

All England Commercial Cases/2020/Volume 2 /Wheat v Google LLC - [2020] 2 All ER (Comm) 153

[2020] 2 All ER (Comm) 153

## Wheat v Google LLC

[2020] EWHC 27 (Ch)

### CHANCERY DIVISION

### JUDGE KEYSER QC SITTING AS A JUDGE OF THE HIGH COURT

28 NOVEMBER 2019, 15 JANUARY 2020

*Copyright – Infringement by communication to public – Second communication – Internet – Hotlinking – Search engine results attributing images to hotlinking websites and displaying hotlinked image without user accessing original website – Whether communication to public – Whether infringement – [Copyright, Designs and Patents Act 1988, ss 16\(2\), 20\(2\)\(b\)](#).*

The appellant operated a website broadcast on the internet, which included a large number of his own original articles and photographs. Access to the website was free and unrestricted. He applied for permission to serve proceedings out of the jurisdiction on the respondent search engine company ('Google'), incorporated in Delaware, USA, alleging, inter alia, infringement of his copyright in certain photographs. In particular, the appellant complained of a practice called 'hotlinking', a process whereby a first website displayed a linked object, often in the form of an image, stored on the server hosting the content of another second website. Hotlinking did not involve any copy being made of the image belonging to the second website. Instead, when a user visited a webpage on the first website containing, by way of example, a hotlinked image, the HTML code of that first website instructed the user's browser to display the image directly from the server on which the content for the second website was hosted. The appellant accepted that hotlinking was a lawful practice. Further, hotlinking was not carried out by the search engine, such as Google Search, but by third-party operators of other websites. However, he complained of two direct consequences of the process: first, that the results produced by Google Search contained an attribution of the image to the hotlinking website; and, secondly, that, although the image seen by the internet user was displayed by the website's host server, the internet user had never actually visited the website, which resulted in a loss of traffic and revenue from advertising. The appellant contended that, by that process, Google had communicated his copyright works to members of the public within the terms of [s 20\(2\)\(b\)](#)<sup>a</sup> of the Copyright, Designs and Patents Act 1988 and had thereby infringed his copyright pursuant to [s 16\(2\)](#)<sup>b</sup> of that Act because the communication had been without his licence. Although the appellant had given consent to Google to index and cache the content of the website, that consent, he contended, could not properly be construed as permitting Google to use the cached content to enable internet users to access the content via other (hotlinking) websites and without being directed to his own. The Master refused permission to serve out on the basis the claim was totally without merit and the appellant appealed.

- a Section 20, so far as material, is set out at [12], below.
- b Section 16, so far as material, is set out at [12], below.

154

**Held** – Where there was a communication which did not use a different technical means to that of the original communication, it was necessary to show that the communication was to a new public, that was to say, a public which had not been considered by the authors concerned when they had authorised the original communication. There was an important distinction between a case in which a work had been placed on the internet with the consent of the relevant rights holder and a case in which there had been no such consent. If an initial posting of a work had been done with the relevant consent then it was itself an act of communication to the public and any subsequent alleged acts of communication to the public had to be analysed with that in mind. For a second act of communication to the public on the internet to be an infringement in that case, there had to be a new public (or new technical means) and for the former to be determined one had to work out what public had been taken into account when the first act of communication had taken place. In the present case, the acts complained of against Google could not be unlicensed communications, because they were not communications to a new public (all potential users of the unrestricted website constituting one public, so far as concerned a case involving communication via hotlinking) and were not communications by a new technical means (the internet constituting a single technical means). Accordingly, the appeal would be dismissed (see [36]–[48], below); dicta of Arnold J in *Paramount Home Entertainment International Ltd v British Sky Broadcasting Ltd* [2013] All ER (D) 151 (Nov) at [12], *BestWater International GmbH v Mebes* (Case C-348/13) EU:C:2014:2315, *Svensson v Retriever Sverige AB* (Case C-466/12) [2014] All ER (EC) 609, *GS Media BV v Sanoma Media Netherlands BV* (Case C-160/15) [2016] Bus LR 1231 and dicta of Birss J in *Warner Music UK Ltd v TuneIn Inc* [2019] All ER (D) 29 (Nov) at [109] applied; *Land Nordrhein-Westfalen v Renckhoff* (Case C-161/17) [2018] All ER (D) 107 (Aug) considered.

Decision of Chief Master Marsh [2018] All ER (D) 190 (Mar) affirmed.

## Notes

For infringement by communication to the public, see *Halsbury's Laws COPYRIGHT* vol 23 (2016) para 724.

For the [Copyright, Designs and Patents Act 1988, ss 16\(2\), 20\(2\)\(b\)](#), see *Halsbury's Statutes* vol 19(3) (2019 reissue) 766, 773.

## Cases referred to

*AK Investment CJSC v Kyrgyz Mobil Tel Ltd* [2011] UKPC 7, [2012] 1 All ER (Comm) 319, [2011] 5 LRC 746,

sub nom *Altimo Holdings and Investment Ltd v Kyrgyz Mobil Tel Ltd* [\[2012\] 1 WLR 1804](#).

*BestWater International GmbH v Mebes* (Case [C-348/13](#)) EU:C:2014:2315 (21 October 2014), ECJ.

*Bols Distilleries (t/a Bols Royal Distilleries) v Superior Yacht Services Ltd* [\[2006\] UKPC 45](#), [\[2007\] 1 All ER \(Comm\) 461](#), [\[2007\] 1 WLR 12](#), [2007] 1 Lloyd's Rep 683.

*Brownlie v Four Seasons Holdings Inc* [\[2017\] UKSC 80](#), [\[2018\] 2 All ER 91](#), [\[2018\] 1 WLR 192](#), [\[2018\] 2 LRC 693](#).

*Canada Trust Co v Stolzenberg (No 2)* [\[1998\] 1 All ER 318](#), [\[1998\] 1 WLR 547](#), CA; *affd* [\[2000\] 4 All ER 481](#), [\[2002\] 1 AC 1](#), [\[2000\] 3 WLR 1376](#), HL.

*Cartier International AG v British Telecommunications plc* [\[2018\] UKSC 28](#), [2018] 2

155

All ER (Comm) 1057, [\[2018\] 1 WLR 3259](#), [\[2018\] Bus LR 1417](#), [2018] RPC 475.

*Carvill America Inc v Camperdown UK Ltd* [\[2005\] EWCA Civ 645](#), [2005] 2 Lloyd's Rep 457, [\[2005\] All ER \(D\) 459 \(May\)](#).

*EMI Records Ltd v British Sky Broadcasting Ltd* [\[2013\] EWHC 379 \(Ch\)](#), [\[2013\] IP & T 774](#), [\[2013\] Bus LR 884](#), [\[2013\] All ER \(D\) 350 \(Feb\)](#).

*GS Media BV v Sanoma Media Netherlands BV* (Case [C-160/15](#)) EU:C:2016:644, [\[2016\] Bus LR 1231](#), [2017] 1 CMLR 921, [2016] ECDR 421, ECJ.

*ITV Broadcasting Ltd v TVCatchup Ltd* (Case [C-607/11](#)) EU:C:2013:147, [\[2013\] IP & T 607](#), [2013] 3 CMLR 1, [\[2013\] Bus LR 1020](#), ECJ.

*Land Nordrhein-Westfalen v Renckhoff* (Case [C-161/17](#)) EU:C:2018:634, [\[2018\] All ER \(D\) 107 \(Aug\)](#), ECJ.

*Omnibill (Pty) Ltd v EGPSXXX Ltd (in liq)* [\[2014\] EWHC 3762 \(IPEC\)](#), [\[2014\] All ER \(D\) 170 \(Nov\)](#).

*Organismos Sillogikis Diacheirisis Dimiourgon Theatrikon kai Optikoakoustikon Ergon v Divani Akropolis Anonimi Xenodocheiaki kai Touristiki Etaireai* (Case [C-136/09](#)) EU:C:2010:151, [2010] ECR I-37, ECJ.

*Paramount Home Entertainment International Ltd v British Sky Broadcasting Ltd* [\[2013\] EWHC 3479 \(Ch\)](#), [\[2013\] All ER \(D\) 151 \(Nov\)](#).

*Seaconsar Far East Ltd v Bank Markazi Jomhouri Islami Iran* [\[1993\] 4 All ER 456](#), [\[1994\] 1 AC 438](#), [\[1993\] 4 LRC 610](#), [\[1993\] 3 WLR 756](#), HL.

*Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SA* (Case [C-306/05](#)) EU:C:2006:764, [\[2007\] IP & T 521](#), [2006] ECR I-11519, [2007] Bus LR 521, ECJ.

*Soulier v Premier Ministre* (Case [C-301/15](#)) EU:C:2016:878, [2017] 2 CMLR 267, [\[2016\] All ER \(D\) 35 \(Dec\)](#), ECJ.

*Svensson v Retriever Sverige AB* (Case [C-466/12](#)) EU:C:2014:76, [\[2014\] All ER \(EC\) 609](#), [\[2014\] Bus LR 259](#), [\[2014\] IP & T 341](#), [2014] 3 CMLR 73, ECJ.

*Warner Music UK Ltd v TuneIn Inc* [\[2019\] EWHC 2923 \(Ch\)](#), [\[2019\] All ER \(D\) 29 \(Nov\)](#).

## Appeal

The appellant, Christopher Wheat, appealed, with permission given by Marcus Smith J on 21 May 2019, from the judgment of Chief Master Marsh of 26 March 2018 ([\[2018\] EWHC 550 \(Ch\)](#), [\[2018\] All ER \(D\) 190 \(Mar\)](#)) refusing to allow the appellant to serve the respondent, Google LLC, out of the jurisdiction with his claim for alleged copyright infringement in certain photographs.

*Chris Pearson* for the appellant.

*Jaani Riordan* (instructed by *Pinsent Masons LLP*) for the respondent.

*Judgment was reserved.*

**15 January 2020. The following judgment was delivered.**

**JUDGE KEYSER QC.**

## Introduction

**[1]** This is an appeal, brought with permission given by Marcus Smith J on 21 May 2019, from a decision of Chief Master Marsh on 26 March 2018 refusing to allow the appellant, Mr Wheat, to serve the respondent, Google LLC ('Google'), out of the jurisdiction.

156

**[2]** The claim was commenced on 2 September 2016. Originally, Google was named as the first defendant, and Monaco-Telecom SAM ('MT') was the second defendant. Google is incorporated in Delaware in the United States of America, and MT is incorporated in The Principality of Monaco. On 12 December 2017 Chief Master Marsh set aside an earlier permission to serve MT and declared that this court did not have jurisdiction to hear the claim against MT. Permission to appeal against that decision was refused. Some parts of the case advanced by Mr Wheat against Google were based on an allegation that Google was liable as a joint tortfeasor with MT. Marcus Smith J refused permission to appeal against the order of 26 March 2018 on the grounds relating to that alleged joint liability. In addition, some of the allegations against Google that were relied on before the Chief Master have not been pursued on this appeal. The result is that, for the purpose of this judgment, I am only concerned with a claim that Google has infringed Mr Wheat's copyright in certain photographs in a particular manner that I shall explain below.

**[3]** The remainder of this judgment will be structured as follows. First, I shall set out the basic law concerning service out of the jurisdiction as it applies in this case. Second, I shall explain the way in which Mr Wheat's case against Google is advanced. Third, I shall summarise briefly the decision of the Chief Master, so far as it relates to the grounds of appeal advanced before me. Fourth, I shall identify the issues that arise for determination on this appeal. Fifth, I shall discuss the issues.

**[4]** I am grateful to Mr Pearson (who did not appear before the Chief Master) and to Mr Riordan (who, here and below, appeared solely for the purpose of disputing jurisdiction) for their helpful written and oral submissions.

## Service out of the Jurisdiction

**[5]** The circumstances in which service of the claim form out of the jurisdiction does not require permission are set out in CPR rr 6.32 and 6.33. Neither of those rules applies in the present case. Rule 6.36 provides:

'In any proceedings to which rule 6.32 or 6.33 does not apply, the claimant may serve a claim form out of the jurisdiction with the permission of the court if any of the grounds set out in paragraph 3.1 of Practice Direction 6B apply.'

**[6]** The grounds in para 3.1 of PD 6B include the following that are relevant for consideration on this appeal:

'(9) A claim is made in tort where—

(a) damage was sustained, or will be sustained, within the jurisdiction; or

(b) damage which has been or will be sustained results from an act committed, or likely to be committed, within the jurisdiction.'

'(11) The subject matter of the claim relates wholly or principally to property within the jurisdiction, provided that nothing under this paragraph shall render justiciable the title to or the right to possession of immovable property outside England and Wales.'

[7] In *AK Investment CJSC v Kyrgyz Mobil Tel Ltd* [2011] UKPC 7, [2012] 1 All ER (Comm) 319, sub nom *Altimo Holdings and Investment Ltd v Kyrgyz Mobil Tel Ltd*

157

[2012] 1 WLR 1804, Lord Collins of Mapesbury, delivering the judgment of the Board on an appeal from the High Court of the Isle of Man (I substitute in the quotation a reference to this jurisdiction), said at para [71]:

'On an application for permission to serve a foreign defendant (including an additional defendant to counterclaim) out of the jurisdiction, the claimant (or counterclaimant) has to satisfy three requirements: *Seaconsar Far East Ltd v Bank Markazi Jomhouri Islami Iran* [1993] 4 All ER 456 at 464–467, [1994] 1 AC 438 at 453–457. First, the claimant must satisfy the court that in relation to the foreign defendant there is a serious issue to be tried on the merits, ie a substantial question of fact or law, or both. The current practice in England is that this is the same test as for summary judgment, namely whether there is a real (as opposed to a fanciful) prospect of success: eg *Carvill America Inc v Camperdown UK Ltd* [2005] EWCA Civ 645 at [24], [2005] 2 Lloyd's Rep 457 at [24]. Second, the claimant must satisfy the court that there is a good arguable case that the claim falls within one or more classes of case in which permission to serve out may be given. In this context "good arguable case" connotes that one side has a much better argument than the other: see *Canada Trust Co v Stolzenberg (No 2)* [1998] 1 All ER 318 at 326–328, [1998] 1 WLR 547 at 555–557 per Waller LJ, affirmed [2000] 4 All ER 481, [2002] 1 AC 1 and *Bols Distilleries (t/a Bols Royal Distilleries) v Superior Yacht Services Ltd* [2006] UKPC 45 at [26]–[28], [2007] 1 All ER (Comm) 461 at [26]–[28], [2007] 1 WLR 12. Third, the claimant must satisfy the court that in all the circumstances [England and Wales] is clearly or distinctly the appropriate forum for the trial of the dispute, and that in all the circumstances the court ought to exercise its discretion to permit service of the proceedings out of the jurisdiction.'

### Mr Wheat's Claim

[8] Mr Wheat is the sole proprietor of a business based in Surrey that until 2018 operated a website called 'theirearth.com' ('the Website'). It was broadcast on the internet, latterly on a server network hosted by Knipp Medien und Kommunikation GmbH in Dortmund, Germany, using a single IP address. The Website was a news media site, focusing on issues of ecology and sustainability, with a large number of original articles and photographs and a directory to other websites. Mr Wheat claims that he wrote the articles and took the photographs and that he is the owner of the copyright in both the articles and the photographs on the Website. For the purpose of this appeal that claim has not been challenged and I assume it to be correct. The only copyright asserted is within the United Kingdom under the [Copyright, Designs and Patents Act 1988](#) ('CDPA'). Access to the Website was free and unrestricted.

[9] Google needs no introduction. It has a widely used search engine known as Google Search. My understanding of how Google Search works is principally taken from the statement of Robert Michael Graham of Pinsent Masons LLP, Google's solicitors. That statement was before the Chief Master, who quoted extensively from it and accepted its evidence. In the following sub-paragraphs, I shall only provide a summary of that evidence with occasional quotations of relevant text.

(1) A search engine cannot search the vast number of pages on the internet in response to an individual search; that would be unacceptably slow and would not be feasible from a technical standpoint. Therefore

158

Google Search compiles an index of the content of webpages and searches that index in response to an individual search. The index is created with the use of software known as a web crawler, which examines the content of webpages and saves and stores that content in a cache. The cache will include thumbnail copies of all images examined by the web crawler.

(2) The web crawler does not examine every single webpage. It sends requests to servers hosting webpage content. If the owner of a website has configured it to respond to such requests, the requested content will be sent to Google's servers for indexing. 'The web crawler does not visit any webpages where the webmaster has instructed Google not to index its website ...; it indexes webpages only where servers [have been] configured to respond to its requests. ... The caching is carried out with the implicit authorisation of the website publishers, since the act of publishing the content without restrictions on access implies that they agree that the information will be available to all, including search engines such as Google Search.' Website publishers are able to control or prevent indexing of their content by such means as source code, meta tags or 'robot.txt' conventions. Naturally, most webmasters want their sites to be indexed, because if they are not indexed they cannot be located through search engines. The configuration of Mr Wheat's Website constitutes an instruction to all web crawlers to index its content.

(3) 'Google's temporary caching of webpages is undertaken in a neutral, technical and automatic manner, in that Google Search's algorithms do not modify the cached webpages in respect of their content.' The cache is stored only for a limited period of time and 'is rapidly updated at each exploration of the web by the web crawler to ensure that Google [Search] results reflect the evolution of webpages published online'.

(4) When a user submits a query on Google Search, results are ranked in order of relative relevance to the query. Relevance is assessed by the use of algorithms, which rely on numerous signals to return relevant results; these signals 'include factors such as how often content on a website has been refreshed and the quality of user experience provided by a particular webpage.' One particular signal is 'PageRank', which works by counting the number and quality of links to a particular webpage from other webpages in order to determine how important the particular webpage is.

(5) The results of a search for images may be returned through Google Search in a number of ways. 'In some instances, where a user carries out a search, thumbnail images may be returned as part of the results page, in addition to the usual text-based links to webpages. When the user clicks on the "thumbnail" of an image on Google Search, this will open a further page in Google Search which identifies the domain name or website on which the image is published by the third party who operates that domain name or website. The user then has the option of either visiting the URL for the webpage at which the image appears or navigating to the URL of the image file in its native size on the third party's website.'

Three matters of detail or interpretation in the evidence summarised above are contested by Mr Wheat: first, the neutrality and 'automatic' nature of the caching; second, the extent of any actual or implied consent by the webmaster; third, the extent to which the cache can be considered short-term. However, as a summary of how Google Search operates Mr Graham's evidence is not materially challenged.

**[10]** To understand Mr Wheat's complaint against Google it is also necessary to understand, at least in a rudimentary way, a practice called 'hotlinking'. This, again, is explained conveniently by Mr Graham:

' "Hotlinking" (which is also known as inline linking) is a process whereby a website ("the first website") displays a linked object, often in the form of an image, stored on the server hosting the content of another website ("the second website"). Hotlinking does not involve any copy being made of the image belonging to the second website. Instead, when a user visits a webpage on the first website containing, by way of example, a hotlinked image, the HTML code of that first website instructs the user's browser to display the image directly from the server on which the content for the second website is hosted.'

As Mr Pearson made clear in his submissions, Mr Wheat accepts that hotlinking is a lawful practice. Further, as Mr Graham's explanation makes clear, hotlinking is not carried out by the search engine, such as Google Search, but by the third-party operators of other websites (for convenience, I shall call these 'hotlinking websites'; they have also been described as 'aggregator websites').

**[11]** The essence of Mr Wheat's complaint is as follows. If an internet user searches on Google Search for an image of a particular person or thing, X, a list of results will be shown. In the relevant case, those results will include an image that is on the Website and the copyright of which is owned by Mr Wheat. However, underneath the headline result will be shown not only a link to the Website but also a link to a hotlinking website. Further, if the internet user clicks on the headline result, he will be directed to the hotlinking website, not to the Website. If he then clicks to view the image on the hotlinking website, what he will actually see is the image displayed directly from the server on which the content of the Website is hosted. Mr Wheat complains particularly of two direct consequences of this. First, the results produced by Google Search contain an attribution of the image to the hotlinking website. Second, although the image seen by the internet user is displayed directly by the Website's host server, the internet user has never actually visited the Website; this in turn results in a loss of traffic and consequently of revenue from advertising. Mr Wheat goes further and alleges that the process that I have described, which he calls 'hijacking' of his images, is either deliberately engineered by Google or at least knowingly permitted by Google in order to increase the revenue of hotlinking sites from advertising and thereby its own profits by sharing in that revenue.

**[12]** The legal basis of the complaint as explained in submissions before me (though not in precisely the same way before Chief Master Marsh) rests on the following provisions in ss 16 and 20 of CDPA:

**'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—

...

(d) to communicate the work to the public (see section 20); ...

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.'

## **'20 Infringement by communication to the public**

(1) The communication to the public of the work is an act restricted by the copyright in—

(a) a literary, dramatic, musical or artistic work, ...

(2) References in this Part to communication to the public are to communication to the public by electronic transmission, and in relation to a work include—

(a) the broadcasting of the work;

(b) the making available to the public of the work by electronic transmission in such a way that members of the public may access it from a place and at a time individually chosen by them.'

Mr Wheat's contention is that, by the process described above, Google has communicated his copyright works to members of the public within the terms of s 20(2)(b) and has thereby infringed his copyright pursuant to s 16(2) because the communication was without his licence. The communication was without his licence because, although he gave consent to Google to index and cache the content of the Website, that consent cannot properly be construed as permitting Google to use the cached content to enable internet users to access the content via other (hotlinking) websites and without being directed to his own Website.

**[13]** Thus the case advanced before me focuses on the diversion of traffic to hotlinking websites and the consequent unlicensed communication of copyright works to members of the public. The case advanced before the Chief Master was substantially similar but focused rather on the allegation that Google had attributed ownership of the images to the hotlinking sites. This appears from paras [17] and [18] of the Chief Master's judgment:

'[17] The claimant explains his case in relation to hotlinking in this third skeleton argument:

"The word 'Hotlinking' appears extensively in this Claim, specifically as it relates to the claim against [Google]. By definition, hotlinking is embedding code onto an HTML website page (say hotlinkingwebsite.com) that uses absolute URLs to refer to images hosted on other servers. When the Internet browser on a user computer downloads an HTML page containing such an image, the browser will directly contact the remote server for www.example.com and request the image content and load it into the requesting HTML page content. Where copyright infringement occurs is when Google's search engine formula algorithm routinely transposes the ownership of the copyright image from the copyright owner website example.com to the page at hotlinkingwebsite.com such that Google now shows image search results for the popular keyword associated with the copyright image as belonging to hotlinkingwebsite.com and sends search request traffic to the hotlinkingwebsite.com server. It is clear Google promotes this behavioural characteristic to transpose ownership from the original copyright owner using their search engine algorithm, and the subsequent Google creation of defective search results as they have done little since 2007 when this rebranding was first observed on Google and have

raised

161

the profile of enterprise hotlinkers like connect.in.com to Page Rank 6 and hotlinking as many as 28 million images from origin websites (sic) within the United Kingdom and in other parts of the world. Google could easily have corrected this Google Engineer programmed algorithmic characteristic but they have chosen not to in the years 2010, 2011 and 2012 when it became a substantial practice by enterprise hotlinkers as identified in the Claimant's claim and the Claimant argues was only prolific because Google desired this business landscape in their search business and connected AdSense business." [my emphasis]

[18] The language used by the claimant to describe the effects of hotlinking concerns ownership. Elsewhere he has described the effect of hotlinking as leading to a "re-assignment" of the copyright. He has said that this effect is either the result of a "bug" within the algorithms used by Google or that Google knew of the effect and designed the algorithms to achieve the effect deliberately. There is, however, no evidence at all, direct or inferential, of a deliberate design to achieve the effect he describes. The high point of his case is that Google was aware in 2007 of the effect he complains of but did not fix the bug. He says this was because it worked in Google's favour by popular images being accessible on "aggregator" sites and by advertising revenue for Google being enhanced as a result. The claimant summarises his breach of copyright claim in the following way:

"... this Claim breaks new ground in a developing area of law related to what is copyright infringement of the copyright holder's property within the United Kingdom on the internet and what is fair use of that copyright content. The Claimant would argue that a systemic practice by Google by the redirection of copyright content to copies of that content on aggregator websites is not remotely close to "fair use" as it defrauds the original copyright holder of the property value of that media and its creative revenue generating capacity." '

### The Chief Master's Decision

[14] Chief Master Marsh handed down his detailed and closely reasoned judgment on Mr Wheat's application for permission to serve Google out of the jurisdiction on 26 March 2018: [\[2018\] EWHC 550 \(Ch\)](#), [\[2018\] All ER \(D\) 190 \(Mar\)](#). He dismissed the application and recorded his conclusion that it was totally without merit within the meaning of CPR 23.12. He dismissed Mr Wheat's claim against Google and ordered him to pay costs on the indemnity basis in the sum of £87,000. He refused Mr Wheat's application for permission to appeal.

[15] As I have mentioned, the Chief Master had to consider a number of points that are not advanced before me. He also did not have the benefit of submissions from Mr Pearson on behalf of Mr Wheat. So far as is relevant for this appeal, the main points of the Chief Master's decision may be summarised as follows:

(1) He identified the three-stage test explained in *Altimo Holdings* and noted some comments made in that regard by the Supreme Court in *Brownlie v Four Seasons Holdings Inc* [\[2017\] UKSC 80](#), [\[2018\] 2 All ER 91](#), [\[2018\] 1 WLR 192](#) (paras [25] and [26]).

(2) He identified the four jurisdictional gateways relied on before him (para [27]). Only two of those are still relied on: gateways (9) and (11); see

para [6] above. He observed (para [28]) that it was unnecessary to give detailed consideration to gateway (11), because it added nothing material to gateway (9).

(3) He dealt with the copyright infringement case in paras [39] to [51]. (This section of the judgment dealt also with the claim based on joint liability with MT, which does not arise for consideration on this appeal.) The Chief Master's discussion did not clearly distinguish analytically between the first stage of the test (serious issue) and the second stage (the gateways). This does, I think, result in certain difficulties with his analysis, though not necessarily with the result.

(4) In paras [40] and [41] the Chief Master identified the statutory basis for the copyright infringement claim. (I refer only to the claim for primary infringement, as the claim for secondary infringement was not pursued before me.) It is here that the difference is most apparent between the way the case was put below and the way it was put on appeal. Paragraph [40] focused on copying, which was not alleged before me. Paragraph [41] referred to communication to the public but mentioned only communication by 'broadcasting' (s 20(2)(a)); it did not mention communication in the manner set out in s 20(2)(b). At para [46] the Chief Master said that, although Mr Wheat's complaint was 'readily understandable in general terms', he had 'tried to shoehorn the matters about which he complain[ed] into a legal framework they [did] not readily fit.'

(5) In para [50] he said that the real complaint about hotlinking lay not against Google but against the hotlinkers.

(6) In para [51] the Chief Master set out his conclusions regarding the copyright infringement claim. It is here, I think, that the failure to distinguish clearly between the first and second stages of the test in *Altimo Holdings* is most apparent. The relevant part of the paragraph reads as follows:

'The claimant's case in copyright has not been clearly articulated. For the reasons that follow, he has come nowhere near discharging the burden on him that he has a good arguable case this part of his claim falls within gateway (9) (or (11)).

i. There is no evidence that the hotlinkers have any connection with the United Kingdom. Connect.in.com, for example, is based in Mumbai. Mere accessibility of a website from the United Kingdom is insufficient to confer jurisdiction or to localise communications of that website operator within the United Kingdom – see *EMI Records v British Sky Broadcasting Ltd* [2013] EWHC 379 at [48] Arnold J and *Omnibill (Pty) Ltd v EGPSXXX Ltd (in liq)* [2014] EWHC 3762 at [11] Birss J.

ii. Hotlinking does not involve an act of copying. This is accepted by the Claimant.

iii. It is not open to the claimant to contend that there has been an infringement by communication to the public that is in breach of section 169(1)(d) [sic; scil 16(1)(d)]. The doctrine laid down by the ECJ in Case-466/12, *Svensson*, EU:C:2014:76, [24]–[28] and Case 160/15, *GS Media BV*, EU:C:2016:644, in [41][44] that where photographs have been made freely available with the consent of the right holder, the copyright owner cannot later complain that third parties have linked to or embedded those works from their own websites.

iv. The complaint that Google has prioritised one website over another does not give rise to a claim for copyright infringement.'

(7) Additionally, the Chief Master held (paras [43]–[45] and [51](vii)) that Google would in any event be entitled to rely on the 'safe harbour' defence under regs 17 to 19 of the Electronic Commerce (EC Directive) Regulations 2002, [SI 2002/2013](#).

(8) As to the third stage of the test (forum), he held that, of all the competing jurisdictions (England and Wales, Monaco, Germany, California), England and Wales was the least attractive (paras [53] and [54]). It should be said that this conclusion reflects the far wider scope of claims and considerations that were before the Chief Master.

### **This Appeal**

**[16]** Mr Wheat's grounds of appeal (Revision B) run to thirty-five pages and seventy-one paragraphs and are difficult to follow. It is neither efficient nor profitable to attempt a detailed analysis of them in this judgment. Both Mr Graham and counsel have performed that exercise, in differing ways, and I shall approach the matter by reference to the way in which the appeal has been presented in submissions.

**[17]** Mr Wheat contends that the Chief Master was wrong in his conclusion at each stage of the test in *Altimo Holdings*:

(1) As to the first stage (serious issue): (a) he wrongly thought that any complaint of copyright infringement lay against the hotlinkers, whereas in fact the actions of the hotlinkers are accepted to be lawful; (b) he failed to understand the nature of the communication under s 20(2)(b); (c) he mistakenly held, in para [51](iii) of his judgment, that consent to the free availability of images on the internet precluded complaint about Google's activities; (d) he was wrong to hold that the 'safe harbour' defence was available to Google.

(2) As to the second stage (gateways): he was wrong in respect of both limbs of gateway (9) and in respect of gateway (11), all of which obviously are satisfied. This mistake, it is said, arose because the Chief Master failed to distinguish clearly between the first and second stages of the test.

(3) As to the third stage (forum): he was wrong to hold that a dispute as to infringement of UK copyright owned by the proprietor of a business in England ought to be heard anywhere but in the courts of England and Wales.

**[18]** In giving permission to appeal, Marcus Smith J dealt with each stage of the test in turn. Because of the unhelpful nature of the grounds of appeal themselves, it is convenient to refer to what he said: [\[2019\] EWHC 1518 \(Ch\)](#).

**[19]** Having summarised the factual basis of the claim, Marcus Smith J addressed the first stage of the test, namely whether there was a serious issue. He said:

[14] ... It is said by Mr Wheat that Google's conduct in caching images for the purposes of delivering search results constitutes an infringement of the [Copyright, Designs and Patents Act 1988](#) because Mr Wheat has not consented to his images being used in this way. (Matters would be different if the search results linked to the Website: Mr Wheat accepted that he had given his consent to this.)

[15] It is said by Mr Wheat that this is an infringement of his rights and that these rights are in fact governed by English law. It is first necessary to

164

explore why Mr Wheat contends that this question of infringement is governed by English law at all. [The judge referred to the decision of Birss J in *Omnibill (Pty) Ltd v EGPSXXX Ltd* [\[2014\] EWHC 3762 \(IPEC\)](#) and continued:]

[16] The test is whether the website or webpage is targeted to a particular country and that, as Birss J pointed out, is a multifactorial question which depends upon all the circumstances, including the content of the website itself, the elements arising from the inherent nature of the services offered by the website, the number of visitors accessing the website from the UK and so on. I have, I confess, some doubts as to the precise translatability of this test, which obviously involved the publication of an image on a particular website, to this case, which involves the use of a cached image to facilitate a search on the worldwide web. However, it seems to me that, for purposes of this hearing, I must accept that this contention has a reasonable prospect of success: what Google is doing, in particular in relation to searches that are produced by way of google.co.uk (the search engine directed to users in the UK), the cached images are indeed being targeted at a particular country (namely, the UK), so as to make it sufficiently arguable for purposes of the merits test that I am applying to say that English law applies and that there is an infringement of [section 20](#) of the Copyright, Designs and Patents Act 1988. So I am satisfied that there is a good, arguable case on appeal that this test can be satisfied, and I need for present purposes go no further than that.'

[20] Marcus Smith J then considered the second stage of the test, namely the gateways:

'[17] I turn to the second requirement, question of whether Mr Wheat has established that his case falls within an appropriate gateway. The gateway relied upon was gateway (9) in CPR PD 6B §3.1. Gateway (9)(a) provides that the court may permit service of a claim out where a claim is made in tort (as this one is), where "damage was sustained, or will be sustained, within the jurisdiction". It was contended on behalf of Mr Wheat that, because he was operating his business in the jurisdiction, the loss of advertising revenue and the financial loss caused by the lower profile of his website than would otherwise have been the case caused damage to him within this jurisdiction. Again, it seems to me that that is something which is arguable with reasonable prospects of success on an appeal. I also consider that gateway (9)(b), which refers to damage that has been or will be sustained from an act committed or likely to be committed within the jurisdiction, is perhaps the more appropriate gateway. Taking the test expounded by Birss J in *Omnibill*, it is possible to contend that the act of communication (that is to say, displaying the search results and the cached image on, as it were, an England and Wales monitor) is something which is an act within gateway (9)(b). So, for both those reasons, I am satisfied that there is a good, arguable case that these claims against Google fall within both limbs of gateway 9.'

[21] Finally, Marcus Smith J considered forum:

[18] The last question is one of forum. As I noted, I must be satisfied that England and Wales is clearly and distinctly the proper forum for the trial of the claims. It seems to me that, as regards these claims, this requirement too is satisfied. This is, given the conclusions I have reached, a

165

claim governed by English law involving an infringement of copyright under the 1988 Act. The claimant, Mr Wheat, is resident in the jurisdiction. The defendant is not, self-evidently, but the defendant I consider is going to be remarkably indifferent as to where it is sued in terms of its own convenience. The fact is that Google is a worldwide corporation with a significant presence within this jurisdiction, albeit not a servable presence. It seems to me that the advantages of suing in another jurisdiction are very difficult to discern. The question of witnesses, documents and experts in a sense all have an England and Wales focus, largely because of the fact that England and Wales is the law that is applicable. It therefore does seem to me that, so far as this group of claims is concerned, it is at least arguably appropriate that England and Wales is the most convenient forum.'

[22] Although they do not themselves constitute the grounds of appeal, these passages helpfully set out the parameters of the issues. This is subject to the fact that there is a great deal more to be said regarding the first stage of the test. It should be noted that Google had filed written representations for consideration at the hearing of the application for permission to appeal, but unfortunately these were not brought to the attention of Marcus Smith J.

## Discussion

[23] The crux of this appeal is at the first stage of the *Altimo Holdings* test: whether there is a serious issue on the merits or, to use a different formulation, whether Mr Wheat's claim against Google for copyright infringement has a realistic prospect of success. For Google, Mr Riordan did not formally concede the second and third stages (gateway and forum), but he was properly realistic as to them and did not try to persuade me that those requirements were not satisfied.

[24] The claim is for infringement of UK copyright, not by hotlinkers but by Google. For the purpose of gateway (9), this is a claim in tort. Mr Wheat is resident in England and his business is based in England. Any damage is very likely to be and to have been suffered in England; there is in fact evidence that damage has been suffered. Further, as Marcus Smith J observed, Mr Wheat's case (which, again, is supported by evidence) is that the activities complained of relate, at least in part, to searches that are produced by way of google.co.uk (the search engine directed to users in the UK), and that the cached images were being targeted at internet users in the UK. (To anticipate: this is why no issue arises on the substantive claim in respect of targeting.) It is also common ground that the law applicable to the claim now advanced by Mr Wheat would be the law of England and Wales. In my judgment, it is clear in those circumstances that there is a good arguable case that the claim falls within both limbs of gateway (9). Similarly, as the copyright is property created by CDPA and is territorially limited to the UK, I consider it clear that there is a good arguable case that the claim falls within gateway (11). Of course, it is quite a different question whether the claim has any real merit; that is a matter for the first stage of the *Altimo Holdings* test. I respectfully think that the reason why the Chief Master concluded that Mr Wheat had come 'nowhere near' showing a good arguable case that the copyright infringement claim was within either gateway (9) or gateway (11) was that he failed to distinguish clearly between the first and second stages of the *Altimo Holdings* test.

[25] As for forum, the matters mentioned by Marcus Smith J are sufficient to show that, if the claim is to proceed, England and Wales is clearly the

appropriate forum. Google did not seek to argue the contrary on the appeal. As I have said, the claims now to be considered are significantly narrower than those advanced before the Chief Master; the position may have been different in respect of the additional claims he was considering.

**[26]** I turn to the question whether Mr Wheat's claim raises a serious issue.

**[27]** The following relevant matters are common ground between the parties. First, hotlinking is done by third parties, not by Google, and is anyway lawful. Second, internet users who view the copyright images via the hotlinking websites are in fact directly viewing the content on the Website by means of the server that hosts it. Third, therefore, there has been no infringement of the copyright in the images by copying; those who view the images via the hotlinking websites are doing so lawfully. Fourth, Mr Wheat has consented to Google searching, indexing and caching the content of the Website. Fifth, the Website content was available without restriction to all internet users: there was no payment or subscription requirement and no control on access to the Website.

**[28]** These matters create difficulty in identifying an infringement of copyright, because they would appear to indicate that unrestricted communication to the public via the internet must necessarily be envisaged and authorised. Anyone who wants to view a particular image of a person or thing can search for it and, having located it by means of the search engine, view it freely. So far as communication of the image (as distinct from financial viability of the Website) is concerned, it is not obvious why there is a relevant distinction between the case where the internet user first visits the Website and the case where he does not.

**[29]** Mr Wheat offers three bases for a material distinction between the cases.

**[30]** First, he contends that Google has 'attributed' the images, or copyright in the images, to the hotlinking sites. This is plainly wrong, if it is intelligible. Nothing that Google is alleged to have done had the effect of depriving Mr Wheat of his copyright in any images or of transferring copyright to or conferring it on third parties. It is also not alleged, and there is no evidence, that Google held out third parties as owning the copyright in any of the images that were on the Website. Even if it had done so, I cannot see that that would have amounted to an infringement of Mr Wheat's copyright. What Google did was produce results in a form that showed that the images could be viewed by going to the hotlinking websites. I consider this under the third answer but repeat at this stage that it is common ground that it was lawful for hotlinking websites to provide means of access to the images in question and lawful for internet users to gain access to those images via hotlinking websites.

**[31]** Second, Mr Wheat contends that Google has prioritised the hotlinking websites in its ordering and presentation of results. The Chief Master dealt with this in para [51](iv) of his judgment: 'The complaint that Google has prioritised one website over another does not give rise to a claim for copyright infringement.' It is difficult to say more than this. The ordering of search results is not an act restricted by the copyright for the purposes of s 16 of CDPA, and Mr Pearson was unable to explain how mere prioritisation of search results could amount to an infringement of copyright. Mr Riordan appositely referred to the comment of Lord Sumption JSC in *Cartier International AG v British Telecommunications plc* [\[2018\] UKSC 28](#), [\[2018\] 2 All ER \(Comm\) 1057](#), [\[2018\] 1 WLR 3259](#), at [34]:

'The suggestion appears to be that there is a moral or commercial responsibility in the absence of a legal one. But the law is not generally concerned with moral or commercial responsibilities except as an arguable basis for legal ones.'

[32] The main answer advanced by Mr Wheat is the third one: that his consent to Google searching, indexing and caching the content of the Website extended only to the linking of images to the Website but did not extend to the communication of the content via hotlinking websites. As Mr Pearson put the matter in his oral submissions: did Mr Wheat's consent to Google indexing his content include consent to Google redirecting those who clicked on the links to the content to third-party websites? – clearly not (he submitted), because this deprived Mr Wheat of both the traffic and the revenue.

[33] The principles applicable to allegations of unlicensed communications of copyright works have recently been considered by Birss J in *Warner Music UK Ltd v TuneIn Inc* [2019] EWHC 2923 (Ch), [2019] All ER (D) 29 (Nov) ('*Warner Music*'), which concerned an online directory of links to radio stations. His judgment, to which I am indebted, includes a detailed consideration of the decisions of the CJEU, some of which were relied on by the Chief Master. As Birss J observed at [2]:

'Section 20 of the 1988 Act implements Article 3 of the Information Society [Directive 2001/29/EC](#). The CJEU has set out general principles of interpretation of that provision. ... In the end though it is for the national courts to determine where the balance lies in a given case. It is a fact-sensitive exercise.'

[34] The Information Society Directive provided for the harmonisation of the laws of Member States on copyright and related rights. Among the many recitals, the following are of some relevance to the present case:

'(23) This Directive should harmonise further the author's right of communication to the public. This right should be understood in a broad sense covering all communication to the public not present at the place where the communication originates. This right should cover any such transmission or retransmission of a work to the public by wire or wireless means, including broadcasting. This right should not cover any other acts.'

'(27) The mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Directive.'

'(31) A fair balance of rights and interests between the different categories of rightholders, as well as between the different categories of rightholders and users of protected subject-matter must be safeguarded. The existing exceptions and limitations to the rights as set out by the Member States have to be reassessed in the light of the new electronic environment. ...'

Article 3(1) provides:

'Member States shall provide authors with the exclusive right to authorise or prohibit any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.'

[35] The Information Society Directive was given effect in UK law by the Copyright and Related Rights Regulations 2003, [SI 2003/2498](#). Article 3 was implemented by regs 6 and 7, by means *inter alia* of the amendment of s 20 of CDPA to its present form.



[36] The state of the CJEU case-law on the communication right as it then stood was summarised by Arnold J in *Paramount Home Entertainment International Ltd v British Sky Broadcasting Ltd* [2013] EWHC 3479 (Ch), [2013] All ER (D) 151 (Nov) (at [12]). In *Warner Music* Birss J said at [48] that, as a summary of the position as at November 2013, Arnold J's summary could not be improved on. I shall set out some relevant parts of it, omitting references:

'The principles established by the CJEU case law can, I think, be summarised as follows:

(1) "Communication to the public" must be interpreted broadly.

(2) "Communication to the public" covers any transmission or retransmission of the work to the public not present at the place where the communication originates by wire or wireless means.

...

(5) "Communication" includes any retransmission of the work by a specific technical means different from that of the original communication.

...

(11) "The public" refers to an indeterminate number of potential recipients and implies a fairly large number of persons.

...

(15) Where there is a communication which does not use a different technical means to that of the original communication, it is necessary to show that the communication is to a new public, that is to say, a public which was not considered by the authors concerned when they authorised the original communication.

...

(18) Where there is a communication using a different technical means to that of the original communication, it is not necessary to consider whether the communication is to a new public.'

[37] Before me, Mr Pearson rightly accepted that these principles remain valid and that their effect, for the purposes of this case, is that Mr Wheat must show that Google communicated his copyright works either (a) to 'a new public', namely a public to which his licence to Google did not extend, or (b) by a different technical means from that which he had authorised. This requirement is determinative in deciding whether there is a serious issue to be tried on the merits.

[38] In *Svensson v Retriever Sverige AB* (Case C-466/12) EU:C:2014:76, [2014] All ER (EC) 609, [2014] Bus

[LR 259](#) ('Svensson'), the CJEU dealt with a referral for a preliminary ruling on the interpretation of art 3(1) of the Information Society Directive. The protected works were articles freely available on the website of a newspaper. The defendant operated a website that provided its clients with hyperlinks to protected works that were freely available, without access restrictions, on other websites including that of the newspaper.

**[39]** The CJEU interpreted the first part of the referral as raising the question whether, under art 3(1), 'the provision, on a website, of clickable links to protected works available on another website constitutes an act of communication to the public as referred to in that provision, where, on that

169

other site, the works concerned are freely accessible': see para 14. The Court answered that question in the affirmative: see paras 15–23. However, it continued:

'24. None the less, according to settled case law, in order to be covered by the concept of "communication to the public", within the meaning of art 3(1) of Directive 2001/29, a communication, such as that at issue in the main proceedings, concerning the same works as those covered by the initial communication and made, as in the case of the initial communication, on the internet, and therefore by the same technical means, must also be directed at a new public, that is to say, at a public that was not taken into account by the copyright holders when they authorised the initial communication to the public (see, by analogy, the *SGAE* case, paras 40, 42; order of 18 March 2010 in *Organismos Sillogikis Diacheirisis Dimiourgou Theatrikon kai Optikoakoustikon Ergon v Divani Akropolis Anonimi Xenodocheiaki kai Touristiki Etaireai* Case [C-136/09](#) [2010] ECR I-37 (para 38) and the *ITV Broadcasting* case (para 39)).

25. In the circumstances of this case, it must be observed that making available the works concerned by means of a clickable link, such as that in the main proceedings, does not lead to the works in question being communicated to a new public.

26. The public targeted by the initial communication consisted of all potential visitors to the site concerned, since, given that access to the works on that site was not subject to any restrictive measures, all internet users could therefore have free access to them.

27. In those circumstances, it must be held that, where all the users of another site to whom the works at issue have been communicated by means of a clickable link could access those works directly on the site on which they were initially communicated, without the involvement of the manager of that other site, the users of the site managed by the latter must be deemed to be potential recipients of the initial communication and, therefore, as being part of the public taken into account by the copyright holders when they authorised the initial communication.

28. Therefore, since there is no new public, the authorisation of the copyright holders is not required for a communication to the public such as that in the main proceedings.'

**[40]** There are two critical parts to the reasoning of the CJEU in this passage. First, the CJEU treated the internet as a single technical means. It follows that Mr Wheat must rely on the alternative route to showing that the communication was unlicensed, namely that it was to 'a new public' (cf para [35] above). Second, however, the reasoning at para 26 in *Svensson* necessarily means that the communication complained of by Mr Wheat must have been to the *same* public as that within the scope of his licence, because it was within the class of potential visitors to the Website. The reasoning of the CJEU was unpacked as follows by Birss J in *Warner Music* at [59]:

'Once one has taken the step of deciding that the first act of communication is targeted to all *potential* visitors to the site concerned (my emphasis) and that this means all internet users, then the rest of the logic follows because (paragraph 27) people accessing the second site are necessarily potential recipients of the first act of communication. So the court held that these people were taken into account by the copyright

170

owners when the copyright owners authorised the first communication. Also, on its face this reasoning does not appear to be based on examining the actual terms of whatever copyright licence the rights holder actually entered into in fact. It appears to proceed on the basis that once a copyright owner has given permission for a work to be put on a website which is not subject to technical access restrictions, they must be taken to have targeted, and therefore taken into account, the entire world as the relevant "public".'

**[41]** The CJEU made two further points of relevance to this appeal. First, 'where a clickable link makes it possible for users of the site on which that link appears to circumvent restrictions put in place by the site on which the protected work appears in order to restrict public access to that work to the latter site's subscribers only, and the link accordingly constitutes an intervention without which those users would not be able to access the works transmitted, all those users must be deemed to be a new public, which was not taken into account by the copyright holders when they authorised the initial communication, and accordingly the holders' authorisation is required for such a communication to the public': para 31. However, that qualification does not apply in the present case, because access to the Website was free and unrestricted. Second, the CJEU made it clear that its conclusion would be unaffected if the facts were that the URL of the link was disguised:

'29. Such a finding [ie the conclusion at para 28] cannot be called in question were the referring court to find, although this is not clear from the documents before the court, that when internet users click on the link at issue, the work appears in such a way as to give the impression that it is appearing on the site on which that link is found, whereas in fact that work comes from another site.

30. That additional circumstance in no way alters the conclusion that the provision on a site of a clickable link to a protected work published and freely accessible on another site has the effect of making that work available to users of the first site and that it therefore constitutes a communication to the public. However, since there is no new public, the authorisation of the copyright holders is in any event not required for such a communication to the public.'

**[42]** This latter point was one of the bases of the decision of the CJEU in *BestWater International GmbH v Mebes* (Case [C-348/13](#)) EU:C:2014:2315 (21 October 2014) ('*BestWater*'). The applicant had the copyright in a short promotional film. The defendants were agents of a competitor of the applicant and had a website on which they promoted the competitor's products. The promotional film became available on YouTube, though the applicant said that this was done without its consent. The defendants allowed visitors to their websites to view the promotional film by using a web link using 'transclusion', so that when users clicked on the link the film, which originated from the YouTube platform, appeared embedded on the defendants' websites, giving the impression it was shown from them. The CJEU gave a summary ruling against the applicant:

'15. [C]oncerning the insertion on a website, by a third party, using a web link, of a protected work which has already been freely communicated to the public on another website, the Court decided in Clause 24 of *Svensson* ... that, given that such an act of communication uses the same technical mode as that already used to communicate this work on another

website, in order to be qualified as “communication to the public” within the meaning of Article 3(1) of the Directive 2001 this deed must be performed with a new public.

16. If this is not the case, in particular, due to the fact that the work is already freely available for all internet users on another website having permission from the copyright owners, the said act will not be qualified as “communication to the public” within the meaning of Article 3(1) ...

17. In points 29 and 30 of the judgment [in] *Svensson* ..., the Court specified that this conclusion is not challenged by the circumstance that, when the internet users click on the link in question, the protected work appears giving the impression that it is shown from the site where this link is provided, whereas it is in fact from another site. However, in substance, this factor is that which characterises the use, as in the main proceedings, of the “transclusion” technique, the latter consisting of dividing a page of a website into several frames and displaying one of them, using an “incorporated” web link (“inline linking”), an item from another site in order to conceal from users of this site the original environment to which this element belongs.’

**[43]** *Svensson* and *BestWater* were both considered in *GS Media BV v Sanoma Media Netherlands BV* (Case [C-160/15](#)) EU:C:2016:644, [\[2016\] Bus LR 1231](#), [2017] 1 CMLR 921 (*‘GS Media’*), where a news site posted hyperlinks to files containing protected photographs on an Australian data storage website. The initial posting on the Australian website was unlicensed; the case differs in that respect from the earlier cases and from this case. The CJEU referred to *Svensson* and *BestWater* and said:

‘41. ... [I]t follows from the reasoning of those decisions that, by them, the Court intended to refer only to the posting of hyperlinks to works which have been made freely available on another website with the consent of the rightholder, the Court having concluded that there was no communication to the public on the ground that the act of communication in question was not made to a new public.

42. In that context, it noted that, given that the hyperlink and the website to which it refers give access to the protected work using the same technical means, namely the internet, such a link must be directed to a new public. Where that is not the case, in particular, due to the fact that the work is already freely available to all internet users on another website with the authorisation of the copyright holders, that act cannot be categorised as a “communication to the public” within the meaning of art.3(1) of Directive 2001/29. Indeed, as soon as and as long as that work is freely available on the website to which the hyperlink allows access, it must be considered that, where the copyright holders of that work have consented to such a communication, they have included all internet users as the public (see, to that effect, *Svensson* [2014] 3 C.M.L.R. 4 at [24]–[28], and *BestWater International* EU:C:2014:2315 at [15], [16] and [18]).’

**[44]** Counsel did not refer me to the decision of the CJEU in *Land Nordrhein-Westfalen v Renckhoff* (Case [C-161/17](#)) EU:C:2018:634, [\[2018\] All ER \(D\) 107 \(Aug\)](#), but it was considered at some length by Birss J in *Warner Music* and I both am entitled to and ought to say something about it, as it stands in some tension with *Svensson*. A professional photographer had copyright in a photograph. The photograph was posted on a school website by a student who

had downloaded it from another website. The Court held that the school had infringed the photographer's copyright, even though the original posting of the photograph by the photographer had been without restrictive measures. The CJEU referred to earlier decisions, including those I have mentioned, and to the provisions and purposes of the Information Society Directive, and continued:

'35. Taking account of those elements, it must be held, in the light of the case-law set out in paragraph 24 of the present judgment, that the posting of a work protected by copyright on one website other than that on which the initial communication was made with the consent of the copyright holder, in circumstances such as those at issue in the main proceedings, must be treated as making such a work available to a new public. In such circumstances, the public taken into account by the copyright holder when he consented to the communication of his work on the website on which it was originally published is composed solely of users of that site and not of users of the website on which the work was subsequently published without the consent of the rightholder, or other internet users.

36. It is irrelevant to the objective considerations set out in paragraphs 29 to 35 of the present judgment that, as in the case in the main proceedings, the copyright holder did not limit the ways in which internet users could use the photograph. The Court has already held that the enjoyment and the exercise of the right provided for in Article 3(1) of Directive 2001/29 may not be subject to any formality (see, to that effect, judgment of 16 November 2016, *Soulier and Doke*, [C-301/15](#), EU:C:2016:878, paragraph 50).

37. Furthermore, it is true the Court held, in particular in its judgment of 13 February 2014, *Svensson and Others* ([C-466/12](#), EU:C:2014:76, paragraphs 25 and 26), and in its order of 21 October 2014, *BestWater International* ([C-348/13](#), not published, EU:C:2014:2315, paragraph 16), regarding the making available of protected works by means of a clickable link referring to another website on which the original publication was made, that the public targeted by the original communication was all potential visitors to the website concerned, since, knowing that access to those works on that site was not subject to any restrictive measure, all internet users could access it freely. Therefore, it held that the publication of the works concerned by means of a clickable link, such as that at issue in the cases which gave rise to those judgments, did not result in a communication of those works to a new public.

38. However, that case-law cannot be applied in circumstances such as those at issue in the main proceedings.

39. First, that case-law was handed down in the specific context of hyperlinks which, on the internet, refer to protected works previously published with the consent of the copyright holder.

40. However, unlike hyperlinks which, according to the case-law of the Court, contribute in particular to the sound operation of the internet by enabling the dissemination of information in that network characterised by the availability of immense amounts of information (judgment of 8 September 2016, *GS Media*, [C-160/15](#), EU:C:2016:644, paragraph 45), the publication on a website without the authorisation of the copyright holder

of a work which was previously communicated on another website with the consent of that copyright holder does not contribute, to the same extent, to that objective.

...

44. Second, as stated in paragraph 29 of the present judgment, the rights guaranteed for authors by Article 3(1) of Directive 2001/29 are preventive in nature. As regards the act of communication constituted by the posting on a website of a hyperlink which leads to a work previously communicated with the authorisation of the copyright holder, the preventive nature of the rights of the holder are preserved, since it is open to the author, if he no longer wishes to communicate his work on the website concerned, to remove it from the website on which it was initially communicated, rendering obsolete any hyperlink leading to it. However, in circumstances such as those at issue in the main proceedings, the posting on another website of a work gives rise to a new communication, independent of the communication initially authorised. As a consequence of that posting, such a work may remain available on the latter website, irrespective of the prior consent of the author and despite an action by which the rightholder decides no longer to communicate his work on the website on which it was initially communicated with his consent.

45. Lastly, third, in its judgment of 13 February 2014, *Svensson and Others* ([C-466/12](#), EU:C:2014:76, paragraphs 27 and 28), the Court, in order to conclude that the communication at issue in the case which gave rise to that judgment was not to a new public, emphasised the lack of any involvement by the administrator of the site on which the clickable link had been inserted, which allowed access to the works concerned on the site on which it had been initially communicated, with the consent of the copyright holder.

46. In the present case, it is clear from the order for reference that the user of the work at issue in the main proceedings reproduced that work on a private server and then posted it on a website other than that on which the work was initially communicated. In so doing, that user played a decisive role in the communication of that work to a public which was not taken into account by its author when he consented to the initial communication.'

[45] Accordingly, as Birss J observed in *Warner Music* at [91], the Court in *Renckhoff* distinguished the reasoning in *Svensson* on the basis that hyperlinking contributed to the sound operation of the internet and was therefore to be treated differently. (I confess to having difficulty in understanding the third ground of distinction, mentioned in paras 45 and 46 of *Renckhoff*, because it appears to bear no relationship to the point being made at para 27 of *Svensson*. Anyway, the point does not affect the present appeal.) Birss J remarked further on the contrasting approaches in *Svensson* and *Renckhoff*:

'[100] ... In my judgment the analysis is a different one. Putting *Renckhoff* and *Svensson* side by side shows that the CJEU is taking a holistic approach to communication to the public. The nature of the act of communication complained of has a bearing on the answer to the question of what public should be regarded as having been taken into account when the first communication was authorised. One can only answer the question about what public was taken into account when one knows the nature of the latter act of communication. In other words when considering whether an

174

act of communication to the public has taken place, while individual elements need to be considered ("communication", "public", "new public" and so on) it is also necessary to look at the circumstances as a whole and it is a wrong approach to keep the nature of the putative act of communication in a silo, separate from the question of the public. That is, I think, what the CJEU has actually said in different words in paragraph 35 of *Renckhoff*.

[101] Putting it a different way – when a copyright owner consents to the work being published on a website targeted at a particular set of internet users but in practice freely available to all

users one can rationally hold that:

- (i) the owner took (or should be treated as having taken) into account all internet users as potential recipients of a hyperlink to that work; but
- (ii) did not take (and need not necessarily have taken) into account any internet users, other than those to whom the site is targeted, as potential recipients of a posting of the work itself.

[102] Looked at this way the two conclusions are consistent and thus, on the same facts, once a work has been published on a site, a reposting of that work on a second site may be an act of communication to a new public (*Renckhoff*) whereas a link to it may not be (*Svensson*).'

[46] An argument advanced for Mr Wheat is that his initial consent to communication 'must have' been subject to an implicit restriction such as he contends for. It is unclear to me why there is such a necessity. Birss J commented on this point in *Warner Music* at [107]:

'[N]owhere in the cases is there an attempt to consider the terms of any actual copyright licence applicable to the initial posting of a work on the internet. The closest is the reference in *Soulier* to *Svensson* being a case of explicit consent but even that does not go as far as examining any actual terms. I believe the court is looking at the matter in a different way and asking, given the existence of consent in fact: what is its practical effect? For example in *Svensson* I cannot imagine the court would have been impressed by an argument that the agreement consenting to the initial posting contained a clause buried in it whereby the copyright owner, while consenting to the posting, purported not to consent to hyperlinking to that posting. The practical effect of the posting, which was with consent and was without technical restrictions, was that the rights holder must have taken into account that others on the internet might link to it. The basis for this is consideration of Charter rights and the impact on the internet if it was not so.'

That seems to me to reflect the concerns of the CJEU in *Renckhoff* and I respectfully agree.

[47] In *Warner Music*, Birss J stated at [109] some further principles established by the recent case-law, additional to those set out by Arnold J; the following are relevant to this appeal:

'(i) Although the individual dimensions of the question need to be considered, ultimately the assessment of whether a party's actions amount to a "communication to the public" is an individualised and case specific assessment which must be carried out as a whole.

(ii) Providing a link to a work is capable of being an act of communication to the public, even if no one actually selects the link or

175

goes to look at or listen to the work, because a link to a work makes a work available. In other words merely providing a link to a work available at another location on the internet can itself be an act of communication (*Svensson*, *GS Media*).

(iii) An important distinction is between a case in which a work has been placed on the internet with the consent of the relevant rights holder and a case in which there has been no such



consent. If the initial posting of the work was done with the relevant consent then it is itself an act of communication to the public and any subsequent alleged acts of communication to the public have to be analysed with that in mind. For a second act of communication to the public on the internet to be an infringement in that case, there must be a new public (or new technical means) and for the former to be determined one must work out what public was taken into account when the first act of communication took place.

(iv) However the question of what public was taken into account when a work was the subject of a first communication to the public cannot be answered without knowing the nature of the subsequent act of communication which is alleged to infringe (*Svensson* and *Renckhoff*). One does not simply ask – what public was taken into account? – rather one has to ask – were the public to whom the act of communication complained of is addressed taken into account in giving the consent to the first act of communication?

(v) Approached that way, in a case in which a photograph is taken from one website and reposted on a second website, one asks: were visitors to the second website who will encounter the photograph posted on that website taken into account when the consent to the posting of the photograph on the first website was given? The answer may well be no because the rights holder should only be taken to have consented to the work appearing on the first website and being seen posted on that first site by visitors to that first site, and not be taken to have consented to the work being seen posted on a second website by visitors to that second website, who amount to a different class of visitors (*Renckhoff*).

(vi) By the same token, in a case in which there is, on one website (A), a link to a photograph posted on another website (B), one asks: were visitors to website A who will encounter that link taken into account when the consent to the posting on the photograph on website B was given? The answer may well be yes because the rights holder should be taken to have understood that the internet includes that sort of linking and therefore to have consented to those links appearing on other websites and being seen by anyone on the internet (*Svensson*).'

**[48]** In my judgment, the reasoning in *Svensson*, *BestWater* and *GS Media* is determinative of this appeal. The acts complained of against Google cannot be unlicensed communications, because they are not communications to a new public (all potential users of the unrestricted Website constituting one public, so far as concerns a case involving communication via hotlinking) and are not communications by a new technical means (the internet constituting a single technical means). This was in substance the reasoning of the Chief Master on the point that arises on this appeal. Therefore the appeal fails.

**[49]** In the circumstances, it is unnecessary for me to say anything about the 'safe harbour' defence relied on by Google.

176

**[50]** This judgment is handed down at a hearing in the absence of the parties. As I have not been informed of any agreement on consequential matters, I shall make an order dismissing the appeal and adjourning this hearing so that counsel may be heard.

*Appeal dismissed.*



Wendy Herring   Barrister.