction. In the official report on the application of the Enforcement Directive,<sup>2</sup> it *inter alia* says the following:

*[...] it appears that in some Member States it is not possible to issue injunctions unless the liability of an intermediary is established. However, **neither Article 11 (third sentence) of the Directive, nor Article 8(3) of Directive 2001/29 link injunctions with the liability of an intermediary.** [...] Injunctions against intermediaries are not intended as a penalty against them, but are simply based on the fact that such intermediaries (e.g. Internet service*

*providers) are in certain cases in the best position to stop or to prevent an infringement.*

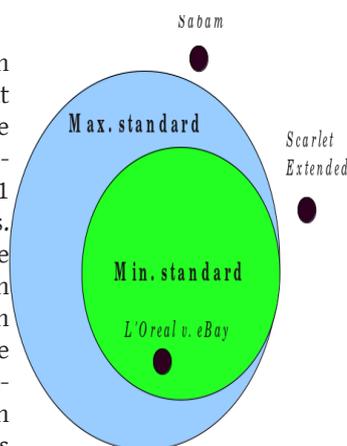
- 6 Last but not least, in the *Frisdranken* case (C-119/10) Advocate General Kokott presented an identical reading of Article 11 of the Enforcement Directive, when opining that in order to trigger such injunctions,

*it suffices that the [infringing] use of the sign displayed on the cans can be attributed to the client of the intermediary [...] in contrast to the sanction applicable where an intermediary infringes a trade mark, the third sentence of Article 11 of Directive 2004/48 does not provide for damages, these can be obtained in accordance with the national provisions governing participation in a tort or delict – in particular as accessory – in the trade mark infringement committed by the client. However, as a rule, negligence alone is unlikely to suffice for the purposes of establishing participation. (para 39 of the Opinion)<sup>3</sup>*

## II. Consequences

- 7 This interpretation creates an interesting situation. On the one hand, the conditions for issuing such injunctions are up to Member States to create. On the other hand, the CJEU indicates that they are provided irrespective of the intermediary’s liability. Because intermediaries often do not act within the scope of the right, their negative externalities are regulated only by secondary liability doctrines.<sup>4</sup> Despite the efforts of the CJEU,<sup>5</sup> however, secondary liability is still perceived as a domain of the national law. In other words, injunctions have to be provided irrespective of something that is not defined. Member States thus don’t have a common line which these injunctions should overstep. As a consequence, in a country with no or very limited secondary liability, injunctions against intermediaries can in great part also fulfil functions of the missing or underdeveloped domestic tort law (without compensation claims, of course). In the country with broad secondary liability on the other hand, the injunctions can act as a real and visible entitlement extension.

- 8 The natural question to ask in this context is where exactly the minimal standard required by Article 11 of the Directive lies. The Court of Justice of EU in its decision says that although ‘the rules for the operation of the injunctions for which the Member States must provide under the third sentence of Article 11 of the directive, such as those relating to the conditions to be met and to the procedure to be followed, are a matter for national law’, those ‘rules of national law must be designed in such a way that the objective



pursued by the directive may be achieved' (para 135, 136, *L'Oreal v eBay*). The CJEU then concludes that 'measures concerned must be effective and dissuasive'. This means that EU Member States are free to create their own requirements for injunctions against intermediaries only within a certain room that is limited by the *minimal standard* of 'effective and dissuasive measures' and the *maximal ceiling* set by Article 3 of the Enforcement Directive.<sup>6</sup> It remains to be seen how big this room for the Member States is and how close the minimal standard and maximal standard actually are. What we know today is only that injunctions in *L'Oreal v eBay* were seen as a part of the minimal standard and that injunctions in *Sabam C-360/10* and *Scarlet Extended C-70/10* were found to go beyond the maximal admissible ceiling. And this brings us back to our case of website blocking. The currently pending case of *UPC Telekabel Wien C-314/12* is trying to resolve whether website blocking injunctions are compatible with the maximal standard of the Enforcement Directive. If the CJEU views website blocking as compatible with the maximal standard, the question remains whether it is also part of the minimal required standard, or only an option for the Member States to implement.

## B. Paradigm of *in rem* injunctions

9 Article 8(3) of the InfoSoc Directive and Article 11 of the Enforcement Directive thus stipulate an instrument that is difficult to understand with a pure tort law mind-set. This can also be seen from the quoted official report of the European Commission that explains that these injunctions 'are not intended as a penalty against [intermediaries], but are simply based on the fact that such intermediaries [...] are in certain cases in the best position to stop or to prevent an infringement'. The tort law is not about cooperation, however, but compensation. Thus the possibility of injunctions against non-infringing persons (intermediaries) as well might seem a conceptually unexplored concept. And partially it is. In this paper, however, I argue that for civil law jurisdictions,<sup>7</sup> strong theoretical foundations for this paradigm of injunctions can be found outside of the intellectual property law, in the system of protection of tangible property in some civil law countries. The concept to which I refer to as *in rem* injunctions.

### I. *In rem* actions

10 Injunctions with *in rem* character were originally a civil law doctrine.<sup>8</sup> It developed from the Roman law concepts of *rei vindicatio* and *actio negatoria* as a complex way of protecting tangible property.<sup>9</sup> *In rem* injunctions today represent a separate system of the tangible property protection with its own scope and characteristic features. This system of *injunctive*

*protection* operates independently next to other two systems of property protection, i.e. *tort law* and *unjust enrichment*.

11 In Roman law, one of the *in rem* actions was particularly important. It was called *rei vindicatio*, i.e. a legal action by which the plaintiff demands that the defendant return a thing that belongs to the plaintiff. *Rei vindicatio*, as opposed to the common law concept of conversion, did *not* rely on any tortious obligation that arose in the meantime between plaintiff and defendant, but on the rightholder's exclusive legal power over the tangible object of protection (*res*).<sup>10</sup> Such an action would thus focus on a factual situation of disharmony between law and reality, not on a person and his conduct that led to that situation. Common law, on the other hand, would rely on a tort of conversion focusing on a *person* who triggered the situation and *his conduct*.<sup>11</sup> This conceptual difference yields different results in some cases. For instance, if a ball is blown into a garden by the wind, under *rei vindicatio*, the owner of the garden automatically has a legal duty to provide the ball back to its owner. Under the tort of conversion, as long as the garden owner doesn't know about it, such a legal duty cannot arise. It will arise only after he learns about the situation and subsequently does nothing, which as a voluntary action (omission) will qualify him for such liability in a tort and thus create an obligation upon which the plaintiff can then rely.<sup>12</sup>

12 Of course, Roman law did not use these concepts as we know them today in some countries (e.g. France, Germany, Austria and Slovakia). However, an important understanding of the *in rem* claim already existed. This understanding was later extended to *actio negatoria*, i.e. a legal action by which the plaintiff demands that the defendant refrain from disturbing his property (system of injunctions). In fact, *actio negatoria* and *rei vindicatio* can be seen as one system of complex injunctive protection of a tangible property.<sup>13</sup> However, some countries (e.g. France) with an *in rem* understanding of *rei vindicatio* would rather use a tort-law-centric approach to *actio negatoria*. This means that they will focus on a person and his conduct to trigger injunctions, not on a situation. And such person will be defined by the external tort law system. In other countries, however, *actio negatoria* would be firmly established as an *in rem* action (Germany, Austria and Slovakia).<sup>14</sup> These countries would thus not only protect against those who disturb property by their conduct (disturber-by-conduct), but also against those who disturb it by their mere status (disturber-by-status), such as being the owner of a garden where a ball was blown by the wind. This extended radius of addresses of injunctions to disturbers-by-status is one of the consequences of this concept, that is of our interest here. Although it might seem that all disturbers-by-con-

duct will be covered by tort-law-linked injunctions, it is not necessarily the case (see below).

- 13 The core distinguishing feature between a tort-law-centric view of injunctions and in rem injunctive protection, therefore, is the notion of an ‘action in rem’ as a remedy of law of property and not law of torts. As Professor Maduro explains,<sup>15</sup> at the core of an action in rem is a right in rem as a direct power over the res (thing) that can be raised *erga omnes* and not an obligation involving a specific debtor. If one can say that such a right entails an ‘obligation’, it is merely an obligation on the whole world not to interfere with it without the consent of the owner.<sup>16</sup> In the right *in rem*, the power of the owner over the thing is central – the power to the exclusion of all unauthorised interference with that res (thing). In the right in personam, on the contrary, it is the legal obligation that binds specific persons which is central, e.g. tort law obligations.<sup>17</sup> Therefore, in an action in rem relating to immovable property, the plaintiff invokes the right to *establish* its extent, content, possible charges, servitudes or other restrictions that may limit it and to protect the estate against any interference incompatible with the prerogatives inherent to his right. As Professor Maduro states in his opinion in the *ČEZ C-343/04* case:

*Putting an end to interference with property is possible in the private law of most European legal systems, not only through actions in personam, but also through actions in rem [...] in most legal systems in continental Europe the protection of property rights can be achieved through actions that have the res and the right over it as their immediate object.[...] for instance, with the actio negatoria, which is well known namely in Germany, Italy and also in Austria [...], by which the owner of the land asserts its freedom from foreign interference that would otherwise amount to a servitude, charge or limitation to his right of ownership.*

- 14 A common law understanding of in rem actions greatly differs and is more of a procedural nature. It derives its meaning from the fact that the lawsuit targets only an object, without naming any real person as a defendant.<sup>19</sup> It is thus possible that an action in rem, under a common law understanding, is in fact a regular in personam action in a civil law system,<sup>20</sup> and that an action in rem in a civil law system is an in personam action for common law lawyers. For instance, website blocking is a regular in personam action under a common law understanding, but for a civil law lawyer, as I suggest, it should be seen as an in rem action, because it in fact asserts a freedom from foreign interference that would otherwise amount to a limitation to the right of ownership, without assessing any wrongfulness. Although Professor Maduro states that ‘other European legal systems [...] unfamiliar with actions such as the actio negatoria [...] are able [...] to arrive at equivalent final results in terms of protection of immovable property through legal institutions that place emphasis instead on the conduct of the person responsible for the interference’, it is not always the case. Injunc-

tions against innocent third parties (in a tort law sense) are one of such examples.<sup>21</sup>

## II. Different paradigms of injunctions

- 15 When I speak of a tort-law-centric view of injunctions, I do not intend to say that injunctions are necessarily seen as a monolithic remedy of law of torts in respective countries. What I mean to say is that they are *not* seen as a remedy materializing the right that originates directly in the source of the right, but rather as a cause of action defined by an external system – the tort law. I also use this term only as a prototype for other absolute rights, regardless of whether they are considered to be a part of property or not (e.g. personality rights). Injunctions in the property law in various countries oscillate between a remedy from the law of property and a remedy from the law of torts. Helmut Koziol, for instance, writes<sup>22</sup> that

*[...] it is almost generally accepted that the primary aim of tort law is the compensation of loss suffered by the victim. As far as I am aware, the widespread opinion is that injunctions are not a subject of tort law and that they need fewer requirements than claims for compensation.*

- 16 Depending on the legal system, one of the obvious less strict requirements Koziol refers to is that damage or fault, unlike in the law of torts, is not required to trigger injunctive relief.<sup>23</sup> In other countries, injunctions are furthermore not limited by the tort law notion of delictual capacity of persons.<sup>24</sup> Or even in some countries, injunctions would not be considered pure obligations but legal relationships *sui generis*, with a different applicability of certain rules of the law of obligations (e.g. inapplicability of rules on prescription or rules on discharge from the obligation by a subsequent impossibility, etc.).<sup>25</sup>

- 17 This concept is nicely described by Willem H. van Boom, who in a different context writes

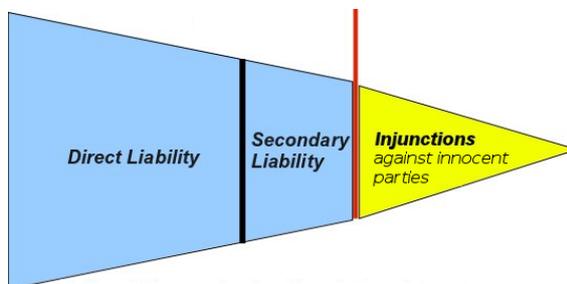
*[...] it is theoretically conceivable to consider prohibitory injunction as a totally separate response to infringement of property rights, which would link injunctive relief as a procedural sequel to ownership (actio negatoria, rei vindicatio) and would leave issues of wrongfulness untreated [emphasis mine].*

- 18 Although van Boom views injunction as a procedural instrument here, which is a bit counter-intuitive for countries that view injunctive relief as a substantial law remedy, his quotation unveils an important paradigm: that injunction is seen as a remedy directly supporting a legal right of a private individual rather than as a sanction for wrongful behaviour.<sup>26</sup> The remedy thus aims at putting factual reality in harmony with its legal template, not at punishing for any conduct.

19 In a tort-law-centric understanding, on the other hand, injunction is understood as an in personam claim, i.e. an injunction against the specific person who qualified himself for such liability by his *personal conduct*. Although an injunction will not require damage, it will often be dependent on the wrongfulness of the act as defined by tort law (an external system). Hence it will focus on the categories of direct infringers and secondary infringers to define the group of persons against whom the action can be brought. As I said before, this is different for in rem injunctions that focus on a situation of disharmony between the factual and legal and which needs to be solved. Persons are taken into account only as an important element when considering the practicability and proportionality of issuing such injunctions. This is especially true because the principle of *ad impossibilia nemo obligatur* – i.e. nobody is required to achieve the impossible – also has to be respected here.

### III. Importance

20 The concept of in rem injunctions realizes *de iure* the exclusivity of the right of a person to the protected object (res) by enabling enforceability against everyone. With the tort-law-centric system of injunctions, the right is naked (not enforceable) in certain situations, although *de iure* its exclusionary power is effective towards all (*erga omnes*). The concept *de facto* creates an additional layer of injunctions that are provided on the top of what the regular systems with tort law's secondary liability doctrine would give us. In tort law terms, it gives us a power of injunctions provided against persons who are not only primary and secondary infringers, but also those who are non-infringing (innocent) in a tort law sense. The remedies landscape in such a system looks as seen below (please note: in rem injunctions also cover direct and secondary liability; the picture just shows the entitlement extension in yellow).



21 The picture above depicts a remedy landscape in some civil law jurisdictions mostly in regard to a property over *tangible objects*. The enlargement of this system of protection to other absolute rights, such as intellectual property rights, is not so obvious. This extension cannot be merely mechanical and requires a deeper justification debate because in rem paradigm, by extending the enforceability of the right,

also extends the property entitlement. Thereby encroachment upon the constitutional principle of 'everything which is not forbidden is allowed' occurs. Maybe this is the reason why even some European countries (e.g. Austria) with a strong culture of in rem injunctions in a tangible property (§§ 364(2), 523 ABGB), did not *initially* extend it to the protection of other absolute rights such as intellectual property. The injunctive protection for intellectual property would be rather closely linked to the tort law, and its scope mostly depends on the tort law concepts of tortfeasors (primary or secondary infringers).<sup>27</sup> Other countries (e.g. Germany) would also extend in rem injunctions (§ 1004 BGB) outside of tangible property protection, though with such adjustments to its scope and nature that bring it again very close to the tort law system (namely, the tort of negligence for a third party wrongdoing).

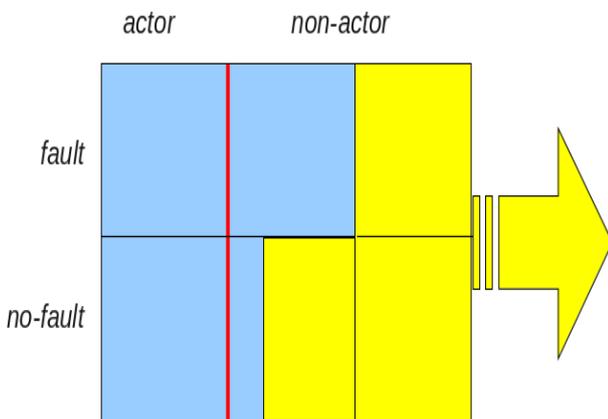
### IV. Examples

22 Germany and Austria also demonstrate that there is no common understanding of how far such injunctions can extend and what exactly are its preconditions.<sup>28</sup> In Germany, the scope is wider for tangible property than for intellectual property. The scope of injunctions is limited by the notion of a 'disturber' (§ 1004 BGB), which is more broad than the tort law notion of a 'tortfeasor'. A disturber in tangible property law can be anybody who either caused a disturbance of the property by his own conduct (disturber-by-conduct) or who causes such a disturbance by a third party in an adequate way, provided that it is possible and reasonable for him to prevent this action (disturber-by-status).<sup>29</sup> The same notion of the disturber was extended to intellectual property law,<sup>30</sup> but at the same time was narrowed in its scope by requiring a certain breach of duty of care. This duty of care, however, is arguably broader than the usual tort law standards of duty of care known from other jurisdictions.<sup>31</sup>

23 In Austria, the scope in the property law seems even broader than in Germany. According to the Austrian Supreme Court, injunctions extend not only to the person who caused the disturbance of the property by their own conduct (disturber-by-conduct), but also to any person having the factual and legal possibility to stop the disturbance (disturber-by-status).<sup>32</sup> This notion of injunctions was recently also extended to the protection of personality rights.<sup>33</sup> Interestingly enough, it seems, that although in rem injunctions are not similarly established in intellectual property law where a injunctions are linked to tort liability,<sup>34</sup> Austrian law here allows injunctions outside of the tort law categories as an implementation of the above-mentioned topic-tailored Union law against intermediaries.<sup>35</sup>

## V. Summary

24 In summary, whereas in rem injunctions aim at solving the situation of disharmony between a factual situation and legally granted rights irrespective of wrongfulness, the tort-law-centric view of injunctions concentrates more on the personal wrongful conduct (what stems from the sanctional nature of the law of torts). In rem injunctions assume that the scope of the enforcement of a right is broader than the scope of a right, an assumption which is in fact also shared by secondary liability in tort. However, whereas the law of civil wrongs extends enforcement beyond the scope of the right only exceptionally (as defined by doctrines of secondary liability), in rem injunctions make the enforceability a general rule, to which we have to craft exceptions in the form of (external) enforcement limits. This entitlement extension is then visible to us (see diagram)<sup>36</sup> as injunctions against innocent third parties.



## C. Website blocking injunctions

25 The recent demand of right holders for website-blocking injunctions shows that exclusionary protection of the absolute rights by tort law categories can in certain situations *fail*. This is especially the case where it is impossible or impracticable to identify or sue any of the tort-liable persons due to the cross-border context, the anonymity of tortfeasors or merely due to enforcement inefficiency (e.g. massive scale). After all, the tort liability of a non-actor (in the sense of the scope of the right) for an actor's conduct (see diagram above) has its limits based on generally accepted principles of tort (e.g. causality, fault). What right holders see, however, is that there are certain persons in the infrastructure of the Internet economy who have technical and legal means and resources to reduce negative externalities impacting upon their rights, but are too far for the tort law (e.g. Internet access providers).

26 One way of answering their demand for a solution is by rejecting it with the argument that the fact that rights are in some cases practically unenforceable should be seen as an intentional limitation of their entitlement (e.g. similar to copyright exceptions when it comes to the scope of the right, here the limitation applies to the scope of its enforcement). Another way of answering their demand is to undertake a thorough analysis as to whether the extension of such a right is *justified*. However, the reality of the legislative process and of judicial activism does not follow this approach; therefore, with the Union law legislation explained above, we are already asking this questions *ex post*. But as I stated at the very beginning, the issue of justification exceeds the scope of this paper. Instead, I will try to illustrate some of the problems of the website-blocking practice as a type of in rem injunction that might be typical for the entire concept, which leads to injunctions against innocent third parties.

## I. Effectiveness

27 In theory, website blocking could yield more economically efficient results. This presumes, first, that the *situation of the right holder* will substantially improve, and second, that the *situation for the rest of the society*, including that of Internet access providers, will worsen to a lesser extent (called the Kaldor Hicks improvement<sup>37</sup>). If this equation does not hold, we cannot speak of any improvement because society pays more than it receives by allowing such a practice. The UK judge Justice Arnold granted his first website-blocking injunction in the *Newzbin II*<sup>38</sup> case, arguing that

*[i]f, in addition to paying for (a) a Usenet service and (b) Newzbin2, the users have to pay for (c) an additional service for circumvention purposes, then the cost differential between using [an unlawful service] and using a lawful service [...] will narrow still further. This is particularly true for less active users. The smaller the cost differential, the more likely it is that at least some users will be prepared to pay a little extra to obtain material from a legitimate service*

28 Justice Arnold thus sees the effectiveness of website blocking in raising transaction costs for users demanding unlawful services. A recent empirical study<sup>39</sup> conducted by IViR, however, suggests that the impact of website-blocking injunctions in copyright cases, and thus the overall effectiveness of injunctions that underlie its justification, might be very small. According to the study, only 5.5% of all customers (approximately 20% of all *infringing* customers) of affected Internet access providers downloaded less, or stopped downloading altogether, due to website block of The Pirate Bay in the Netherlands. It seems, however, that in Justice Arnold's view, the improvement of the situation of rights holders (the effectiveness of the measure) did not have to be particularly high. This is demonstrated by his comment that 'I agree with counsel for the Studios that the or-

der would be justified even if it only prevented access to Newzbin2 by a minority of users’.

- 29 It should be noted that what applies to copyright does not necessarily apply to other intellectual property rights, especially trademarks. This is because the copyright-infringing content is very often demanded by users, whereas trademark-infringing goods are demanded less often (as trademark law often protects consumers in parallel). Thus users who have to circumvent blocked websites in order to access them might have a higher incentive to overcome barriers (and pay more in transactions costs) when it comes to copyright-protected content that is being blocked, than content infringing upon trademarks.

## II. Methods

- 30 Furthermore, it has to be noted that the technique of website blocking as such, not just the subject matter concerned, has a lot to do with the effectiveness of such measures. Currently, there are three techniques used to block access to certain websites.
- The first and most primitive is *DNS blocking*, where the Internet access provider merely black-lists certain domain names from its DNS records. This technique can be easily circumvented by both users and targeted website operators. Users need only to use a different provider as a source of DNS records, which is a trivial setting in the Internet browser, or by simply using search engines instead of direct URL entry.<sup>40</sup> A website operator, on the other hand, can change the name of the domain name. This type of block, for instance, was issued by a Danish court in *IFPI Denmark v Tele2* to block <allof-mymp3.com>.
  - The second method is *IP address blocking*, where an Internet access provider black-lists certain IP addresses used by the server where the targeted website is stored (used in *Dramatico*). This technique is relatively more difficult for users to circumvent. They would need to use a special proxy service or VPN to go around this block. The website operator can change his IP address.
  - The last technique is called Deep Packet Inspection (DPI), which, unlike the previous two techniques, enables blocking certain URLs in addition to entire webpages. This method is used when the targeted service shares an IP address with other services, or if the specific part of the website is to be blocked (also used in the UK *Newzbin II* decision). The most significant disadvantage to Deep Packet Inspection is that it may be easily subverted if the packets are encrypted, e.g. using the ‘https’ protocol.<sup>41</sup>
- 31 Apart from these technical methods, one has to distinguish whether the website block is issued by the court as a *fixed order* or as an *open order*. The first means that only the decision-specified domain name, website or IP address will be blocked, whereas the second creates an out-of-court system enabling flexible submission of changed IP addresses or domain names by right holders, often without further judicial review. All these different techniques and types of orders raise numerous problems (see below).

## III. Collateral damage

- 32 Assuming that the combination of different techniques and appropriate subject matter makes website blocking effective and hence improves the situation of the right holders, we should ask whether the situation for the rest of society is worsened only to a lesser extent. Plus, the cumulative effects of other website blocks originating from other right holders should also be taken into account. Website blocking especially raises the problem of respect towards the core values of the democratic society and also of public interest in innovation. This potential *collateral damage* can in fact reduce the practical societal need for injunctions against innocent third parties, like website blocking, to zero.
- 33 Website blocking can easily lead to a practice where the website operators whose websites are to be blocked cannot defend themselves before the block is granted and without having a remedy to challenge such blocks *ex post*. Although it might be more efficient to block the website without notifying the website operator and giving him chance to defend his case, our values embodied in a right to a fair trial shall preclude such scenarios. This is exactly the problem with most of the UK website-blocking injunctions as well. Of all three UK website blocks (*Newzbin II*, blocking Newzbin; *Dramatico Entertainment*, blocking The Pirate Bay; and *EMI Records*, blocking KAT, H33T, and Fenopy),<sup>42</sup> only *Newzbin II* was initiated after the court decision against the website operator was issued (*Newzbin I*) and failed to be implemented. In the other two cases, the infringing nature of a website was assessed as a preliminary question. Website operators whose websites were to be blocked were not party to the proceedings and thus could not defend themselves in court.<sup>43</sup> Justice Arnold relied on the following three arguments in his decision in this respect (see para 9-15 of *Dramatico Entertainment*): i) nothing in the legal bases of the injunctive provision requires a court to do so, ii) other courts did the same, and iii) it would be impracticable, or at least disproportionate, to require the website operator to be part of the proceedings. This type of reasoning is not very convincing from a human rights perspective, however.

#### IV. Right to a fair trial

- 34 Website-blocking proceedings fall within the scope of Article 6(1) of the European Human Rights Convention because their result is decisive for private rights and obligations (*see Ringeisen v Austria*, No. 2614/65). A website operator's right to engage in commercial activities as well as his property rights or other rights as a private individual can be interfered with by such a blockade. For instance, a right to conduct a business can be limited by the blocking decision, which orders other entities (here Internet access providers) to block access to the business website. The ban concerned is very serious. Unlike a tenant who cannot run his club at some particular place because his landlord was sued for nuisance, the website operator cannot simply relocate somewhere else. His website was found to be infringing *per se*, not only in the context of a certain neighbourhood. Also, a website operator, unlike a tenant against his landlord, has no proper compensation cause of action against the Internet access provider. His website is locally banned for the entire country and he has almost no possibility to challenge it. Moreover, it is only a matter of time before right holders start asking for EU-wide website blocks based either on Brussels I or unitary community rights. The court, therefore, in my opinion, has to have an obligation to provide for a fair trial to all parties that are affected in this way, including a targeted website operator.
- 35 A website operator's right to a fair trial can be interfered with in two of its components: i) access to the court and ii) equality of arms. The main problem of a website block is not only that the court will not hear the website operator in the proceedings, but also that the website operator has no remedy to challenge the block of his website. The court thus decides *de nobis sine nobis*, i.e. about us, without us. Equality of arms requires that each party be afforded a reasonable opportunity to present its case, including its evidence, under conditions that do not place it at a substantial disadvantage *vis-à-vis* its opponent (*Ankerl v Switzerland*, Case No. 17748/91). The website operator cannot object to evidence or present legal arguments in the assessment whether his service is complying with the law. This sharply contrasts with criminal cases in which even criminals have a right to defend themselves, regardless of how evident their case may be.
- 36 The Strasbourg Court also reads the set of minimal rights from criminal cases stipulated in Article 6(3) ECHR as the minimum standard in civil cases in the scope of Article 6(1) ECHR. This is known as a right to adversarial proceedings (*see e.g. J.J. v The Netherlands*, No. 21351/93). In principle, this means the opportunity for the parties to a civil trial to have knowledge of and comment on all evidence adduced or observations filed, with a view to influencing the court's de-

cision. If a website operator's website is blocked, the operator is stopped or substantially disadvantaged (circumvented) from conducting business, sharing opinions or exploiting property (for domain names, *see Paeffgen v Germany*, No. 25379/04, No. 21688/05, No. 21722/05).

#### V. Abuse

- 37 Furthermore, this constellation of injunctions can easily lead to abuse. Instead of directly suing the website operator or domain name holder, one can without serious resistance sue only the Internet access provider for the website blocking. This happened, for instance, in a recent trademark dispute over *HomeLifeSpain.com* in Denmark.<sup>44</sup>
- 38 The courts will need to be very sensitive to this. Probably as never before, the remedy as such was vulnerable to the abuse of a right to fair trial, as many of these injunctions are. Based on human rights principles, the courts need to recognize *existing* enforcement limits as a sort of new safe harbour. These principles can be distilled from the Strasbourg case law. For instance, we could formulate the following enforcement limitation embodying the right to fair trial as an instruction for courts:
- If a result of an injunction is decisive for private rights or obligations of a certain person that is not party to the proceedings, the court must not issue an injunction, unless it will be assured that his right to a fair trial is fully guaranteed.*
- 39 This type of (external) defence can then be invoked by courts in many other cases, not only in the practice of website blocking. If, for instance, a plaintiff sues only the domain name authority for the cancellation of a certain domain name, the court must not issue any injunction against the domain name authority, unless the right to a fair trial of a domain name owner is sufficiently guaranteed.

#### VI. Legality

- 40 Moreover, as a recent ECHR case *Ahmet Yıldırım v Turkey* (Case No. 3111/10) suggests, not only the procedural right of a fair trial might be infringed upon, but also other rights such as freedom of expression. The *Ahmet Yıldırım v Turkey* case also teaches us that the courts should be very cautious about the *scope of a website ban* and the *guarantee of judicial review* to prevent possible abuses. Otherwise, website blocks can clash with a legal principle that the rights have to be proportionate and 'prescribed by the law'. This problem was illuminated in *Scarlet Extended*, where Advocate General Cruz Villalón suggested that forcing a fairly complicated filtering and blocking mechanism requiring Deep Packet Inspection onto an Internet access provider should be rejected *without*

assessing proportionality, due to the fact that the injunction provision cannot serve as a legal bases for a very complicated filtering measures that seriously interferes with the right to privacy and freedom of expression. The argument was as follows:

*[B]oth the Charter and the ECHR acknowledge the possibility of a limitation on the exercise of the rights and freedoms, of an interference in the exercise of the rights or of a restriction on the exercise of the freedoms, which they guarantee on condition, inter alia, that they are 'provided for by law'. The European Court of Human Rights, principally on the basis of the supremacy of law enshrined in the preamble to the ECHR, has constructed from that expression, and essentially through the concept of 'quality of the law', an actual doctrine, according to which any limitation, interference or restriction must previously have been the subject of a legal framework, at least in the substantive sense of the term, which is sufficiently precise having regard to the objective it pursues, that is, in accordance with minimum requirements.[...] The 'law' must therefore be sufficiently clear and foreseeable as to the meaning and nature of the applicable measures, and must define with sufficient clarity the scope and manner of exercise of the power of interference in the exercise of the rights guaranteed by the ECHR.[...] From the point of view of the users of Scarlet's services and of Internet users more generally, the filtering system requested is designed, irrespective of the specific manner in which it is used, to apply systematically and universally, permanently and perpetually, but its introduction is not supported by any specific guarantee as regards in particular the protection of personal data and the confidentiality of communication.[...] The necessary conclusion is therefore that the national law provision at issue cannot, in the light of Articles 7, 8 and 11 of the Charter and in particular of the requirements relating to the 'quality of the law' and, more generally, the requirements of the supremacy of the law, be an adequate legal base on which to adopt an injunction imposing a filtering and blocking system such as that requested in the main proceedings. [emphasis mine]*

- 41 Despite that fact that the CJEU then ignored this issue and instead rejected blocking and filtering on the merits after carrying out a balancing exercise between the rights concerned, the issue of *quality of the law* has to be taken into account when issuing more complicated website-blocking injunctions, such as those involving Deep Packet Inspection of users' communication. Justice Arnold, for instance, who also instituted this technique of website blocking, first assessed different alternatives of website blocking and their collateral damage on others. Nevertheless, his website-blocking orders are still vulnerable to abuse, because they set up an out-of-court system of non-transparent submission of IP addresses and domain names that are not subject to any further judicial review. One may question whether all the subsequent website blocks are still 'provided for by law' as required by the ECHR. As the number of website blocks will be growing, these court-approved website blocks should have a more strict system of checks and balances, e.g. transparency obligations by Internet access providers or periodic review of the implementation. Moreover, website blocks were so far instituted only via court proceedings. In civil law countries, where injunctions are recognised as remedies exercisable also out of the court, one might ask whether the notion of 'prescribed by the law' does not also impose an obligation to exercise it only before the courts.

## VII. Innovation

- 42 Last but not least, one may ask a question closely linked with public interest in innovation: If the court continues issuing website-blocking injunctions, how much illegality of content would actually be required? Especially disruptive innovations – such as YouTube was some time ago – can be easily prohibited in their early development stages if the bar for the legal content is set too high. In his judgment, Justice Arnold says that '[his] position might be different if Newzbin2 had a substantial proportion of non-infringing content' when discussing whether plaintiffs have to provide specific URLs instead of a full website block.
- 43 This furthermore opens the question of whether such a 'hard case' should not be preferably addressed in proceedings against the innovator, instead of some unrelated forum between the parties that might have no or even negative interest in defending that particular innovation. For instance, if an Internet access provider is vertically integrated in another market, such as cable TV, it might have negative interest in defending any competing innovation that uses its infrastructure to access consumers (e.g. IPTV). In such cases, an Internet access provider might be willing to block the website because it improves its position in the parallel market.

## VIII. Position of the remedy

- 44 This entire picture of the scope of the injunctions and its human rights problems poses an important question of a *hierarchical position of such a remedy* in our enforcement systems. During the current consultation,<sup>45</sup> right holders strongly advocated for the following action to be taken:

*[...] make clear that the intermediary's liability (or the violation by the intermediary of any kind of duty) is not a pre-condition to an injunction being issued against him with respect to a third party's infringement.[...] The availability of an injunction against intermediaries should not depend on whether the infringer has or has not been identified; nor should the availability of such an injunction be made subject to an obligation for the rights-holder to sue the actual infringer (no rule of subsidiarity).[...] Under appropriate circumstances, injunctive relief against infringers and intermediaries should be available irrespective of whether they have received prior notice. [emphasis mine]*

- 45 In other words, injunctions against an innocent third party, in their view, shall be recognised as an independent remedy that should not require any exhaustion of tort liability, i.e. any proof that tort law remedies failed.<sup>46</sup> Although this is consistent with the concept of *in rem* actions, it can at the same time distort economic rationale behind existing tort remedies. For instance, it is questionable why innocent parties should bear the costs of cooperation, also in cases where negative externalities of technology are

efficiently enough regulated by the tort law instruments (e.g. see the example of 'HomelifeSpain.com' mentioned above).

## D. Economic consequences

46 Website-blocking injunctions show several serious problems brought by the expansion of injunctive relief against innocent third parties. The most striking consequences of this paradigmatic shift, however, are concerned with the future of Internet innovation. This is because courts in this system are being turned into *standard-setting bodies*, a function they avoided when they had only secondary liability doctrines at their disposal. Take the domain name registration system as an example. If this system were created today under the current remedy landscape in the European Union, domain name authorities could be arguably theoretically forced to apply an *ex ante* screening system (before registration) instead of an *ex post* dispute system (after registration). This derives from the fact that secondary (tort) liability doctrines were unable to actively force domain name authorities to change their policy of first-come/first-served registrations (see the *Lockheed Martin v NSI* case<sup>47</sup>). With injunctions against innocent third parties in place, however, one can challenge such policy decisions of providers in times when the system is fragile because it is only being formed. When a system is already established and becomes more solid, the courts are usually more reluctant to change it.<sup>48</sup> This also shows that enforcement limits that were set up to prevent similar dramatic scenarios, such as a prohibition of the general monitoring obligation set by Article 15 of the E-commerce Directive, are usually very narrow rules to protect unexpected innovations.<sup>49</sup> For the future, this all again means that courts can substantially change the innovation in the process of its formation. It also means that courts will now move from a '*rubber-stamping*' position (assessing whether providers did enough to avoid secondary liability) to a more '*standard-setting*' position (actively imposing a new conduct standards and associated costs onto providers).<sup>50</sup>

### I. Costs

47 The most crucial element in this context is the problem of costs. Shifting the costs from one person to another was so far triggered by *some special reasons* as defined by tort law.<sup>51</sup> The system of *in rem* injunctions, however, creates a model where costs can be shifted to others only because they have the factual and legal possibility to do something to minimize infringements. Injunctions against innocent parties thus enable a shift of costs *without special reasons*. And the costs involved can often be very high. The initial cost of implementing a website-blocking

injunction, for instance, is about £5,000, with another £100 for each subsequent notification.<sup>52</sup> According to current practice, this cost is borne by Internet access providers.

48 The growing blocking practice can hence naturally soon lead to an increased price for Internet access. So it is ultimately consumers who will be paying for this kind of enforcement technique. Similarly, in our theoretical example, if an *ex ante* screening system in respect to domain names were reality, consumers would be the ones who would have to bear the increased costs of compliance forced onto domain name authorities. Innovations can therefore become more expensive. The concerned industry, of course, understands this aspect of injunctions. For industry, the question of injunctions in Europe is becoming more important than liability in tort, especially because existing safe harbours set forth in Articles 12 to 14 of the E-commerce Directive protect them from additional costs possibly incurred by expansion of secondary liability doctrines, but do not protect them from costs resulting from these sort of injunctions.<sup>53</sup> We can illustrate voices of the industry on the example of Yahoo complaints during the hearing about amendment of the Enforcement Directive and debate about Article 11 injunctions:

*[...] disproportionate injunctions are being imposed by the courts on online intermediaries. Such injunctions are very damaging for online intermediaries, even if they are not, per se, liable.[...] For online intermediaries, legal liability per se is not key, but rather the effect of injunctions on their business. Therefore, reassurances from rightholders that injunctions need not be linked to liability are of no comfort if these injunctions cause economic damage and oblige them to take decisions on the legality of content, which would damage the fundamental rights of Internet users.*

49 On the other hand, it is theoretically possible to see injunctions against innocent third parties being issued only on the promise that right holders will pay the implementation costs. Under such circumstances, the issue of special reasons for shifting costs would disappear. This scenario, however, is not explicitly envisaged by the Enforcement Directive<sup>54</sup> and of course is not appealing to the right holders. Justice Arnold probably views this as an exceptional circumstance when he notes, in his first blocking order against British Telecom:

*I do not rule out the possibility that in another case the applicant may be ordered to pay some or all of the costs of implementation, but for the reasons given above I do not consider that such an order is appropriate in this case.*

50 Soon, competition between the two types of remedies might arise. If injunctions against innocent third parties become cheaper due to little resistance from the defendants, then they will be exploited more often and innocent third parties will eventually often bear costs instead of direct or secondary infringers. Moreover, the pursuit of pure right holder self-interest in enforcement might lead to results that are

not efficient from the societal point of view, i.e. it might lead to market failures.

## E. Conclusion

- 51 As Article 8 of ACTA<sup>55</sup> and other initiatives (BTAs)<sup>56</sup> show, injunctions against innocent third parties are definitely a trend of the last years, and the European Union is very active in ‘exporting it’ outside of the old continent. Website blocking is a manifestation of derailing injunctions from the tracks of tort law in the recent jurisprudence. This phenomenon leads to an extension of rights by extending their scope of enforcement against persons that are too far for tort law, but have resources and factual and legal means to reduce the negative externalities. In this paper I argue that the theory behind such an extension can be found in the Roman notion of ‘in rem action’. Also, the justification for such an extension should not be mechanical, but subject to a thorough justification analysis. In this respect, I have tried to demonstrate rising problems in the practice of website blocking, especially tensions with the right to a fair trial, legality and costs of injunctions.
- 52 Although at first sight, injunctions against innocent third parties might seem to be an effective enforcement tool to supplement the deficiencies of tort law in the online environment, these injunctions are very vulnerable to abuse and have a similarly great potential to negatively influence innovation. In the context of the Internet and intellectual property rights enforcement, derailing injunctions from the tracks of tort law is literally akin to derailing the future of the Internet and its innovation into *unknown waters*. As maybe never so intensively before, this future has been left in the hands of our courts. This article suggests that if we now shift to this new paradigm of injunctions in the IP law, we should also start discussing new positive intellectual property limitations or other checks and balances, not only on the level of the scope of the right but also on the level of the scope of its enforcement.
- 53 If readers feel at this point that I have merely raised a lot of questions without furnishing proper answers to them on how to address these challenges, they are certainly right to conclude so. I simply don’t have the answers. Yet.<sup>57</sup>

### (Endnotes)

- 1 The courts of the United Kingdom (3), Netherlands (1), Belgium (1), Finland (1), Denmark (2), Greece (1), Austria (1) and Italy (2) were reported to issue such injunctions. See more at M. Husovec, European cases on ordering ISPs to block certain websites, Hučko Technology Law Blog at <[www.husovec.eu/2011/11/european-cases-on-ordering-isps-to.html](http://www.husovec.eu/2011/11/european-cases-on-ordering-isps-to.html)>. Also L. Feiler, Website Blocking Injunctions under EU and U.S. Copyright Law: Slow Death of the Global Internet or Emergence of the Rule of National Copyright Law? TTLF Working Papers
- 2 No 13 (concluding *inter alia* that in the US such injunctions are not possible).
- 3 Report from the Commission to the Council, the European Parliament and the European Social Committee on the application of Directive 2004/48/EC of the European Parliament and the Council of 29 April 2004 on the enforcement of intellectual property rights COM(2010) 779 final.
- 4 The reference is made to the German doctrine of liability of participator, which is also shared in some other countries such as Slovakia and Austria.
- 5 In this paper, the term ‘secondary liability’ means purely tort liability of any person different from the direct infringer (actor), who has to bear the weight of any kind of non-contractual claim for acts of the direct infringer. Secondary liability could be further divided into fault-based secondary liability that requires the breach of a certain duty of care, and no-fault-based secondary liability that triggers liability regardless of such a breach.
- 6 In the recent Donner case, C-5/11, the CJEU read into the autonomous notion of the ‘distribution right’ arguably also the test for secondary infringements in para 27 of the decision. The Court states that ‘[a] trader in such circumstances bears responsibility for any act carried out by him [...] or on his behalf giving rise to a ‘distribution to the public’ in a Member State where the goods distributed are protected by copyright. [...] Any such act carried out by a third party may also be attributed to him, where he specifically targeted the public of the State of destination and must have been aware of the actions of that third party.’ In a different context, Justice Arnold states that ‘I can conceive that it might nevertheless be argued that the Trade Marks Directive did approximate national laws on accessory liability in the context of infringement of national trade marks to some extent. It might also be argued that the Community Trade Mark Regulation implicitly regulated the question of accessory liability in the context of infringement of Community trade marks to some extent. In the present case, however, it was common ground between counsel that there was no conflict between domestic law and Community law on this issue if domestic law was properly interpreted and applied in the manner that they respectively contended for. Accordingly, it is not necessary to enquire into the effect of Community law any further’ (L’Oreal SA & Ors v eBay International AG & Ors [2009] EWHC 1094 (Ch)).
- 7 Maximal (standard) ceiling conditions stipulated in Art. 3 require that such injunctions are a) fair, b) equitable, c) not unnecessarily complicated, d) not costly, e) do not entail unreasonable time-limits or unwarranted delays, f) effective, g) proportionate, h) dissuasive, i) do not create barriers to legitimate trade and j) not abusive.
- 8 n common law, it might be a concept of equitable protective jurisdiction. See footnote 21.
- 9 In Ireland, the High Court of Ireland, which has the same general statutory jurisdiction to grant an injunction as the English High Court, considering a request for a blocking order (EMI v UPC), held that where there was no primary actionable wrong, the court should not intervene in an area – such as copyright – where the Irish Parliament had legislated (quoted from Davey, F. Blocking access to copyright infringing sites. What would ISP’s be required to do? (not published)).
- 10 See M. Boháček, Actio negatoria k dějinám zápůrčí žaloby, Nákladatelství České Akademie Věd a Umění, 1938; E. Picker, Der ‘dingliche Anspruch’, In: Fest Schrift Bydlinksi, 2002, 269; E. Herrmann, Der Störer nach § 1004 BGB. Duncker & Humboldt, 1987; R. Wetzel, Die Zurechnung des Verhaltens Dritter bei Eigentumsstörungstatbeständen. Mohr Siebeck, 1971; P. Ch. van Es, De actio negatoria: een studie naar de rechtsvorderlijke zijde van het eigendomsrecht, Wolf Legal Publishers, 2005.

- 10 H. Honsell, *Römisches Recht*. Springer, 2010, p. 72; U. Mattei, *Basic Principles of Property Law: A Comparative Legal and Economic Introduction*. Praeger, 200, p. 183.
- 11 Ch. K. Sliwka *Herausgabeansprüche als Teil des zivilrechtlichen Eigentumsrechts? die rei vindicatio und funktionsäquivalente Ansprüche des Eigentümers gegen den Besitzer im französischen, englischen und deutschen Recht*. Logos Berlin, 2012, p. 536.
- 12 Ibid.
- 13 E. Picker, *Der 'dingliche Anspruch'* In: *Festschrift Bydlinki*, 2002, 269.
- 14 See para 44 to 48 of the Avocate General's Opinion in *ČEZ C-343/04*.
- 15 Ibid.
- 16 Ibid.
- 17 Ibid.
- 18 Similar idea expressed by S. Green, J. Randall, *The Tort of Conversion*, 2009, Hart Publishing, p. 56 who says that whereas the common law system protects from disturbance via tort law, civil law divides this function between property law and tort law (quoted from Ch. K. Sliwka, *Herausgabeansprüche als Teil des zivilrechtlichen Eigentumsrechts*, p. 519 (footnote 2144)).
- 19 An example from IP law is 15 USC § 1125 (d)(2)(a), which reads: 'The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if ...'.
- 20 See L. Collins, *The Civil Jurisdiction and Judgments Act 1982*, London, Butterworths, 1983, pp. 78-79, pointing out that 'the expression "proceedings which have as their object rights in rem in or tenancies of, immovable property" does not fit with any existing concepts of property law in the United Kingdom'. On the notion of *actio in rem* under English Maritime Law, see also the opinion of Advocate General Tesouro in *Case C-406/92 Tetry* [1994] ECR I-5439, point 19 (quoted from *ČEZ C-343/04*). The decisive part of this decision reads: '[...] However, for the purposes of resolving the present problem, namely identification of the circumstances in which it can be said that two actions have the same cause of action under the Brussels Convention, no importance should in my view be attached to the distinction drawn by English law between actions in rem, by means of which the plaintiff seeks to satisfy his claim by proceeding against specific assets, and actions in personam intended to produce binding effects as between individuals.[...] A similar conclusion was recently arrived at by the Admiralty Court itself, in a judgment of April 1992 in proceedings which in certain respects are similar to those in the present case. Being called on to determine, specifically for the purpose of applying Articles 21 and 22 of the Brussels Convention, whether Netherlands proceedings brought by owners of goods for compensation for damage suffered by a ship's cargo involved the same subject-matter and cause of action as proceedings subsequently commenced by the same owners in the United Kingdom by arresting the vessel under the Arrest Convention, the English court concluded that the two actions involved the same subject matter, notwithstanding the differences between actions in rem and actions in personam. It arrived at that conclusion by reference to the fact that the subject-matter of the action against the ship must necessarily be the same as that of the action against the owner and that, if service of the writ of arrest is not acknowledged by the owner, the plaintiff must, in order to obtain a decision against the vessel, prove the owner's liability'.
- 21 See UK concept of equitable protective jurisdiction, which was mentioned in *L'Oreal SA & Ors v eBay International AG & Ors* [2009] EWHC 1094 (Ch) and also in *Washburn and Moen Manufacturing Co. v Cunard Steamship Co.* (1889) 6 R.P.C. 398 (brought to my attention by Graham Smith). *Norwich Pharmacal Co. & Others v Customs and Excise Commissioners* [1974] AC 133 applies similar logic in respect to information disclosure: 'UK courts allow to grant disclosure orders, known as Norwich Pharmacal orders, against innocent third parties which have been mixed up in wrongdoing. While first developed in relation to intellectual property, such as patents, Norwich Pharmacal orders are now granted in relation to other torts, as well as defamation and breach of contract, and alleged criminal offences' (quoted from Wikipedia entry on Norwich Pharma injunctions; see more on this issue at [http://en.wikipedia.org/wiki/Norwich\\_Pharmacal\\_Co.\\_v\\_Customs\\_and\\_Excise\\_Commissioners](http://en.wikipedia.org/wiki/Norwich_Pharmacal_Co._v_Customs_and_Excise_Commissioners)); The Norwich case cites among others *Upmann v Elkan* (1871) 7 Ch App 130, where the court allowed an injunction to be issued to restrain an (innocent) mere carrier in possession of counterfeit goods. The case also dealt with his duty as the possessor of counterfeit goods to give all proper information and offer redress.
- 22 Quoted from van Boom, W. *Comparative notes on injunction and wrongful risk-taking*, In: *Maastricht Journal of European and Comparative Law* 1 (2010) 10-31.
- 23 For the situation in Germany, England and France, see van Boom, W. *Comparative notes on injunction and wrongful risk-taking*.
- 24 H. Koziol, *Basic Questions of Tort Law from a Germanic Perspective* (2012) Jan Sramek Verlag, p. 21 – 26.
- 25 Ch. K. Sliwka, *Herausgabeansprüche als Teil des zivilrechtlichen Eigentumsrechts? die rei vindicatio und funktionsäquivalente Ansprüche des Eigentümers gegen den Besitzer im französischen, englischen und deutschen Recht*. Logos Berlin, 2012, p. 536.
- 26 W. van Boom, *Comparative notes on injunction and wrongful risk-taking*, p. 6.
- 27 See K. Lanzinger-Twardosz, *Unterlassungsanspruch und Störerhaftung im Immaterialgüterrecht*, 2008; *Study of European Observatory on Counterfeiting and Piracy on Injunctions in Intellectual Property Rights*.
- 28 H. Koziol, *Basic Questions of Tort Law from a Germanic Perspective* (2012) Jan Sramek Verlag, p. 21 – 26.
- 29 The court praxis since the decision of the German Federal Supreme Court, *Constanze II*, 06.07.1954, Case No. I ZR 38/53; see also K. Gursky, *Sachenrecht §§ 985 - 1011 (Eigentum 3)*, C.H.Beck, Neubearb., 2013, p. 551.
- 30 German Federal Supreme Court, *Internet-versteigerung I*, 11.4.2004, Case No. I ZR 304/1.
- 31 Instructive examples can be found in decisions of the German Federal Supreme Court, *Sommer Unseres Lebens*, 12.05.2010, Case No. I ZR 121/08 and *Alone in the Dark*, 12.7.2012, Case No. I ZR 18/11.
- 32 See decision of the Austrian Supreme Court, 16.12.2008, Case No. 8 Ob 151/08a.
- 33 See decision of the Austrian Supreme Court, 16.11.2012, Case No. 6 Ob 126/12s.
- 34 See decision of the Austrian Supreme Court, 19.12.2005, Case No. 4 Ob 194/05s.
- 35 See the interpretation of § 81 (1a) UrhG in a referral decision of the Austrian Supreme Court, 11.05.2012, Case No. 40b6/12d.
- 36 The diagram illustrates entitlement extension. The blue field represents tort liability and the yellow field injunctions outside the tort law system. 'Actor' refers to a person who acts within the scope of the right (direct infringer). 'Non-actor' refers to person who does not act within the scope of the right (secondary infringer). The picture depicts a tort liability system in a country such as the US, which enables fault-based liability of a non-actor for an actor's conduct in some cases (contributory liability) and also non-fault-based liability of a non-actor for an actor's conduct in some cases (vicarious li-

- ability). The yellow field shows the extension of the scope of the enforcement against non-actors. The arrow shows the direction of lowering causal link standards.
- 37 Kaldor–Hicks efficiency is a measure of economic efficiency. Under Kaldor–Hicks efficiency, an outcome is considered more efficient if a Pareto optimal outcome can be reached by arranging sufficient compensation from those that are made better off to those that are made worse off so that all would end up no worse off than before. See more at [http://en.wikipedia.org/wiki/Kaldor%E2%80%93Hicks\\_efficiency](http://en.wikipedia.org/wiki/Kaldor%E2%80%93Hicks_efficiency).
  - 38 The High Court of Justice, [2011] EWHC 1981 (Ch).
  - 39 J. Poort, J. Leenheer, File sharing 2@12: Downloading from illegal sources in the Netherlands, IViR, available at [http://www.ivir.nl/publications/poort/Filesharing\\_2012.pdf](http://www.ivir.nl/publications/poort/Filesharing_2012.pdf).
  - 40 F. Davey, Blocking access to copyright infringing sites. What would ISP's be required to do?
  - 41 Ibid.
  - 42 The High Court of Justice: Newbiz II [2011] EWHC 1981 (Ch); Newbiz II [2011] EWHC 2714 (Ch), Dramatico [2012] EWHC 268 (Ch), Dramatico [2012] EWHC 1152, EMI Records [2013] EWHC 379 (Ch).
  - 43 For the position of users, see M. Husovec, What's wrong with UK website blocking injunctions? Hu□ko's Technology Law Blog at <http://www.husovec.eu/2013/03/whats-wrong-with-uk-website-blocking.html>.
  - 44 The Spanish-owned property site called HomelifeSpain.com was blocked in Denmark after the Danish site home.dk as an owner of a word mark 'home' applied and received the remedy of the website being blocked in Denmark. See more at <http://www.techdirt.com/articles/20121228/09275521510/danish-court-orders-spanish-site-blocked-because-it-uses-trademarked-english-word-home-as-part-its-name.shtml>.
  - 45 See Study of European Observatory on Counterfeiting and Piracy on Injunctions in Intellectual Property Rights .
  - 46 See such an example in a recent Dutch case, BREIN v ING, where the court ruled that the local bank is not required to hand over the information about an allegedly infringing account holder because such a court ruling can only be deployed as a last remedy and the plaintiff had not yet exhausted all other possible options. The case was reported at <http://www.futureofcopyright.com/home/blog-post/2013/05/17/dutch-court-ing-not-required-to-disclose-account-information-in-copyright-case-against-ftd-world.html> and M. Husovec, Are Banks Required to Disclose the Identity of their Customers to Copyright Holders? Hu□ko's Technology Law Blog at <http://www.husovec.eu/2013/05/are-banks-required-to-disclose.html>.
  - 47 NSI was at the time the sole National Science Foundation contractor in charge of registering domain-name combinations for the top-level domains .gov, .edu, .com, .org and .net. NSI did maintain a post-registration dispute-resolution procedure, but no *ex ante* procedure. NSI took no action on Lockheed's requests to cancel the domain names. NSI later permitted a new registrant to register <skunkworks.com>. Lockheed sued NSI on 22 October 1996, claiming a contributory service mark infringement, infringement, unfair competition, and service mark dilution, all in violation of the Lanham Act, and also seeking declaratory relief. The Ninth Circuit rejected all the claims (Lockheed Martin v Network Solutions, No. 97-56734, United States Court of Appeals, Ninth Circuit).
  - 48 See e.g. decision of the German Federal Supreme Court, Ambiente.de, 17.05.2001, Case No. I ZR 251/99.
  - 49 Art. 15 provides that 'Member States shall not impose a general obligation on providers, when providing the services covered by Articles 12, 13 and 14, to monitor the information which they transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity'. As domain name authority activity is generally not seen as mere hosting, caching or mere conduit, this provision does not apply to it.
  - 50 Instructive examples can be found in German case law, e.g. the decision of the German Federal Supreme Court, Sommer Unseres Lebens, 12.05.2010, Case No. I ZR 121/08, which pushed for password protection of open wifis, or the Alone in the Dark decision, 12.7.2012, Case No. I ZR 18/11, which pushed for word-filtering technology for file-hosting providers and also for manual review of a small number of external links from search engines.
  - 51 Inspired by H. Koziol, Basic Questions of Tort Law from a Germanic Perspective (2012) Jan Sramek Verlag, p. 31
  - 52 See decision [2011] EWHC 2714 (Ch) Newzbin II, paras 32-53.
  - 53 See the wording of Art. 12(3), Art. 13(2), Art. 14(2), Art. 18 of E-commerce Directive together with the explanation of injunctions against intermediaries. It is also, for instance, the current position of German jurisprudence and from case law that is coming to the Court of Justice of EU from other member states (Scarlet, Sabam, UPC Wien etc.), it seems that this is not an unusual position. Of course, in countries that did not implement Art. 11 of the Enforcement Directive and Art. 8(3) of the Information Society Directive properly, this questions often did not even arise. See Study of European Observatory on Counterfeiting and Piracy on Injunctions in Intellectual Property Rights.
  - 54 Enforcement Directive in Art. 3(1) states that 'Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by this Directive. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays'. Also Justice Arnold in Newzbin II opines '[i]t seems to me to be implicit in recital (59) of the Information Society Directive that the European legislature has chosen to impose that cost on the intermediary. Furthermore, that interpretation appears to be supported by the Court of Justice's statement in L'Oréal v eBay at [139] that such measures "must not be excessively costly"'. On the other hand, there is no explicit requirement in any of the directives that such costs have to be borne fully by intermediaries.
  - 55 'Each Party shall provide that, in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities have the authority to issue an order against a party to desist from an infringement, and *inter alia*, an order to that party or, where appropriate, to a third party over whom the relevant judicial authority exercises jurisdiction, to prevent goods that involve the infringement of an intellectual property right from entering into the channels of commerce.' This provision was previously drafted in a more European-style way, when it provided that 'The Parties [may] shall ensure that right holders are in a position to apply for an injunction against [infringing] intermediaries whose services are used by a third party to infringe an intellectual property right.' See more on this development within the treaty, B. K. Baker, ACTA: Risks of Third Party Enforcement for Access to Medicines, PIJIP Research Paper series (2010).
  - 56 The proposed text of Bilateral Trade Agreement between EU, Colombia and Peru that in Art. 236 says 'the Parties shall provide that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement.' As the footnote of the document explains, 'The Parties shall ensure that the measures referred in this paragraph may also apply against those whose services have been used to infringe intellectual property rights to the extent they have been involved in the process.' See <http://www.bilaterals.org/spip.php?article17138>.

- 57 Hopefully, I will be able to provide these answers at the end of my ongoing PhD research.