Neutral Citation Number: [2016] EWHC 3583 (Ch)

Claim No HC-2015-000273

IN THE HIGH COURT OF JUSTICE **CHANCERY DIVISION**

	Royal Courts of Justice Fetter Lane, Lone	
	<u></u>	7 February 2017
Before	2:	
MR JOHN BAI	LDWIN QC	
Betwee	n :	
SIGNATURE REAL	LTY LIMITED	Claimant
- and	_	
1. FORTIS DEVELOP 2. BEAUMONT MORGA LIMIT	N DEVELOPMENTS	Defendants
Mark Vanhegan QC and David Ivison (ins Claima		s & Co) for the
Guy Burkill QC and Georgina Messenger for the Defe	(instructed by Myerson S	Solicitors LLP)
Hearing dates: 3 rd , 4 th , 7 th to 10	oth and 14 November 2016	
Judoment A	nnroved	

Juagment Approved

MR JOHN BALDWIN QC:

- This is an action for infringement of copyright in the architect's drawings which
 formed part of a planning consent for the development of a block of student flats in
 Sheffield city centre. Complaint is made of the use by the Defendants of the
 drawings during the promotion, marketing and construction of the development.
 The project was completed in February 2016 and the site was sold to a third party
 on 20 April 2016.
- 2. The Claim Form and Particulars of Claim were served on 27 January 2015 and an application for summary judgment based upon a sample of the drawings relied upon came before the court on 15 January 2016. On that occasion defences of implied licence and estoppel were struck out but otherwise the application was dismissed. The court directed that this trial be limited to the issues of (i) liability, (ii) the claimant's entitlement to injunctive relief, and (iii) the liability of the defendants to an award of damages pursuant to section 97(2) of the Copyright Designs and Patents Act 1988.
- 3. The Claimant, Signature, is a property development company formed for the purpose of developing property in the UK primarily for Middle Eastern investors. In early 2013 one of its directors, Mr El-Hilly, spotted an opportunity to develop a site in Sheffield city centre which housed a pair of office buildings, Sovereign House and New Bank House. He thought the pair could be joined together and would be suitable for student accommodation and that the project would be of interest to Saudi Arabian investors with whom he was connected. Mr El-Hilly is a qualified Iraqi architect and he produced some preliminary sketches to illustrate his scheme. He thought he could generate over 200 accommodation units on the site.
- 4. At the time, the site was owned by a company called Branchester International Limited (Branchester) who, in March 2012, had submitted to the local authority, Sheffield City Council, an application for planning permission to convert Sovereign House into 55 apartments, which application was granted in July 2012. Mr El-Hilly got in touch with Branchester who, it transpired, were willing to sell the site if the price was right. Mr El-Hilly, however, was not interested in the proposed conversion into 55 apartments. He had in mind the conversion of both buildings on the site and the provision of some 250 self-contained student accommodation units. This, he thought was a much more attractive investment proposal bearing in mind

- the relatively low cost of conversion and the high yields achieved on student accommodation. Moreover, he thought, the project could be substantially self-financing, by selling off plan the individual accommodation units on long leases.
- 5. Investors known to Mr El-Hilly formed a company called Wordsworth Realty Limited (Wordsworth) to acquire the site and Signature and Wordsworth entered into what was essentially a joint venture arrangement to deliver the project and manage it as a long term property investment. To do that, of course, they had to buy the site and obtain planning consent for their proposals.
- 6. On 31 May 2013 Wordsworth exchanged contracts with Branchester to purchase the site for the sum of £4.45 million with a deposit of £400,000. Completion was agreed for September 2013, subsequently extended by agreement to November 2013 and then to January 2014 by further agreement and an increase in the deposit to £600,000. Wordsworth failed to provide the completion monies in time with the consequence that Branchester retained ownership.
- 7. Following further negotiations, on 25 February 2014 Branchester and Wordsworth entered into a new contract which provided a completion date of 25 April 2014 with time being of the essence. Again Wordsworth failed to provide the monies required but negotiations with Branchester continued. At the same time Branchester employed agents (in particular a Mr Simon Greenspan of Cavendish Investments) to find an alternative purchaser for the site.
- 8. Sometime in July/August 2014 Wordsworth claimed to be in funds but by that time Mr Greenspan had interested the first defendant (Fortis) in the site. Without informing Signature, on 18 July 2014 Branchester exchanged contracts with Fortis for the sale of the site for £5 million with a completion date of 9 December 2014. The second defendant (Beaumont) was engaged by Fortis as the design and build contractor for the development.
- 9. During the period in which Wordsworth was trying to raise the money to complete its purchase of the site, Signature set about obtaining planning consent for the proposed development, and on 29th August 2013 Signature engaged architects Corstorphine & Wright (C&W) as consultants for this purpose. The terms of engagement provided that C&W owned copyright in any drawings it created and Signature was granted a non-exclusive licence to use the same in connection with the project. They also provided for C&W's fees, the fee for the preparation of all

- drawings and other work to achieve planning consent (i.e. RIBA Work Stages A-D) being £20,000 plus VAT. There was also a term which provided that if Signature disposed of the building prior to the commencement of Phase 2 of the project (i.e. prior to commencement of RIBA Work Stage E) C&W be paid an additional £40,000 plus VAT. This latter sum would have compensated C&W for the lost opportunity of being engaged by Signature as main architects for the development.
- 10. C&W advised that two planning applications be made. On 3 October 2013 Signature filed an application for Office Planning Permission and on 4 October 2013 it filed one for Residential Planning Permission. The former was granted on 9 December 2013 and the latter on 24 March 2014.
- 11. The Planning Permissions were granted following the submission of, *inter alia*, drawings prepared by C&W in relation to the site and it was a condition of each grant that the development "be carried out in complete accordance with [a list of approved C&W drawings]". In accordance with usual practice, the planning application documents, including the approved C&W drawings, were posted on the Sheffield Planning Portal where they became available for public inspection.
- 12. Thus the position at the time Planning Permission was granted was that Wordsworth had exchanged contracts with Branchester for purchase of the site but had not completed due to lack of funds, C&W had prepared and owned the copyright in the drawings which formed the basis of the Planning Permission, and Signature had invested quite a bit of time and money in the project (although C&W had not been paid its fees).
- 13. Fortis is a property development company which specialises in carrying out student and residential development projects in the UK. Beaumont is a construction company which acts as main contractor on Fortis' projects. Fortis and Beaumont accept they have been working together in the matters complained of and that there is no need to distinguish between them for the purposes of the matters in issue.
- 14. Fortis became aware of the existence of the site in about May 2014 as a result of some marketing carried out by Mr Greenspan. Mr Greenspan referred to and gave a description to Fortis of the planning applications submitted to Sheffield City Council and he provided a link to the Planning Portal (from which it was evident that full planning permission had been obtained pursuant to the applications by Signature).

- 15. Fortis was interested in the proposal and shortly thereafter Mr Greenspan provided copies of GIA (gross internal area) drawings corresponding to the C&W drawings on the Planning Portal. Mr Greenspan also indicated that AutoCAD drawings (i.e. drawings which included accurate measurements and from which designs and estimations can be obtained) of the approved scheme would be available when contracts were exchanged for the purchase of the site.
- 16. Around this time in May 2014 Fortis downloaded copies of C&W's drawings from the Planning Portal in order to consider the matter more carefully. Shortly thereafter, and before it had purchased the site, Fortis began using some of the downloaded drawings for estimation and marketing purposes and this use is the first type of infringements complained of. Thereafter complaint is made of all manner of uses in connection with the marketing, development and construction on the site in accordance with the permission granted. In support of its allegation that Fortis and Beaumont have reproduced a substantial part of the C&W drawings, Signature relies on the condition imposed by Sheffield City Council to the effect that the development must be carried out in accordance with the approved C&W drawings.
- 17. On 2 February 2015 Fortis submitted a minor material amendment application in relation to the Residential Planning Permission granted on 24 March 2014 and this was granted on 30 April 2015. On 12 August 2015 a second application for a minor material amendment to the planning permission was made and this was also granted. Mr Vanhegan QC, for Signature, submitted that these amendment applications were based upon what he called altered copies of the C&W drawings and that these altered copies were also an infringement of copyright in the C&W drawings.
- 18. Beaumont did not use C&W as architects for the development and instead instructed DMS Architecture Limited (DMS) as main architects. It was DMS who prepared the drawings for the two amendments made to the Planning Permission. Furthermore, after completion of the development DMS produced "As Built" drawings of the project and these were relied upon to establish infringement in relation to the construction of the building itself.
- 19. Mr El-Hilly first became aware of what the defendants were doing in October 2014 when he heard a rumour that someone was selling student accommodation units from the site in Sheffield. He did some research and discovered it was Fortis. He managed to get hold of some of the marketing materials which were being used and

- he discovered that these materials contained what he considered to be copies of the drawings Signature had used in its application for planning permission. He deduced that the scheme being offered by Fortis was substantially identical to that for which Signature had obtained planning permission.
- 20. Mr El-Hilly reverted to the contract by which Signature had engaged C&W and saw that C&W retained copyright in the drawings Signature had used in its planning application. He set out to achieve ownership of that copyright in order to institute proceedings against the defendants and, to that end, he entered into negotiations with C&W. These led to an assignment of copyright, including the right to sue for back damages, between C&W and Signature dated 10 December 2014. Part of the consideration flowing to C&W is a payment made out of any proceeds recovered in this action. Thus both Signature and C&W have a financial interest in the success of the action.
- 21. That is the factual background to the case but before I turn to the issues it is necessary to say a word about planning permission. This is because Mr El-Hilly appeared to believe that the planning permission granted pursuant to Signature's application belonged to Signature. That is not correct.
- 22. The core legislation for most planning matters is the Town and Country Planning Act 1990 and section 57 provides that planning permission is required for the carrying out of any development of land. Anybody can apply for planning permission to develop any land and any granted permission relates to the land and what may be done with it. There are no statutory or other intellectual property rights in the planning permission itself; anyone may avail themselves of it so long as they satisfy its conditions.
- 23. It is usual that planning permission is granted by reference to drawings which illustrate the existing and proposed development and it is usual for there to be a condition of the grant that the development is carried out in accordance with specified drawings. In that way the local authority controls any development in its locality.
- 24. It is also usual for a local authority to post all planning applications and documents relating thereto on its website with a facility available to members of the public to download those documents. Applicants for planning permission must expect that drawings they submit will be placed on a website and be available to the public.

The planning process involves applicants consenting to that activity. The Sheffield Planning Portal contains a notice setting out the terms of the copyright licence under which materials are made available for download. It is in these terms:

You may only use material which is downloaded and/or printed for consultation purposes, to compare current applications with previous schemes and to check whether developments have been completed in accordance with approved plans.

Further copies must not be made without the permission of the copyright owner.

25. It is also usual for architect's drawings to bear copyright notices forbidding reproduction without consent. All the drawings relied on in these proceedings bear the notice:

The copyright of this drawing is vested with Corstorphine & Wright Ltd and must not be copied or reproduced without the consent of the company.

- 26. Anyone aware of these notices would know that drawings on a Planning Portal could only be downloaded and copied for specified and limited purposes. There was no evidence in this case that knowledge of notices of this kind was notorious within the building industry and there were no submissions to that effect. I found that surprising but there it is.
- 27. In *Blair v Osborne & Tomkins* [1971] 2 QB 78 the court considered a case where an architect, Mr Blair, had been engaged by a client under RIBA Conditions to do the work necessary to obtain full planning consent. Mr Blair prepared drawings in accordance with his brief, planning permission was obtained in due course and he was paid his fee of £70. The client then sold the site (which now had the benefit of the planning permission) to builders and passed over copies of Mr Blair's drawings. The builders engaged their own professionals and the houses were built in accordance with Mr Blair's plans.
- 28. At all times Mr Blair was the owner of the copyright in his drawings and he sued the builders for infringement by constructing houses in accordance with his plans. The Court of Appeal held that, when an architect is engaged by a client to prepare drawings to obtain planning consent for a development, there is an implied licence to the client to use the drawings for all purposes connected with the erection on the site of the development to which the plans relate, and that the client can transfer that licence to a purchaser of the site.

- 29. The present case is different on the facts from *Blair v Tomkins* in that Fortis did not buy the site from Signature.
- 30. At the outset of these proceedings Fortis also relied on an implied licence basing itself on the fact that it bought the site and had paid a premium to the owners, Branchester, by reason of the planning consent. This defence was struck out on the summary judgment application and there was no appeal therefrom. Nevertheless, Mr Burkill QC, for the defendants, relies on *Blair* in the context of the quantum of damages which might be payable.
- 31. The relevant statutory provisions which I must take into account are these:

Section 1 Copyright and copyright works.

- (1) Copyright is a property right which subsists in accordance with this Part in the following descriptions of work—
 - (a) original literary, dramatic, musical or artistic works,
 - (b) ...
- (2) In this Part "copyright work" means a work of any of those descriptions in which copyright subsists.
- (3)...

Section 4 Artistic works.

- (1) In this Part "artistic work" means—
 - (a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality,
 - (b) a work of architecture being a building or a model for a building, or
 - (c) a work of artistic craftsmanship.
- (2) In this Part—
 - "building" includes any fixed structure, and a part of a building or fixed structure;
 - "graphic work" includes—
 - (a) any painting, drawing, diagram, map, chart or plan, and
 - (b) any engraving, etching, lithograph, woodcut or similar work;
 - "photograph" means a recording of light or other radiation on any medium on which an image is produced or from which an image may by any means be produced, and which is not part of a film;
 - "sculpture" includes a cast or model made for purposes of sculpture.

Section 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 of this Chapter, the exclusive right to do the following acts in the United Kingdom—
 - (a) to copy the work (see section 17);
 - (b)
 - and those acts are referred to in this Part as the "acts restricted by the copyright".
- (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.
- (3) References in this Part to the doing of an act restricted by the copyright in a work are to the doing of it—
 - (a) in relation to the work as a whole or any substantial part of it, and
 - (b) either directly or indirectly;
 - and it is immaterial whether any intervening acts themselves infringe copyright.

Section 17 Infringement of copyright by copying.

- (1) The copying of the work is an act restricted by the copyright in every description of copyright work; and references in this Part to copying and copies shall be construed as follows.
- (2) Copying in relation to a literary, dramatic, musical or artistic work means reproducing the work in any material form.

This includes storing the work in any medium by electronic means.

- (3) In relation to an artistic work copying includes the making of a copy in three dimensions of a two-dimensional work and the making of a copy in two dimensions of a three-dimensional work.
- (4) ...
- (6) Copying in relation to any description of work includes the making of copies which are transient or are incidental to some other use of the work.

Section 97 Provisions as to damages in infringement action.

- (1).
- (2) The court may in an action for infringement of copyright having regard to all the circumstances, and in particular to—
 - (a) the flagrancy of the infringement, and
- (b) any benefit accruing to the defendant by reason of the infringement, award such additional damages as the justice of the case may require.
- 32. The interpretation of these sections in relation to infringement of copyright in artistic works was summarised *per* Lord Millett in *Designers Guild v Russell Williams* [2000] 1 WLR 2416:
 - 38 An action for infringement of artistic copyright [....] is not concerned with the appearance of the defendant's work but with its derivation. The copyright owner does not complain that the defendant's work resembles his, his complaint is that the defendant has copied all or a substantial part of the copyright work. The reproduction may be exact or it may introduce deliberate variations—involving altered copying or colourable imitation as it is sometimes called. Even where the copying is exact, the defendant may incorporate the copied features into a larger work much and perhaps most of which is original or derived from other sources. But while the copied features must be a substantial part of the copyright work, they need not form a substantial part of the defendant's work: see *Warwick Film Productions Ltd v. Eisinger* [1969] Ch. 508. Thus the overall appearance of the defendant's work may be very different from the copyright work, but it does not follow that the defendant's work does not infringe the plaintiff's copyright.
 - 39 The first step in an action for infringement of artistic copyright is to identify those features of the defendant's design which the plaintiff alleges have been copied from the copyright work. The court undertakes a visual comparison of the two designs, noting the similarities and the differences. The purpose of the examination is not to see whether the overall appearance of the two designs is similar, but to judge whether the particular similarities relied on are sufficiently close, numerous or extensive to be more likely to be the result of copying than of coincidence. It is at this stage that similarities may be disregarded because they are commonplace, unoriginal, or consist of general ideas. If the plaintiff demonstrates sufficient similarity, not in the works as a whole but in the features which he alleges have been copied, and establishes that the defendant had prior access to the copyright work, the burden passes to the defendant to satisfy the judge that, despite the similarities, they did not result from copying.
 - 40 Even at this stage, therefore, the inquiry is directed to the similarities rather than the differences. This is not to say that the differences are unimportant. They may indicate an independent source and so rebut any inference of copying, but differences in the overall appearance of the two works due to the presence of features of the defendant's work about

which no complaint is made are not material. In the present case the disposition of the flowers and (except in one instance) the colourways of the defendants' design are very different from those of the plaintiffs' design. They were not taken from the copyright work, and the plaintiffs make no complaint in respect of them. They make a significant difference to the overall appearance of the design, but this is not material where the complaint is of infringement of copyright and not passing off.

41 Once the judge has found that the defendants' design incorporates features taken from the copyright work, the question is whether what has been taken constitutes all or a substantial part of the copyright work. This is a matter of impression, for whether the part taken is substantial must be determined by its quality rather than its quantity. It depends upon its importance to the copyright work. It does not depend upon its importance to the defendants' work, as I have already pointed out. The pirated part is considered on its own (see *Ladbroke (Football) Ltd v. William Hill (Football) Ltd* [1964] 1 W.L.R. 273 at 293, *per* Lord Pearce) and its importance to the copyright work assessed. There is no need to look at the infringing work for this purpose.

33. Since Mr Burkill submits that parts of the works relied upon are commonplace, it is useful also to refer to this passage from Lord Hoffmann's speech at [25]

25 My Lords, if one examines the cases in which the distinction between ideas and the expression of ideas has been given effect, I think it will be found that they support two quite distinct propositions. The first is that a copyright work may express certain ideas which are not protected because they have no connection with the literary, dramatic, musical or artistic nature of the work. It is on this ground that, for example, a literary work which describes a system or invention does not entitle the author to claim protection for his system or invention as such. The same is true of an inventive concept expressed in an artistic work. However striking or original it may be, others are (in the absence of patent protection) free to express it in works of their own: see Kleeneze Ltd v. D.R.G. (U.K.) Ltd [1984] F.S.R. 399. The other proposition is that certain ideas expressed by a copyright work may not be protected because, although they are ideas of a literary, dramatic or artistic nature, they are not original, or so commonplace as not to form a substantial part of the work, Kenrick & Co. v. Lawrence & Co. (1890) 25 O.B.D. 99, is a well-known example. It is on this ground that the mere notion of combining stripes and flowers would not have amounted to a substantial part of the plaintiff's work. At that level of abstraction, the idea, though expressed in the design, would not have represented sufficient of the author's skill and labour as to attract copyright protection.

26 Generally speaking, in cases of artistic copyright, the more abstract and simple the copied idea, the less likely it is to constitute a substantial part. Originality, in the sense of the contribution of the author's skill and labour, tends to lie in the detail with which the basic idea is presented. Copyright law protects foxes better than hedgehogs. In this case, however, the elements which the judge found to have been copied went well beyond the banal and I think that the judge was amply justified in deciding that they formed a substantial part of the originality of the work.

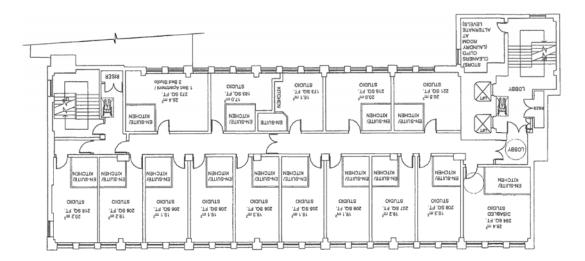
- 34. There is no issue over copyright ownership but there are issues of originality and infringement. The Claimant led evidence from Mr El-Hilly and from Mr O'Brien, a partner in C&W.
- 35. Mr El Hilly was not a good witness. It was evident that he did not want to answer the questions asked of him and was much more concerned with pointing out that it was his idea to convert the site into student accommodation and that Signature had spent a huge amount of time and money on acquiring planning approval in the expectation of a development by Wordsworth which would have made him and his

- investors lots of money. He was angry about the fact that Fortis and Beaumont had made the profits to which he thought he and his associates were entitled.
- 36. Mr Vanhegan QC submitted that Mr El-Hilly was doing his best to assist the court and that his style of providing long and rambling answers was personal and probably cultural and was not an indication that he was trying to evade or not answer the questions put. It was the case that Mr El-Hilly gave long and rambling answers but on very many occasions they were not answers to the questions put and, it seemed to me, deliberately so. Mr El-Hilly was evasive when it suited him and was not a reliable source of facts.
- 37. Mr O'Brien is a careful and skilled architect and gave his evidence honestly. Unfortunately, at the end of his testimony he chose to give a speech which betrayed him as an advocate for the Claimant's case instead of an impartial witness doing his best to assist the court.
- 38. The Defendants led evidence from Mr Moore and Mr Morgan.
- 39. Mr Moore is a director of both Fortis and Beaumont. He is a busy man working in the building trade. His main responsibility is in dealing with the initial purchase of a site and the marketing of the developments which will or might take place on that site. He answered questions in a direct and straight forward manner and I considered him to be a reliable and honest witness.
- 40. Mr Vanhegan pointed out that there were a number of errors in Mr Moore's witness statement which would not have been there had he been more careful. There is some force in this submission and it indicates that the drafting of the statements was not given the attention which it should have been given and I have taken this into account in assessing the evidence. Mr Vanhegan also relied upon the fact that Mr Moore misrepresented to his selling agents that Fortis had bought the site when they had not and that the purpose of the misrepresentation was to induce the agents to start marketing the development sooner than otherwise. Mr Vanhegan suggested this was a deliberate lie in order to gain a commercial advantage. Mr Moore candidly accepted that he had jumped the gun and I do not think that he regarded the lie as very important in his line of business. This conduct, however, did not lead me to believe that Mr Moore was being untruthful to the court or give me reason to doubt the sincerity of his evidence.

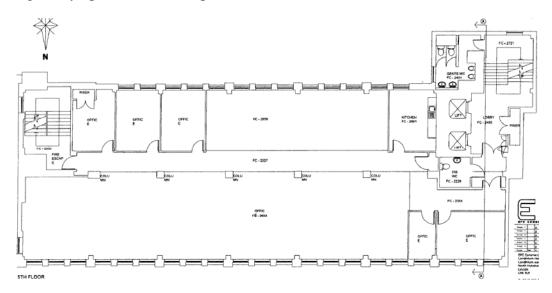
- 41. Mr Morgan is also a director of both Fortis and Beaumont. He is a civil engineer and has spent his working life in civil engineering and property construction. He is concerned with the construction side of the projects with which the defendants are involved and in this role he dealt with the architects, the electrical engineers, the structural engineers and the subcontractors such as the glaziers.
- 42. Mr Vanhegan submitted that Mr Morgan was an obstructive and unhelpful witness. I do not agree and, indeed, there was a very marked contrast between both the performance of Mr Moore and Mr Morgan, who both just answered the questions put and waited for the next one, and that of Mr El Hilly who, for much of his evidence, did neither of those things.
- 43. I found Mr Morgan to be a good and honest witness. He refused to accept that there had been any copying of the planning permission drawings during the process of construction of the site but this was because he would not accept that the use which he accepted had been made of the C&W drawings amounted to copying. Thus his refusal was a matter of use of language rather than a denial of relevant or obvious facts.
- 44. Mr Vanhegan submitted that Mr Morgan had come to court to argue the case for the Defendants. I did not appreciate this from listening to him. I consider that Mr Morgan answered questions on the basis of his understanding of what amounts to copying and it may well be (a matter to which I will come) that this understanding was mistaken.
- 45. It was suggested that Mr Morgan must have had knowledge of certain documents because he was a director of and 100% shareholder in a company (Beaumont) to which the documents had been sent, and that he was being untruthful when he said otherwise. Given the way the defendant companies operate and the businesses in which they are engaged I can well understand why and how Mr Morgan may not be aware of the content of all correspondence which the company receives.
- 46. In the circumstances of this case, the veracity and the reliability of the witnesses does not bear much on the issues of originality and infringement. It bears more on the issue of additional damages and the need for injunctive relief, matters to which I will return.

Originality

47. Copyright subsists only in original artistic works and Mr Burkill QC, for Fortis and Beaumont, challenged subsistence on this basis. He put forward as his best example drawing 322, which is a C&W floor plan of levels 5-8 of Sovereign House, reproduced upside down for convenience:



48. The Claimant's pleaded position was that the authors of this drawing did not rely on any pre-existing work in creating the drawing and, if that were true, there would be no doubt that the drawing was an original artistic work in which copyright subsisted. The Defendants contended, however, that this drawing was copied from or made using a drawing made for Branchester by a company called EPC as part a survey carried out in about 2011. The EPC drawing is in this form (reproduced right way up for ease of comparison):



49. The outline shape of both drawings is the same and this is because it is dictated by the building itself, with the oblongs/squares along the north and south walls representing structural elements. Similarly the lift shafts and staircases represent

what is there on the ground. C&W did not make its drawing in the manner pleaded by Signature; it copied the EPC drawing and made amendments thereto, as was frankly admitted in evidence. Mr El-Hilly's explanation of why Signature had pleaded otherwise was not at all satisfactory. It was an example of his attitude to the truth.

- 50. Mr Burkill submitted that all C&W had done to the EPC drawing was divide up the space in an entirely commonplace, logical and utilitarian manner and that the resulting drawing was not sufficiently original or did not have sufficient intellectual input to justify subsistence of copyright. He drew attention to various examples of buildings used for student accommodation and submitted that, broadly, they were all the same bearing in mind the structures within which they were housed.
- 51. I do not accept Mr Burkill's submission. I am satisfied that sufficient intellectual skill went in to the drawing depicting the proposed use of the available space for copyright to subsist therein. The bar is not high (the case is not on a par with *Kenrick v Lawrence* cited by Lord Hoffmann in *Designers Guild*) and copyright subsists in graphic works irrespective of artistic quality (cf *British Northrop v Texteam* [1974] RPC 57, 68).
- 52. Mr Burkill also relied for an attack on originality on some earlier drawings made by Richard Pain Architects for an application for planning permission submitted by Branchester in 2012. There was, however, no evidence that C&W copied these earlier drawings and, in any event, they are rather different from the C&W drawings relied upon.
- 53. My attention was not drawn to a better example than that illustrated above to support the proposition that the C&W drawings were not original works and, accordingly, I am satisfied that copyright subsists in those drawings. A copy of the drawings relied upon is in Annex 1 hereto.

Infringement

- 54. There are a number of classes of alleged infringements to consider:
 - 54.1. use of facsimile pdf copies of the C&W drawings relied upon for marketing or architect/tendering/estimating purposes Class 1.

- 54.2. use of facsimile pdf copies of the C&W drawings relied upon to make AutoCAD versions thereof and subsequent use of these AutoCAD versions for architect/tendering/estimating purposes Class 2.
- 54.3. use of facsimile pdf copies of the C&W drawings relied upon to make altered copies thereof or AutoCAD versions of such and the subsequent use of these documents for marketing or architect/tendering/estimating purposes and in the construction of a building Class 3.
- 54.4. use of C&W drawings #313, 331A and 332A to make computer generated images (CGIs) of what something in accordance with those drawings might look like and subsequent use of such in marketing materials Class 4.
- 55. There were a number of examples of Class 1 in the evidence and Mr Burkill acknowledged that there was no defence to the claim for infringement if subsistence was established. He was right so to do. The only licence to copy these drawings was in relation to the uses identified in the notice on the Sheffield Planning Portal (paragraph 24 above). That did not include the uses which were complained of and were admitted to have been carried out.
- 56. Regarding class 2, AutoCAD versions of the planning drawings were promised by Mr Greenspan prior to Fortis' purchase of the site but they were never delivered. Subsequently C&W were asked for AutoCAD versions of the drawings but they declined to provide them. Since such versions were needed for the project Beaumont commissioned its architects, DMS, to generate them.
- 57. There was no evidence from DMS as to how the AutoCAD versions of the planning drawings were prepared. Mr Morgan explained that a witness from DMS setting out the relevant details had been prepared but DMS' insurers had refused permission for it to be used. In these circumstances I must infer what happened from the evidence before me.
- 58. Mr El-Hilly contended that it was likely that the AutoCAD versions were made by DMS directly from the pdf versions of the C&W drawings. This he said was possible and that, accordingly, this is probably what DMS did. Mr Morgan had two things to say about Mr El-Hilly's suggestion. First, he said it was a foolish idea since there was a real likelihood that the pdf versions would not be sufficiently accurate due to scaling errors introduced during the copying which was likely to

have taken place during the course of their posting on the Planning Portal and subsequent downloading and printing therefrom. Secondly he said he had instructed DMS to visit the site and prepare AutoCAD versions from scratch, that DMS had been paid to do this and that he was sure DMS had carried out his instruction.

- 59. It is well known that reproduction of drawings by facsimile copying can lead to distortions of scale and I do not believe any competent architect intending that his drawings be used for construction purposes would use pdf copies of planning drawings if the simple alternative of visiting the site to take measurements were readily available. I have every reason to think DMS are competent architects and there is evidence that they were paid to visit the site and prepare AutoCAD versions of the relevant drawings. I am satisfied that this is what they did. I think it more likely than not that DMS used the pdf copies of the C&W planning drawings as an indication of the use to which the available space would be put. Accordingly I reject the Claimant's contention that the AutoCAD versions prepared by DMS were no more than direct (i.e. equivalent to facsimile) copies of the pdf versions of the planning drawings.
- 60. Mr Morgan would not accept that the AutoCAD drawings DMS produced were reproductions of the planning drawings. In my judgment this refusal was a result of him not understanding the meaning of reproduction in a copyright sense. The end product of the DMS exercise was that DMS produced AutoCAD drawings which were, visually, materially the same as the pdf versions of the C&W drawings; they were sufficiently similar for a build in accordance with them to satisfy the conditions of the planning consent. The reason for this similarity is that DMS were in possession of the pdf versions and needed to prepare drawings which could be used to construct a building in accordance with the planning consent. That similarity was caused by copying, in a copyright sense. The Class 2 drawings were made in infringement of copyright and copies made for the Class 2 uses are also an infringement.
- 61. The Class 3 drawings came into existence because of changes which DMS made to the C&W proposals. These changes are encapsulated in the As Built drawings prepared by DMS and the drawings complained of are reproduced in Annex 2 hereto. DMS had prepared some earlier versions of some of these drawings

- (reproduced as an annex to the Further Information dated 15 July 2016) and my findings in relation to the drawings in Annex 2 also apply to the equivalent earlier versions thereof the changes were not material for present purposes.
- 62. With respect to this class of alleged infringements, the issue is whether a drawing or a building made in accordance with the As Built drawings is an infringement of copyright in the relevant C&W drawing relied upon. To perform that analysis I was asked to consider the As Built drawings themselves against the relevant C&W drawing I have not seen the actual building. Thus my comparison has been between the C&W drawings in Annex 1 and the DMS drawings in Annex 2.
- 63. The drawings in Annex 2 have been marked up in two respects. First, the dotted blue outlines depict that part of the As Built drawings alleged to be infringements of one or more of the C&W drawings identified by blue text. Secondly, the red colouring identifies those parts of the As Built drawings which are alleged to reproduce original parts of the C&W drawings.
- 64. The As Built drawings fall into two types: drawings which portray the outward appearance of the building and drawings which portray floor plans.
- 65. With respect to the drawings portraying the appearance of the building, Signature has marked in red those parts where there is similarity between its and the defendants' drawings as a result of the commonality of the original structure of the building. In my judgment it should not have done so for two reasons. First, C&W's drawings showing the existing structure of the building are not original in that respect; they were made either by copying the building itself or drawings or pictures thereof. Secondly, any similarity between the As Built drawings and the C&W drawings arising because the existing structure of the building remained the same is not due to copying drawings; it is due to the fact that the defendants retained the existing structure of the building in their development.
- 66. The position is different with the floor plans. Thus the lines representing the outer walls of the existing building are not marked in red because, although they are identical to the equivalent on the C&W drawings, these latter were copied from the EPC drawings which themselves were copied from the building itself.
- 67. The first As Built drawing complained of is entitled 'Proposed Elevations Sovereign House' and the drawing allegedly infringed is #331 rev A (North Elevation). This

drawing is marked up in red save for the first two levels. As already indicated, the extent of the red marking is, in my judgment, erroneous. Those parts of the drawing portraying the existing brick structure should not be marked in red since they are features of the old building and were neither original to the Claimants nor copied by the Defendants. The only original aspects of this drawing arise from the alteration in window size (repeated for every window), the addition of the top two floors (and what is shown above the top floor) and the conformity of level 9 with that below.

- 68. I am not satisfied that 'Proposed Elevations Sovereign House' is or contains a reproduction of a substantial part of #331 rev A (North Elevation). The latter is dominated by its non-original parts and the changes introduced by C&W's different window design into the C&W drawing do not appear sufficiently similar to the representation on the Defendants' drawing. With respect to the upper two floors, the idea of two additional floors has been taken but, given that its execution is heavily constrained by the building structure of the lower floors, the expression of that idea is not to my mind sufficiently similar. The distinctive repeating fins on the fascia of the upper two floors have not been reproduced.
- 69. My task is to consider whether a substantial part of the copyright work has been reproduced and I do so by looking at the similarities between the two works in the context of the artistic skill and labour expressed in the Claimant's work. Having done so I have reached the conclusion that this first As Built drawing does not infringe and a building made in accordance therewith does not infringe.
- 70. The second As Built drawing is 'Proposed Elevations New Bank House' (although it is the elevation of Sovereign House which is complained of) and the drawing allegedly infringed is #331 rev A (East Elevation). Again, the red colouring appears to be over parts of the original structure and should not be there.
- 71. I am not satisfied that this is a reproduction of a substantial part of #331 rev A (East Elevation). There are similarities because of the additional two floors and the different window dimensions but the expression of those similarities on the drawing complained of is not sufficiently similar for there to be a reproduction of a substantial part of the C&W drawing.
- 72. The third As Built drawing is 'Proposed Elevations Sovereign House' and the drawing allegedly infringed is #332 (West Elevation). #332 Rev A is the version

- of #332 most similar to that complained of. Following on from previous drawings, we see that the idea of two extra floors is used but the expression is different. I am not satisfied there has been a reproduction of a substantial part and there is no infringement.
- 73. The fourth As Built drawing is 'Proposed Elevations New Bank House' (although it is the elevation of Sovereign House which is complained of) and the drawing allegedly infringed is #332 rev A (South Elevation). Again, the red colouring appears to be over parts of the original structure and should not be there. For essentially the same reasons as previously, in my judgment the drawing complained of is not an infringement of copyright.
- 74. 'Proposed Elevations New Bank House' is also alleged to infringe #332 (although this was not a pleaded drawing). The revision to #332 was to reduce the height of the lift core plant room, amend curtain walling detail, extend the boiler flue, shadow gaps and show smoke vents. These additions do not affect my conclusion and #332 is not infringed.
- 75. The fifth As Built drawing is 'Proposed Floor Levels 11 & 12 GA Plans' and the drawing allegedly infringed is #323 (proposed levels 10 and 11). The complaint in relation to this drawing is essentially of the copying of the internal wall and central corridor positions, the parts of the drawings portraying the contents of the rooms being very different from one another. The Claimant has have marked in red the ¼ circle door opening indicators, but I am satisfied they have not been copied; they are a consequence of the door positioning and convention. Moreover, great care is needed in connection with some of the red markings since a red marking appears if there is any coincidence of wall structure, even though other parts of the wall are different (indicating that the room has been redrawn and that any coincidence of wall structure may be due to just that, coincidence). This observation applies to all the drawings of floor plans.
- 76. With respect to the features complained of, the Defendants' drawing for level 11 is substantially the same as that for level 12 and they can be treated together.
- 77. Although the drawing of the internal walls on #323 (proposed levels 10 and 11) is heavily influenced by the external structure of the building, and looking at the matter qualitatively, I am satisfied that what has been copied by the Defendants

- amounts to a reproduction of a substantial part of #323 (proposed levels 10 and 11) and, accordingly, the copyright in this drawing has been infringed.
- 78. The sixth As Built drawing is 'Proposed Floor Levels 9 & 10 GA Plans' and this comprises two drawings which appear to be substantially the same as each other in terms of what is alleged to have been copied but which are alleged to infringe different drawings. Thus Proposed Floor Plan level 10 is alleged to infringe #323 (proposed level 9) and Proposed Floor Plan Level 9 is alleged to infringe #322 (proposed levels 05 and 08). As with the previous drawing, the complaint is limited to the parts of the drawings depicting internal walls.
- 79. The drawings complained of are sufficiently similar to each other that they can be dealt with together. Although what has been reproduced is not as extensive as with the previous drawing and although the matter is close to the line, I am satisfied that there is infringement in this case.
- 80. The seventh As Built drawing is 'Proposed Floor Levels 07 & 08 GA Plans' and this comprises two drawings which appear to be substantially the same as each other in terms of what is alleged to have been copied. They are both alleged to infringe #322 (proposed levels 05 and 08). The analysis is the same as for the previous drawing and a finding of infringement follows.
- 81. The eighth As Built drawing is 'Proposed Floor Levels 05 & 06 GA Plans' and this comprises two drawings. Proposed Floor Plan level 05 is alleged to infringe #322 (proposed level 01 to 04) and #316 and Proposed Floor Plan Level 06 is alleged to infringe #322 (proposed levels 05 to 08). With respect to the variants on #322, the analysis is the same as for the previous drawing and a finding of infringement follows. Drawing #316 is, in part, the same as #322 (proposed level 01 to 04) so it does not require separate consideration.
- 82. The ninth As Built drawing is 'Proposed Floor Level 04 GA Plan' and this can be considered in two parts. The first part shows level 04 of Sovereign House and is very similar if not identical to level 05 and, like 05, it is alleged to infringe #322 (proposed level 01 to 04) and #316. As with 05 and for the same reason, there is infringement. The second part shows a floor plan of level 04 of New Bank House. It is alleged to infringe #325, which shows C&W's proposed levels 01 to 03. The analysis is the same as with previous floor plans and I am satisfied there is infringement.

- 83. The tenth As Built drawing is 'Proposed Floor Level 03 GA Plan'. This appears to be substantially the same as the previous drawing (Level 04) and it is alleged to infringe the same C&W drawings. The analysis is the same and there is infringement.
- 84. The eleventh As Built drawing is 'Proposed Floor Level 02 GA Plan'. This appears to be substantially the same as the previous drawings (Level 04 and 03) and it is alleged to infringe the same C&W drawings. The analysis is the same and there is infringement.
- 85. The twelfth As Built drawing is 'Proposed Floor Level 01 GA Plan' and this also can be considered in two parts. The first part shows the ground floor of Sovereign House and is alleged to infringe #321 (proposed level 00), #313 and #315. The three drawings relied upon appear to be the same in all material respects and there is sufficient similarity for a finding of infringement. The second part shows the ground floor of New Bank House and is alleged to infringe #324 (proposed level 00), #313 and #315. Again, the relevant parts of the three drawings relied upon appear to be the same in all material respects and there is sufficient similarity for a finding of infringement.
- 86. The thirteenth As Built drawing is 'Proposed Floor Level 00 GA Plan' and this also can be considered in two parts. The first part shows the basement of Sovereign House and is alleged to infringe #321 (proposed level -01), #312 and #314. The three drawings relied upon appear to be the same in all material respects and there is sufficient similarity for a finding of infringement. The second part shows the basement of New Bank House and is alleged to infringe #324 (proposed level -01), #313 and #315. The relevant parts of these three drawings are not the same and there is little relevant similarity with the drawing complained of. I am satisfied the case on infringement is not made out in this case.
- 87. The Class 4 alleged infringements came into existence for and were used for marketing purposes. They were made by Keith Davidson Partnership (KDP) at the request of the Defendants who sent them copies of the C&W drawings downloaded from the Planning Portal for this purpose (these copies were Class 1 infringements). There was no evidence of what KDP used to make the CGIs complained of. Infringement is alleged of three of the drawings in Annex 1.

- 88. In the bottom right hand corner of #313 (page 2 of Annex 1 hereto) there is a suggestion of the location of a semi-circular juice bar with three round tables and square stools. The alleged infringement is a CGI of what an actual furnished bar area might look like. The only real similarity is a semi-circular shaped bar and the fact that both drawings include tables and stools (although the number, shape and positioning of these common accoutrements are different). The fact that both bars are semi-circular (together with all the other circumstances in this case) indicates that the idea of a semi-circular bar was copied, but I am not satisfied that there has been a reproduction of a substantial part of drawing #313. What has been taken is too trivial and it has been expressed differently.
- 89. Drawings #331A and #332A (pages 12 and 13 in Annex 1) were made by C&W to show Sheffield City Council what a building in accordance with its design would look like. They are heavily dictated by the existing structure but, of course, they also show the proposed changes. Complaint is made of CGIs of the proposed Beaumont construction prior to finalisation of the design (and before the Defendants had decided to get rid of the fins shown on the front elevation of the top two floors). These CGIs were made for marketing and not planning purposes and show the proposed building from different perspectives (none of which is the same as shown in the C&W drawings). I have done a comparison with the drawings relied upon and the drawings complained of. I was not asked to and have not tried to imagine what different CGIs the Defendants might have prepared (e.g. ones showing the same perspective as the C&W drawing) would look like.
- 90. Anyone comparing the drawings complained of with the drawings relied on might reasonably reach the conclusion that they are of the same building. That would largely be due to the existing structure, i.e. the non-original parts of the Claimant's drawings, but it would also be due to the additional two top floors. Further they would conclude that they are different views of this same building. But they would not conclude that one is a copy of the other.
- 91. The issue for me is whether a substantial part of either of the two drawings relied upon has been reproduced in the drawings complained of. Or, put another way, whether what is in the Defendants' work by reason of it being derived from the Claimant's work constitutes a substantial part of the Claimants work. In my judgment the answer to these questions is no. The fact that both parties' drawings

show elevations of what is probably the same building is not enough. The works complained of do not infringe the copyright in the works relied upon. The case on Class 4 fails.

92. That deals with the issue of infringement and I now turn to the subject of damages and additional damages.

Damages and Additional damages

- 93. I am asked to order an enquiry as to damages or an account of profits and, if damages are sought, to indicate that additional damages may be ordered because of the conduct of the Defendants. Additional damages are provided for by s. 97(2) of the Copyright Designs and Patents Act 1988, reproduced in paragraph 31 above
- 94. Mr Burkill's first response to the request for an inquiry is that any damages occasioned by any wrong doing in relation to the C&W drawings, being drawings prepared in the context of construction or development of a building, are likely to be trivial and that I should refuse the request and assess quantum at some nominal sum. He referred to £20,000 as the maximum that could be awarded (getting this figure from some information relating to C&W's anticipated remuneration) and contended that the matter should be dealt with in this way.
- 95. Mr Vanhegan did not agree with either of these propositions. Furthermore, he pointed out that quantum was not in issue at the trial, that as a result the Claimant had not dealt with it in evidence or argument and that, in these circumstances, it would be wholly inappropriate for me to reach any conclusions as to the proper measure of financial relief to which the Claimant might be entitled.
- 96. I am satisfied that it is not appropriate for me to assess quantum and I am also satisfied that I should make an order for an enquiry or account in the usual way. For my part, I do not consider £20,000 to be a trivial amount, even in the building industry, and Mr Burkill appeared to contemplate damages might be that high (in closing he was prepared to accept that the figure might be up to £40,000).
- 97. Mr Burkill also asked me to indicate that some of Mr El-Hilly's ideas about what Signature was likely to receive by way of damages were way off the mark. He referred in particular to references to Signature's costs incurred in obtaining planning permission arising from matters other than the creation of the C&W drawings (estimated by Mr El-Hilly to be some £360,000 excluding Signature's in-

house costs), to Signature's loss of opportunity to make profits by virtue of Fortis and not Wordsworth purchasing the site and to Signature's claim to what he called ransom damages (based on a power of veto during negotiations while a building in accordance with C&W drawings was in construction and, for practical purposes, irrevocably so). He submitted that the first head was wasted expenditure caused by the failure of Wordsworth to purchase the site and had nothing to do with copyright infringement, the second head likewise and that the third head had been disavowed in the authorities. There is considerable force in each of these points and no obvious answer thereto but it is not appropriate for me to say more at this stage.

- 98. As for statutory additional damages, Mr Vanhegan drew my attention to ZYX Music v King [1995] FSR 566, 587 where Lightman J referred to Brightman J's observation in Ravenscroft v Herbert [1980] RPC 193, 208 to the effect that flagrancy implies scandalous conduct, deceit and such like; it includes deliberate and calculated infringement. Pumfrey J in Nottinghamshire Health Care v News Group 2002 RPC 962, [52] observed that carelessness sufficiently serious to amount to an attitude of 'couldn't care less' was also capable of founding an award under the section. Laddie J in Cala Homes v Alfred McAlpine [1995] FSR 818, 838 observed that the power to award additional damages was not restricted to cases where the infringer knows or has reason to believe that copyright has been infringed and the court must look at all the circumstances of the case. There is a more comprehensive review of the authorities in Flogas v Calor Gas 2013 EWHC 3060 (Ch) per Proudman J at [129] et seq. which also refers to the above-mentioned observations in Cala Homes. In my judgment the knowledge of a Defendant is a very relevant matter and if a Defendant fairly believes that he is not infringing then there needs to be something more for his conduct to satisfy the flagrancy test. An example might be when a Defendant knows that what he is doing is wrong but he has no idea that he is infringing copyright.
- 99. In *Cala Homes*, Laddie J also noted that it would, in most cases, be better if the trial judge dealt with the assessment of additional damages, since he is best able to assess the heinousness of the flagrancy, but it was not asked for in that case and neither is it in this one.

- 100. Mr Vanhegan submitted that the Defendants' acts of infringement were committed flagrantly because at all times the Defendant companies had objective notice of the following facts:
 - 100.1. copyright subsisted in the works they were copying;
 - the copyright owner was not the Site Owner;
 - 100.3. the copyright owner has expressly warned against copying by placing a copyright notice on each of the Drawings;
 - 100.4. the copyright owner had not given its consent to any of the acts of copying which had been carried out;
 - 100.5. the Defendants' acts of copying were outside the scope of the limited licence granted in respect of drawings on the local authority's Planning Portal;
 - the Defendants continued to market and complete the development.
- 101. I accept that a reasonable person making proper inquiries would have notice of the facts in the preceding paragraph. However, in my judgment, that on its own is not sufficient to engage s 97(2) of the Act. I consider that I should look further into the circumstances of the case for some explanation of why the Defendants acted as they did.
- 102. The Defendants' explanations were given by Mr Moore and Mr Morgan whose responsibilities I have already set out. Mr Moore was clear and frank in his evidence. Mr Moore said that he presumed that, because the drawings were taken from the Planning Portal, he and his companies were entitled to use them in relation to the construction and marketing of the development. He said that he had not seen the copyright notices on the drawings and had had no reason to pay any attention to them in any event. His concern was with the marketing of the development and that what he was doing was marketing the project in accordance with the designs for which the local authority had granted permission.
- 103. Mr Moore was also challenged in relation to the AutoCAD drawings but he explained that these were not needed for nor used for marketing purposes.
- 104. Mr Morgan's position was different. He was aware of the disclaimer notice on the Planning Portal but was satisfied that there was no infringement of copyright in relation to the construction of the building because he had requested and paid for

his architects (DMS) to prepare AutoCAD drawings from a site visit and this is what they had done (and he had paid them for it). I have already concluded that DMS' drawings infringed copyright with the result that Mr Morgan was mistaken in his belief that C&W's copyright was not an issue.

- 105. I have already commented upon Mr Moore's and Mr Morgan's credibility as reliable witnesses. I accept their explanations for what the Defendants have done in the context of infringement of copyright.
- 106. Mr Vanhegan also relied on further matters including:
 - 106.1. Some copying for marketing purposes was done prior to the Defendants having any legal interest in the site. This is correct but does not seem to me to make matters worse for the Defendants in the context of flagrancy.
 - 106.2. During the course of the Defendants' copying, the Defendant companies were given repeatedly clearer notices that they should not be copying as they continued to do. However, rather than acting as a reasonable person, which would be to stop the acts alleged to infringe and investigate the merits, they continued unabashed. I am not satisfied that any notices clearer than those on the drawings themselves came to the attention of the Defendants prior to receipt of correspondence from the Claimant and this allegation fails on the facts.
 - 106.3. The Defendants continued to copy even after receipt of the letter before action, Claim Form and Particulars of Claim. A party who chooses to continue in these circumstances, and it transpires that his defence to the claim fails, cannot assert his copying was not deliberate. I accept the proposition that a defendant in such circumstances has gone ahead in the face of a claim but reject the proposition that such conduct amounts to flagrancy within the Act. These circumstances pertain whenever a party does not yield after receipt of an opening shot or two. They cannot possibly be sufficient to trigger section 97(2). Moreover, in the context of this case and on the premise that the Defendants believed they were acting lawfully, it is unrealistic to suggest that the construction of a building should be brought to a halt because of receipt of legal proceedings thought to be misguided.
 - 106.4. The Defendants have endeavoured to conceal the extent of their copying and their knowledge of infringement from the Claimant and the Court. I accept

that if this were properly made out it would be a significant factor in the context of flagrancy, for a Defendant who attempts to conceal something is likely to be taken to be doing so because he knows that he is doing wrong. I am not satisfied that it is made out in the present case. The Claimant relied on an incorrect date on a marketing brochure and what was alleged to be manifestly defective disclosure. With respect to the incorrect date, this seems to be no more than some administrative and inconsequential error. It did not give the Defendants any advantage. With respect to defective disclosure, it does appear to be the case that the Defendants' disclosure was not initially conducted as thoroughly as it should have been. There was a contested disclosure application after which a number of documents which were plainly relevant to the issues were provided for the first time. However, this seems to me to go to the question of costs rather than flagrancy of already committed infringements.

- 106.5. At all material times the Defendants were highly successful and professional property developers with a sophisticated *modus operandi*. I accept that this is an accurate description of the Defendants but it cannot, on its own, be enough. Indeed, some would argue that it is a factor which points against the likelihood of deliberate misconduct.
- 106.6. At all times throughout the transaction by which they acquired the Sheffield site, the Defendants retained solicitors who advised on due diligence. This was established on the facts. On its own it says nothing about flagrancy. For it to be relevant, it seems to me that the Claimant must go further and invite me to infer that the Defendants were warned/advised that they could not go ahead with the development using the Planning Permission drawings without C&W's consent, or that there was a real risk that this was so, and that they ignored that advice. Having heard evidence from the relevant responsible personnel within the Defendants, I am not prepared to make that inference.
- 106.7. Mr Vanhegan also commented that I should not be satisfied that the Defendants had led evidence from all those within the corporate organisations who might have been responsible for the infringing activity. He submitted that there were gaps and that I should infer that no witness was put forward to explain them because that witness would give damning evidence. This is a difficult area but having considered all the matters, I am satisfied that Mr

Moore and Mr Morgan were sufficiently responsible and knowledgeable for a fair picture to be presented to the court. Both these witnesses were honest and forthcoming in their evidence

- 107. In what is set out above I consider the main points relied upon separately. It is better that they be considered all together since it is the cumulative effect of all aspects of the case which is important. This I have done and I have considered the matters in the context of all the documentary evidence and the witness evidence from the Defendants which was led before me. I am not satisfied that the Claimants have established the infringements were committed flagrantly within section 97(2).
- 108. I turn to consider the second limb of section 97(2), any benefit accruing to the Defendants by reason of the infringement. Mr Vanhegan rightly points out that in all probability the Defendants would not have been able to rely upon the Planning Permission obtained by the Claimants without infringing copyright in the C&W drawings. He submits that they not only saved themselves considerable expense in obtaining another different Planning Permission using different drawings they also saved themselves time with the result that they were able to complete the development more quickly and, therefore, more profitably, than they would otherwise have done. There is a danger, however, of confusing benefits flowing from the grant of Planning Permission and benefits flowing from or, more precisely, by reason of infringement of copyright; I am concerned with the latter and not the former since it is only the latter in which the Claimant has any interest.
- 109. In circumstances where flagrancy is not established and where the benefits from infringement as distinct from the grant of planning consent are unclear, I am not satisfied that the Claimant has established a claim for additional damages under section 97(2).

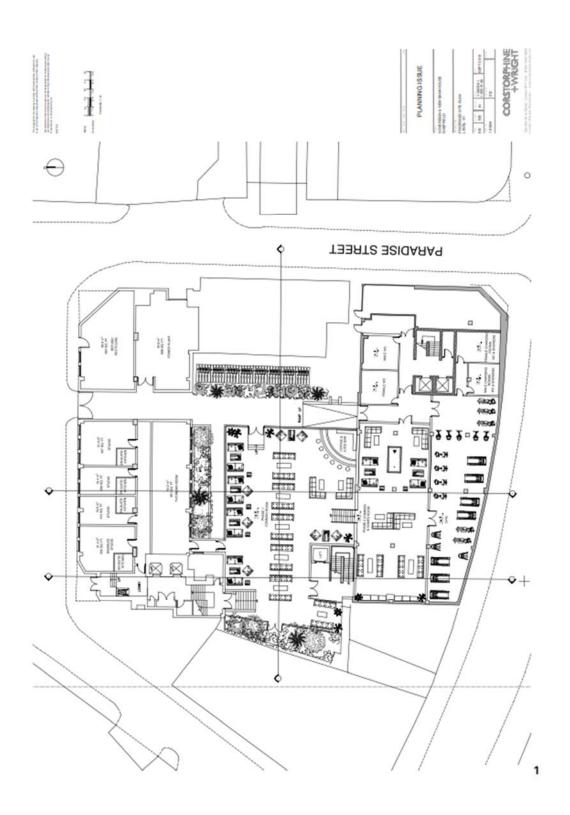
Injunction

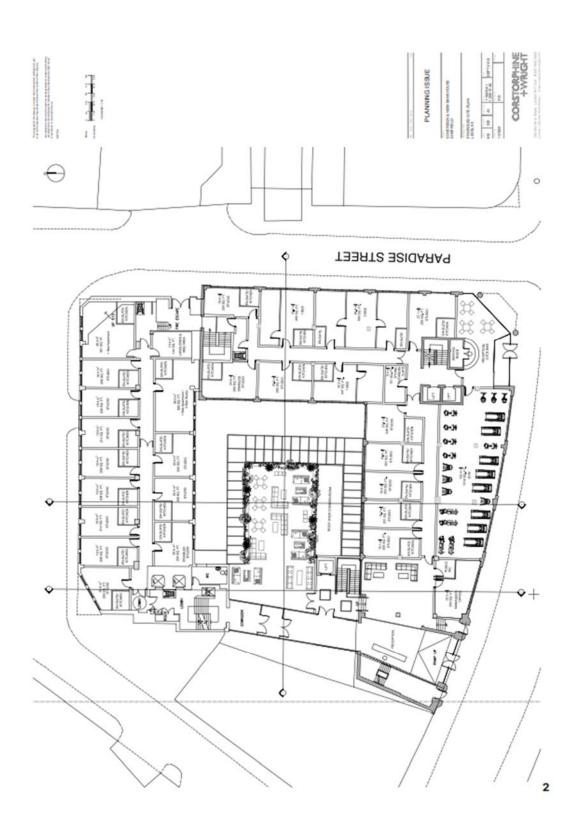
110. Mr Vanhegan asks for an injunction submitting that it is the normal order after a finding of infringement and that the Claimant is entitled to the protection such offers. He accepted, however, that there should be no injunctive relief which interfered with the continued use of the building. Instead he pointed out that his client had discovered some historic promotional material of the Defendants which contained infringing copies of C&W drawings and which, because it was still discoverable on the web, the Defendants continue to benefit therefrom. He also

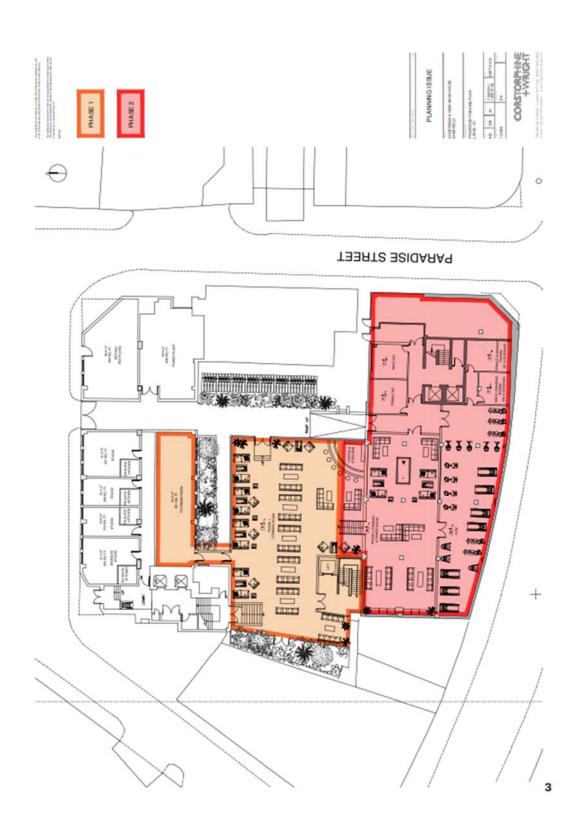
- complained of more recent activity including use on Twitter of some of the CGIs (the Class 4 allegation).
- 111. Mr Burkill approached the matter from a different angle. He submitted that an injunction would serve no useful purpose and that, in my discretion, and bearing in mind the fact that a) no future damages were likely to be occasioned and b) the reasons put forward by the Claimant for seeking an injunction, I should refuse this form of relief.
- 112. On the facts, Mr Burkill pointed out that the building has now been sold and that neither the Claimant nor the Defendants have any continuing interest in it or the drawings in relation to it; that the Claimant was being mischievous in relying on isolated examples which had been found on the internet and which happened to display promotional materials which included copies of some of the C&W drawings. He dismissed the allegations in relation to what was posted on Twitter as trivial (even if, contrary to my conclusion, they were infringing copies). He submitted the matter was *a fortiori* since the drawings continued to be available for public inspection on the Sheffield Planning Portal. He drew my attention to the modern approach to the grant of injunctive relief propounded by the Supreme Court in *Coventry v Lawrence* [2014] UKSC 13 (the well-known observations of A L Smith LJ in *Shelfer v London Electric Lighting* 1895 1 Ch 287 were considered by Lord Sumption to be out of date) and the practical approach illustrated by Carr J in *Stretchline v H&M* 2016 EWHC 162.
- 113. Mr Burkill built on his submissions by reference to the evidence of Mr El-Hilly. In cross examination Mr El-Hilly was pressed on what continuing damage Signature was suffering which required the protection of an injunction. His answer was that he did not know and that he would leave it to his solicitors to handle. After further probing Mr El-Hilly said that the Defendants must be punished for what they had done and that he would accept whatever the law would allow in terms of punishment.
- 114. This claim is brought in the civil jurisdiction and it is no function of this Court to punish a defendant who infringes copyright in order to satisfy the feelings of a claimant, even one who, or whose director, feels genuinely aggrieved or angry at a defendant's conduct. An aggrieved claimant must make do with the financial and other remedies prescribed by the legislation.

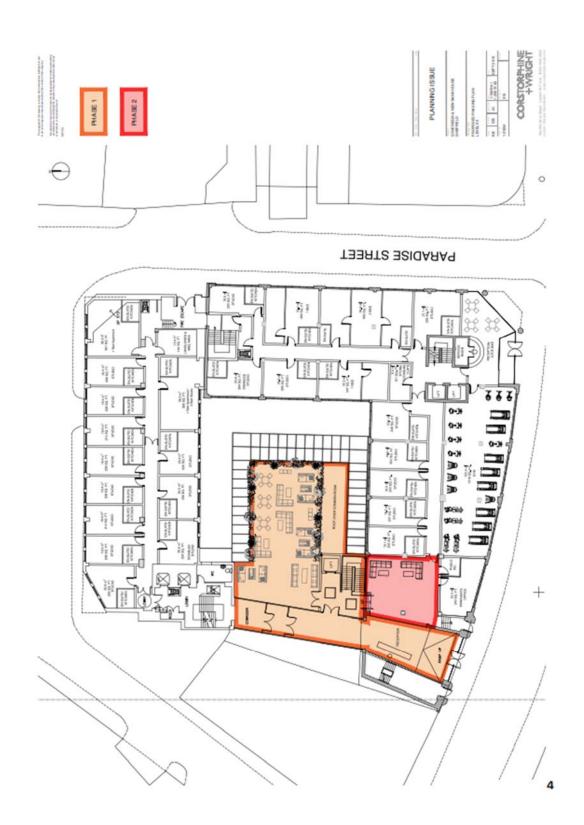
115. In these circumstances Signature has not established that an injunction is needed to protect any legitimate interest which it retains in its copyrights. There is no sufficient threat of actual or likely damage to engage the preventive jurisdiction of the court (cf *Proctor v Bayley* (1889) 6 RPC 538, 541 *per* Cotton LJ). An injunction is a discretionary remedy only granted when it is suitable and appropriate. Those criteria are not satisfied in the present case. If there are further infringements and Signature suffers real damage therefrom and wishes to complain then there are procedures which will be available. Having heard evidence from Messrs Moore and Morgan of the Defendants, I have no reason to think such a situation is likely to arise. Accordingly, I refuse injunctive relief.

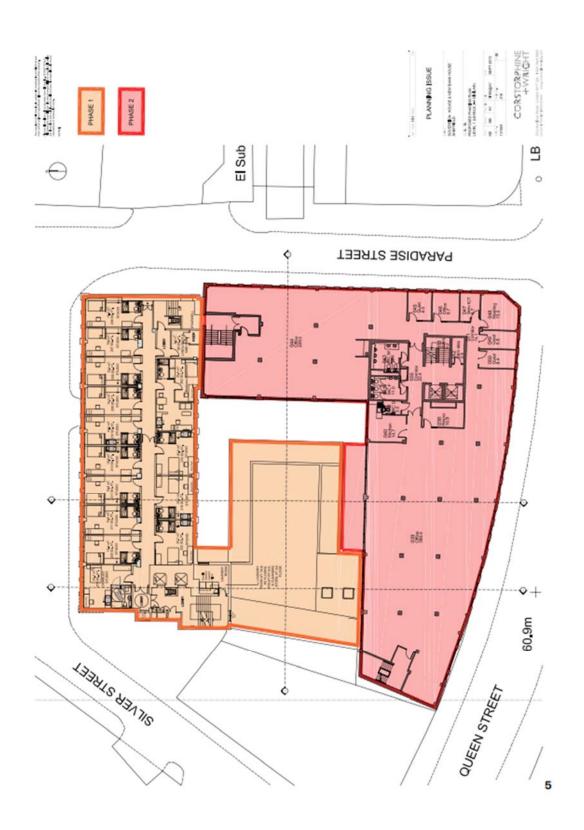
Annex 1













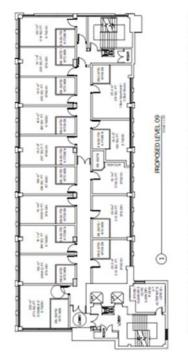


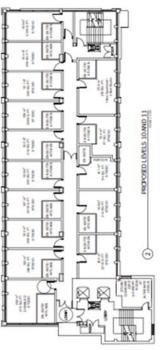


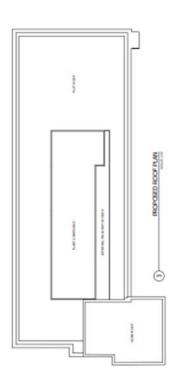




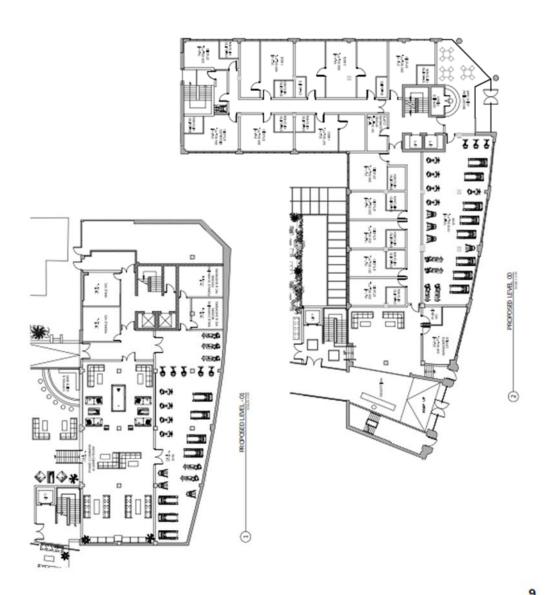


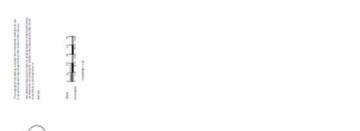






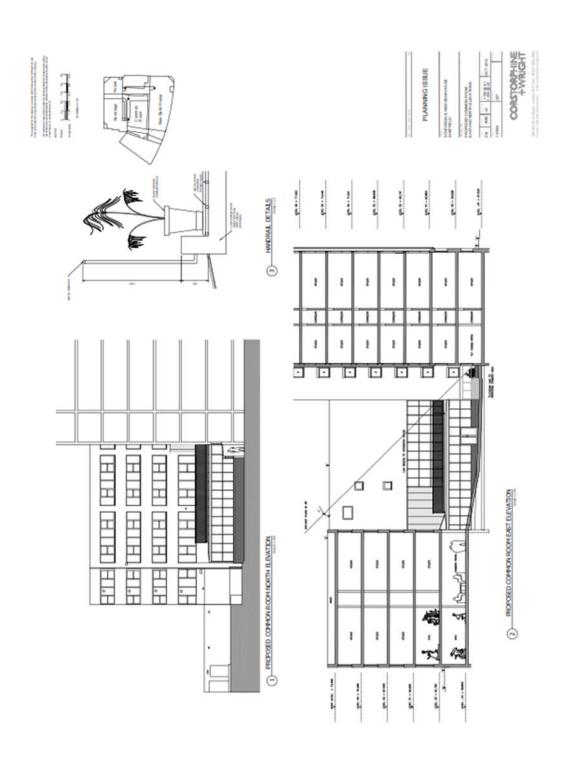




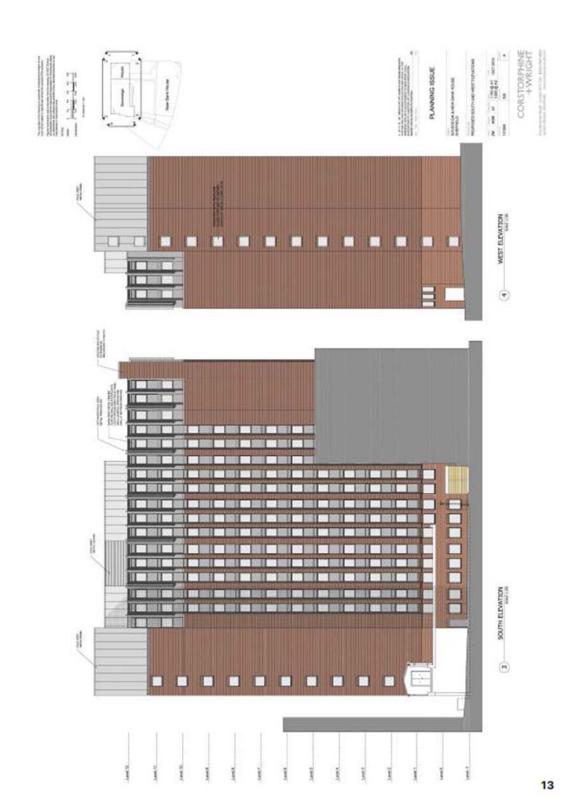


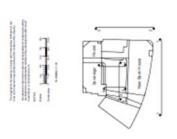




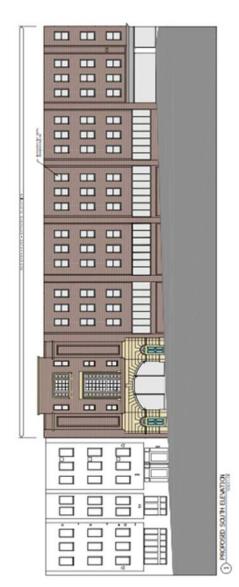


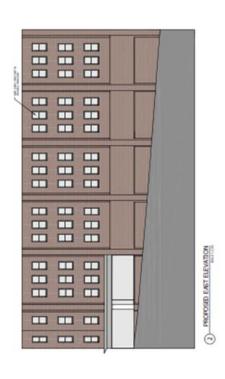






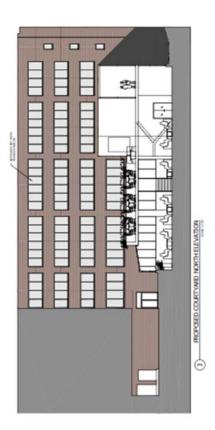


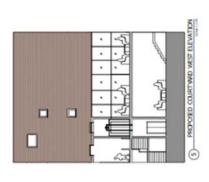






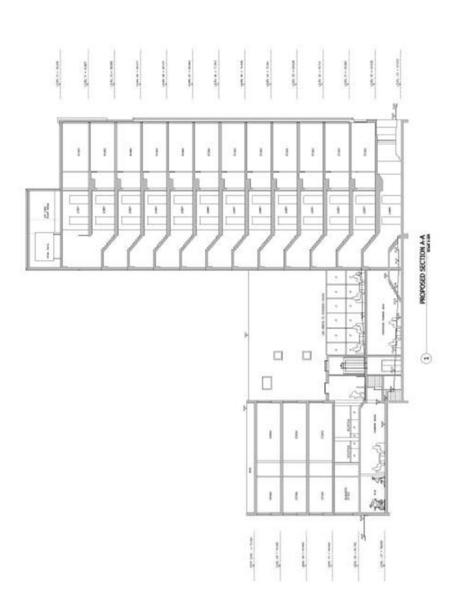




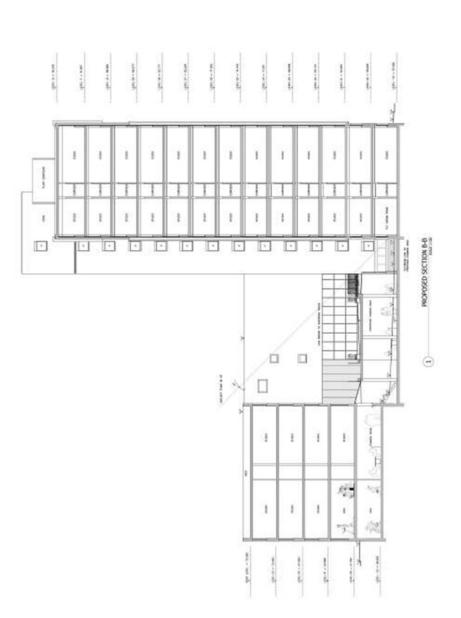


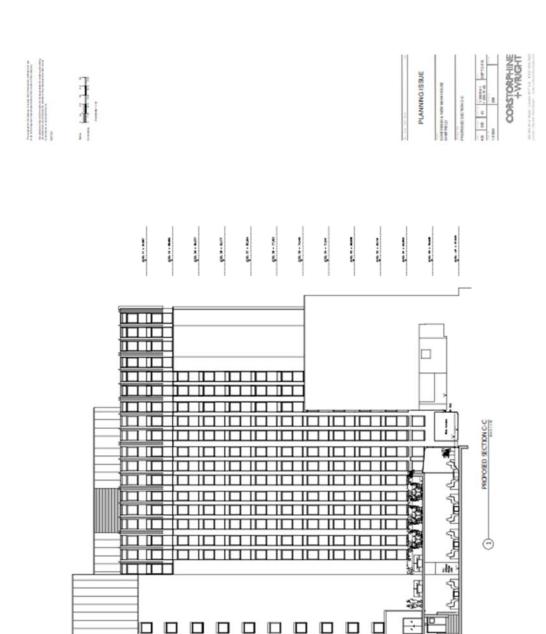














Annex 2

