



Prosecutorial Discretion in IP Infringement Cases

By Valston M Graham

Director of Public Prosecutions

**Federation of Saint Christopher &
Nevis**

WIPO/ACE/14 September 2-4 2019



Prosecutorial Discretion in IP Infringement





Role of the Prosecutor

“The role of [the] Prosecutor excludes any notion of winning or losing; his function is a matter of public duty than which in civil life there can be none charged with greater personal responsibility. It is to be efficiently performed with an ingrained sense of the dignity, the seriousness and the justness of judicial proceedings.”

Boucher v The Queen (1954) 110 CC 263, 270



The Authority to prosecute

- Sections 65 & 81 of the Constitution of Saint Christopher & Nevis empowers the Director of Public Prosecutions with control over criminal prosecutions.
 - Commencement of criminal prosecution;
 - Take-over and continuation of a criminal prosecution;
 - Discontinuation of any criminal prosecution



To prosecute or not to prosecute

- The decision to prosecute is one of the most important decisions a prosecutor makes in his functions under the Criminal Justice Process.
- It has never been the case that persons suspected of committing a criminal offence must automatically be prosecuted.



To prosecute or not to prosecute

- A prosecution is only appropriate where it is in the public interest.
- Prosecutors are guided by the combined application of a two-stage test:
 - The Evidential Test; and
 - The Public Interest Test



To prosecute or not to prosecute

- Both the evidential and the public interest tests are measured against a non-exhaustive list of factors.
- A realistic prospect of success on the basis of the evidential test is insufficient to institute a prosecution.
- Cogent evidence is required to support the application of the respective factors.



Prosecutorial Discretion – IP Crimes

- Traditional View
- Modern approach reflects greater willingness to recommend criminal sanctions
- Challenges facing smaller jurisdictions



Traditional View

- Potential public harm not immediately recognized;
- IP crimes attracted lesser priority compared to traditional crimes
- Civil remedies were considered as a suitable alternative;
-



Modern Approach

- More deterrence-based;
- Recognises the importance of safeguarding economic and national security interests;
- Seeks to prioritise the protection of the health and safety of consumers;
- Promotes public respect for IP rights



Challenges Facing Small Jurisdictions

- Inadequate technological and human resources;
- Challenges in accessing and securing admissible evidence to support prosecution;
- Extraterritoriality, jurisdictional and legislative issues



Challenges Facing Small Jurisdictions

- Public policy priorities, do not always facilitate or promote an approach that prioritizes the tackling of IP crimes
- Evolution of IP crimes and financial challenges means greater exposure to risks;
- Pressures on allocation of scarce resources undermine greater enforcement.



Deterrent Effect of Prosecution

- Public policy and resource priorities
- Modern approach reflects greater willingness to recommend criminal sanctions
- Challenges facing smaller jurisdictions



Responsible Exercise of Prosecutorial Discretion

- Requires renewed commitment to combatting IP crimes;
- Requires proper consideration of the undermining effect a civil remedy approach can have on criminal prosecutions as a whole;
- The exercise of discretion related to the prosecution of IP crimes should be governed by the same robust approach that applies to other crimes.



Responsible Exercise of Prosecutorial Discretion

- Requires greater emphasis on the need for deterrence;
- Recognises the negative impact IP crimes have on legitimate revenue streams;
- Recognizes the interrelation between IP crimes, money laundering and organized crime.



St. Kitts Direction

- IPO continues to play a leading role in the formulation of anti-IP Crime policies;
- IPO has engaged more closely with society at large, in particular through the media and training;
- Increased awareness in respect of the registration of rights and the need to tackle IP crimes.



St. Kitts Direction

- St. Kitts and Nevis has shown commitment to policies and resource allocation that recognize the need to tackle IP crimes;
- Continued efforts made to improve the legislative framework;
- Raise awareness in various communities (entrepreneurs, private and public sectors).



Thank You



**EXERCISING THE DISCRETION TO GRANT
ADDITIONAL DAMAGES UNDER SECTION 97(2) OF
THE UNITED KINGDOM COPYRIGHT DESIGNS AND
PATENTS ACT 1988**

DISTRICT JUDGE HART

Intellectual Property Enterprise Court

Business and Property Courts of England and Wales

INTRODUCTION

- The right holder may elect either an account of profits or damages;
- Ordinary damages are compensatory;
- The starting point is often:
 - either the royalty/ license fee that would have been payable;
or
 - the notional licence fee that a willing right holder and willing infringer would have agreed in a hypothetical negotiation.

SECTION 97(2) OF THE UK CDPA 1988

The court may have 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.

FLAGRANCY

- Scandalous conduct
- Deceit
- Deliberate and calculated infringement.

BENEFIT ACCRUING TO THE INFRINGER

- Not an account of profits;
- May compensate for a commercial advantage or benefit from the infringement in which the right holder cannot share.

TEST: JUST IN ALL THE CIRCUMSTANCES

- Thus, neither flagrancy, nor benefit accruing to the infringer are pre-conditions to an award of additional damages.
- A "couldn't care less" attitude may be sufficient.

THE NATURE OF ADDITIONAL DAMAGES UNDER S.97(2) UK CPDA 1988

- Aggravated or exemplary?
- Aggravated damages: awarded where the tort was committed in a manner or with a motive that has worsened the injury.
- Aggravated damages are compensatory.
- Exemplary damages are punitive.
- The classification may be relevant to the quantum of damages.

REVIEW OF PAST CASES

- Additional damages have often been classified as compensatory.
- Uncontroversial where the right holder's injury was obviously aggravated by the manner of or motive behind the infringement.
- But:
 - Injury to wider family?
 - Injury to corporate right holder?
- Damages under S.97(2)(b) are often restitutionary

P.P.L. v Ellis (trading as Bla Bla Bar)

Additional damages may be:

- partly or wholly exemplary;
 - Compensatory;
 - restitutionary or by way of disgorgement of damages.
-
- Additional damages under S.97(2) UK CDPA 1988 are *sui generis*.

THE QUANTUM OF ADDITIONAL DAMAGES UNDER S.97(2) UK CDPA 1988

- Ellis allows the court a wide discretion.
- Is the quantum of exemplary damages "particularly egregious" such that it is an abuse of the infringer's rights?
- Criminal penalties: infringer must not pay twice in respect of the same damage.

THE QUANTUM OF ADDITIONAL DAMAGES UNDER S.97(2) UK CDPA 1988

- Exemplary damages: mitigation personal to the infringer such as inability to pay may be considered.
- Uplift or mark-up on ordinary damages?

RELATIONSHIP WITH ARTICLE 13(1) OF THE EUROPEAN ENFORCEMENT DIRECTIVE

- Article 13(1) creates a floor for damages (not a ceiling).
- Damages may be claimed under both Article 13(1) and under S.97(2) UK CDPA 1988.