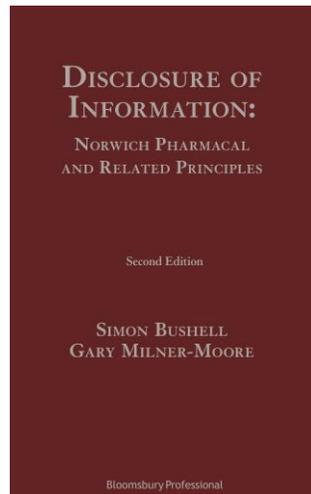


Disclosure of Information: Norwich Pharmacal and Related Principles

By: Simon Bushell and Gary Milner-Moore



Foreword

The Rt. Hon. Professor Sir Robin Jacob

I am one of the last survivors of *Norwich Pharmacal*.¹ When Simon Bushell asked me to write this Foreword I was delighted to accept. And even more so when I read what was described as the ‘near-final’ manuscript. For the book reads much, much better than most textbooks. Yes, it sets out the law – accurately and usefully – but it also tells stories, of the seminal case itself and then of its progeny. These include *Norwich’s* immediate children such as *Anton Piller*, *Bankers Trust* and the predictable conflict between a journalist’s need to protect her sources and an injured party’s need for information to sue coming to a head in *British Steel*. It tells also of *Norwich’s* grandchildren, great grandchildren and what may now be fairly called its diaspora.

A modern reader gets the feel of how it all developed, case by case – a classic example of the common law in action. I do not think it could have happened in a civil law system. Indeed, it did not as far as infringement of Intellectual Property rights are concerned. It was 30 years after *Norwich*, that the EU Enforcement Directive² compelled Member States to introduce a right of information from persons which might fairly fall within Lord Reid’s concept of ‘mixed up’ in the infringement even though they are not infringers themselves.³

¹ Of the counsel in the case there remain only Peter Gibson (junior for the Crown and Peter Prescott, second junior for *Norwich*). I was first junior.

² Directive 2004/48/Econ the Enforcement of Intellectual Property Rights.

³ Art 8.

Another reason I was delighted is that it gave me an opportunity to re-publish part of what I wrote in another book.⁴ Just before the Judicial House of Lords morphed into the Supreme Court,⁵ Louis Blom-Cooper had the idea of a book to recognise the history, achievements (and failures) of the Judicial Committee of the House of Lords.⁶ He lured, seduced, cajoled and pressed into service over 40 authors (quite a few from abroad) to produce what is a remarkable work for any lawyer to read. I was one of Louis' victims – given the task of writing a chapter based on the House of Lords and Intellectual Property. Part of that chapter was about *Norwich Pharmacal*. I reproduce it here, slightly tidied up.

'It is difficult, if not impossible, to remember or even picture procedural law before the era of the *Norwich*, *Anton Piller* and *Mareva* orders. They all emerged in the early '70s. The seminal case was *Norwich*, changing as it did the whole ethos of what remedies a court could grant.

It started in 1967 when I was Anthony Walton's pupil. The drug company *Smith Kline & French* had an exclusive licence under *Norwich Pharmacal's* patent for a chicken food additive called furazolidone. SK&F noticed that statistics of imported products published in the "special chemical register" by the Customs included furazolidone. Clearly it infringed the patent⁷. The amounts and dates of import but not the names of the importers were published. SK&F asked Customs for the names. Customs said it could not and would not supply them. It could not because the names were confidential to the supplier of the information and moreover by implication Statute⁸ precluded disclosure. It would not because if it did supply the names that would imperil the integrity of the special chemical register in that dishonest people would lie about what they were importing. SK&F went to Anthony Walton. He suggested the thing to do was to sue Customs claiming it was infringing because the infringing product passed through its control. This was seen as a long shot but the idea was to bring some pressure on Customs, possibly to get the names on discovery of documents and somehow make use of them, or even to lose but make some political capital out of that with a view to getting legislation to deal with this manifest injustice. The idea of an action for discovery as such was so alien that it never crossed the mind of anyone.

⁴ I did not have to ask permission – I never assign or grant exclusive rights under my copyright. It always leads to bureaucracy.

⁵ An American Judge once said to me 'you are throwing away one of the great trade marks in the law – everyone else has a Supreme Court.'

⁶ *The Judicial House of Lords 1876-2009*, Louis Blom-Cooper QC, Brice Dickson and Gavin Drewry, August 2009, OUP. I think it is a great read.

⁷ Save on the improbable hypothesis that it was a SK&F product bought in the UK, exported and re-imported.

⁸ In the shape of s 3 of the Finance Act 1967.

An action for infringement was started in 1969. It was not pursued with great enthusiasm given its prospects. But one day, looking through 4 Chancery Division reports for something wholly unconnected with this case, Walton's eye accidentally, and serendipitously, fell upon p.97, the 1876 case of *Orr v Diaper*. There it was, or seemed to be, in order for discovery of the name of a trade mark infringer. The order was against a shipper of goods bearing a spurious trade mark to find out who the exporter was. The Norwich writ was amended to include a claim for discovery. Customs listed documents which would disclose the names, but claimed Crown privilege.⁹ So a summons for inspection was issued. It came before Graham J. He, the practical business-minded judge that he was, held that discovery should be given¹⁰, against the arguments of Sydney Templeman QC and Jean-Pierre Warner for the Crown. The Court of Appeal reversed Graham J with a resounding thump – there was no such thing as an action for discovery against anyone who was not himself a wrongdoer and in any event the information both could not as a matter of law and should not on the grounds of Crown privilege be disclosed. Lord Denning MR's judgment was particularly conservative – even accepting the argument that the Crown should protect wrongdoers in the interests of keeping the statistics accurate¹¹. Leave to appeal was refused.

So it was on an application for leave that the case first reached the House of Lords. As I recall it the oral argument lasted for most of the day. It was in the Moses room rather than one of the two usual Committee rooms. Oddly what interested the three Lords¹² who heard it most was the point about whether statute precluded disclosure. Leave was given.

Thus the stage was set for a right Royal battle. By then Sydney Templeman had gone to the bench and Jean-Pierre Warner to be the UK's first Advocate-General in the ECJ. The new Crown team were Peter Oliver QC leading, as first junior, Peter Gibson. By then the amount of legal research which had been done was truly massive. We had trawled the English Reports, early American and Commonwealth authorities and the leading textbooks of the 19th century. All the authorities had been photocopied and put in 5 large, bound, volumes.¹³

Walton decided to start with the statutory prohibition/Crown privilege points – these were seen as the soft target because the idea of the Crown protecting wrongdoers was obviously unattractive. The plan failed at the first moment. Before he had got further than "May it please your Lordships I appear with ..." Lord Reid interrupted: "Mr Walton, there are two points in this case. Their Lordships would like you to start with the question of whether there is an action for discovery." Clearly there was some scepticism about this. Walton embarked on the exercise taking them through the detailed stuff we had found. There was much intervention. Some progress seemed to be made but not, it seemed, enough when Peter Oliver got up on, I think, the third day. At some point thereafter, either the Thursday or the following Monday, Lord Kilbrandon did not appear – he was sick. Lord Reid said the court would press on with four. So Peter Oliver finished his response on the discovery appeal and Walton had about a day and a bit to reply. By now they were really interested. At about midday on the Wednesday of the second week the argument on this point was complete. We were turned out of Committee room Number 1 while the four debated what to do. Lunch came and went. We all walked up and down that corridor, seemingly for ever. At about quarter to four the door was flung open and the usher called "Counsel." In we went. Reid said: "Mr Walton and Mr Oliver. Their Lordships are evenly divided. Lord Kilbrandon will be better by Monday. We would like you to re-argue the question. The rest of us will endeavour not to interrupt."

⁹ As public interest immunity was called in those days.

¹⁰ At an earlier state we had gone to Graham for an early hearing date. When Walton told him that the case was about getting the name of the infringer from Customs, he said 'why won't they tell you?' Walton said he knew from then on that Graham would find for us.

¹¹ The dishonest infringing importers might lie if they knew their identify might be exposed.

¹² Lord Cross was one, I cannot remember the other two.

¹³ Not just ring binders. Photocopying a few, unreported, cases had been done once or twice before but this was an exercise on a different scale. It was, I believe, the first time reported authorities had ever been photocopied. Before that courts and counsel all worked with actual volumes of reports.

After that it was all downhill. After the action for discovery the other points were easy. In the result it was a 5:0 decision. I, and all others in the case, long wondered which two changed their minds. None of us ever found out. A possible mind-changer was Lord Cross. For a few days after the argument was over counsel got a letter from him¹⁴. He had discovered a case of 1887 in the Supreme Judicial Court of Massachusetts, *Post v Toledo*¹⁵, which he thought supported the existence of the action. If I were asked to speculate now as to the other mind-changer I would say Lord Morris. He had played a lesser part in the debate, and I think, by nature, was rather more conservative than the others.

Norwich set in train a whole series of cases about the limits of the rule itself (journalists' sources, malicious informers and so on); it changed the very notion of using litigation to obtain information¹⁶. It changed lawyers' attitudes to creative procedural litigation. If this unthinkable thing could be done, why not others? So came *Anton Piller*¹⁷, *Mareva*¹⁸, orders against 3rd party banks for production of documents¹⁹, passport seizure orders where an alleged debtor was likely to abscond²⁰ and others. I do not think any of these things would have happened as quickly or even at all but for the sea-change brought about by *Norwich*."

¹⁴ I do not know many times such a post-hearing letter had happened before.

¹⁵ (1887) North Eastern Reporter 540. The Judgment was by Associate Justice Holmes, the future Justice Holmes of the US Supreme Court. Actually, Peter Prescott's researches had already found this case but we did not cite it because we thought it distinguishable on the grounds that the defendant was in effect a wrongdoer. We were not so purist as to say that it did not help after Lord Cross had found it and though it was in our favour!

¹⁶ A quick early example was *D v NSPCC* [1978] AC 171, where a mother, wrongly accused of child abuse, sought an order that the identity of the informer be disclosed by the NSPCC. The HL refused the order on the ground of public interest – the doctors, teachers, relatives and neighbours who are the regular informants to the NSPCC of cases of suspected child abuse would all dry up if their names could come out. Curiously a recent author, Ruth Costigan, has asserted that 'there is no appellate authority on whether a public interest defence can defeat a *Norwich* Pharmacal claim', 'Protecting Journalists' Sources' *Public Law*, Autumn 2007, 464 at 475. She cites a Court of Appeal case where the point was assumed, *Mersey NHS Trust v Ackroyd* [2003] EMLR 36. Is *D* so old that everyone has forgotten it? And is *Norwich* itself no longer read? For in *Norwich* the question of public interest was a live defence, only failing on the merits.

¹⁷ [1976] Ch 55. I am quite sure this would never have happened but for *Norwich*. Following *Norwich*, record companies who were facing the new phenomenon of piracy quickly sought disclosure orders against retailers as to their sources. It usually turned out that by the time action against these was taken they said they had nothing left and had only sold a few. The need to 'get in there' provoked legal research by Hugh Laddie in the 19th century cases for a justification for such an order. About 8 were granted in favour of record companies until the Chancery Judges decided that the order needed the sanction of the Court of Appeal. The 9th case, where it was refused, *Anton Piller* happened not to be a record piracy case. It was one of breach of confidence. When taken to appeal, Lord Denning MR was much in favour of the order (the contrast with his attitude to *Norwich* is marked). And so it was that the name of this obscure German company entered the language of the law.

¹⁸ [1975] Lloyds Rep. 509.

¹⁹ *Bankers Trust v Shapira* [1980] 1 WLR 1274.

²⁰ *Bayer v Winter (No.1)* [1986] FSR 323, CA.

I add a few embellishments. More for fun than anything else:

1. Lord Kilbrandon described the argument as 'rather acrimonious'. I suppose it must have seemed so to him. The reality was quite, quite different. Each side's counsel had huge respect for the other. I made firm friends with Peter Oliver. When he was appointed to the bench I wrote to him suggesting that he could create a 'fourth animal' – a reference to Sydney Templeman's Court of Appeal argument that there were 'only two animals – infringer and non-infringer'. *Norwich* had created a third 'one who was mixed up'. Peter wrote back saying he would create a whole zoo of animals!
2. Anthony Walton invented a name for a particular type of point. It is where one side makes a point which the other side understands and answers but the court neither understands the point nor the answer. He called it a 'Sir Rum Bum Peto' point, named after a case cited in argument²¹. The Rum-Bum Peto case in *Norwich* went like this: Peter Oliver submitted that the warehouseman and carrier cases we had cited (such as *Orr v Diaper*) could be distinguished because the defendant was a volunteer whereas Customs had a statutory duty to take control of goods. Our answer was to say that warehousemen in particular were also under a statutory duty to take goods into their warehouse. We found some private Acts of Parliament setting up warehouse companies. They were required to take cargo offloaded from ships – otherwise of course they might hold shipowners to ransom. The point never made the judgment – Rum Bum Peto points, by their nature, never do.
3. The statutory prohibition point was, at least in retrospect, particularly bad. It ran like this: Section 3 of the Finance Act 1967 permitted disclosure of information to third parties which had been given to the revenue for some purpose or other by a taxpayer. So, it was argued, but for the provision, it could not be disclosed. A schoolchild should be able to see the two flaws in that: firstly that the Act did not amount to a prohibition at all, and secondly, even if Parliament assumed that statutory permission was needed, the courts do not take mere assumptions of law by Parliament as laying down the law. How we spent nearly all day on this point at the leave applications I really can't remember.
4. I looked up the name *Norwich Pharmacal*. The Norwich is Norwich New Jersey. The company still exists (now called Norwich Pharma Inc.). I could not find out how long it was called 'Norwich Pharmacal' – the word 'Pharmacal' is an old-word, a synonym of 'pharmaceutical'. The first recorded use is by a physician, Tobias Whitaker, in 1638 ('Blood of Grape as Our pharmacall compositions'). The OED says the word is obsolete. Funny how it has hung on to become part of a lawyer's language.

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For further information or to buy the book: www.bloomsburyprofessional.com/norwichpharmacal

²¹ *Uzielli, In re, Poonsardin v Peto* (1863) 33 L.J. Cj, 371