Suggested Answers to the Questions in Chapter 19

1. **Do you think that it ultimately makes a difference, as an issue of law or as a matter of business practice, whether trade secrets are protected as a right 'in personam' rather than as a right 'in rem'?**

   The good answer will:

   - Demonstrate knowledge of the key tenets of trade secrets protection via breach of confidence. As stated in *Coco v Clark*, an action for breach of confidence requires: (i) information which is not in the public domain; (ii) to be disclosed in circumstances which impose an obligation on the recipient; (iii) that then may be about to be used or further disclosed in a way that requires restraint by injunction (*Boardman v Phipps; Douglas v Hello! Ltd (No. 2)*). The information must not already be in the public domain (*Coco v Clark*) and must be kept with relative secrecy (*Spycatcher; BBC v HarperCollins; Vestergaard Frandsen*). According to Lord Goff in *Spycatcher*, it must not be useless, trivial, vague or immoral, but rather be identifiable, certain and detailed—contrast *De Maudsley v Palumbo with Fraser v Thames Television.*

   - Discuss the key issue: does it matter that trade secrets are a right 'in rem' rather than 'in personam'? Arguably, this does matter – it affects the way the information is protected and the consequences of this. Unlike IP rights, which in the case of patents and registered designs are kept on publicly accessible registers, trade secrets must be kept secret for the protection to continue to apply. It can require resources to keep information secret – usually through contract law, non-disclosure agreements (NDAs) and, sometimes, through restricting access to the data to a limited number of employees or agents. Therefore, trade secrets cannot be licensed in the same way as IP rights, as once the information is no longer secret, it loses its value.

   - Conclude by reflecting on whether the lack of an 'in rem' character within trade secrets law is a disadvantage vs. IP law, and also by considering what the main advantages of trade secrets are – e.g. the lack of any upfront filing cost and the potential for perpetual protection as long as the information can be kept secret.

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2. Do you think that the area of image rights is sufficiently defined? Do we need a statute to clarify the meaning of this right?

The good answer will:

- Begin by discussing the fact that privacy is included within the English law of breach of confidence, as well as protected by Article 8 ECHR. The Court of Appeal in *Douglas v Hello! Ltd (No. 2)* opined that the decision of the European Court of Human Rights ('ECtHR') in *Von Hannover v Germany (No. 1)* (2004) 40 EHHR 1 imposes a positive obligation on Member States to protect an individual against the unjustified invasion of their private life by another individual, and a further obligation on the courts of a Member State to interpret domestic legislation in a way which will achieve that result.

- Note that these privacy cases are significant from the intellectual property perspective because they may provide a first step towards the creation of a right of personality, or image right, which would enable individuals to exercise a degree of control over the commercial exploitation of their image.

- Explain that at present celebrities and those who have a valuable 'image' can apply for trade marks to protect their 'brand'. They can also utilise the tort of passing off if someone else fraudulently claims association between them and a product/service.

- Conclude by reflecting on what Dinwoodie and Richardson argue - that the area of image rights involves not a single right, but a messy overlap between privacy, confidence, trade marks and the law of passing off (as seen in the *Rihanna v Topshop* case). As such, some legislative clarity could be useful for setting out the boundaries of the 'image rights' field.

Suggested Answers to the Questions in Chapter 19

3. Now that privacy is firmly established as an ECHR right independent of the traditional UK case law, do you think the current defences are sufficient, especially in celebrity cases involving 'super-injunctions'?

The good answer will:

- Explain the right to privacy under Article 8 ECHR and its relationship with breach of confidence. The Court of Appeal in *Douglas v Hello! Ltd (No. 2)* opined that the decision of the European Court of Human Rights ('ECtHR') in *Von Hannover v Germany (No. 1)* (2004) 40 EHHR 1 imposes a positive obligation on Member States to protect an individual against the unjustified invasion of their private life by another individual, and a further obligation on the courts of a Member State to interpret domestic legislation in a way which will achieve that result. Note also that Article 10 ECHR protects freedom of expression.

- Note that apart from pleading consent by the claimant or else arguing that the information is already in the public domain, the principal defence to an action for breach of confidence is that disclosure is 'in the public interest'. The public interest is a defence to be raised in order to justify what would otherwise be the wrongful use of secret information which has been imparted in confidence. This is because disclosure in the public interest is also a defence to copyright infringement and there have been several Court of Appeal decisions (notably *Hyde Park v Yelland* and *Ashdown v Telegraph Group*) involving both breach of confidence and copyright infringement, where disclosure in the public interest was pleaded as a defence to both causes of action, and was dealt with as such by the court.

- Consider once it is established that the claimant had a reasonable expectation of privacy, then the court has to balance Arts 8 and 10 ECHR, i.e. it has to decide whether public interest (freedom of expression) overrides the claimant's rights (privacy).

- Refer to the 2016 case of *PJS v News Group Newspapers* – it suggests that privacy is now firmly established as a free-standing right even in cases where the relevant information may be available online. The facts were as follows: having initially failed at the High Court level due to the 'public interest' claim of the news organisation, a celebrity—PJS—subsequently succeeded at the Court of appeal level at winning an injunction to prevent publication of a news story about private sexual conduct, which PJS considered to be a private matter which if published could affect the right to privacy and family life. In April 2016, the Court of appeal decided that the injunction should be lifted, as details of the story had been published widely online. PJS then appealed to the UK Supreme Court which upheld the injunction by a majority of 4-1, emphasising the right to privacy.

- Emphasise that the remedy here involved a 'super-injunction' which prevented news organisations from reporting not only the details of the specific encounter, but also the

identity of the person, a celebrity, who had obtained the injunction. The UKSC decided that the defence of 'public interest' was not sufficient to override the individual right to privacy.

- Conclude by noting that this case, and the idea of the 'super-injunction' gives rise to the argument previously made by McCamus, that the extension of breach of confidence to protect privacy has primarily boosted the rights of celebrities. In light of *Douglas and Hello! (No. 2)* and *PJS* we can certainly say that the law has empowered celebrities. The UK courts have arguably tilted the balance too far in favour of Art. 8 ECHR at the expense of Art. 10.