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*Judgment: approved by the Court for handing down
(subject to editorial corrections)*

Delivered: 23/8/22

IN THE HIGH COURT OF JUSTICE OF NORTHERN IRELAND

QUEEN'S BENCH DIVISION

BETWEEN:

Terex GB Limited

Plaintiff;

and

Andrew Mulholland

First defendant.

and

M&K Quarry Plant Limited T/A M&K Group

Second defendant

Master Bell

[1] This is an application by the plaintiff for two reliefs against the second defendant. The first relief, and indeed the principal matter before me, is an application for inspection facilities under Order 29 rule 2 of the Rules of the Court of Judicature. However this is no simple application for inspection of premises where

an accident occurred. It is an application to allow the plaintiff to enter its premises and to take a forensic image of the second defendant's entire computer server. The second relief sought is an order that the second defendant be restricted from inspecting or obtaining copies of the plaintiff's documents set out in schedule 1 to the Statement of Claim until the second defendant has executed a confidentiality undertaking. A third relief had originally also been sought, namely an order for a list of documents to be filed by the second defendant. However, by the time the summons came to be heard, the list had been served.

[2] In this application the plaintiff was represented by Mr Hopkins and the second defendant by Mr Gibson. I am grateful to them for the high quality of their oral and written submissions and am also grateful to the plaintiff's instructing solicitor, Mr Guzhar, for the comprehensive and well-organised trial bundles.

THE FACTUAL CONTEXT

Introduction

[3] The plaintiff (hereafter "Terex") is a subsidiary of the Terex Corporation which is a global manufacturer of equipment in various industries, including the construction, infrastructure, manufacturing, shipping, transportation, refining, quarrying and mining industries. Terex has special responsibility within the Corporation for the design and manufacture of large-scale quarry plant and equipment such as crushers and screeners.

[4] Around 2010 Terex designed a screening machine now known as the 1400X. It went into production in October 2011 and onto the market in November 2012. The plaintiff's design documents for the 1400X are said to constitute sensitive and confidential design information. They were kept by Terex for use by some of its employees within Terex's designated design vault server. This allowed employees, including design engineers, manufacturing engineers and quality engineers, to have access to the vault in order to create, share and change their design work.

[5] The first defendant (hereafter "Mr Mulholland") was an employee of Terex from August 2012 until his dismissal for gross misconduct in December 2014. His employment contract contained clauses whereby he agreed not to make any use of trade secrets or confidential information concerning the business of Terex; to deal with, protect and preserve Terex's property entrusted to him in an honest, true and faithful manner; and not to remove any Terex property or materials without the express permission of his manager. Mr Mulholland was employed by Terex as a design engineer and his duties included, inter alia, working on maintenance aspects of the machines and carrying out design changes arising from requests from the shop floor and/or customer feedback. Occasionally he took a front role in development of product features that were related to general product updates and renewals. However, he was not involved in the original design of any machines for

Terex, and specifically he was not involved in the design of the 1400X, nor was he involved in any design changes after the 1400X was on the market.

[6] The circumstances of Mr Mulholland's dismissal from Terex are as follows. On 1 December 2014 Mr Mulholland tendered his resignation indicating that he had accepted a design engineer job with the second defendant (hereafter "M&K"). Terex's lead engineer, Mr Robinson, was concerned as M&K was active in the materials processing industry, and he notified Mr O'Neill (Terex's Engineering Manager). As a precautionary measure and to protect the interests of Terex, Mr O'Neill requested that Mr Hanratty (Terex's Engineering Systems Manager) arrange for a user report to see which machines Mr Mulholland had been accessing on his computer. As a result of that report, it was discovered that between 13 and 27 November 2014 Mr Mulholland had accessed over 50 design models for an extensive number of Terex's machines (some being machines currently under production and others being only in the design phase), none of which he was said to have had any reason or need to access under the remit of his duties. Mr Mulholland was invited to discuss the findings of the report. Mr Mulholland admitted that he had looked at a range of machines and said that the reason for doing so was as a result of his own curiosity and then stated that some of the designs had been "checked out accidentally". He also indicated that the use of a USB drive connected to his computer may have been because he may have been using a phone charger or transferring photographs from his phone to the computer. Terex was not satisfied that his responses were sufficient to explain his actions and he was dismissed without notice for gross misconduct. He appealed that finding and the appeal was dismissed.

[7] In June 2019 Terex employees attended a trade show in England which was aimed at those in the quarrying, minerals, recycling and heavy construction industries. At that trade show they saw that M&K was demonstrating a new machine, the TSW125. They were struck by the similarities in the overall shape and configuration between the 1400X and the TSW125 and also observed parts of the TSW125 which appeared on the face of it, to be identical to those of the 1400X. They took photographs of the TSW125 and, after comparing them with the features of the 1400X, it appeared to Terex employees that numerous features of the TSW125 had been copied from Terex's design drawings for the 1400X.

Proceedings

[8] Terex issued a Writ against Mr Mulholland and M&K on 31 July 2018. The Writ was followed by an application for injunctive relief on 6 August 2018. That application was heard by McAlinden J on 31 August 2018. The application in respect of Mr Mulholland was resolved by him giving certain undertakings and acceding to an order. As against M&K, the application for injunctive relief was refused.

[9] Mr Mulholland swore an affidavit in which he averred that his motive for viewing certain design models on the Terex system was simply curiosity. He stated

that he was contemplating leaving the company and wanted to see what else the company was working on and perhaps what he might have a chance to work on if he decided to stay. Mr Mulholland conceded that the computer logs may well record that he used a USB port on his work computer. He explained that he often plugged his mobile phone into that USB port so as to charge his phone. He also stated that he would use the same USB port to transfer photographs from his phone to his computer in the course of carrying out his employment duties. He denied that he had backed up or saved any of Terex's designs onto any memory stick. He further denied that he has at any time retained Terex's confidential information or transferred any of Terex's designs to M&K or persons connected with them.

Inspection facilities

[10] There have been attempts to agree the matter of inspection facilities between Terex and M&K. In an affidavit sworn for the injunctive relief application, Mr Rafferty, the director of M&K, made an offer, subject to assurances regarding the confidentiality and design right protection of their own designs, to allow third party forensic scientists to examine the computers of M&K and any other computers which were legitimately felt to be relevant in order to demonstrate that there had been no transfer or copying of Terex's designs to their computer system. That offer had been repeated by M&K's counsel at the injunction application.

[11] Following this offer, there was correspondence flowing between the solicitors for Terex and the solicitors for M&K. During this correspondence it became apparent that what was planned by Terex was that their expert would visit the M&K Group's site, take an image of the relevant folders on M&K's server and bring them to the expert's office where a forensic analysis would be undertaken. However the solicitors for M&K rejected the proposals to image the data and bring it offsite. They also wanted clearly defined parameters for inspection of computer material and that there would be categories of data which would not be made accessible to Terex's expert. M&K's solicitors made it clear that the expert instruction must not be treated as a "fishing expedition" and so must be clearly defined.

[12] Eventually an inspection was agreed between the parties and this took place on 5 March 2019. Mr Heanen from Leaf Consultancy Ltd attended at M&K's premises. However he was not permitted access to any files, data or systems. M&K wanted to know specific details of file names and types before access was granted.

[13] A second attempt at inspection was made on 19 July 2021 following further correspondence between the parties' lawyers. M&K staff allowed Leaf Consultancy to inspect CAD designs and the thumbnail pictures. They were not however allowed to carry out a key word search of the server unless they told M&K in advance what the key words were. Mr Heanen considered that providing M&K with a list of the key words in advance would undermine the point of a search, providing M&K with an opportunity to conceal documents and/or files. Nevertheless, despite holding this view, Leaf Consultancy did attempt to carry out key word searches in the CAD

data system only. However, as they did so, M&K representatives stood directly behind them and had full view of the key words which were inputted. Mr Heanen considers that M&K staff therefore know the relevant search terms which undermines the benefit and benefit of a key word search and even if such a search was to extend now to M&K's server system, it would be pointless. Mr Heanen therefore considers that a full forensic image of M&K's server is necessary instead.

[14] Mr Rafferty from M&K avers that their refusal to allow Terex to carry out a "fishing expedition" is grounded on the fact that M&K have a number of non-disclosure agreements with various third parties which might arguably be breached by openly permitting access of their systems to Terex.

PLAINTIFF'S SUBMISSIONS

[15] Mr Hopkins submitted that Order 29 rule 2 of the Rules of the Court of Judicature was sufficiently broad to allow the court to grant an order of inspection which amounts to allowing Terex to take a forensic image of the M&K Group's entire computer server. The Rule provides:

"2 - (1) On the application of any party to a cause or matter the court may make an order for the detention, custody or preservation of any property which is the subject-matter of the cause or matter, or as to which any question may arise therein, or for the inspection of any such property in the possession of a party to the cause or matter.

(2) For the purpose of enabling any order under paragraph (1) to be carried out the court may by the order authorise any person to enter upon any land or building in the possession of any party to the cause or matter."

[16] Mr Hopkins argued that the equivalent Rule in England and Wales under the Civil Procedure Rules was in materially the same terms and that there was a significant body of authority in that jurisdiction in connection with the power to order the inspection of a database and to order access to a party's computer or to direct the provision of an imaged version of a database. Such orders are often referred to as "electronic devices orders".

[17] Mr Hopkins referred me in particular to two authorities. Firstly, he referred me to *Patel v Unite* [2012] EWHC 92 (QB) where the court granted an order permitting an independent expert access to the defendant's database to make an image of it and/or such other electronic copy of data on the database (existing or deleted) as the expert might consider necessary in order to prepare a report identifying the information sought. The court acknowledged that the order sought was intrusive, but noted the court had power to order such inspection where necessary and proportionate, and was assured by the fact that the inspection was to

be by an independent expert who would be subject to undertakings to protect the interests of the disclosing party. Secondly, Mr Hopkins referred me to *McLennan Architects Ltd v Jones* [2014] EWHC 2604 (TCC) where the claimant sought an order to permit its IT expert access to examine the defendant's computer, including to create a forensic image of the hard drive. Akenhead J agreed that the court had a power to make such an order and set out a non-exhaustive list of factors which might properly be taken into account in making one.

[18] Mr Hopkins argued that "property" in the case before me is not limited to the computer servers of the parties concerned. Rather Terex's claim also relates to the confidential design documents. Hence any of Terex's design documents or other confidential information is the subject-matter of the cause or matter, or at very least property as to which any question may arise. He submitted that at no point had M&K objected in principle to inspection of its computer systems.

[19] It was argued on behalf of Terex that, in resisting Terex's application for an interim injunction, M&K had offered to allow a forensic IT expert to examine M&K's computer servers to demonstrate that there had in fact been no transfer or copying of Terex's designs. However M&K has merely purported to allow such inspections but has done so in a manner which Terex alleges renders that offer effectively meaningless. Accordingly, Terex argues that the granting of an order for inspection facilities under Order 29 rule 2 is both necessary and proportionate.

SECOND DEFENDANT'S SUBMISSIONS

[20] Mr Gibson, on behalf of M&K, considered that the *ratio* in *Patel v Unite* was very different from that suggested by Mr Hopkins. Mr Gibson considered that the decision is authority for the proposition that it must be open to the court, where there is reason to believe that a previous order of the court has not been fully complied with for reasons of lack of technical understanding, to make such further order as is necessary and proportionate to enable and assist the respondent to comply, and to ensure that the earlier order is not frustrated by an innocent failure to understand the technical issues. He further submitted that this was not the position in the application before me. There was no suggestion that M&K had failed to comply with any court order or did not understand its discovery obligations. Although M&K had made an offer to allow an inspection, Terex and M&K had been unable to agree an outworking of that offer and so, unimpressed by M&K's conditions, Terex had mounted the application before me.

[21] Mr Gibson also observed that in the decision of *McLennan Architects Ltd v Jones & Another* the claimant amended its application for a forensic image of the hard drive and limited the application simply to four emails and the related metadata. Akenhead J considered that the original application was much too wide in any event and to a large extent offended against the factors which might properly and legitimately be taken into account in such applications.

[22] Mr Gibson argued that the application made by Terex was effectively an application for an Anton Piller order. Such orders began in England and Wales in 1974 and were so called for many years following the decision of the Court of Appeal in *Anton Piller KG v Manufacturing Processes Ltd* [1976] Ch 55. In England and Wales such orders were subsequently put on a statutory footing by means of section 7 of the Civil Procedure Act 1997 (“the 1997 Act”) and are now called search orders in that jurisdiction. In Northern Ireland, however, they are still referred to as Anton Piller orders. Mr Gibson submitted that the criteria for obtaining an Anton Piller order are completely different from the criteria for satisfying the application which Terex brings under Order 29 rule 2. In *Wild Brain Family International Ltd v Robson and Another* [2018] EWHC 3163 (Ch) the court observed:

“[21] The defendants explain, in paragraph 30 of their skeleton argument, that, before the court may make a search order, an applicant must:

“...persuade the court that, if the defendants were forewarned, there was 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”: see *Anton Piller KG v Manufacturing Processes Ltd*. [1976] Ch 55 at p.61 per Lord Denning MR and *Columbia Picture Industries v Robinson & Ors* [1987] Ch 38. Its affidavit evidence in support of the application needed to “disclose very fully the reason the order is sought, including the probability that relevant material would disappear if the order were not made”: see PD52A, para. 7.3(2).”

[22]. More recently, in *BMW AG v Premier Alloy Wheels (UK) Ltd*. [2018] EWHC 1713 (Ch), Henry Carr J explained, at [14], that, before the court may make a search order, it must be satisfied (amongst other matters) that there is a “real possibility” of document destruction.”

[23] A further authority relied upon by Mr Gibson was *JD Classics Ltd (in administration) v Hood and Others* [2021] EWHC 3139 (Comm) in which Bryan J dealt with an extensive disclosure application filed by the claimant. The application included a post-disclosure “imaging order” in respect of personal electronic devices and computers. The court noted that imaging orders are often sought pre-disclosure as an alternative to a search order under section 7 of the 1997 Act.

In considering that application Bryan J noted:

“It is well-established, however, that an imaging order is “an intrusive order” and could only be made “when there is a paramount need to prevent a denial of justice” to the party seeking the order - see *CBS Butler Ltd v Brown* [2013] EWHC 3944 (QB) at [38] per Tugendhat J. But, as he noted in that case: “The need to avoid ... a denial of justice may be showed after the defendant has failed to comply with his disclosure obligations having been given the opportunity to do so”, citing *Mueller Europe Ltd v Central Roofing (South Wales) Ltd* [2012] EWHC 3417 (TCC).”

While Bryan J did make an imaging order in *JD Classics Ltd*, the reasons why the order was granted are very clear from his judgment and were based on the particular facts of the case before him:

“[The respondent] has been given every opportunity to comply with the disclosure orders, but I am satisfied that to date he has failed to do so and, for whatever reason, not all disclosure that is required has been provided to date. I have already made various findings in relation to that, including statements previously made by [the respondent]. In the circumstances, I consider that the order is necessary and proportionate to ensure that the order for extended disclosure is not frustrated and to prevent a denial of justice to [the claimant].”

CONCLUSIONS

[24] There are no previous decisions in Northern Ireland on the subject of what are in England and Wales called electronic devices orders. It is important therefore to undertake a careful analysis of the English case law and determine what the jurisdiction to make such orders is and when such orders should be made. It should be noted that the English case law does not always use the terms “electronic devices orders” and “imaging orders” consistently.

[25] The application in *Patel v Unite* was made by the claimant in circumstances where Mr Patel had previously applied to Lindblom J for a Norwich Pharmacal order in respect of defamatory postings on the BASSA forum, which was an internet forum owned and operated by Unite. An order was duly made which required Unite to carry out a reasonable search to locate the information sought, and to make and serve on Mr Patel a witness statement stating whether the information was now in its control, and to the extent that it had been but was no longer in its control, what had happened to it. The order also required Unite to provide for inspection, by way of electronic copies, the identities, home addresses and IP addresses of the persons who had used the usernames listed in the schedule to the order to make the posts complained of on the forum.

[26] The grounds of a subsequent application before Judge Parkes QC were that Unite failed to comply with the order of Lindblom J by carrying out a reasonable search, and that, although Mr Patel had supplied Unite with sufficient information to locate and disclose the information requested, or to explain what had happened to it, Unite had unreasonably failed to provide him with that information or explanation. Mr Patel's position was that Unite had failed to search for the relevant information. Here, an order for Norwich Pharmacal disclosure had already been made, which obliged Unite to carry out a search for the information which Mr Patel needed. There was reason to suppose that the search had not been thoroughly carried out or had not been carried out with the degree of expertise which was necessary to ensure that it was effectively done. The court held that, without an order of the kind sought, it would certainly not be possible to identify those responsible for the arguable wrongs of which Mr Patel complained. It seemed to Judge Parkes that the intrusiveness of the order proposed, particularly as regards innocent members who had not posted any of the material complained of, could be significantly reduced by ordering that the necessary work should be carried out by an independent expert appointed jointly by the parties, and that the expert should give suitable undertakings, to the effect that he should not disclose to Mr Patel or to any other person any information obtained in the course of his copying and examination of the BASSA database except information which identified those responsible for the posts complained of. On that basis, the order would in his judgment satisfy the requirement of proportionality, and the need to respect, so far as possible, the privacy and data protection rights of BASSA members.

[27] In his decision in *Patel v Unite*, Judge Parkes QC said:

“No domestic authorities on the point have been brought to my attention, and it appears that no mention is made of such a step in CPR 31BPD, which governs electronic disclosure, but I was shown a passage at para 9.29 of *Matthews & Malek on Disclosure* (Sweet & Maxwell, 2007), which asserts that the court has the power to order inspection of a database and to give access to a party's computer or to direct the provision of an imaged version of a database, but that it will only do so if it can be shown to be necessary and proportionate. The editors suggest that where it is not appropriate to allow a party to have access to the material, the court may permit inspection and interrogation of the computer system by an independent expert, who would be subject to undertakings necessary to protect the interests of the disclosing party. That, of course, is what is sought here. In my judgment, it must be open to the court, where there is reason to believe that a previous order of the court has not been fully complied with for reasons of lack of technical understanding, to make such further order as is necessary and proportionate to enable and assist the respondent to comply and to ensure that the earlier order is not frustrated by an innocent

failure to understand the technical issues, which in this case concern the scope for retrieval of the deleted data.”

[28] I note, however, that the case before me is not one where Terex have obtained a previous order of the court which has not been complied with and they now come to me asking for a further order which is necessary and proportionate so as to ensure that the earlier order is not frustrated. As such, *Patel* is not an authority which significantly assists Terex’s application to be given the remedy it seeks.

[29] In *McLennan Architects Ltd v Jones & Anor* [2014] EWHC 2604 (TCC) the claim was for payment in relation to architectural services as well as for work provided for the defendants at their home. However, it was alleged that emails attached to the Particulars of Claim were forgeries. The claimant had instructed an IT expert, Mr Atkinson, to investigate whether or not any of the e-mails said to have been forged were genuine. Mr Atkinson is said to have found no evidence to suggest that the e-mails had been tampered with at the claimant’s end, and this application was issued by the claimant to secure access to the defendants’ electronic devices. This was first mooted in correspondence at which stage the defendants made it clear that what was being sought was much too wide and unnecessarily intrusive given that the device in question contained much information which had absolutely nothing to do with the dispute between the parties.

[30] Akenhead J referred to his previous decision in *M3 Property Ltd v Zedhomes Ltd* [2012] EWHC 780 (TCC) where he had said:

"So far as the law is concerned, CPR Part 25.1 enables the court to grant injunctions or orders "for the inspection of relevant property" or for the "preservation of relevant property". It is common ground that that the court has the power to make the order sought but the order must be both necessary and proportionate. This was confirmed in the case of *Patel v Unite* [2012] EWHC 92 QB This approach is consistent with the overriding objective."

[31] Akenhead J, having stated that it was primarily to the overriding objective to which one must look as the basis on which to exercise the discretion to make an electronic devices order, then went on to list (non-exhaustively) the factors which might properly and legitimately be taken into account in such an application:

- (a) The scope of the investigation must be proportionate.
- (b) The scope of the investigation must be limited to what is reasonably necessary in the context of the case.
- (c) Regard should be had to the likely contents (in general) of the device to be sought so that any search authorised should exclude any possible disclosure of

privileged documents and also of confidential documents which have nothing to do with a case in question.

(d) Regard should also be had to the human rights of people whose information is on the device and, in particular, where such information has nothing or little to do with the case in question.

(e) It would be a rare case in which it would be appropriate for there to be access allowed by way of taking a complete copy of the hard drive of a computer which is not dedicated to the contract or project to which the particular case relates.

(f) Usually, if an application such as this is allowed, it will be desirable for the Court to require confidentiality undertakings from any expert or other person who is given access.

[32] However as Mr Gibson observed, although the court confirmed the jurisdiction to make an electronic devices order, the order as sought by McLennan was much too wide and to a large extent offended against the factors which Akenhead J articulated. By the time the full hearing of the application came on, and following a judicial hint at the first hearing, McLennan, sensibly through its Counsel, was prepared to reduce very substantially what was sought to an examination of the device by Mr Atkinson, under supervision from or in company with an IT consultant to be appointed by the defendants, the examination being limited to the four e-mails in question and the related metadata and any copying thereof to involve each party having exactly the same copy and an undertaking of confidentiality to be provided to the defendants and JJA as well as to the court. This was sensible and proportionate and overcame the very real and proper objections which had been made by the respondent to the application.

[33] In addition to the possibility of electronic devices order being made under Order 29 rule 2, the court also has the capacity to order the imaging of a computer hard drive as an element of an Anton Piller order or another order of the court such as a Mareva Injunction. The classic description of what became known as an Anton Piller order is contained in *Anton Piller KG v. Manufacturing Processes Ltd. and Others* [1976] Ch. 55 where Denning LJ said:

“Let me say at once that no court in this land has any power to issue a search warrant to enter a man's house so as to see if there are papers or documents there which are of an incriminating nature, whether libels or infringements of copyright or anything else of the kind. No constable or bailiff can knock at the door and demand entry so as to inspect papers or documents. The householder can shut the door in

his face and say "Get out." That was established in the leading case of *Entick v. Carrington* (1765) 2 Wils.K.B. 275. None of us would wish to whittle down that principle in the slightest. But the order sought in this case is not a search warrant. It does not authorise the plaintiffs' solicitors or anyone else to enter the defendants' premises against their will. It does not authorise the breaking down of any doors, nor the slipping in by a back door, nor getting in by an open door or window. It only authorises entry and inspection by the permission of the defendants. The plaintiffs 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."

[34] In *Wild Brain Family International Ltd v Robson and another* [2018] EWHC 3163 (Ch) the claimant applied, without notice, for an "order for delivery up, evidence preservation and computer imaging" against the defendants. It was subsequently argued before Klein J that the order made by Nugee J should be discharged because it was effectively a search order and that orders for evidence preservation and inspection were different to search orders. The court noted that section 7 of the 1997 Act deals with both evidence preservation orders and inspection orders on the one hand and also search orders on the other hand.

[35] Klein J noted that, before the court may make a search order, it must be satisfied (amongst other matters) that there is a "real possibility" of document destruction. This real possibility may, of course, be inferred from other facts. He observed that in *Indicii Salus Ltd. v. Chandrasekaran* [2007] EWHC 406 (Ch),¹⁵ Warren J had said:

"In the years following the decision in *Anton Piller*, it became relatively easy to obtain search orders. In particular, the courts seemed to be willing to infer that a defendant who could be shown to be acting improperly would be likely to hide or destroy evidence. Judges became concerned that it had become all too easy to obtain this sort of relief which could often have serious and permanent adverse consequences for a defendant. But the need for, and meaning of, the requirement that there should be a "real possibility" that the defendants may destroy evidence was underlined and explained in *Booker McConnell plc v. Plascow* [1985] RPC 425 and in *Lock International plc v Beswick*. In the first of those cases, Dillon LJ said this:

"The phrase "a real possibility" 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, and that defendants will therefore comply with orders to, for example, produce and deliver up documents without it being necessary to empower the plaintiffs' solicitors to search the defendant's premises."

- [36] For the sake of clarity, I mention that Klein J concluded that the order made by Nugee J was indeed a search order but that, on the particular facts of the case, such an order was justified.
- [37] In *Gulf Air B.S.C. (C) v One Inflight Ltd and others* [2018] EWHC 1019 (Comm) an electronic devices order formed part of the freezing order granted by Bryan J. In that case the order required the respondent upon service of the order to preserve and keep safe any device capable of transmitting and/or storing electronic communication and make such available to the applicant's solicitor for collection along with a copy of the password or passwords or other means of access for purposes of the same being inspected by the applicant, its servants or agents.
- [38] The most notable authority on the subject of imaging orders made as part of search orders to which I was referred by Mr Gibson is, however, the decision of the Court of Appeal for England and Wales in *TBD (Owen Holland) Ltd v Simons and others* [2020] EWCA Civ 1182. The basic facts in that case were not dissimilar to those in the case before me. The claimant issued proceedings initially against three defendants, alleging that the first defendant had breached the terms of his contract of employment by disclosing trade secrets or analogous confidential information to the second defendant. There was then an added layer of complexity in that there was a third defendant which was alleged to have procured the breaches of contract. The claimant then applied for an injunction and subsequently for a search order under section 7 of the 1997 Act. The search order was granted, including an imaging order which provided for the imaging of the defendants' devices by computer experts. Later, the claimant applied to amend its Particulars of Claim so as to introduce four further defendants and then shortly thereafter made a committal application against two of the defendants. The litigation reached the Court of Appeal when an order by Marcus Smith J in relation to the committal proceedings was appealed.
- [39] Lord Justice Arnold, in rendering the decision of the court, explained the modern context in which litigation occurs:

“[176] It will be appreciated that search orders originated in the analogue era when most documents existed solely in paper form. Since then, of course, technology and business have been transformed by digitisation, widespread availability of significant portable computing power and the explosion in both wired and wireless connectivity. The result is that most documentary evidence nowadays exists in digital form stored either in digital devices or in cloud storage. The relevance of this transformation to search orders has been insufficiently appreciated.

[177] For over a decade, it has been technically possible for forensic computer experts to take complete copies, referred to as 'images', of the contents of storage media incorporated in or associated with computers, without affecting the data stored there. Over time, this capability has been extended to smart phones and cloud storage.

[178] In the present context, imaging has both advantages and disadvantages. The key advantages are that (i) it is a relatively non-intrusive process which does not involve any removal of documents and (ii) it enables all digital evidence to be preserved for subsequent analysis. The key disadvantage is that imaging is, by its very nature, incapable of discrimination between information that is relevant to the issues in the proceedings and information that is irrelevant, or between business information and personal information, or between information that is subject to legal professional privilege and information that is not. Thus, imaging can only ever be a preservation step, and it must be followed by proper consideration of the issues of disclosure and inspection of the documents preserved by the imaging process.

[179] The availability of imaging has important consequences for search orders which in my experience have frequently been disregarded. The first is that, if what is needed is a remedy to preserve evidence in order to ensure that it cannot be altered, destroyed or hidden, then in many cases an order requiring the respondent to permit imaging of its digital devices and cloud storage ('an imaging order') will be the most effective means of achieving that objective. The second, which follows from the first, is that, if an imaging order is made, then that may well make a traditional search order unnecessary, or at least may enable the scope of the search order to be significantly restricted eg to articles as opposed to documents.

[180] It has become increasingly common for claimants in cases like the present one to make without notice applications seeking both a traditional search order and an imaging order. In my view, any court confronted with such an application should first consider whether to grant an imaging order. If the court is prepared to grant an imaging order, then it should be presumed unless the contrary is shown that a traditional search order is unnecessary. Even if the court is prepared to grant a search order at all, careful consideration should be given as to the scope of the order having regard to the imaging order.

[181] Where an imaging order is made, it should be obvious that appropriate safeguards are required for the protection of respondents. Experience shows, however, that applicants and courts do not always give proper consideration to the safeguards that should be provided. By contrast with search orders, no standard form of imaging order has been developed. In my view this case demonstrates there is an urgent need for the Civil Procedure Rules Committee to promulgate a standard form of imaging order. Until such time as a standard form is available, however, it is incumbent upon solicitors and counsel representing applicants, and judges hearing applications, to give careful consideration to the provision of appropriate safeguards."

[40] The Court of Appeal in *TBD* carried out a careful analysis of the law on search orders requiring defendants to permit plaintiffs and their solicitors to enter defendants' premises to search for documents and articles. In its analysis, the court referred to *Lock v Beswick* [1989] 1 WLR 1268 where the claimant, a manufacturer of metal detectors, obtained an Anton Piller order against eight of its former employees and a competing company with whom they had since commenced employment. Under the order, the claimant was allowed to search not only the competing company's premises, but also the homes of three of the other defendants; and to remove not only documents containing specified confidential information, but also the competing company's drawings, commercial documents, computer records and prototypes. Hoffmann J set aside the order for material non-disclosure, but also said that it should never have been granted in the first place. Having endorsed an observation of Scott J about Anton Piller orders being granted too readily and with insufficient safeguards for respondents, Hoffmann J went on to observe:

"Even in cases in which the plaintiff has strong evidence that an employee has taken what is undoubtedly specific confidential information, such as a list of customers, the court must employ a graduated response. To borrow a useful concept from the jurisprudence of the European Community, there must be *proportionality* between the

perceived threat to the plaintiff's rights and the remedy granted. 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.

In many cases it will therefore be sufficient to make an order for delivery up of the plaintiff's documents to his solicitor or, in cases in which the documents belong to the defendant but may provide evidence against him, an order that he preserve the documents pending further order, or allow the plaintiff's solicitor to make copies. The more intrusive orders allowing searches of premises or vehicles require a careful balancing of, on the one hand, the plaintiff's right to recover his property or to preserve important evidence against, on the other hand, violation of the privacy of a defendant who has had no opportunity to put his side of the case. It is not merely that the defendant may be innocent. The making of an intrusive order *ex parte* even against a guilty defendant is contrary to normal principles of justice and can only be done when there is a paramount need to prevent a denial of justice to the plaintiff. The absolute extremity of the court's powers is to permit a search of a defendant's dwelling house, with the humiliation and family distress which that frequently involves."

[41] The Court of Appeal also emphasised the fundamental point that the purpose of an *Anton Piller* order was to preserve evidence, whether documentary or real, and/or property in order to prevent the defendant from altering, destroying or hiding such evidence or property if given notice. The purpose of inspecting documents during the course of the search, to the extent permitted by the order, is to identify documents which should be preserved. The Court of Appeal quoted with approval a comment by Scott J in *Columbia Picture Industries Inc v Robinson* [1987] Ch 38 where Scott J noted that the most usual legitimate purpose of an *Anton Piller* order was to prevent a defendant, when warned of impending litigation, from destroying all documentary evidence in his possession which might, were it available, support the plaintiff's cause of action.

[42] In the light of my consideration of the authorities in England and Wales on the subject of taking a copy of another party's digital material in civil proceedings, I summarise the law in Northern Ireland as follows:

- (i) The court has jurisdiction to make electronic devices orders requiring a party to permit the taking of an image of certain digital devices.
- (ii) Such orders will usually be freestanding orders under Order 29 rule 2 of the Rules of the Court of Judicature but may also be an element of another order such as a Mareva injunction.
- (iii) The purpose of electronic devices orders is for the preservation of any property which is the subject matter of the litigation, or for the inspection of any property in the possession of a party to the litigation.
- (iv) It is primarily to the overriding objective to which the court must look as to the basis on which to exercise the discretion to make such orders.
- (v) On an application for an electronic devices order, the court will take into account the non-exhaustive list of factors set out by Akenhead J in *McLennan Architects Ltd v Jones and Another*.
- (vi) Orders allowing the copying of a party's digital material may also form part of other court orders such as Anton Piller orders granted under the inherent jurisdiction of the court. (Such orders are generally described in England and Wales as imaging orders.)
- (vii) The principal function of this type of imaging order is to preserve evidence and/or property which is the subject matter of the proceedings or as to which any question may arise therein.
- (viii) Where an imaging order is sought, the test applied by the court requires, inter alia, that the court is satisfied that there is a real possibility that the defendants may destroy evidence.
- (ix) An Imaging Order may also be sought from the court under Order 24 rule 19 where the court may make "such order as it thinks just" in circumstances where there has been a failure of a party to comply with its discovery obligations. The test which the court would apply on such an application would be that the order must be necessary for disposing fairly of the matter or for saving costs. Such orders would also require an applicant to demonstrate that the respondent had failed to comply with his discovery obligations.

[43] After hearing the submissions of counsel and considering the trial bundles in this application, I am satisfied that this is an application which has been formally

made under Order 29 rule 2 for an electronic devices order and not an application for an imaging order as part of an Anton Piller application or an application under Order 24 rule 19. Nevertheless I can well understand why Mr Gibson argued that it was an application for an imaging order as part of an Anton Piller order in terms of its motivation. The issue before me is, therefore, whether the applicant has met the test for the application it formally makes, namely whether an electronic devices order is a necessary and proportionate remedy in the circumstances of this case.

[44] The court must be careful not to grant applications for electronic devices orders which are, in reality, evidential fishing expeditions. The term “fishing expedition”, although commonly used by lawyers, is not a particularly informative expression. Judges often regard it as an ill-defined metaphor. In *In re State of Norway's Application* [1987] Q.B. 433 Kerr LJ remarked:

“The Solicitor-General stated:

"Although Freshfields have attempted to explain to me the distinction between a request for evidence which amounts to a 'fishing expedition' and one which does not, I confess to having had some difficulty in grasping the concept."

This is readily understandable; although "fishing" has become a term of art for the purposes of many of our procedural rules dealing with applications for particulars of pleadings, interrogatories and discovery, illustrations of the concept are more easily recognised than defined. It arises in cases where what is sought is not evidence as such, but information which may lead to a line of inquiry which would disclose evidence. It is the search for material in the hope of being able to raise allegations of fact, as opposed to the elicitation of evidence to support allegations of fact, which have been raised bona fide with adequate particularisation."

[45] In the Irish High Court decision of *Walsh v The Health Service Executive and others* [2017] IEHC 394 Barrett J, after quoting Kerr LJ in *In re State of Norway's Application*, summarised the meaning of “fishing expedition” this way:

“In short, the phrase seems to anticipate a speculative exercise whereby, under the guise of discovery, a party seeks to elicit potential information of potential relevance on which a case might potentially be constructed or by reference to which it might potentially be buttressed; this form of discovery is not permitted.”

[46] The courts have been consistent in not permitting fishing expeditions by litigants or potential litigants. For example, in *Shaw v Vauxhall Motors Ltd* [1974] 1

WLR 1035, which concerned an application for pre-proceedings discovery, Buckley LJ said:

“This power to order discovery before proceedings are commenced is certainly not one which should be used to encourage fishing expeditions to enable a prospective plaintiff to discover whether he has in fact got a case at all.”

[47] I refer to these judicial decisions because I consider that the application before me is, in reality, such a fishing expedition. It is certainly not a fishing expedition in the sense that Terex has no evidential facts whatsoever and is merely speculating that there may be facts which can be proven from an examination of M&K’s server which would show that Mr Mulholland did remove files from Terex’s system and did provide them to M&K to provide assistance in developing the TSW125. Indeed, it would appear from the affidavits in this case that there is a significant amount of material upon which a trial judge could, depending on credibility, conclude that Mr Mulholland had so acted. Nevertheless, Terex’s application to take a full image of M&K’s computer server is, in my view, a fishing expedition in the sense of a desire to have a look at the contents of the computer server and see if their suspicions about Mr Mulholland’s activities are well founded or not.

[48] In reaching a decision on this application, the factors which I have taken into account include the following:

- (i) There has been no previous court order which has not been fully complied with and which therefore points to the necessity of a further order to ensure that the first order is not frustrated.
- (ii) There is no evidence before me that M&K is unaware of, or has been negligent in complying with, its discovery responsibilities.
- (iii) The application by Terex is wide and intrusive and no arguments or evidence have been offered to the court to explain why this case is, in the words of Akenhead J, one of those rare cases where a party should be allowed to take a complete copy of a computer hard drive which is not dedicated to a particular contract.
- (iv) The application by Terex could have been restricted to M&K’s design and development of the TSW125 but it was not.
- (v) M&K have argued that their computer server contains confidential and commercially sensitive material and that they have in place non-disclosure agreements with third parties which might be breached if Terex was allowed a full copy of their computer server.
- (vi) The application does, however, contain a safeguard that any copy of the server, if such was ordered, would be examined by an independent computer forensic expert rather than by the employees of Terex.

- (vii) The application in this case appears to the court to be one not concerned with evidence preservation, but rather to be a speculative exercise in obtaining potential evidence.
- (viii) Given that the Writ in this case was issued in July 2018, and an injunctive application was heard (and refused) by McAlinden J in August 2018, the delay between then and now would suggest that if M&K had acted unlawfully in relation to material offered to them by Mr Mulholland, it has now had 4 years in which to sanitise its computer server. This is particularly so since, as Mr Heanen has averred, M&K now know what the crucial search terms are.

[49] Weighing all these factors together, I conclude that the application does not satisfy me that an electronic devices order is necessary and proportionate. Accordingly, I refuse the application.

[50] I close this part of my judgment by observing that although Anton Piller orders were given a statutory basis in 1997 in England and Wales, following a suggestion by Professor Martin Dockray and Hugh Laddie QC in their article "Piller Problems" published in (1990) 106 Law Quarterly Review 601, nothing similar has been done in Northern Ireland even though a further 25 years has now elapsed since the English reforms came into being. It would appear from the submissions in this application that it would be helpful to litigants if a statutory basis was provided in Northern Ireland for Anton Piller orders and electronic device orders.

Confidentiality undertaking

[51] M&K resisted the Confidentiality Undertaking sought by Terex because there were a number of errors in the drafting of the original Undertaking. These were easily sorted out at the hearing. I directed the following amendments to the Undertaking;

- (i) In the definition section, the words "this undertaking" shall be replaced by "the Statement of Claim".
- (ii) In paragraph 3, the words "clauses 0 and 0" shall be replaced by "clauses 4 and 5".
- (iii) In paragraph 4, the words "clause 0" shall be replaced by "clause 3".
- (iv) In paragraph 5, the words "clause 0" shall be replaced by "clause 3".
- (v) In paragraph 6(c), the words "clause 0(a)" shall be replaced by "clause 6(a)".

[52] Following the amendments I directed, I consider that it is appropriate to make the order sought, namely that M&K shall be restricted from inspecting or obtaining copies of Terex's documents set out in Schedule 1 to the Statement of Claim unless and until they have executed the confidentiality undertaking as amended.

List of documents

[53] The application for M&K to make and serve a list of documents under Order 24 rule 3 of the Rules of the Court of Judicature is dismissed, given that a list has now been served.

Costs of the application

[54] While the principal element of this application, namely the application for an electronic imaging order, has been unsuccessful, I consider that the appropriate order for costs in what has been an entirely novel application in Northern Ireland is that the costs of this application shall be costs in the cause.