



Defamation Bill

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Introduction and summary

1. Founded in 1957, JUSTICE is a UK-based human rights and law reform organisation. Its mission is to advance justice, human rights and the rule of law. It is the British section of the International Commission of Jurists.
2. JUSTICE has long pressed for changes to the English law of defamation. We previously welcomed the work of Lord Lester of Herne Hill QC on his Private Members Bill and of the Joint Committee on the draft Defamation Bill during 2011.¹
3. We are therefore pleased to welcome the introduction of the Defamation Bill. Although we think there is some scope to go further in addressing the various problems that beset the current law, we welcome the Bill as an important step in rebalancing the law on defamation in favour of greater freedom of expression.

Problems with the current law

4. For several decades, JUSTICE has argued for various changes to the law of defamation in order to better protect freedom of expression. In 1965, for instance, we published *The Law and the Press* which recommended, among other things, the introduction of:²

a statutory defence of qualified privilege for newspapers in respect of the publication of matters of public interest where the publication is made in good faith without malice and is based upon evidence which might reasonably be believed to be true

In *Freedom of Expression and the Law*, the 1990 report of a JUSTICE committee chaired by Lord Deedes stated that freedom of expression was ‘our bedrock’, something that should be restricted ‘only when absolutely necessary for limited purposes’.³ Although we noted that ‘freedom of expression has long been recognised as an important value in this country’, we also speculated that ‘perhaps we have grown careless of its value’, noting the increasing trend

¹ JUSTICE briefings on the Draft Defamation Bill, Lord Lester’s private member’s bill and our submissions to the Joint Committee on the Draft Defamation Bill are available at www.justice.org.uk.

² JUSTICE and the British Committee of the International Press Institute, *The Law and the Press* (1965), recommendation 6. This defence was available if the defendant had published a ‘reasonable letter or statement by way of explanation or contradiction’ at the claimant’s request.

³ JUSTICE, *Freedom of Expression and the Law*, p1 and para 1.5. See also para 1.9: ‘[t]he fundamental rule should be that the free expression of ideas and information is only to be restricted for the most pressing of reasons, and that restrictions must be only those that are necessary for those reasons. That general principle should be made specific by the revival of Blackstone’s description that freedom of the press should be an absence of prior restraint’ [emphasis added].

towards restrictions upon print media and broadcasting.⁴ We expressed concern that the government and the judiciary had ‘grown progressively more careless about the principles which should govern all limitations on free expression’.⁵ In particular, we described the law on defamation as ‘one of the pressing issues of law and freedom of expression’.⁶

The lottery of libel is out of control. At one extreme the absence of legal aid for libel means that the poor (and not-so-poor) can be libelled with impunity and have no means of remedy. At the other extreme, the level of libel damages (and settlements in anticipation of them) make libel trials a very expensive game *There must be a better way of protecting the right to reputation.*

5. While several things have changed in the twenty years since our 1990 report, including the availability of legal aid, many of the essential problems remain the same and even some new ones have emerged. Notwithstanding such developments as the judgment of the European Court of Human Rights in *Steel and Morris v United Kingdom*⁷ (which held that the blanket denial of legal aid to defendants in libel claims was a breach of the right to a fair hearing under article 6 ECHR), the introduction of conditional fee agreements for libel claimants, and the judgments of the House of Lords in *Reynolds v Times Newspapers*⁸ and *Jameel v Wall Street Journal*⁹ (establishing a defence of qualified privilege concerning matters of public interest), the English law on defamation still poses a substantial interference with press freedom and with freedom of expression in general. Specifically:

- The level of libel damages remains extraordinarily high. Despite various attempts at reform over the years,¹⁰ we find it astonishing that it continues to be possible for a successful claimant to recover more for damage to reputation than, for example, the loss of a limb.¹¹

⁴ Ibid, para 1.8.

⁵ Ibid, p1.

⁶ Ibid, paras 2.16 and 2.17. Emphasis added.

⁷ (2005) 41 EHRR 22.

⁸ [1999] 3 All ER 961.

⁹ [2006] UKHL 44.

¹⁰ Section 8(2) of the Courts and Legal Services Act 1990 enables the Court of Appeal to substitute for an ‘excessive’ award by a jury ‘such sum as appears to the Court to be proper’. In *Tolstoy Miloslavsky v United Kingdom* (1995) 20 EHRR 442, the European Court of Human Rights held that the jury’s award of £1.5 million in damages following a defamation claim was a disproportionate interference with the right to freedom of expression under article 10 ECHR.

¹¹ According to two academic defenders of the existing law, ‘the Court of Appeal now exercises considerable control over the level of damages, with the effective maximum now just over £200k. Moreover, the award of even half that amount is a rare occurrence’ (Mullis and Scott, ‘Something Rotten in the State of English Libel Law?’, January 2010). In JUSTICE’s view, however, the fact that libel awards only infrequently exceed £100,000 is hardly evidence of either proportionality or restraint.

- Costs in defamation cases have been excessive,¹² and out of all proportion to the general complexity of the law in this area: a 2008 study by the Programme in Comparative Media Law and Policy at the Oxford Centre for Socio-Legal Studies found that England and Wales was by far the most expensive European jurisdiction in which to conduct defamation proceedings.¹³ This has been exacerbated by the introduction of conditional fee agreements (CFAs) in defamation cases. Originally intended to address the lack of legal aid for poorer claimants (one of the points we highlighted in our 1990 report), we have seen little evidence to suggest that CFAs increased access to justice in this area. On the contrary, it seems to us that claimants in defamation cases are by-and-large those same private individuals and organisations who would have been able to afford to bring a defamation claim in any event. However, while the impact of significant changes to the system of funding for civil litigation and the system of CFAs made in the Legal Aid, Sentencing and Punishment of Offenders Act is likely to be significant, the ultimate impact of these reforms remain to be seen.
- The reversal of the ordinary burden of proof, which obliges defendants to prove that their statements were *not* defamatory, combined with the high cost of defending libel claims and the threat of substantial damages, gives rise to enormous pressure upon defendants to settle out of court rather than risk an adverse finding. More generally, it gives rise to a potential chilling effect on all those who would publish or express critical views that may be taken by others to be defamatory.
- Notwithstanding the establishment of the *Reynolds* defence of qualified privilege for so-called 'responsible journalism', and its further clarification by the House of Lords in *Jameel v Wall Street Journal*, we remain concerned that the scope of this defence

We note, for instance, that the average award for the loss of a leg is approximately £70,000 (see Judicial Studies Board, *Guidelines for the Assessment of General Damages in Personal Injury Cases*, 9th ed (Oxford University Press)). In the circumstances, we do not think the proposal of English PEN and Index of Censorship to impose a cap of damages of £10,000 to be an unreasonable one (see *Free Speech Is Not For Sale: The impact of English libel law on freedom of expression*, 2009 at p8).

¹² See e.g. most recently the judgment of the Court of Appeal in *Fiddes v Channel Four Television* [2010] EWCA Civ 730, endorsing Tugendhat J's account of the 'vast costs in this case' as a 'fair description on our understanding of the figures' (para 13). At first instance, Tugendhat J accepted in principle that 'the level of costs in libel proceedings could in some cases have a possible chilling effect on freedom of speech' (para 40). The Court of Appeal, including the Master of the Rolls, unanimously held that this was a 'perfectly proper' factor for the judge to have taken into account when deciding whether to hold the trial with a jury (para 42).

¹³ Programme in Comparative Media Law and Policy at the Oxford Centre for Socio-Legal Studies, *A Comparative Study of Costs in Defamation Proceedings across Europe* (December 2008, p187. See also Ministry of Justice, *Report of the Libel Working Group* (March 2010), referring to the 'widespread perception that the costs of [defamation] proceedings are prohibitive' (para 89).

may be too narrow, and that the lower courts may continue to apply it in a conservative manner.

- Despite the skepticism of some legal figures,¹⁴ we have no doubt that forum-shopping and 'libel tourism' – whereby foreign claimants seek to establish a UK readership or audience, however small, in order to bring a defamation claim within the jurisdiction of English courts – is a serious problem, particularly for NGOs and investigative journalists reporting on matters of public interest outside the UK. It is shameful that the threat of a libel action in English courts should be used to stifle freedom of expression abroad. Nor is England's reputation as a 'mecca for aggrieved people from around the world who want to sue for libel' anything to be proud of.¹⁵ One factor contributing to the growth of libel tourism has been the rule in the Duke of Brunswick's case from 1849,¹⁶ which – in the age of the internet and online archives – has greatly multiplied the opportunities for foreign claimants to find instances of 'publication' here in the UK. In December 2009, we argued for the rule to be abolished on the basis that it undermined legal certainty and was impractical given the nature of modern media.¹⁷

6. In light of these problems, JUSTICE is pleased to support the Defamation Bill. While we think there is certainly scope to go further, we welcome the Bill as an important step towards rebalancing the law on defamation in favour of greater freedom of expression.

Clause 1: Serious Harm

7. We agree with the definition of defamation provided by the Bill. It is well-understood that the reverse burden of proof in defamation cases, together with the threat of substantial damages

¹⁴ See e.g. the comments of Lord Hoffmann, 'Libel Tourism', February 2010, at para 28 '[T]he complaints about libel tourism come entirely from the Americans and are based upon a belief that the whole world should share their view about how to strike the balance between freedom of expression and the defence of reputation If the *Ehrenfeld* case or the *Don King* case is the best that the campaigners for a change in our law can do, their case seems to me far from overwhelming'. But see contra, the speech of Lord Steyn, 'Defamation and Privacy: Momentum for substantive and procedural change?', 3rd annual Boydell Lecture, 26 May 2010 at p4: 'Some libel specialists question that libel tourism is a significant problem. *In my respectful view the concerns of the Lord Chief Justice are well-founded*. A combination of the multiple publication rule, and the even a small number of internet readers of the United Kingdom, has created the risk of a cause of action here, and opened the door to libel tourism' [emphasis added].

¹⁵ 'Britain, Long a Libel Mecca, Reviews Laws' by Sarah Lyall, *New York Times*, 10 December 2009: 'England has long been a mecca for aggrieved people from around the world who want to sue for libel. Russian oligarchs, Saudi businessmen, multinational corporations, American celebrities — all have made their way to London's courts, where jurisdiction is easy to obtain and libel laws are heavily weighted in favor of complainants'.

¹⁶ *Duke of Brunswick v Harmer* (1849) 14 QB 185.

¹⁷ JUSTICE response to *Defamation and the Internet: The multiple publication rule*: consultation paper CP 20/09 (December 2009).

and costs, produces tremendous pressure on defendants to settle an otherwise meritorious case for fear of an adverse ruling. As Lord Steyn, a former law lord and former chair of JUSTICE, noted recently:¹⁸

It is (I believe) a fact that very often that British newspapers, when sued in libel, give up and settle when one would not expect them to do so. The reasons for this state of affairs are to be found in centuries old strict liability in defamation law. Libel law is tilted against the media.

8. We have no doubt that this state of affairs constitutes an undue interference with freedom of expression in the UK. Consequently, we believe a requirement on claimants to show that publication of a statement has or is likely to cause serious harm is a sensible and proportionate way of limiting the number of libel claims that may be brought for weak or even frivolous reasons.¹⁹
9. There has been a significant debate as to whether that the phrase ‘substantial harm’ originally adopted in the draft Bill adequately removed the scope of trivial and unfounded actions succeeding, and some suggested ‘significant harm’ as an alternative. To our mind, we cannot see a sensible distinction in the circumstances between ‘serious’, ‘substantial’ or ‘significant’, nor do we think anything would be gained by adjoining any combination of the two terms (i.e. ‘significant and substantial’), as recommended by the Joint Committee on the Draft Defamation Bill.²⁰ On the contrary, we think would be likely to only lead to further confusion. While we understand the concern behind those proposals, we are satisfied that the threshold of a ‘serious harm’ test is sufficient.
10. We also note that clause 11 of Lord Lester’s Private Members Bill required companies to show ‘substantial financial loss’. We prefer the view that companies should not be able to sue in defamation at all for reasons set out at greater length below. Nonetheless, if companies are to be permitted to bring actions for defamation, we agree that the threshold proposed by Lord Lester is the correct one. We welcome the Government’s conclusion that if it introduced a new ‘serious harm’ test for bringing defamation proceedings, “a corporation would in practice be

¹⁸ See n14 above, p 3.

¹⁹ See e.g. *Khader v Aziz and others* [2010] EWCA Civ 716 at para 32 per May P: ‘The appellant’s claim on the first publication is at best fraught with difficulties. But even if it were to succeed at trial, it would not be worth the candle. She would at best recover minimal damages at huge expense to the parties and of court time. This would be so, even if she and those representing her were to adopt for the future a hitherto elusive economical approach to the amount of paper and time which the case might need. As things are, the parties’ expenditure must vastly exceed the minimal amount of damages which the appellant might recover even if she were to succeed in overcoming all the obstacles in the path of such success. The judge was correct to conclude that this claim is disproportionate and that it should be struck out as an abuse’.

²⁰ Joint Committee on the Draft Defamation Bill, *Draft Defamation Bill*, 19 October 2011, HC 930-I, HL Paper 203, 2010-12

likely to have to demonstrate actual or likely financial loss” in order to bring proceedings.²¹ We welcome this intention, but question whether this extended definition of serious harm in claims by non-natural persons should be expressly stated on the face of the Bill, as originally suggested by Lord Lester.

Clause 2: Truth

11. We believe that replacing the existing common law defence with a statutory defence provides a good opportunity to improve the law on this issue. Although we would favour reversing the burden of proof in the case of both individuals and companies, we recognise that this is unlikely to be accepted by Parliament at this time.
12. More specifically, we welcome the provision in subclauses 2(2) and (3) making clear that the defence of truth does not fail where there is more than one distinct imputation and, having regard to an imputations which has been shown to be substantially true, those which are not shown to be substantially true do not materially injure the claimant’s reputation. However, we believe the Bill should go further and incorporate a defence as outlined in clause 5(3) of Lord Lester’s Private Members Bill, i.e. that the defence of truth also does not fail in circumstances where a particular meaning alleged by the claimant has not been shown to be substantially true, but there is no material injury to the claimant’s reputation having regard to the truth of what the defendant *has* shown to be substantially true.

Clause 3: Honest Opinion

13. We agree that the existing defence should be renamed and the scope of the defence broadened. On the first point, as the Court of Appeal noted in *British Chiropractic Association v Singh*, the term ‘fair comment’ is misleading:²²

In an area of law concerned with sometimes conflicting issues of great sensitivity involving both the protection of good reputation and the maintenance of the principles of free expression, it is somewhat alarming to read in the standard textbook on the Law of Libel and Slander (Gatley, 11th edition) in relation to the defence of fair comment, which is said to be a ‘bulwark of free speech’, that ‘...the law here is dogged by misleading terminology... ‘Comment’ or ‘honest comment’ or ‘honest opinion’ would be a better name, but the traditional terminology is so well established in England that it is adhered to here’.

²¹ Ministry of Justice, *The Government’s Response to the Report of the Joint Committee on the Draft Defamation Bill*, (Cm 8295) February 2012, paras 91-92

²² [2010] EWCA Civ 350, paras 35-36. Emphasis added.

We question why this should be so. The law of defamation surely requires that language should not be used which obscures the true import of a defence to an action for damages. Recent legislation in a number of common law jurisdictions - New Zealand, Australia, and the Republic of Ireland - now describes the defence of fair comment as 'honest opinion'. It is not open to us to alter or add to or indeed for that matter reduce the essential elements of this defence, *but to describe the defence for what it is would lend greater emphasis to its importance as an essential ingredient of the right to free expression*. Fair comment may have come to 'decay with ... imprecision'. 'Honest opinion' better reflects the realities.

Although the proposed defence is based on the common law defence, we welcome this codification on the grounds that it is likely to promote greater certainty. To some extent, as the Court of Appeal's judgment in *Singh* shows, the fault of the existing law lies not so much in the legal principles themselves but in how they have been applied by the courts. In *Singh's* case, the judge at first instance had concluded that the defendant's expression of opinion (that various treatments offered by members of the Chiropractic Association were bogus) was to be treated as a factual claim (i.e. members of the Association offered the treatments knowing that they were bogus). Accordingly, although the defendant had only alleged foolishness, he was required to prove deceit. As the Court of Appeal held, the court below was mistaken.²³

the material words, however one represents or paraphrases their meaning, are in our judgment expressions of opinion. The opinion may be mistaken, but to allow the party which has been denounced on the basis of it to compel its author to prove in court what he has asserted by way of argument is to invite the court to become an Orwellian ministry of truth. Milton, recalling in the *Areopagitica* his visit to Italy in 1638-9, wrote:

'I have sat among their learned men, for that honour I had, and been counted happy to be born in such a place of philosophic freedom, as they supposed England was, while themselves did nothing but bemoan the servile condition into which learning among them was brought; that nothing had been there written now these many years but flattery and fustian. There it was that I found and visited the famous Galileo, grown old a prisoner of the Inquisition, for thinking in astronomy otherwise than the Franciscan and Dominican licensers thought.'

That is a pass to which we ought not to come again.

²³ *Ibid*, para 23.

Although the courts ultimately arrived at the correct result, we note that the defendant was put to costs of approximately £200,000 in defending the claim.²⁴ The *Singh* case is as good an illustration as any of the propensity of many libel claimants to use the English law of defamation as a means to silence unwelcome comment. In the circumstances, while we welcome the codification set out in clause 3, we believe that there is a principled case for going further and establishing a broader defence of honest opinion, to make clear to the courts that robust expressions of opinion should not readily be construed as factual claims. As between the term ‘honest opinion’ or ‘honest comment’ (as suggested by Lords Phillips and Lord Nicholls), we have no strong view and believe either would be satisfactory.

14. As far as broadening the defence is concerned, we welcome the decision to remove the that requirement in the draft Bill that the opinion in question should be in the public interest. We can see no good reason why the freedom to express one’s opinions, honestly held, should be constrained by a requirement to demonstrate that the opinion relates to a matter of public interest. We note that Lord Phillips in *Spiller v Joseph* also doubted the need for this requirement.²⁵ If, as the Ministry of Justice has suggested, the issue is rarely raised in any event, this seems only to strengthen the case for removing it entirely. In our view, any outstanding article 8 concerns are properly the subject of the law governing privacy, not defamation.

Clause 4: Responsible publication and the public interest

15. We believe that a statutory defence of responsible publication would represent an improvement over the existing common law defence. Indeed, having first called for the establishment of such a defence more than forty five years ago, JUSTICE finds it deeply unfortunate that it should have taken so long to be recognised by the courts. We share the view expressed by Lord Steyn, previously chair of JUSTICE, in May 2011.²⁶

Optimism about the practical utility of *Reynolds* privilege unfortunately proved misplaced. The great majority of *Reynolds* defences failed at first instance. The decision in *Reynolds* was criticised by the New Zealand Court of Appeal in *Lange v Atkinson and Australian Consolidated NZ Limited* [2003] 4 LRC 596, a case involving again a suit in defamation by a public figure. It held that the *Reynolds* decision altered the law of qualified privilege in a way which added to the uncertainty and chilling effect of the existing law of defamation As a matter of precedent, *Jameel* did not amount

²⁴ See e.g. The Times, ‘Science writer Simon Singh wins bitter libel battle’, 16 April 2010.

²⁵ [2010] UKSC 53 at para 113.

²⁶ Lord Steyn, 3rd annual Boydell lecture, n14 above, pp5-8.

to the much-needed critical re-examination of Reynolds. Unfortunately as matters stand, the Reynolds privilege will continue to complicate the task of journalists and editors who wish to explore matters of public interest and it will continue to erode freedom of expression.

16. It is, of course, inevitable with any new legislation that there will be some additional litigation to in order to settle the meaning of particular provisions. However, we do not regard this as a serious objection to the desirability of putting an improved public interest test in statutory form. In our view, the importance of rebalancing the substantive law outweighs the problem of increased litigation in the short- or medium-term.

17. However, we are concerned that the test as currently worded in clause 4 is too narrow. We therefore recommend the following changes:

- (i) First, we welcome the clarification that the criteria in clause 4(2) should be regarded as merely illustrative rather than exhaustive. Not all of the criteria will be relevant in every case. As Lord Bingham said of the factors listed by Lord Nicholls in *Reynolds*:²⁷

He [Lord Nicholls] intended these as pointers which might be more or less indicative, depending on the circumstances of a particular case, *and not, I feel sure, as a series of hurdles to be negotiated by a publisher before he could successfully rely on qualified privilege.*

- (ii) It is crucial that the availability of the defence should not be limited to professional journalists. The importance of a free press lies in its contribution to the free and open exchange of information, ideas and opinions. In JUSTICE's view, this is not an activity that depends on being an accredited member of some particular profession, or having a contract of employment with a media organisation. Accordingly, we take the view expressed by Lord Hoffmann in *Jameel* that the defence of public interest should be 'available to anyone who publishes material of public interest in any medium',²⁸ whether they be a reporter for an international news channel, an NGO or an unpaid blogger. Given the increasing importance of the internet as a source for news and reportage, we think it would be impractical to limit the scope of the defence to paid journalists only. This also reinforces our earlier point about the concept of 'responsible journalism' being applied in as broad and as flexible a manner as possible. The resources available to undertake fact-

²⁷ *Jameel*, n9 above, para 33. See also Lord Hoffman at para 56: 'Lord Nicholl's well-known non-exhaustive list of ten matters ... are not tests which the publication has to pass. In the hands of a judge hostile to the spirit of *Reynolds* they can become ten hurdles at any of which the defence can fail. That is how Eady J treated them'.

²⁸ *Ibid*, para 54.

checking and the like will obviously differ depending on whether the defendant is a major newspaper, for instance, or someone who blogs on the internet in their spare time. It would be unjust to require the latter to meet the standards that can reasonably be expected of the former. We welcome the recommendation of the Joint Committee on the Draft Bill that the criteria to be considered under clause 4 should be amended to include 'the resources available to the defendant'. The Government response explains the view that the power of the Court to consider the nature and context of the publication would allow the Court to consider the character of the publisher, including his resources.²⁹ While this explanation of the Government's view is welcome, in light of the potentially chilling effect which libel claims can have on small organisations or individual commentators, express clarification of the ability of the Court to take a differential approach to the assessment of responsibility would be welcome.

- (iii) Thirdly, although prior notification is given as a factor in ground (f) ('whether the defendant sought the claimants views on the statement before publishing it'), the public interest grounds *against* prior notification are not as clearly set out. Ground (h) now refers to the timing of the publication and removes the draft provision that limited this criteria to 'whether there was any reason to think it was in the public interest for the statement to be published urgently'. We welcome this amendment. The original appeared to presuppose that the only reason for non-notification might be urgency. An equally strong public interest ground for not providing prior notification would be the concern that a well-financed claimant might seek use article 8 grounds to bar publication, rather than bring an action in defamation. The importance of source protection is another strong public interest ground for non-notification that is not given weight among the criteria. A statutory public interest defence should not assume that non-notification amounts to irresponsible journalism. We are concerned that the inclusion of ground (f), together with any ambiguity about the relevance of the timing of any publication, should not inadvertently lead to this result.

- 18. Lastly, given the importance of the public interest defence, we believe that, where a defendant raises a defence of responsible publication, there should be a rebuttable presumption that the defendant has acted responsibly unless the claimant can demonstrate the contrary to the civil standard of proof. At the very least, it should be for the claimant to show that the subject matter of the statement was not in the public interest rather than for the defendant to show that it was.

²⁹ Ministry of Justice, *The Government's Response to the Report of the Joint Committee on the Draft Defamation Bill*, (Cm 8295) February 2012, paras 14-15

19. We welcome the decision not to provide a statutory definition of public interest. We favour as broad a definition of 'public interest' as possible and believe that any attempt to define it in statute would run the risk of inadvertently reducing its breadth. Although we acknowledge there is a risk in leaving the definition to the courts, in the long run we think this is likely to deliver greater breadth and flexibility than a flawed statutory definition that would be much more difficult for the courts to put right. If, over time, it emerged that the courts were defining public interest in too narrow a fashion, it would be open to Parliament to legislate to correct this.

Clauses 5 and 10: Online intermediaries and secondary publishers

20. We welcome that clauses 5 and 10 provides some measures to protect online intermediaries and other secondary publishers, by creating a presumption that an action should be against the author of an online defamatory statement, not an intermediary such as an Internet Service Provider (ISP). However, we have some concern that the details of the measures to be included in clause 5 are to be provided in secondary legislation not subject to the full scrutiny of Parliament.

21. In our view, the internet is fast-becoming the dominant medium, both in the UK and globally, for the free expression of ideas and information. In these circumstances, it is vital that the law should give much greater protection to the various intermediaries such as ISPs, search engines and discussion boards who facilitate this expression.

22. In particular, the present model of 'notice and take-down', which enables claimants to secure the removal of any offending material simply by giving notice to an intermediary rather than to the primary publisher, is hopelessly unbalanced and a serious threat to freedom of expression. Intermediaries, who lack the necessary resources to review the offending material, will sensibly comply rather than risk being held liable. Meanwhile, the primary publisher's freedom of expression is curtailed without any judicial determination of the merits of his or her case.

23. Against this background, we are concerned that the provisions in clause 5 appears to place an onus on intermediaries to take steps to identify and provide information in connection with a user on the basis of a subjective allegation of defamation not subject to objective scrutiny (clause 5(5)(a), 5(4)(b)). The potential for these intermediary steps to chill the expression of opinion and commentary without any external oversight is a cause for concern.

24. In this context, we agree with and support the proposals for a 'court-based liability gateway' put forward by the Libel Reform Campaign in its evidence to the Joint Committee on the Draft Bill.

Clauses 6 and 7: Privilege

25. We welcome the provision in clauses 7 and 8 for the defences of absolute and qualified privilege. Among other things, we hope they will reduce the threat of needless litigation brought in respect of information that is already in the public domain, or at least should be.
26. The defence of absolute privilege is particularly important in light of the October 2009 injunction obtained on behalf of Trafigura against the Guardian which, astonishingly, purported to restrict the Guardian from reporting, among other things, a question in Parliament asked by Paul Farrelly MP. As Trafigura's solicitors subsequently told a parliamentary committee:³⁰

[O]n the wording of the Order as it then stood, it was clear to us that, absent a variation of its terms, it would amount to a breach and therefore a contempt for the *Guardian* to publish, as it proposed, information about Mr Farrelly's parliamentary question, referring to the existence of the injunction.

The Lord Chief Justice subsequently said:³¹

I am speaking entirely personally but I should need some very powerful persuasion indeed - and that, I suppose, is close to saying I simply cannot envisage - that it would be constitutionally possible, or proper, for a court to make an order which might prevent or hinder or limit discussion of any topic in Parliament. Or that any judge would intentionally formulate an injunction which would purport to have that effect.

We agree with the view expressed by the House of Commons Committee on Culture Media and Sport that the 'free and fair reporting of proceedings in Parliament is a cornerstone of a democracy'.³² We also note the recommendations of the committee chaired by Lord Neuberger on the use of super-injunctions, in particular those in Part Six of its report which indicated that Parliament may wish to use the Defamation Bill to clarify the scope of the privilege.³³

It ... appears to be an open question whether, and to what extent, the common law protects media reporting of Parliamentary proceedings where such reporting appears

³⁰ House of Commons Committee on Culture, Media and Sport, *Press Standards, Privacy and Libel* (HC 532: February 2010), para 99.

³¹ Statement of the Lord Chief Justice, 20 October 2009.

³² Note 30 above, para 101.

³³ *Report of the Committee on Superinjunctions: Superinjunctions, Anonymised Injunctions and Open Justice* (May 2011), para 6.33.

to breach the terms of a court order and is not covered by the protection provided by the 1840 Act. *What is clear is that unfettered reporting of Parliamentary proceedings (in apparent breach of court orders) has not been established as a clear right.*

27. In light of this, we recommended that the Bill should make clear on its face the absolute right of any person to publish an accurate report of parliamentary proceedings without fear of either prosecution or suit. However, the Bill should also adopt the provision contained in clause 7(2) of Lord Lester's Private Members Bill, which would require the court to stay any proceedings where the defendant is able to show that they would 'prevent or postpone' the reporting of parliamentary proceedings. The Government has indicated that any further action will be considered in the context of its consultation on parliamentary privilege and the consideration of draft clauses for a Parliamentary Privilege Bill. This consultation will close in September 2012 and the draft clauses contain suggested changes to the law to rebalance the burden of proof in favour of journalists seeking to rely on privilege.³⁴

28. The matter needs to be addressed as a matter of urgency. We recognise that the issue goes more broadly than just injunctions in defamation cases and therefore there is value in addressing it the Parliamentary Privilege Bill. However, we consider that it would be irresponsible for Parliament not to address the specific issue of privilege and defamation in the context of debates on this Bill.

Clause 8: Single publication rule

29. We strongly support the introduction of a single publication rule, but not the 'materially different' test in clause 8(4).

30. In our response to the Ministry of Justice consultation on the multiple publication rule,³⁵ we argued for the rule in the Duke of Brunswick's case³⁶ to be abolished on the basis that it undermined legal certainty and was impractical given the nature of modern media. We strongly support the introduction of a single publication rule, providing that the first occasion on which material becomes publicly available shall be treated as the date of publication for all purposes.

31. However, we oppose the 'materially different' exception contained in clause 8(4). In our view, such a provision could dramatically undermine the benefit of the single publication rule. In

³⁴ Cabinet Office, *Parliamentary Privilege* (Cm 8318), April 2012

³⁵ JUSTICE response to *Defamation and the Internet: The multiple publication rule*: consultation paper CP 20/09 (December 2009).

³⁶ See n16 above.

particular, an enormous amount of material that has been in the public domain for many years is currently being transferred into electronic format and made available on the internet (e.g. newspaper archives, scholarly journals, etc). The effect of clause 8(4), could be that this would count as fresh publication, which would oblige those making archival material available to scrutinise all republished material for potentially defamatory content. It is obvious that such an exercise would be enormously time-consuming and, in many cases, prohibitively expensive. Given the compelling public interest in making archival material as widely available as possible, we recommend that clause 8(4) should be removed from the Bill. The court would still be free to exercise its discretion under s32A of the Limitation Act 1980 in exceptional cases.

Clause 9: Jurisdiction – ‘libel tourism’

32. We believe phenomenon of libel tourism is a significant problem, notwithstanding that a relatively small number of cases reach court. We note, for example, the difficulties highlighted in the recent report by Lord Neuberger’s committee in estimating the number of superinjunctions that have been made:³⁷

The current absence of any data renders it impossible to verify whether and to what extent super-injunctions and anonymised injunctions are being granted by the courts. Equally, it renders it impossible to verify whether claims of the existence of as many as 200 – 300 such orders refer to super-injunctions, anonymised injunctions, a combination of the two, is based on double counting orders made first at a without-notice hearing and then continued at a with-notice notice hearing, or is simply an exaggeration.

If the head of the civil justice system in England and Wales is unable to state with any confidence exactly how many superinjunctions or anonymised injunctions have been issued by the courts in any given year, then we hardly find it surprising that the extent of libel tourism in the sense of actions being *threatened* should be significantly underestimated.

33. In our view, restricting the ability of foreign claimants to bring an action for defamation in England and Wales would be an entirely proportionate restriction on the right of access to a court, given the need to safeguard freedom of expression both here and abroad. We recognise that clause 9 is limited to non-EU defendants, and that this is due to the requirements of the Brussels I Regulation. The limitations of this measure mean that it becomes all the more important to rebalance other aspects of the law on defamation to ensure that the courts are not used stifle freedom of expression, wherever the parties are domiciled.

³⁷ See n33 above, paras 4.4-4.5.

Clause 10: Jury trial

34. We favour reversing the long-standing statutory presumption that actions in defamation will be heard by a jury. Although we believe that juries are an important constitutional safeguard against unfairness and injustice, we agree that the generally high cost of defamation proceedings means that ending the *presumption* in favour of jury trial is a reasonable step.³⁸
35. However, the constitutional importance of the right to trial by jury means that a *defendant* should not be deprived of his right to *elect* trial by jury if he believes it necessary. This will be particularly important in circumstances where the defendant (i) has the burden of proving his case and (ii) believes that the meaning of his statement is better assessed by a jury of his peers than by a trial judge. It seems to us that the primary argument against retaining trial by jury is the concern that it will add significantly to costs, but that this is typically a concern for defendants rather than claimants.³⁹ The Court will retain a discretion to appoint a jury. The Joint Committee on the draft Defamation Bill favoured including a guidelines on the circumstances when it would be appropriate to exercise that discretion. Government rejected this approach, arguing that such guidance would be unnecessary.⁴⁰ We think ending the presumption against jury trial but retaining a defendant's right of election would strike the appropriate balance between these competing interests.

Other issues: Defamation and corporations

36. We agree with the Libel Reform Campaign that non-natural persons do not have psychological integrity and are therefore incapable of suffering harm to their reputations in the manner of natural persons. Whatever public benefits may be derived from granting legal personality to non-natural persons, they must never be allowed to take precedence over the public good of free expression as enjoyed by natural persons. We therefore agree with the Campaign's recommendation that corporate bodies suing in libel should have to show (i) actual or likely financial harm and (ii) malice.⁴¹ As has been noted, corporate bodies have alternative means to protect their reputation, including the tort of malicious falsehood, copyright and trademark protections, not to mention the wealth of regulation of advertising and marketing generally that

³⁸ See e.g. the recent Court of Appeal judgment in *Fiddes v Channel Four Television* [2010] EWCA Civ 730, the Court upheld the trial judge's ruling that it was appropriate to hear the case without a jury in light of the 'vast costs' that had already been incurred.

³⁹ It is also relevant that defendants, unlike claimants, have no choice in the matter of whether they will be sued for defamation. In this sense, an asymmetry in the entitlement to trial by jury as between claimants and defendants is justified.

⁴⁰ Ministry of Justice, *The Government's Response to the Report of the Joint Committee on the Draft Defamation Bill*, (Cm 8295) February 2012, para 62

⁴¹ Defamation Bill 2012, *Briefing for Second Reading*, Libel Reform Campaign, May 2012.

restricts what business competitors may say about one another (see e.g. the Business Protection from Misleading Marketing Regulations 2008).

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JUSTICE
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