

# Contents

<i>Index of Authorities</i>	xiii
<i>Table of Abbreviations</i>	xxxi
<b>INTRODUCTION</b>	1
<b>1 THE NATURE OF “DAMAGES”</b>	5
INTRODUCTION	5
<b>A DAMAGES AS COMPENSATION</b>	6
1) <i>Arguments that damages must be compensatory</i>	6
2) <i>Counter-arguments</i>	7
(a) Nominal Damages	7
(b) Exemplary damages	8
(c) The “rule” in the Livingstone case	8
<b>B LEGITIMACY OF EXEMPLARY DAMAGES</b>	9
1) <i>Their purpose</i>	9
2) <i>Their operation</i>	11
(a) The categories test	11
(b) The cause of action limitation	12
3) <i>Answering objections</i>	13
(a) The primacy objection	13
(b) Other objections	18
<b>C BEYOND EXEMPLARY DAMAGES</b>	21
CONCLUSION	22
<b>2 THE CATEGORY OF CIVIL WRONGS</b>	25
INTRODUCTION	25
<b>A WRONGS AT COMMON LAW AND IN EQUITY</b>	26
1) <i>The meaning of “tort”</i>	26
(a) Equitable torts	26
2) <i>Civil wrongs and criminal wrongs</i>	32
<b>B THE NATURE OF A WRONG</b>	32
1) <i>Conduct relied upon as a breach of duty</i>	32
2) <i>Distinguishing wrongs from other events</i>	33
(a) Unjust enrichment	33
(b) Other causes of action	41
3) <i>Identifying wrongs</i>	42
(a) A breach of duty	42
(b) Unjust enrichments where no contract is involved	44

(c) Unjust enrichment actions when a contract is involved	51
(d) Wrongs without historical awards of compensation	57
CONCLUSION	62
<b>3 TWO MEASURES OF GAIN-BASED DAMAGES</b>	<b>65</b>
INTRODUCTION	65
A RESTITUTIONARY DAMAGES AND DISGORGEMENT DAMAGES	66
1) <i>Restitutionary damages</i>	66
(a) Definition	66
(b) The awards which are restitutionary damages	68
(c) Measuring restitutionary damages	70
2) <i>Disgorgement damages</i>	72
(a) Definition	72
(b) The awards which are disgorgement damages	72
(c) Measuring disgorgement damages	73
(d) Choice of the term “disgorgement damages”	76
3) <i>Other uses of “disgorgement” and “restitution”</i>	78
(a) Disgorgement as a single term for all gain-based damages	78
(b) Restitutionary damages as a single term for all gain-based damages	79
B THE NEED TO DISTINGUISH RESTITUTIONARY DAMAGES AND DISGORGEMENT DAMAGES	80
1) <i>Different rationales and availability</i>	80
(a) Restitutionary damages	80
(b) Disgorgement damages	81
(c) The rationales compared	86
2) <i>When both remedies are concurrently available</i>	86
3) <i>Confusion without the use of two terms</i>	87
(a) Awards of compound interest	88
(b) Gain-based damages for breach of contract	91
C DISTINGUISHING GAIN-BASED DAMAGES FROM OTHER AWARDS	93
1) <i>Restitutionary damages and restitution</i>	93
2) <i>Distinguishing restitutionary damages and compensatory damages</i>	99
(a) The overreach of compensatory damages	99
(b) The overreach of restitutionary damages	102
D REMOTENESS AND CAUSATION OF GAIN-BASED DAMAGES	103
1) <i>Causation</i>	103
(a) Restitutionary damages	103
(b) Disgorgement damages	104
2) <i>Remoteness of damages</i>	106
(a) Restitutionary damages	106
(b) Disgorgement damages	108
CONCLUSION	111

<b>4 TORTS</b>	113
INTRODUCTION	113
A RESTITUTIONARY DAMAGES	113
1) <i>Different labels</i>	114
(a) Wayleaves	114
(b) Mesne profits	115
(c) “Damages”	116
2) <i>Indebitatus assumpsit</i>	118
(a) The form of action	118
(b) “Implied contract”	119
(c) Waiver of tort	121
3) <i>Explicit modern recognition in six cases</i>	124
4) <i>Obstacles</i>	128
(a) Confusion with compensatory damages	129
(b) Torts that cannot be waived?	129
(c) <i>Phillips v. Homfray</i>	131
(d) <i>Stoke on Trent City Council v. W &amp; J Wass</i>	135
B DISGORGEMENT DAMAGES	136
1) <i>Different labels</i>	136
(a) “Compound interest”	136
(b) Broad awards of “damages”	137
(c) Money had and received	140
(d) Exemplary damages compared	143
2) <i>Obstacles</i>	146
(a) <i>Halifax v. Thomas</i>	146
(b) <i>Re Simms</i>	147
(c) <i>Hart v. Dutton</i>	147
CONCLUSION	148
<b>5 BREACH OF CONTRACT</b>	149
INTRODUCTION	149
A DISGORGEMENT DAMAGES	150
1) <i>The Blake litigation</i>	150
(a) History	150
(b) The test proposed by the House of Lords	152
(c) Application of the test	155
(d) The approaches of the House of Lords and the Court of Appeal compared	159
(e) Remoteness of damages	160
2) <i>Objections</i>	162
(a) There is never a “legitimate interest” in performance	162
(b) Commercial uncertainty and the private nature of contract	170
(c) Discouraging mitigation of loss	171
(d) Defendant’s skill and effort	171

B	RESTITUTIONARY DAMAGES	172
1)	<i>The meaning of restitutionary damages</i>	172
(a)	Wrongful transfer of contractual rights	172
(b)	Examples of restitutionary damages	174
(c)	Cases of “expense saved”	176
(d)	Measuring the contractual value transferred	177
2)	<i>Restitutionary damages in the Blake case</i>	178
3)	<i>Restitutionary damages in the United States</i>	181
4)	<i>Restitutionary damages distinguished from other remedies</i>	182
(a)	Restitutionary damages and “performance” damages	182
(b)	Restitutionary damages and restitution for failure of consideration	185
5)	<i>Objections to restitutionary damages</i>	187
C	OTHER BREACHES OF PROMISE	188
	CONCLUSION	189
<b>6</b>	<b>EQUITABLE WRONGS</b>	191
	INTRODUCTION	191
A	THE EQUITABLE WRONGS	191
1)	<i>Breach of trust and fiduciary duty</i>	191
2)	<i>Dishonest participation in a breach of fiduciary duty</i>	193
(a)	Dishonest receipt and dishonest assistance in a breach of trust	194
(b)	Dishonest receipt and dishonest assistance in a breach of fiduciary duty	198
(c)	Dishonest participation in a breach of fiduciary duty	201
(d)	A different action in unjust enrichment	202
3)	<i>Breach of confidence</i>	204
4)	<i>Fraud</i>	206
B	RESTITUTIONARY DAMAGES	207
1)	<i>Breach of fiduciary duty</i>	207
2)	<i>Dishonest participation in breach of fiduciary duty</i>	209
3)	<i>Breach of confidence</i>	209
4)	<i>Fraud</i>	211
C	DISGORGEMENT DAMAGES	212
1)	<i>Breach of fiduciary duty</i>	212
2)	<i>Dishonest participation in a breach of fiduciary duty</i>	213
3)	<i>Breach of confidence</i>	213
4)	<i>Fraud</i>	215
	CONCLUSION	216
<b>7</b>	<b>INTELLECTUAL PROPERTY WRONGS</b>	217
	INTRODUCTION	217
A	HISTORY OF THE DIFFERENT INTELLECTUAL PROPERTY WRONGS	218
1)	<i>Copyright and design infringement</i>	218

2) <i>Passing off and trade mark infringement</i>	219
(a) Treatment at common law and in equity	220
3) <i>Patent infringement</i>	223
B RESTITUTIONARY DAMAGES	224
1) <i>Infringement of copyright and design rights</i>	225
2) <i>Passing off and trade mark infringement</i>	226
3) <i>Patent infringement</i>	228
C RESTITUTIONARY DAMAGES FOR INNOCENT INFRINGEMENT	231
1) <i>Copyright and design right infringements</i>	231
2) <i>Patent infringement</i>	232
3) <i>Passing off and trade mark infringement</i>	232
D DISGORGEMENT DAMAGES	233
1) <i>Generally</i>	233
2) <i>Copyright and design infringement</i>	235
(a) <i>The Copyright Act 1956</i>	235
(b) <i>The Copyrights, Designs and Patents Act 1988</i>	235
3) <i>Passing off and trade mark infringement</i>	236
(a) <i>Before 1875</i>	236
(b) <i>After 1875</i>	238
4) <i>Infringement of patent</i>	241
CONCLUSION	241
<b>8 CONCLUSIONS</b>	243
A ELECTION	245
1) <i>The governing principle</i>	245
2) <i>Disgorgement damages and restitutionary damages</i>	246
3) <i>Disgorgement damages and compensatory damages</i>	248
4) <i>Restitutionary damages and compensatory damages</i>	249
5) <i>Exemplary damages</i>	250
B PROPRIETARY CLAIMS	251
1) <i>The problem</i>	251
2) <i>Two types of gain-based proprietary awards</i>	253
(a) <i>Proprietary restitutionary awards</i>	253
(b) <i>Proprietary disgorgement awards</i>	258
3) <i>A principle governing the award of both gain-based proprietary awards?</i>	260
(a) <i>Proprietary restitutionary awards</i>	261
(b) <i>Proprietary disgorgement awards</i>	262
(c) <i>The developing principle</i>	264
<i>Bibliography</i>	265
<i>Index</i>	275