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THE *ANTON PILLER* ORDER: PROTECTING OR PUNISHING THE WEAK?

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...if suspicion at large should be a ground of search, ...whose house would be safe?

Lord Camden CJ
Entick v *Carrington*
(1765) 19 St Tr 1029, 1073-1074.

What is to be said of the *Anton Piller* procedure which, on a regular and institutionalised basis, is depriving citizens of their property and closing down their businesses by orders made ex parte, on applications of which they know nothing and at which they cannot be heard, by orders which they are forced, on pain of committal, to obey, even if wrongly made?

Scott J
Columbia Picture Industries Inc v *Robinson*
[1987] Ch 38, 74.

INTRODUCTION

During the mid-seventies technological and societal changes led to courts in England developing a new range of orders and injunctions to assist plaintiffs who otherwise would have their just claims frustrated. These new developments included the *Norwich Pharmacal* order requiring third parties to reveal the identities of tortfeasors;[1] the *Mareva* injunction restraining defendants from removing money outside jurisdiction;[2] reform of the threshold requirement for interlocutory injunctions[3] and the *Anton Piller* order authorising plaintiffs to enter defendants' premises to search for and seize material evidence.[4] These developments were made pursuant to a liberal interpretation of the Rules of the Supreme Court or, if necessary, the inherent jurisdiction of the court.

In the case of the *Anton Piller* order, the need for a new development arose out of technological developments enabling large-scale copying of audio and video recordings to be done very cheaply. Piracy of these recordings soon become widespread, costing record and film companies enormous amounts in lost revenue.

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[1] *Norwich Pharmacal Co* v *Customs and Excise Commissioners* [1974] AC 133.
[2] *Mareva Compania Naviera SA* v *International Bulkcarriers SA* [1975] 2 Lloyd's Rep 509.
[3] *American Cyanamid Co* v *Ethicon Ltd* [1975] AC 396.
[4] *Anton Piller KG* v *Manufacturing Processes Ltd* [1976] Ch 55.

The existing remedies for copyright infringement were inadequate to deal with this problem mainly because of evidential difficulties. The pirate copies were generally sold through small corner shops, hotels *etc*. It was very difficult to trace where the pirate copies were actually being made and distributed from. There was little point in suing individual shopkeepers as each one was responsible for very little damage to the copyright holder. It was the cumulative effect of many infringements that caused so much damage. It was beyond the resources of the copyright holders to sue every infringing shopkeeper, and the trivial criminal penalties for copyright infringement,[5] and its essentially 'private' nature, meant the police would not commit any resources to this area.

This situation was made worse by many dishonest defendants who, once they were given notice of an action against them, would destroy or dispose of any further evidence. The consequence of this was that the record and film companies were left effectively powerless while their profits slumped due to the illegal activities of the pirates. Their copyright in recordings and their rights to its protection lost much of their value.

To rectify this situation, record and film companies began seeking a new sort of order from the courts. It was essentially an

[5]Copyright Act 1962, s28(3): the maximum penalty is a fine of $1000. See also Copyright Act 1956 (UK), s21.

interlocutory order for discovery, obtained *ex parte*, combined with a requirement that the defendant permit the plaintiff's solicitor to enter and inspect their premises for any infringing copies and material evidence which could then be removed. This order could be served on the defendant at the same time as the writ so that he or she had no opportunity to dispose of any evidence.

This order gives some protection to the copyright holder's rights but at the expense of the defendant's right to privacy. It has proved to be incredibly useful to record and film companies in countering the activities of pirates. However, as a purely judicial development it does suffer from the disadvantages of judicial lawmaking, such as development on an *ad hoc* basis, and it also has a doubtful constitutional basis. Subsequent development has expanded the terms of the order as well as the circumstances in which it will be granted. This expansion has led to some loose applications of the originally strict criteria for granting the orders and to their abuse by some plaintiffs.

This paper outlines the origins and subsequent development of the *Anton Piller* order and examines the jurisdiction utilised by the courts to grant them. It then examines the contents of an

Anton Piller order and the existing safeguards for defendants. It concludes with suggestions for reform, preferably made by Parliament, of the *Anton Piller* order that would preserve its beneficial and useful rôle but prevent any further abuse.

THE DEVELOPMENT OF THE *ANTON PILLER* ORDER

Anton Piller orders began to be granted in 1974.[6] The first reported instance of such an order being given was *E.M.I. Ltd* v *Pandit*.[7] In this case the plaintiffs owned the copyright in recordings of Indian music and claimed that the defendant was both infringing this copyright and passing-off. They obtained an injunction against the defendant restraining him from further infringement and passing-off as well as an order that the defendant file an affidavit giving the names and addresses of his suppliers of the infringing material and of any customers and to attach copies of any relevant documents. The defendant filed an affidavit described by Templeman J as 'a pack of lies'.[8] The plaintiffs produced evidence establishing the untruth of the affidavit, the forgery of a letter attached to it and that the defendant had 'been engaged in an expensive, extensive and quite deliberate course of dealing in infringement of the plaintiffs' copyright'.[9] Templeman J granted an *ex parte* order that the defendant permit the plaintiff to enter his premises for the inspection and photographing of evidence and the removal of any infringing copies.

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[6] *A & M Records Inc* v *Aram Darakdjian* (unreported, 21 May 1974, Foster J); *E.M.I. Ltd* v *Khazan* (unreported, 3 July 1974, Foster J); *Pall Europe Ltd* v *Microfiltrex Ltd* (unreported, 28 October 1974, Goff J), order only reported at [1976] RPC 326.
[7] [1975] 1 WLR 302.
[8] Above n7, 304.
[9] Above n7, 304.

Templeman J acknowledged that this was '...an unusual order, which will only be made in unusual circumstances.'[10] The order was justified in this case because if the order was not made and the plaintiffs followed the normal procedure of providing notice *etc*, '...then the horse will rapidly leave the stable, ...and the plaintiffs will be effectively debarred from obtaining further relief.'[11] The order was necessary to prevent the administration of justice being frustrated. However, the order should be limited to such cases where it was necessary:[12]

> I think it right to stress that, in my judgment, the kind of order which is sought now can only be justified by a very strong case on the evidence and can only be justified where the circumstances are exceptional to this extent, that it plainly appears that justice requires the intervention of the court in the manner which is sought and without notice, otherwise the plaintiffs may be substantially deprived of a remedy.

This order was approved by the Court of Appeal in *Anton Piller KG* v *Manufacturing Processes Ltd*,[13] from which it takes its name. In this case the plaintiffs were German manufacturers of electrical components. The defendant company was the plaintiffs' British agent for the supply of its components. As agent it had been provided with confidential information about the plaintiffs' compo-

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[10]Above n7, 303.
[11]Above n7, 304.
[12]Above n7, 307.
[13]Above n4.

nents as well as drawings. The plaintiffs discovered through two 'defectors' working for the defendant that it was in communication with two other German companies. The defendant was to provide these companies with information about the plaintiffs' components so they could produce similar ones. The defectors' evidence was supported by documents from the German companies showing that the defendant had sent them drawings of the plaintiffs' components and showing an intention to copy them. The plaintiffs were concerned especially as they were about to produce a new component.

The plaintiffs applied *ex parte* for an order that they be permitted to enter the defendant's premises to inspect documents and remove them or copies of them. Brightman J initially refused to grant the order:[14]

> I do not think that such an order ought to be granted except in an extreme case where the ends of justice are almost certain to be frustrated if the order is not made. That is not, in my opinion, this present case. ...It is conceivable, but it is not inevitable, that the refusal to make such an order in a particular case will lead to the suppression of evidence or the misuse of documentary material. Save in an extreme case I think that that risk must be accepted in civil matters.

The plaintiffs appealed and the Court of Appeal unanimously allowed the appeal and granted the order, confirming the jurisdic-

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[14][1976] RPC 719, 721-722.

tion to grant these orders. Lord Denning MR stated:[15]

> It seems to me that such an order can be made by a judge ex parte, but it should only be made where it is essential that the plaintiff should have inspection so that justice can be done between the parties: and when, if the defendant were forewarned, there is a grave danger that vital evidence will be destroyed, that papers will be burnt or lost or hidden, or taken beyond the jurisdiction, and so the ends of justice be defeated: and when the inspection would do no real harm to the defendant or his case.

Interestingly, almost simultaneously, the New Zealand Court of Appeal was confirming a similar jurisdiction. In *Donselaar* v *Mosen*[16] O'Regan J had made an *ex parte* order authorising the plaintiff or the sheriff to enter the defendants' premises to obtain and hold books of account that were the only records of work done by the plaintiff for the defendants. His Honour made the order under Rule 478 of the Code of Civil Procedure.[17] The defendants appealed. The Court of Appeal agreed that the order could not have been made under Rule 478, but instead held that it

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[15]Above n4, 61.
[16][1976] 2 NZLR 191.
[17]R 478 provided that:

> The Court ...may make an order for the detention, preservation, or inspection of any property which is the subject of the action..., and ...may authorise any persons or persons to enter upon or into any land or building in the possession of any party to such action,...

This power is now contained in RR 322 and 331 of the High Court Rules.

was justified under the inherent jurisdiction of the court.

McCarthy P said:[18]

> ...the court had an inherent jurisdiction to make an appropriate order to preserve evidentiary material in circumstances such as pertained here if that were necessary in the interests of justice.

Although the recent English cases were cited to the court, they were not relied on by the Court of Appeal in confirming this jurisdiction.[19] However, this jurisdiction is now treated as part of the *Anton Piller* jurisdiction.[20]

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[18]Above n16, 192.
[19]See C F Finlayson "Instant Discovery - The Anton Piller Order" LLM Research Paper, Victoria University of Wellington, 1983, 26-27.
[20]*Busby* v *Thorn EMI Video Programmes Ltd* [1984] 1 NZLR 461, 466 *per* Cooke J.

THE JURISDICTION

It has always been recognised that *Anton Piller* orders were exercised at the outer limits of the courts' powers. In *Anton Piller*, Ormrod LJ stated:[21]

> The proposed order is at the extremity of this court's powers. Such orders, therefore, will rarely be made, and only when there is no alternative way of ensuring that justice is done to the applicant.

The justification for such a sweeping order is that it is essential to prevent justice being defeated through a deserving plaintiff being denied a remedy because vital evidence has been destroyed. Therefore, it falls within the inherent jurisdiction of the court to make orders necessary to administer the law.[22] This is a procedural power of the court:[23]

> The inherent jurisdiction of the court is exercisable as part of the process of the administration of justice. It is part of procedural law, both civil and criminal, and not of substantive law; it is invoked in relation to the process of litigation.

This jurisdiction is not wide enough to permit the court to make any order necessary to do justice between the parties but is limited to procedural matters. In this case it allows the court to

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[21] Above n4, 61.
[22] In New Zealand: Judicature Act 1908, s16.
[23] I H Jacob "The Inherent Jurisdiction of the Court", (1970) 23 CLP 23, 24.

waive the normal requirement of notice before an order will be made to preserve evidence.[24] It may be exercised in any case and at any stage of proceedings, or even '...in contemplation of proceedings ...where rights or properties or remedies claimed by the plaintiff are in jeopardy.'[25]

Clearly, the preservation of evidence is essential for the administration of the law, and orders relating to this can be justified under the court's inherent jurisdiction in cases not explicitly covered by the High Court Rules. However, there are limits to the orders which the court could make. It has been established since *Entick* v *Carrington*[26] that no body except Parliament can authorise search warrants, *ie* authorise the forcible entry and search of another's property. Therefore, judges have always been enthusiastic to emphasise that *Anton Piller* orders are not search warrants and do not permit the use of force to gain entry:[27]

> ...no court in this land has any power to issue a search warrant to enter a man's house...But the order sought in this case is not a search warrant....It only authorises entry and inspection by the permission of the defendants. The plaintiffs

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[24] *A J Bekhor & Co Ltd* v *Bilton* [1981] QB 923, 942-943 *per* Ackner LJ.
[25] *Rank Film Distributors Ltd* v *Video Information Centre* [1982] AC 380, 417 *per* Templeman LJ.
[26] (1765) 19 St Tr 1029.
[27] Above n4, 60 *per* Lord Denning MR. See also above n7, 305 *per* Templeman J.

> must get the defendants' permission. But it does do this: It brings pressure on the defendants to give permission. It does more. It actually orders them to give permission - with, I suppose, the result that if they do not give permission, they are guilty of contempt of court.

Therefore, the *Anton Piller* order is an order acting *in personam* on the defendant directing him or her to allow entry onto his or her property for certain purposes. This direction is supported by the threat of proceedings for contempt of court.

This may seem to be '...a search warrant in disguise.'[28] However, it was partly justified by reference to *East India Coy* v *Kynaston*.[29] In that case Kynaston was entitled to tithes according to the value of some of the East India Company's warehouses. The House of Lords ordered the East India Company to allow Kynaston to enter their warehouses to value them. In answering the East India Company's objection that the court had no power to compel them to permit Kynaston to enter, Lord Redesdale said:[30]

> If it be true that [the Court] has no such power, there are many cases in which there must be a total defect of justice. ...The arguments urged for the Appellants at the Bar are founded upon the supposition, that the Court has directed a forcible inspection. This is an erroneous view of the case. The

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[28]Above n4, 60 *per* Lord Denning MR.
[29]*United Company of Merchants of England, Trading to the East Indies* v *Kynaston* (1821) 3 Bli 153 (HL).
[30]Above n29, 162-163.

> order is to permit; and if the East India Company should refuse to permit inspection, they will be guilty of a contempt of the Court.

Although in *Kynaston* the order was made *inter partes* and after the substantive trial, there was authority for making similar search orders at an interlocutory stage[31] and *ex parte*.[32] However, in these cases the object of each search was far more specific than an *Anton Piller* search; for example: the valuing of warehouses,[33] the identification of certain pieces of timber[34] and so on. They cannot be regarded as strong authority for the wide-ranging *Anton Piller* jurisdiction claimed by courts.[35]

> ...it is surprising that a specific jurisdiction said to arise out of necessity can be utilised more than 150 years later in the creation of an all-embracing general jurisdiction empowering the court in interlocutory proceedings to order that a party "do permit" anything to be done to him - the only vague limitation being that the Court view it as "necessary in the interests of justice."

This was recognised to a certain extent by Lord Denning MR in *Anton Piller* who, unlike Templeman J in *E.M.I. Ltd* v *Pandit*, did not rely primarily on precedent authority, but rather on the principle that such orders are necessary for the administration of

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[31] *Earl of Lonsdale* v *Curwen* (1799) 3 Bli 168.
[32] *Hennessy* v *Bohmann, Osborne & Co* [1877] WN 14; *Morris* v *Howell* (1888) 22 LRIr 77.
[33] *East India Coy* v *Kynaston* above n29.
[34] *Morris* v *Howell* above n32.
[35] M Dockray "Liberty to Rummage - A Search Warrant in Civil Proceedings?" [1977] PL 369, 376.

justice. *Kynaston* was used as an example of a general jurisdiction to make orders ordering the defendant to allow the plaintiff to enter his or her property. In certain cases it will be necessary to grant these orders *ex parte* and at an interlocutory stage.

The jurisdiction to grant *Anton Piller* orders was finally confirmed by the House of Lords in *Rank Film Distributors Ltd* v *Video Information Centre*, Lord Wilberforce calling them '...an illustration of the adaptability of equitable remedies to new situations.'[36]

[36]Above n25, 439.

THE EXPANSION OF THE *ANTON PILLER* ORDER

The *Anton Piller* order was initially confined to the removal of infringing copies and the removal or copying of vital evidence relating to the defendant's infringement. However, it was quickly extended to also require the defendant to give up to the plaintiff the names and addresses of the suppliers of the infringing copies, and of any customers, as well as the relevant documents.[37]

Later it was further extended to restrain the defendant from disclosing the subject matter of the plaintiff's action to anyone else.[38] This was to prevent defendants warning their suppliers and so preserving the plaintiff's element of surprise.

In *Yousif* v *Salama*,[39] an *Anton Piller* order was granted in a case involving a straightforward business dispute which did not involve piracy, passing-off or any form of intellectual property. The plaintiff was suing the first defendant for commission which he alleged was owed to him under an agreement between them. Under the agreement the plaintiff was to procure certain business to be placed with the second defendant, a company controlled by the first defendant. Any commission received by the company due to this business was to be shared with the plaintiff. The company had

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[37] *E.M.I. Ltd* v *Sarwar* [1977] FSR 146 (CA).
[38] *Chanel Ltd* v *3 Pears Wholesale Cash and Carry Co* [1979] FSR 393.
[39] [1980] 1 WLR 1540.

provided the plaintiff with a statement of account for some of the commission but had not paid him. The plaintiff went with the first defendant to the company's office. There he was shown two files and a desk diary which showed sums owing to him. To recover the outstanding sums the plaintiff brought proceedings and served a writ on the defendants. He was concerned about the two files and the desk diary and feared that the first defendant would destroy them. Therefore, he applied for an *Anton Piller* order to enter the company's office and inspect them. The plaintiff provided evidence that the first defendant had forged a signature on the back of a cheque payable to the plaintiff so that it became payable to the company.

Robert Goff J refused to grant the order but the Court of Appeal reversed this decision. Lord Denning MR[40] granted the order because there was '...evidence (if it is accepted) which shows the first defendant to be untrustworthy'[41] and although the files and desk diary were not the subject matter of the case, '...they are the best possible evidence to prove the plaintiff's case.'[42] The

[40]Brightman LJ concurring.
[41]Above n39, 1542.
[42]Above n39, 1542.

plaintiff had a 'legitimate' and 'genuine' fear that the defendant would destroy the documents before a substantive trial. Furthermore:[43]

> It can do no harm to the first defendant at all. If he is honest, he will produce the documents in any case. If he is dishonest, that is all the more reason why the order be made.

Donaldson LJ dissented on the ground that '...evidence of an intention to destroy [was] flimsy in the extreme.'[44] Furthermore, even if the two files and the desk diary were destroyed, the plaintiff would still have sufficient evidence to prove his claim. Therefore, justice would not be defeated if the order was not granted and this case was not sufficiently exceptional to justify exercising this 'Draconian power'.[45] Donaldson LJ went on to say:[46]

> I have considered, of course, whether, as was suggested in argument, it can rightly be said that no harm is done to an honest man by taking discovery from him when eventually he would have been ordered to give it. I think that great harm is done. The people of this country are entitled not to have their privacy and their property invaded by a court order except in very exceptional circumstances.

The emphasis on the exceptional circumstances required did not

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[43]Above n39, 1542; *per* Lord Denning MR.
[44]Above n39, 1543.
[45]Above n39, 1544.
[46]Above n39, 1544.

prevent the courts granting them frequently, and in a wide range of cases extending beyond the area of intellectual property. In *Ex parte Island Records Ltd* Lord Denning MR said:[47]

> So useful are these orders that they are now in daily use - not only in cases of infringement of copyright, but also in passing-off cases, and other cases.

Anton Piller orders have been granted in matrimonial property cases,[48] cases involving disputed business debts,[49] cases involving the enforcement of judgment debts[50] and contempt of court cases.[51] The frequency of *Anton Piller* orders is not seen as inconsistent with their 'exceptional' nature. They have subsequently been adopted in New Zealand[52] and Australia,[53] partially adopted in Canada[54] and adopted and then rejected in South Africa.[55]

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[47][1978] Ch 122, 133.
[48]*Emanuel* v *Emanuel* [1982] 1 WLR 669.
[49]*Yousif* v *Salama* above n39; *Johnson* v *L & A Philatelics Ltd* [1981] FSR 286.
[50]*Distributori Automatici Italia SpA* v *Holford General Trading Co Ltd* [1985] 1 WLR 1066.
[51]*Garvin* v *Domus Publishing Ltd* [1989] Ch 335.
[52]*Fine Art Productions Ltd* v *Gray* [1980] FSR 323; *Busby* v *Thorn EMI Video Programmes Ltd* above n20.
[53]*E.M.I. (Australia) Ltd* v *Bay Imports Pty Ltd* [1980] FSR 328 (Sup Ct of NSW - Eq D) and Note [1980] FSR 333; *Polygram Records Pty Ltd* v *Monash Records (Ausralia) Pty Ltd* (1985) 6 IPR 423 (Fed Ct of Aus).
[54]See J Berryman "Anton Piller Orders: A Canadian Common Law Approach" (1984) 34 Univ of Toronto LJ 1.
[55]See G A Coetzee "Anton Piller-Type Orders in South African Law" (1985) 102 SALJ 634.

THE REQUIREMENTS FOR AN *ANTON PILLER* ORDER

In *Anton Piller* Ormrod LJ stated the requirements to give an *Anton Piller* order:[56]

> First, there must be an extremely strong prima facie case. Secondly, the damage, potential or actual, must be very serious for the applicant. Thirdly, there must be clear evidence that the defendants have in their possession incriminating documents or things, and that there is a real possibility that they may destroy such material before any application inter partes can be made.

The requirement that there is an extremely strong *prima facie* case imposes a more stringent test on applicants for *Anton Piller* orders than for applicants for conventional interlocutory injunctions which are made *inter partes*. This is totally appropriate considering that many *Anton Piller* orders are granted before statements of claim are filed or even drafted. If there was no strict threshold test for granting relief then *Anton Piller* orders could easily become 'fishing' operations. Therefore, it is essential that applicants for *Anton Piller* orders must advance as much evidence as possible to support their claim and that once the order is executed they proceed promptly with the filing of a statement of claim.[57]

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[56] Above n4, 62. See also Lord Denning MR at 61.
[57] *Hytrac Conveyors Ltd* v *Conveyors International Ltd* [1983] 1 WLR 44, 47 *per* Lawton LJ.

However, in *A B* v *C D E*[58] Lord Hooson QC discharged an *Anton Piller* order made by McNeil J against the third defendants because there was no cause of action at all against them. They had been included in the order at the 'instigation'[59] of McNeil J solely because they were the employers of the first defendant. Apart from being outside the power of the court,[60] there cannot have been 'an extremely strong prima facie case.'

The second requirement is similar to the assessment of the balance of convenience required for all interlocutory injunctions. However, in the case of many applications for an *Anton Piller* order the damage which the plaintiff is likely to suffer from the actions of the particular defendant is minimal. In fact, this is one of the reasons which led to the development of the *Anton Piller* order in the first place.[61] Therefore, if this requirement does relate solely to the individual defendant it must be a very low test or else it would very rarely be satisfied.[62]

> In none of these cases, however, nor in any other case, have I been able to find it suggested that the jurisdiction for making an Anton Piller order should be in some way dependent upon the operation being of

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[58][1982] RPC 509.
[59]Above n58.
[60]See *Gouriet* v *Union of Post Office Workers* [1978] AC 435.
[61]Above 1-2.
[62]*Twentieth Century Fox Film Corporation* v *Colonial Arms Tavern* (1985) 1 NZIPR 602, 608 *per* Quilliam J.

> any particular magnitude. What is required is that the evidence should be strong and should indicate the likelihood of substantial loss to the plaintiff.

However, in such cases the court probably considers the damage the plaintiff may suffer from the actions of the defendant and all the others acting in a similar fashion. This was indeed mentioned as a factor by Graham J in *Vapormatic Co Ltd* v *Sparex Ltd.*[63]

However, if this is to be a consideration when granting such a Draconian order against a defendant there must be some evidence connecting him or her to the massive potential damage, *ie* evidence showing the defendant is part of an organisation or network designed to infringe copyright. There is little indication that such evidence is provided in these cases and certainly no indications from the courts what level of evidence is required.

A further element in assessing the balance of convenience between the two parties is the assessment of the amount of harm the defendant might suffer through the execution of the *Anton Piller* order. Lord Denning MR in *Anton Piller* gave as a prerequisite to the granting of relief that '...the inspection would do no real harm to the defendant or his case.'[64] However, this element was

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[63][1976] 1 WLR 939, 941.
[64]Above n4, 61.

largely neglected afterwards and the severe consequences for the defendant overlooked. In *Columbia Picture Industries Inc* v *Robinson* Scott J said:[65]

> But a decision whether or not an *Anton Piller* order should be granted requires a balance to be struck between the plaintiff's need that the remedies allowed by the civil law for the breach of his rights should be attainable and the requirement of justice that a defendant should not be deprived of his property without being heard. What I have heard in the present case has disposed me to think that the practice of the court has allowed the balance to swing much too far in favour of plaintiffs and that *Anton Piller* orders have been too readily granted and with insufficient safeguards for respondents.

The amount of evidence required to show that the defendant may destroy the evidence in his or her possession has always been unclear. In *E.M.I. Ltd* v *Pandit* there was clear evidence that the defendant had no hesitation in misleading the court.[66] Therefore, it was a reasonable inference that he would destroy vital evidence if given notice. However, in *Anton Piller* there is no indication from the Court of Appeal what evidence it considered to be sufficient to satisfy this requirement. This is an important omission considering Brightman J's refusal to grant an order because there was not enough evidence that the documents would definitely be destroyed. Presumably it was the evidence showing the flagrancy of the infringement of the plaintiff's copyright.

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[65] [1987] Ch 38, 76.
[66] Above 5.

The lack of a clear standard has led to a wayward application of this requirement. In *Yousif* v *Salama*,[67] evidence, necessarily undisputed, claiming that the defendant was generally untrustworthy, was considered sufficient to grant an *Anton Piller* order even though there was nothing relating directly to the specific documents at risk.

In *Universal City Studios Inc* v *Mukhtar & Sons Ltd*,[68] Templeman J held that proof of bad faith was not an essential prerequisite to granting an *Anton Piller* order. The suspicion that the defendants may destroy the infringing copies was sufficient. However, this case did not actually concern a 'true' *Anton Piller* order because it did not authorise the entry into the plaintiff's property but only ordered the delivery-up of infringing copies. Nevertheless, Templeman J's attitude towards *Anton Piller* orders was clear and there is no indication that His Lordship would have been any more stringent if the order had authorised entry.

In *Busby* v *Thorn EMI Video Programmes Ltd*, Cooke J acknowledged this reduced standard:[69]

> ...there should be evidence to show that the plaintiff has reasonable grounds for fearing that evidence will go. The Judge must be entitled to use his common sense and to take into account the usual

[67]Above n39.
[68][1976] 1 WLR 568.
[69]Above n20, 467.

> practices of pirates of copyright and the like. If the requirement were put too high the remedy would lose much of its value.

In *Twentieth Century Fox Film Corporation* v *Colonial Arms Tavern*,[70] Quilliam J took this further and said that not only was direct evidence showing the likelihood of destruction not necessary, but that it would never be available in advance. All that was required was sufficient evidence for judges, using their common sense, to infer that destruction was likely.[71]

However, recently there have been calls for restraint in both the seeking and granting of *Anton Piller* orders. In *Booker McConnell plc* v *Plascow* Dillon LJ said:[72]

> The phrase "a real possibility" [of destruction] is to be contrasted with the extravagant fears which seem to afflict all plaintiffs who have complaints of breach of confidence, breach of copyright or passing off. Where the production and delivery up of documents is in question, the courts have always proceeded, justifiably, on the basis that the overwhelming majority of people in this country will comply with the court's order,...
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> ...it follows that there is a responsibility in each case on the plaintiff's advisers to consider seriously whether it is justifiable to seek an Anton Piller order against a particular defendant, or whether it would be enough to obtain negative injunctions with, if appropriate, an order to deliver up documents or material.

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[70]Above n62.
[71]Above n62, 607.
[72][1985] RPC 425, 441. See also: *Jeffrey Rogers Knitwear Productions Ltd* v *Vinola (Knitwear) Manufacturing Co* [1985] FSR 184, 189 *per* Whitford J.

Despite these calls for restraint it appears that there remains some loose applications of the criteria for granting an order.[73] In *Lock International Plc* v *Beswick*[74] Hoffmann J commented that: 'Some employers seem to regard competition from former employees as presumptive evidence of dishonesty.'[75] His Lordship went on to say:[76]

> The fact that there is overwhelming evidence that the defendant has behaved wrongfully in his commercial relationships does not necessarily justify an *Anton Piller* order. People whose commercial morality allows them to take a list of the customers with whom they were in contact while employed will not necessarily disobey an order of the court requiring them to deliver it up. Not everyone who is misusing confidential information will destroy documents in the face of a court order requiring him to preserve them.

It is submitted that applicants for *Anton Piller* orders should be required to show that, as well as a *prima facie* case, there is evidence of *mala fides* on the defendant's behalf towards the subject matter of the order itself not just towards the plaintiff. There should also be a return to the underlying basis of the *Anton*

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[73]See *Kelly Tarlton's Underwater World Ltd* v *Mellsop* (1988) unrep, CP2024/88 Auckland.
[74][1989] 1 WLR 1268.
[75]Above n74, 1281. A similar attitude is taken of video pirates.
[76]Above n74, 1281.

Piller order, which is that the plaintiff is suffering considerable damage from the defendant's activities and will be left effectively remediless if the order is not granted.[77]

> The power should not be exercised in interlocutory proceedings, and certainly not *ex parte*, unless the court is reasonably satisfied that the plaintiff will, or probably will, suffer irreparable damage if there is any delay in ordering discovery.

[77] *Sega Enterprises Ltd* v *Alca Electronics* [1982] FSR 516, 525 *per* Templeman LJ.

THE PROBLEM OF SELF-INCRIMINATION

As well as threatening defendants' rights to privacy *etc Anton Piller* orders also threatened other rights. By being forced to disclose the names and addresses of suppliers and customers, defendants may be providing evidence against themselves which could be used for a criminal prosecution, in particular for infringement of the Copyright Act,[78] and for conspiracy to defraud.[79] This is contrary to the common law principle that no person can be forced to disclose information which may make them liable to punishment.[80]

This issue was considered by the House of Lords in *Rank Film Distributors Ltd* v *Video Information Centre*.[81] Their Lordships applied the test for invoking the privilege against self-incrimination given by Lord Denning MR in *Re Westinghouse Uranium Contract*:[82]

> [The testimony] may only be one link in the chain, or only corrobative of existing material, but still he is not bound to answer if he believes on reasonable grounds that it could be used against him. It is not necessary for him to show that

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[78] In New Zealand, s28 of the Copyright Act 1962. In England, s21 of the Copyright Act 1956.
[79] In New Zealand s257 of the Crimes Act 1961 and in England under the common law.
[80] *Reg* v *Garbett* (1847) 2 Car & Kir 474; *Triplex Safety Glass Co Ltd* v *Lancegaye Safety Glass (1934) Ltd* [1939] 2 KB 395, 403 *per* du Parcq LJ.
[81] Above n25..
[82] *Rio Tinto Zinc Corporation* v *Westinghouse Electric Corporation* [1978] AC 547, 574.

> proceedings are likely to be taken against him, or would probably be taken against him. It may be improbable that they will be taken, but nevertheless, if there is some risk of their being taken - a real and appreciable risk - as distinct from a remote or insubstantial risk, then he should not be made to answer or to disclose the documents.

Lord Wilberforce when applying this test considered the practical risk of criminal proceedings being brought. His Lordship held[83] that as the last prosecution under the Copyright Act was in 1913, the risk of prosecution was so small and the penalty so slight that the privilege could not be invoked.

However, the risk of prosecution for conspiracy to defraud was considered substantial enough to allow the defendants to invoke the privilege against self-incrimination.[84] As one of the defendants was actually being prosecuted for this offence, no other conclusion could be reached.[85] Also, the much heavier penalties meant that conspiracy was a much more serious offence than copyright infringement. Therefore, the *Anton Piller* order was varied to omit the disclosure requirements.

This was a severe blow to copyright holders as it was this aspect of the *Anton Piller* order that had proved most useful. The

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[83]Above n25, 441.
[84]Above n25, 441 *per* Lord Wilberforce, 445-446 *per* Lord Fraser of Tullybelton.
[85]He was convicted and fined £750 with £2000 costs. The annual losses to the plaintiffs in *Rank* were estimated at £500 million.

effect of the case in England was reduced by the passing of section 72 of the Supreme Court Act 1981. This section prohibits the use of the privilege against self-discrimination in intellectual property cases. However, any evidence given in these cases cannot be used against the parties in any prosecution for a 'related offence'.

In New Zealand this issue was settled by the Court of Appeal in *Busby* v *Thorn EMI Video Programmes Ltd.*[86] The majority of the court[87] avoided the problem of self-incrimination by both altering the law of evidence, and by requiring further undertakings from the plaintiff:[88]

> First, the Court can hold, as a general rule regarding criminal evidence, that the documents and information will not be admissible against such a defendant in any criminal proceedings for an offence relating to the intellectual property or other subject-matter of the action in which the order has been made...
>
> Secondly,...the plaintiffs here should now be required to undertake that (except for the purposes of proceedings for perjury or contempt of Court) they will not, either directly or indirectly, use any document which is a subject of the order or any information obtained from it or from any answers by the defendant under the order for the purpose of any criminal prosecution of the defendant, nor make the same available to the police for any purpose.

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[86]Above n20. Criticised: J Maxton "Anton Piller Orders" [1985] NZLJ 307, 316.
[87]Cooke and Bisson JJ; Somers J dissenting.
[88]Above n20, 474 *per* Cooke J; see also 487-488 *per* Bisson J.

Somers J dissented on the ground that such changes should be made by Parliament rather than the courts.[89]

This solution actually goes further than the English legislation in that it applies to all *Anton Piller* orders whenever they are granted, whereas section 72 of the Supreme Court Act 1981 only applies to intellectual property cases. Therefore, in England the privilege against self-incrimination still applies to *Anton Piller* orders granted in cases other than intellectual property cases.

[89]Above n20, 482.

THE FORM OF THE ORDER

Orders for the Plaintiff

The full *Anton Piller* order achieves for the plaintiff:

-An injunction against dealing in infringing goods;

-An injunction preventing the destruction or disposal of certain goods or documents;

-Search and seizure orders requiring the defendants to permit the plaintiff to enter their premises for named purposes;[90]

-Orders requiring the defendant to disclose specified information;[91]

-Orders requiring the defendant not to disclose the existence of the order to certain persons.

Considering the extreme nature of these orders it is obviously desirable that they are'...drawn as to extend no further than the minimum extent necessary to achieve the purpose for which they are granted'.[92] The evidence which the plaintiff is authorised to seize or inspect should be defined as tightly as possible to

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[90]Typically: the inspection of articles and documents; the photographing and photocopying of articles and documents, or their removal into safe custody.
[91]Usually the names of suppliers.
[92]Above n65, 76. See also: *CBS United Kingdom Ltd* v *Lambert* [1983] Ch 37, 44 *per* Lawton LJ.

prevent the execution of the *Anton Piller* order becoming a general search through the defendant's entire property and also to prevent it becoming a 'fishing' operation. There should be as much emphasis as possible on inspection and copying of evidence rather than its seizure. This is to prevent the defendant being deprived of his or her own property for any longer than is absolutely necessary. In particular there appears little need to seize relatively large objects such as video recorders. As Scott J in *Columbia Pictures* said: 'What was the fear? That the defendants would destroy them?'[93] However, obviously items that clearly infringe copyright or which belong to the plaintiff can justifiably be seized. It is essential that the plaintiffs prepare a detailed list of items seized and give this to the defendant prior to removing them.

Unfortunately, most *Anton Piller* orders are not tightly drafted. For instance the *Anton Piller* order granted in *Busby* v *Thorn EMI Video Programmes Ltd*,[94] and approved by the Court of Appeal, permitted the plaintiffs to search for and possibly seize 'illicit goods'. These included:[95]

> Any complete or substantial copy ...of any cinematograph film as defined in the Copyright Act 1962,

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[93] Above n65, 58.
[94] Above n20.
[95] Above n20, 475. Also included were labels *etc* for any video cassettes and video recorders *etc*.

> and it being fewer than 50 years old, the copyright in which film is vested in, or exclusively licensed to, the plaintiffs...

This definition does not exclude authorised copies of these films which could therefore be seized with infringing copies even though they could not be the subject matter of or evidence for any cause of action. This was recognised by the Court of Appeal but was considered of 'little importance'.[96] As the defendants were all owners of video clubs, their entire stock could be seized. The order also permitted the plaintiffs to seize 'invoices, bills, books of account, cheques and butts, or other documents that relate to illicit goods.'[97] As the sole purpose of the video clubs was to rent out copies of films which would be defined as 'illicit goods', their entire business records could be seized as well.

The problem of widely drawn *Anton Piller* orders is exacerbated by the fact that it is plaintiffs, or their solicitors, which usually decide what items shall be seized under the order. Naturally, their inclination is to give the order its widest possible meaning and to seize anything which might be remotely related to it. It is also apparent that many plaintiffs and solicitors go beyond the terms of the order.[98]

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[96]Above n20, 464 *per* Cooke J.
[97]Above n20, 475.
[98]Above n65, 62-63. See also *A B* v *C D E* above n58, 510.

> ...the practice of the firm [is to take] not simply documents and things which could be seen to be covered by the order but to take also documents or things which further and subsequent investigation might, but might not, prove to be covered by the order, ...I have no hesitation in saying that I find this practice an objectionable one.

In *Columbia Pictures* the solicitors went further and obtained the defendant's signature signifying that the articles were given up pursuant to the *Anton Piller* order 'or otherwise by consent.' Scott J found this practice '...wholly unacceptable'[99] and held that such consent was of no effect as it could not be considered as given freely in the circumstances of an *Anton Piller* 'raid'.

Safeguards for the 'Victim'

The granting of such sweeping orders, especially when they are granted *ex parte,* naturally means that there must be safeguards to protect those upon whom the orders are served. Some of these are common to all interlocutory injunctions, while some are unique to *Anton Piller* orders. In *Booker McConnell plc* v *Plascow*, Dillon LJ considered these undertakings should be contained in every *Anton Piller* order:[100]

-An undertaking by the plaintiff that when the order is served on the defendants, they will also be given the evidence that supported the application for the order;

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[99]Above n65, 77.
[100]Above n72, 442; see also *A B* v *C D E* above n58, 510.

-An undertaking to explain to the defendants the terms of the order being served and to advise them to seek immediate legal advice;

-Express liberty to the defendant to apply on short notice to the court to discharge or vary the order;

-An undertaking as to damages by the plaintiff;[101]

-An undertaking to commence proceedings if this has not already occurred.

Other undertakings included in most *Anton Piller* orders are:

-An undertaking that any documents or material seized will be held in good custody by the plaintiff and will not be used for proceedings other than the current one;[102]

-An undertaking that any information obtained will not be used for any criminal prosecution or made available to the police.[103]

Obviously the most important of these undertakings to the defendant is the undertaking as to damages. However, there are

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[101]The court must be satisfied the plaintiff is good for this undertaking: *Vapormatic Co Ltd* v *Sparex Ltd* above n63.

[102]This undertaking may be varied with the court's leave in special circumstances: *Crest Homes Plc* v *Marks* [1987] AC 829; *Soft-Tech International Pty Ltd* v *Ball* (1990) unrep, CP2788/89 Auckland.

[103]This is necessary to avoid the problem of self-incrimination. See above 27-30.

several problems with this undertaking. First, it is an undertaking to the court *not* to the defendant. Any damages payable under it are entirely at the court's discretion.[104] Secondly, the undertaking is generally not enforceable until the substantive trial. Due to the expense of litigation and the crippling effects of the *Anton Piller* order itself, such enforcement is rare.[105]

> I do not regard the right to apply to discharge the order as sufficient protection for the defendants. The trauma of the execution of the *Anton Piller* order means that in practice it is often difficult to exercise until after substantial damage has been done.

The rarity of the enforcement of the plaintiff's undertaking may also be due to the fact that the defendant will only be compensated for damage to his or her legitimate business plus aggravated, and arguably exemplary, damages. Often this will not be very great.[106]

The defendant also has the procedural protections granted to every defendant to an *ex parte* motion. These are that the plaintiff must act with the utmost good faith to the court and, in particular, must make full disclosure of all the material facts.

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[104] *Digital Equipment Corporation* v *Darkcrest Ltd* [1984] Ch 512
[105] *Lock International Plc* v *Beswick* above n74, 1283 *per* Hoffmann J.
[106] However, see *Columbia Pictures* above n65, where the defendant was granted £10,000, but this was for quite outrageous conduct by the plaintiff and was probably only a fraction of his actual loss. He ultimately had to pay £27,242.50 damages to the plaintiffs: [1988] FSR 531.

THE REQUIREMENT FOR FULL DISCLOSURE

Probably the most effective safeguard for defendants is the duty of every applicant for an *ex parte* order to make '...the fullest possible disclosure of all material facts within his knowledge'.[107] This duty to disclose extends to material facts which the applicant would have known about if proper inquiries had been made.[108] It is this duty to disclose all material facts, including any potential defences that may be available, which is meant to overcome, as much as possible, the lack of any argument from the defendant in *ex parte* applications. The danger of one-sided argument can be seen in *Kelly Tarlton's Underwater World Ltd* v *Mellsop* where Robertson J discharged an *Anton Piller* order he had made saying:[109]

> As I say, whether rightly or wrongly, I was left with the impression that suddenly the Plaintiffs had become aware, much to their surprise, that this man Mellsop who they thought had left knowing that he had no rights to the 'know-how' was now surrupticiously [*sic*] using them. The evidence in its totality leaves me with the clear impression that there has been an on-going internicine [*sic*] war between these people. Some very long time after the event, the Plaintiffs have decided they wish to challenge the arrangements in the Courts. In my view they must take their chances in the litigation like every other litigant.

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[107] *Rex* v *Kensington Income Tax Commissioners, Ex parte Princess Edmond de Polignac* [1917] 1 KB 486, 509 *per* Warrington LJ.
[108] *Bank Mellat* v *Nikpour* [1985] FSR 87.
[109] Above n73, 14-15.

To deter this behaviour by plaintiffs, courts had enforced this duty very strictly. If there was any material non-disclosure then the *Anton Piller* order would automatically be discharged regardless of its merits even if evidence obtained through its execution shows that the order was justified.[110] However, this severity has now relaxed and the position is now that:[111]

> If such disclosure is not made by the plaintiff, the court may discharge the ex parte injunction on that ground alone. But if, in the circumstances existing when the matter comes before the court inter partes, justice requires an order either continuing the ex parte injunction or the grant of a fresh injunction, such an order can be made notwithstanding the earlier failure of the plaintiff to make such disclosure.

Therefore, defendants no longer have an automatic right to discharge if there has been material non-disclosure. Material non-disclosure is reduced to a potential ground on which the court may, in its discretion, decide to discharge the order or injunction. This discretion will only be exercised in favour of continuing the order, or granting a second order in similar terms, if the non-

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[110] *Thermax* v *Schott Industrial Glass Ltd* [1981] FSR 289, Browne-Wilkinson J.

[111] *Dormeuil Freres S A* v *Nicolian International (Textiles) Ltd* [1988] 1 WLR 1362, 1368 *per* Sir Nicolas Browne-Wilkinson V-C. See also: *Brink's Mat Ltd* v *Elcombe* [1988] 1 WLR 1350, 1357 *per* Ralph Gibson LJ; *Lloyds Bowmaker Ltd* v *Britannia Arrow Holdings Plc* [1988] 1 WLR 1337, 1343-1344 *per* Glidewell LJ. Applied in *Euro-National Corporation Ltd* v *Petricevic Financial Services Ltd* (1989) unrep, CP 1205/89 Auckland.

disclosure is innocent and if the order could properly have been granted if full disclosure had been made at the original *ex parte* hearing.[112]

However, in *Behebehani* v *Salem*, Woolf LJ held that generally courts should uphold the policy of discharging *ex parte* orders even for innocent non-disclosure.[113] Therefore, at least in England, the plaintiff must also show why the public policy behind the requirement for full disclosure should be ignored in this particular case. Unfortunately, it is unlikely that this approach would also be followed in New Zealand. New Zealand courts treat reviews of interlocutory injunctions, under Rule 264 of the High Court Rules, as hearings *de novo*[114] which seems to exclude any similar policy considerations being taken into account. The judge should only consider whether the order should have been made on the basis of all the evidence that is now disclosed and with the benefit of argument from both sides.[115]

Exactly what constitutes material non-disclosure is obviously incapable of definition as it will depend on the circumstances of

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[112] *Lloyds Bowmaker Ltd* v *Britannia Arrow Holdings Plc* above n111, 1244 *per* Glidewell LJ; *Ali and Fahd Shobokshi Group Ltd* v *Moneim* [1989] 1 WLR 710, 720 *per* Mervyn Davies J.
[113] [1989] 1 WLR 723, 734-735.
[114] *Carter Holt Holdings Ltd* v *Fletcher Holdings Ltd* [1980] 2 NZLR 80, 84 *per* Mahon J.
[115] *D B Baverstock Ltd* v *Haycock* [1986] 1 NZLR 342, 344 *per* Henry J.

each case. The most common material non-disclosure is not giving a proper indication of the nature of the defendant's business, for example its size or extent.[116] The matter must go towards the very essence of the *Anton Piller* order itself. Material non-disclosure does not occur merely because the plaintiff could have set out something more fully. For instance: a failure to mention a mortgage on a property put forward to meet a cross-undertaking as to damages, when there is still considerable equity in the property, is not material.[117]

Furthermore, in *Brink's Mat Ltd* v *Elcombe*, Slade LJ recommended a more relaxed attitude to this duty in commercial cases, which includes almost all *Anton Piller* cases.[118]

> Particularly, in heavy commercial cases, the borderline between material facts and non-material facts may be a somewhat uncertain one. While in no way discounting the heavy duty of candour and care which falls on persons making ex parte applications, I do not think the application of the principle should be carried to extreme lengths. ...I have suspected signs of a growing tendency on the part of some litigants ...[to allege] material non-disclosure on

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[116]See *Columbia Pictures* above n65; *Kelly Tarlton's Underwater World* above n73; *Jeffrey Rogers Knitwear Productions* above n72.

[117]*Gallery Cosmetics Ltd* v *Number 1* [1981] FSR 556. See also *Anvil Jewellery Ltd* v *Riva Ridge Holdings Ltd* [1987] 1 NZLR 35.

[118]Above n111, 1359.

> sometimes rather slender grounds, as representing substantially the only hope of obtaining the discharge of injunctions in cases where there is little hope of doing so on the substantial merits of the case...

However, in the context of *Anton Piller* orders, as well as *Mareva* injunctions, it is submitted that the better approach is that advocated by Scott J in *Columbia Pictures* that applicants '...ought to err on the side of excessive disclosure'[119] and that judges not the plaintiff's advisers should decide what is material and what is not. Only by this method will this already imperfect safeguard remain any safeguard at all.

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[119]Above n65, 77.

THE EXECUTION OF *ANTON PILLER* ORDERS

It is constantly stressed that the plaintiff must be meticulous when executing the order and that they remain within its terms and that they act 'with due circumspection.'[120] They must satisfy all of their undertakings to give information to the defendant when executing the order[121] and to ensure that only the articles specified in the order are seized. If the plaintiff departs from the order's terms then there will be 'firm enforcement'[122] of their undertaking to damages. As most *Anton Piller* orders specify the number of people who may enter the defendant's property, anyone exceeding this number will be committing a trespass.[123]

A defendant faced by an *Anton Piller* order has the choice of complying with the order or being in contempt of court. Even if the defendant subsequently discharges the order, it is still a valid court order until it is discharged and the defendant is still bound to obey it before then.[124] Although the likelihood of any penalty being imposed in these circumstances is negligible,[125]

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[120]Above 4, 61 *per* Lord Denning MR; see also 62 *per* Ormrod LJ.
[121]*A B* v *C D E* above n58.
[122]Above n20, 467.
[123]However, this must be the subject of a seperate action brought by the defendant: *Fletcher Sutcliffe Wild Ltd* v *Burch* [1982] FSR 64, Peter Gibson J.
[124]*Wardle Fabrics Ltd* v *G Myristis Ltd* [1984] FSR 263, 271 *per* Goulding J.
[125]*Hallmark Cards Inc* v *Image Arts Ltd* [1977] FSR 150, 153 *per* Buckley LJ.

defendants who apply to discharge an *Anton Piller* order without first complying with it:[126]

> ...do so very much at their peril. If they succeed in getting the order discharged, all well and good. But if they fail, they will render themselves liable to penalties for contempt of court. If they fail and there is any reason to believe that, in the period between the time when the order has been served on them and the time when they eventually comply with the order, they had taken any steps which were inconsistent with the order ...the consequences to them would be of the utmost gravity.

Furthermore, non-compliance may lead to adverse inferences being drawn against the defendant at the substantive trial.

Therefore, the defendant is more or less obliged to comply with the *Anton Piller* order. However, this will be cause considerable disturbance and expense to a business, even if it is entirely legitimate. If the plaintiff is particularly unscrupulous, and the *Anton Piller* order drawn fairly wide, this disruption may be increased to such an extent that the defendant will be left with no trading stock and no business records. Regardless of whether the defendant is infringing or not he or she will quickly go out of business and the merits of the substantive case will never be heard.

There is no doubt that abuses of the *Anton Piller* procedure do

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[126] *WEA Records Ltd* v *Visions Channel 4 Ltd* [1983] 1 WLR 721, 726 *per* Sir John Donaldson MR.

occur when the order is being executed. In *I.T.C. Film Distributors Ltd* v *Video Exchange Ltd*[127] the plaintiffs' solicitor executed an *Anton Piller* order at the same time as eleven police officers were executing a search warrant. The defendant was given no opportunity to deny the solicitor entry. The Court of Appeal held that such an opportunity had to be given at street-door level when executing *Anton Piller* orders.

Such abuses of *Anton Piller* orders lead to inevitable comparisons with the search warrants declared illegal in *Entick* v *Carrington.*[128] In that case Lord Camden CJ considered four main dangers were raised by general warrants:

-They act against a general class against whom no charge has been proven;

-They do not specify what property may be seized;

-The defendant does not have an opportunity to be heard before they are executed;

-They can be executed in the defendant's absence so there may be no witnesses of what occurs or of what is taken.

Anton Piller orders act against a very specific class of defendants after a hearing before a High Court judge where some evidence of

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[127] *The Times*, 18 November 1981; *The Times*, 17 June 1982, CA. Noted: (1982) 126 Sol J 672. See L Collins "Anton Piller Orders and Fundamental Rights" (1990) 106 LQR 173.
[128] Above n26.

wrongdoing must be presented. They do specify what property can be inspected and seized although this is often in quite broad terms. In theory, the defendant does have an opportunity to be heard because he or she can apply for an immediate discharge before complying with the order. However, in practice this right is somewhat illusory. Finally, *Anton Piller* orders cannot be executed in the absence of the defendant because their permission is required before the plaintiff may enter. Therefore, there will always be witnesses to an *Anton Piller* search.

Therefore, while the execution of *Anton Piller* orders still arouses some concerns, it does not raise the same dangers as the general search warrants, with the exception of the lack of a hearing for the defendant. This is an inherent danger in all *ex parte* injunctions; hence the procedural requirements for full disclosure and *uberrima fides*. This makes the current lowering of the standard required of *ex parte* applicants even more concerning.

DISCHARGE OF *ANTON PILLER* ORDERS

Although the defendant has the right to appeal the actual decision to grant the *Anton Piller* order,[129] the proper course to follow is to apply for its review and subsequent discharge or variation.[130] *Anton Piller* orders may be discharged both before and after execution. For reasons already discussed, they are generally always complied with so applications are usually for discharge after execution.[131] An *Anton Piller* order will be discharged if the defendant can show that it should never have been made.[132] In deciding this, the court may consider evidence gathered when the order was executed.[133] In *Anvil Jewellery Ltd* v *Riva Ridge Holdings Ltd* Henry J held there were three grounds on which a defendant could obtain a discharge of an executed *Anton Piller* order:[134]

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[129]Under the Judicature Act 1908 s66 the Court of Appeal may hear appeals from any order granted by the High Court.
[130]*WEA Records Ltd* v *Visions Channel 4 Ltd* above n126, 727 *per* Sir John Donaldson MR; applied in *Kiwi Co-operative Dairies Ltd* v *Capital Dairy Products Ltd* (1989) 1 PRNZ 622, 627 *per* Grieg J.
[131]Above 42-43.
[132]*Booker McConnell plc* v *Plascow* above n72, 434 *per* Kerr LJ, 442 *per* Dillon LJ.
[133]Above n126, 727-728 *per* Sir John Donaldson MR; followed in *D B Baverstock Ltd* v *Haycock* above n115. For a contrary view see *Guess? Inc* v *Lee Seek Mon* (1986) 7 IPR 321.
[134]Above n117, 43.

-Bad faith;

-Material non-disclosure;

-Special circumstances showing a need for immediate relief.

Henry J also mentioned a fourth potential ground of abuse of process. However, His Honour suggests that this is implicit in the other three.

The special circumstances required to justify an immediate discharge usually refers to cases where the defendant continues to suffer ongoing damage due to the execution of the *Anton Piller* order. This may be through the retention of crucial business documents by the plaintiff, where the defendant's business is completely ruined by the execution of the order[135] or where the two parties are in direct competition with each other and the *Anton Piller* order is being used to discredit the defendant. In *Booker McConnell plc* v *Plascow*[136] an executed *Anton Piller* order was discharged against the second and third defendants who were employers of the first defendant. They were both public companies and there was no indication that they would not comply with normal discovery procedure. Furthermore, the execution of the *Anton Piller* order had been publicised in a trade magazine and they had

[135]As in *Columbia Pictures* above n65.
[136]Above n72.

both suffered some loss of reputation because of this. This loss of reputation was sufficiently damaging in the interim to justify an immediate discharge.[137]

However, if the only reason for the application for discharge is to enforce the undertaking as to damages then there will be no discharge. The matter will be left until the substantive trial.[138] In *Dormeuil Freres SA* v *Nicolian International (Textiles) Ltd*,[139] Sir Nicolas Browne-Wilkinson V-C held almost all applications to discharge were to enforce the undertaking to damages. Except in exceptional cases, Sir Nicolas considered it incorrect to apply to discharge an executed *Anton Piller* order before the substantive trial because 'setting aside the *Anton Piller* order cannot undo what has already been done.'[140] Therefore, to set aside any executed *Anton Piller* order it is necessary to show special circumstances.

If the *Anton Piller* order is discharged then the defendant may be able to enforce immediately the plaintiff's undertaking to damages.[141] The plaintiff may also have to return some or all of the documents he or she has seized although this is unlikely to

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[137]Above n72, 435 *per* Kerr LJ. See also: *Fields (Randolph M)* v *Watts, The Times*, 22 November 1984, (CA); *Lock International Plc* v *Berwick* above n74.
[138]*Booker McConnell* above n72, 435 *per* Kerr LJ.
[139]Above n111.
[140]Above n111, 1369.
[141]See *Lock International* above n74, 1285 *per* Hoffmann J.

affect the admissibility of any of the evidence in the substantive trial. Even if the *Anton Piller* order was wrongly made, evidence gained through its execution is still admissible.[142]

> Assuming for the moment that the full order ought not to have been made in the first place in 1977, nevertheless it has been implemented. The evidence is available in the hands of the plaintiff for them to give in evidence. I do not think that the judge has any discretion to refuse to admit it in evidence.

Although this was not followed by Falconer J in *Universal City Studios Inc* v *Hubbard*,[143] on appeal the Court of Appeal had 'serious doubt' over whether His Lordship's opinion was correct, although the decision was upheld on other grounds.[144]

Therefore, once an *Anton Piller* order is executed there is little a defendant can do unless he or she can show some special circumstances such as continuing damage to his or her reputation. If special circumstances can be shown then the plaintiff may be awarded some damages, although these are entirely discretionary, and, more importantly, will probably be awarded costs. Property seized pursuant to the order may be returned but the plaintiff will retain copies of it and it will probably remain admissible in any

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[142] *Helliwell* v *Piggott-Sims* [1980] FSR 356 *per* Lord Denning MR.
[143] [1983] Ch 241; followed in *D B Baverstock Ltd* v *Haycock* above n115.
[144] [1984] Ch 225, 236-237.

substantive trial. The difficulty in showing special circumstances, combined with the severe economic consequences of being served with an *Anton Piller* order and the expense of taking the legal action necessary to discharge mainly explains why the vast majority of *Anton Piller* orders are never challenged at an *inter partes* hearing.

SUGGESTIONS FOR REFORM

There are obviously many problems with the *Anton Piller* order as it presently exists. These problems include:

-The problem inherent with any order made *ex parte* that unmerited orders will occasionally be made because of the absence of argument from the defendant. This is exacerbated by the imprecise criteria for granting an *Anton Piller* order and their inconsistent application.

-Abuse of the *Anton Piller* procedure by plaintiffs seeking *Anton Piller* orders in circumstances where they are not justified and going beyond their terms when executing them. Again this problem is made worse by the unnecessarily wide terms of many orders.

-The inability of defendants, in normal circumstances, to obtain any remedy for abuse of the *Anton Piller* order by plaintiffs until the substantive trial. As the effect of the order itself and the cost of litigation means that substantive trials rarely occur it is now the defendant who is left effectively remediless.

These problems make reform of the current *Anton Piller* procedure essential. This reform would preferably be made by Parliament. The main objection to the *Anton Piller* order, and the

general warrants before them, is that it involves legislation by judges. In *Busby* v *Thorn EMI Video Programmes Ltd* Somers J warned '... we must not pass beyond that which is truly adjudicatory to that which is truly truly legislative'[145] and in *Entick* v *Carrington* Lord Camden CJ said:[146]

> What would the parliament say, if the judges should take upon themselves to mould an unlawful power into a convenient authority, by new restrictions? That would be, not judgment, but legislation.

Legislative reform would remove this objection as well as remove any remaining doubts about their constitutional position as '...a search warrant in disguise.'[147] However, as *Anton Piller* orders are a judicial creation much reform can also be undertaken unilaterally by the courts especially through the drafting of the orders.

Currently, too much is expected of the plaintiff's solicitors. They owe a duty to their clients to act in their interests, but are expected to fully disclose all material information to the court and to act as an officer of the court to ensure the order is properly executed. These responsibilities obviously conflict. It cannot be expected that this conflict can be resolved satisfactor-

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[145]Above n20, 482.
[146]Above n26, 1067.
[147]Above n4, 60 *per* Lord Denning MR. See above 11-13.

ily. An impartial official presence when the *Anton Piller* order is executed would relieve the solicitor of having to act as an officer of the court. A person acting solely as an officer of the court, such as the sheriff, should be present when the order is executed. This person could ensure that the terms of the order are strictly adhered to and the defendant's rights respected. Alternatively, the sheriff could conduct the entire execution of the order him or herself.[148]

The *Anton Piller* orders themselves should be drafted and executed in such a manner as to cause the minimum disruption to the defendant's legitimate business, if any. The order should specify as precisely as possible what material may be seized. Above all they should not allow material to be seized that cannot be the subject matter of the action or be relevant evidence. Material should not be withheld from the defendants for longer than is necessary. Material seized should be copied or photographed promptly and then returned to the defendants, with an undertaking that they will preserve the evidence until the substantive trial.[149] Preferably, seized materials should be placed in the custody of a third party, such as the sheriff, who can control

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[148]This was the case in *Donselaar* v *Mosen* above n16. This would be similar to the way the Registrar of the High Court conducts mortgagee sales: Property Law Act 1952, s99.

[149]See *L T Piver SARL* v *S & J Perfume Co Ltd* [1987] FSR 159, 160 *per* Walton J.

access to them to ensure any confidential information remains confidential.

Further safeguards for the defendants are also desirable. They should be able to generally enforce the plaintiff's undertaking to damages before the substantive trial. It should not be necessary to show special circumstances. Similarly, the recent relaxation in the courts' attitudes to material non-disclosure should not be taken any further. Plaintiffs should be required to positively show why the policy behind the requirement of full disclosure should not apply to them and courts should insist on a very strong case before waiving this requirement. It should also be made clear that plaintiffs who do not fully disclose are very much at risk regarding costs.[150]

Finally, the *Anton Piller* order arose from the inadequacy of the copyright law to protect copyright holders from piracy. It has been very successful in reducing the activities of pirates and providing copyright holders with some relief. However, to some extent this has proved a Pyrrhic victory because the copyright law remains as inadequate today as it was in 1974. Reform of the Copyright Act 1962 to address the problem of piracy is still necessary but because of the success of the *Anton Piller* order it

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[150]See *Systematica Ltd* v *London Computer Centre Ltd* [1981] FSR 313, 316-317 *per* Whitford J.

is now regarded as less urgent. The *Anton Piller* order is an effective anti-piracy measure, but it should only be regarded as a stopgap measure. It has some inherent problems, especially the risk of its abuse. The United States of America has not felt the need to develop something akin to the *Anton Piller* order even though it experienced the same problem of piracy. This has largely been to the effectiveness its statutory provisions.[151] Similar provisions should be enacted in New Zealand which would take some of the policing of piracy, especially the elements that involve infringing civil liberties, away from the individual copyright holders and into the hands of government.

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[151]See R T Mowrey "The Rise and Fall of Record Piracy" (1977) 27 Copyright Law Symp 155.

CONCLUSION

Anton Piller orders were developed by the courts to give justice to an obviously deserving plaintiff who was otherwise effectively remediless. They were granted because they were necessary to avoid a miscarriage of justice. However, this jurisprudential basis does not sit well with their current status as a standard remedy sought by plaintiffs, typically large corporations, in certain types of cases, *ie* cases involving piracy and employees 'defecting' to a competitor or starting their own business. Through widely drawn orders and enthusiastic execution they have become a useful means for some to abuse their dominant position. In *Anton Piller* Brightman J said:[152]

> ...it seems to me that an order on the lines sought might become an instrument of oppression, particularly where a plaintiff of big standing and deep pocket is ranged against a small man who is alleged on the evidence of one side only to have infringed the plaintiff's rights.

Unfortunately, in some respects, Brightman J's concerns have proved correct. The fact that generally the large corporations are careful in selecting who they obtain *Anton Piller* orders against is no answer to the concerns that they raise.[153] Just because the full danger of *Anton Piller* orders has not yet been realised does

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[152]Above n14, 722.
[153]See *Columbia Pictures Industries Inc* v *Robinson* above n65, 75 *per* Scott J.

not make the danger any less.

The need for reform of the *Anton Piller* order to prevent the realisation of this danger is obvious. However, it is unlikely that such reform will come from Parliament,[154] however desirable this may be. Therefore, it is likely that any reform must come from the courts. The reforms discussed above could be made by the courts by changing the terms of the *Anton Piller* orders that are granted. This, together with a more robust approach towards the actual granting of *Anton Piller* orders, should go some way towards restoring basic liberties such as the presumption of innocence and the sanctity of the home to their former status without destroying the genuine worth that *Anton Piller* orders have in the right circumstances.

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[154] 'The development of the Anton Piller order can be safely left to our courts.': *Reform of the Copyright Act 1962* (1985) Discussion Paper, Justice Department, Wellington, 21.

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