

Contemporary Intellectual Property: Law and Policy (6th edn)

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## p. 117 4. Copyright 3: economic rights and infringement

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### Abstract

This chapter considers the ‘economic rights’ the copyright owner enjoys while copyright protection endures. These are the rights that the Copyright, Designs, and Patents Act 1988 (CDPA 1988) calls ‘acts restricted by copyright’, which may be exploited by transferring them to others or licensing others to use them for a price. The chapter discusses the rights flowing from ownership of copyright and the international framework that underpins them, noting the influence upon UK law of a number of EU directives. It identifies the general principles pertaining to infringement of economic rights, before turning to the detailed rules on each economic right: to make copies; issue copies to the public; rent or lend commercially to the public; perform, show, or play in public; communication to the public; and make adaptations. It discusses authorisation of infringement (accessory liability) in relation to these economic rights, and finally considers secondary infringement of copyright.

**Keywords:** copyright law, copyright protection, exclusive rights, restricted acts, copying, Substantial part, Originality, Idea expression, copyright infringement, CDPA 1988

## Introduction

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### Scope and overview of chapter

**4.1** This chapter considers the rights which the owner of copyright enjoys while the copyright endures, apart from the moral rights of authors discussed in Chapter 6. The rights to be considered here are usually known as ‘*economic rights*’, because, unlike authors’ moral rights, they may be exploited by transferring them to others or licensing others to use them for a price (paras 6.27–6.52). The basic scheme of the Copyright, Designs and Patents Act 1988 (CDPA 1988) is to define a group of what it calls ‘*acts restricted by copyright*’. This concept has two functions:

- one is to define those acts by others in relation to the copyright work which the rightholder can challenge and stop by *court action*;
- the other is to tell persons who wish to use works the copyright in which is owned by another whether or not that use requires the permission of the rightholder. In other words, the restricted acts define the ground on which rightholder and would-be user will *negotiate the terms and conditions* on which the use will be permitted.

An important point of which we need to remind ourselves constantly is that in practical terms copyright is useless to its owner unless others want to perform the various restricted acts, whereupon it becomes the basis upon which a bargain may be struck between the two sides. It may be that the owner has no wish to bargain, and expressly or impliedly gives *carte blanche* to users. On the other hand, the owner who does not wish to bargain may simply want to prevent anyone else from disseminating the work, in which case the would-be user's remedy, if any, lies in competition law (for which, see Chapter 20).

## 4.2 Learning objectives

By the end of this chapter you should be able to describe and explain:

- the general nature of the economic rights conferred by copyright upon its owners;
- the infringement of economic rights;
- the specific economic rights (to make copies; issue copies to the public; rent or lend to the public; perform, show, or play in public; communication to the public; make adaptations).

p. 118 ↩ 4.3 The chapter opens with a general discussion of the rights flowing from ownership of copyright and the international framework which underpins them, noting in particular the influence upon UK law of a number of European Union (EU) directives. It next elaborates upon the nature of economic rights, and the general principles pertaining to infringement, before turning to the detailed rules on each economic right in the CDPA 1988. It discusses authorisation of infringement (accessory liability) in relation to these economic rights, and finally considers secondary infringement of copyright. So, the rest of the chapter looks like this:

- International and European developments (4.4–4.8)
- Economic rights in general (4.9–4.11)
- Economic rights and primary infringements: general principles (4.12–4.22)
- Restricted acts and primary infringement: detail (4.23–4.79)
- Secondary infringement of copyright (4.80–4.82).

### International and European developments

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#### Berne Convention

4.4 In addition to the non-transferable moral rights that are discussed in Chapter 6 (paras 6.4–6.21), the Berne Convention 1886 recognises *transferable economic rights* enabling copyright owners to control the following activities in relation to their works:

- translation (Art 8);
- reproduction (Arts 9, 14);
- public performance and communication (Arts 11, 11ter, 14);
- broadcasting (Art 11bis);
- adaptation (Art 12).

Economic rights are so known because it is essentially through these rights that copyright can become a source of income for its owner, by selling them or licensing others to perform the acts restricted by the rights. Moral rights, on the other hand, cannot be transferred to persons other than the author of the work, and are essentially linked to the author's interests in the work as an expression of an individual's personality.

#### Question

How may economic and moral rights be distinguished? How would you characterise resale right in relation to these two (see further Chapter 6)?

#### TRIPS and WCT

p. 119 4.5 Modern international activity has, unsurprisingly, focused almost entirely on economic rights, and the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement of 1994 expressly states that its members have no rights or obligations under Article 6bis of Berne,<sup>1</sup> that is, the moral rights Article. TRIPS did require members to provide commercial rental rights in respect of 'at least' computer programs and films,<sup>2</sup> and this was also laid down in the World Intellectual Property Organization (WIPO) Copyright Treaty of 1996 (WCT).<sup>3</sup> The Treaty further provided for a *distribution, or first sale, right*<sup>4</sup> and a *public communication right*. This was to be without prejudice to the relevant provisions of Berne.<sup>5</sup>

#### Rome Convention, TRIPS, and WPPT

4.6 Economic rights in neighbouring or media works were initially dealt with in the Rome Convention 1961, which enables producers of phonograms (sound recordings) to authorise or prohibit direct or indirect reproduction of their products.<sup>6</sup> Broadcasters have likewise the right to authorise or prohibit re-

broadcasting, fixation, reproduction of fixations in certain circumstances, and public communication, again in certain circumstances, of broadcasts.<sup>7</sup> TRIPS and the WIPO Performances and Phonograms Treaty 1996 (WPPT) restated these minimum rights for phonogram producers,<sup>8</sup> while the WPPT added distribution, commercial rental, and ‘making available to the public’ rights.<sup>9</sup>

## EU Directives

**4.7** The following EU directives contain provisions relevant to copyright ownership and economic rights:

- Software Directive 2009 (Art 4);<sup>10</sup>
- Rental and Lending Right Directive 2006;<sup>11</sup>
- Satellite Broadcasting Directive 1993;
- Database Directive 1996 (Art 5);
- Information Society (InfoSoc) Directive 2001 (Arts 2–4).

Essentially these implement in Europe the policies also apparent in the development of the international instruments described in the previous two paragraphs (paras 4.5–4.6), requiring member states to have distribution, rental, and public communication rights. A specifically European initiative was the inclusion of temporary or transient reproduction as an act restricted by copyright. Attempts to include a provision of this kind in the WCT 1996 failed. First introduced in the EU in respect of software, so that copyright owners could regulate the use of programs in computers,<sup>12</sup> it was extended next to databases,<sup>13</sup> and then covered all author works, phonograms, films, and broadcasts.<sup>14</sup> These directives led to significant changes to the UK CDPA 1988.

## Brexit

**4.8** The UK’s withdrawal from the EU has had limited effect on the Act in relation to the rules on the scope of copyright protection. While minor amendments have taken place to correct relevant references in relation to EEA in the Act,<sup>15</sup> reciprocal protection will continue under the terms of relevant international treaties (eg p. 120 Berne Convention, TRIPS, WCT) as both the UK and EEA countries are party to them. Although the current UK rules in the area are framed in light of EU directives (with most exclusive rights having been harmonised), and some exclusive rights are heavily influenced by ECJ jurisprudence (eg the public communication right), the implementation of such directives and ECJ case law is preserved as ‘retained EU law’. In the context of exclusive rights specifically, the UK courts haven’t yet indicated any inclination to depart from retained EU law (para 2.22). However, the UK is likely to diverge from EU law in this area in the future. For instance, EU has recently introduced reforms through the Copyright Directive 2019<sup>16</sup> which the UK is not required to implement.<sup>17</sup>

### Key points on international and European developments

- The Berne Convention recognises two groups of rights:

the economic (basis on which copyright can be used to make money);

the moral (recognition of author's personality claims).

- The Berne Convention has been supplemented with respect to media works by the Rome Convention.
- The economic rights have been the subject of most international activity in modern times, through TRIPS, the WCT, and the WPPT.
- Much of this more recent international activity has been concerned with new technology subject matter such as computer programs and databases, and new rights such as the rental right.
- Within the EU, the developing global framework has been reflected and sometimes led by initiatives embodied in directives aimed at harmonising the laws of the member states.

## Economic rights in general

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### Primary restricted acts

**4.9** There are six exclusive economic rights arising from ownership of the copyright in a protected work. The restricted acts for which a licence must be sought if they are to be lawfully carried out by a person other than the copyright owner may be listed as follows:<sup>18</sup>

- copying (reproduction right);
- issuing copies of the work to the public (first sale or distribution right);
- renting or lending the work to the public (rental/lending right);
- performing, showing, or playing the work in public (public performance right);
- communicating the work to the public (public communication right);
- making an adaptation of the work (adaptation right).

**4.10** The restricted acts may be described as *methods of reproducing the work*. Defining their scope is important for the copyright owner in two main ways: first, in determining the areas in which generally his licence must be sought by others wishing to use the work; and, secondly, in deciding when action may be taken in respect of infringement of copyright. In addition, a person who without right to do so authorises another to do any of the restricted acts is himself an infringer as well.<sup>19</sup>

### Question

List the ways in which copyright in a work may be infringed.

## Secondary infringement

**4.11** In addition, *dealing in infringing copies* of a work—for example, selling, importing, or exporting copies made without the licence of the copyright owner—may also be an infringement of copyright. This type of infringement is termed *secondary infringement*, the contrast being with the *primary infringements* constituted by the six restricted acts listed previously.<sup>20</sup> It is unlikely that a copyright owner will grant licences to deal in infringing copies, and the nature of secondary infringement is distinct in various other ways, in particular in requiring that the infringer should know or have reason to believe that he was dealing in infringing copies. There is nothing comparable in respect of the primary infringements, as unauthorised performances of the restricted acts will henceforth be called. With these, liability is strict and not dependent on the knowledge or fault of the infringer.

### Question

What is the difference between primary and secondary infringement of copyright?

## Economic rights and primary infringements: general principles

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**4.12** In this section the economic rights as defined by UK law are discussed in more detail. The principal focus is on the six restricted acts and infringing authorisation thereof, with secondary infringement given relatively brief treatment after that. The restricted acts will be considered mainly in the context of infringement of copyright (ie the primary infringements), leaving the question of exploitation by transfer and, in particular, licensing to Chapter 6. The six restricted acts each attract their own law, which will be set out in detail later. But there are some concepts which are applicable to each of them, and which need to be discussed first.

### General principles: (1) taking of the whole or a substantial part

**4.13** In general and subject to some exceptions, it is not necessary that the whole of the copyright work should be taken by the infringer. Infringement may be constituted as much by the doing of an act in relation to a substantial part of a work as by the doing of such acts in relation to the whole of the work.<sup>21</sup> It is also specifically provided that copying in relation to a film or broadcast includes making a photograph of the whole or any substantial part of any image forming part of the work.<sup>22</sup> It follows that if what is done is in

p. 122 relation to an insubstantial part of a work there is no infringement.<sup>23</sup> In *Nova Productions Ltd v Mazooma Games Ltd*, Jacob LJ emphasised that a finding that there had been some copying of an earlier work was ‘a starting point for a finding of infringement, not the end point’. If the copying is of ‘small, unimportant details’, rather than of a substantial part of the earlier work, there is no infringement.<sup>24</sup> The EU directives, in several provisions, also restrict reproduction of works ‘in whole or in part’<sup>25</sup> and in this respect, ECJ case law has harmonised that ‘parts of the work’ are protected as being original in the sense of the ‘author’s own intellectual creation’ (for the harmonised standard for originality after the decision in *Infopaq*, see paras 3.36–3.37). As such, the British case law that has been developed over the years is discussed first and then the EU developments and implications.

### Substantial part: quality of what is copied

**4.14** British case law has suggested a number of, not always consistent, approaches to the question of what constitutes a substantial part that are not always consistent. For instance, what constitutes a substantial part of a work ‘depends much more on the quality than on the quantity of what he has taken’;<sup>26</sup> hence, an extract of some 28 bars lasting about 50 seconds from a musical work which took about four minutes to play was held to be a substantial part because it constituted that section which would ensure recognition of the work by the public.<sup>27</sup> But to be a substantial part the section taken does not have to be a copyright work in its own right: in arguments about infringement, the issue is not whether the component taken would have copyright in its own right, but rather whether that component is a substantial part of a larger, copyright, work.<sup>28</sup>

**4.15** The emphasis on quality rather than quantity of taking does not mean that the latter has always been irrelevant, however.<sup>29</sup> There is some authority to the effect that separate acts of copying of what are in themselves insubstantial parts may be taken as a whole to constitute substantial taking, either as acts in relation to a serial work, such as a newspaper treated as a single copyright work, or as simply a single act spread over time.<sup>30</sup> Substantiality has also been tested by looking at what was the matter of consequence to users of the original work.<sup>31</sup>

### ■ *Ludlow Music Inc v Robbie Williams* [2001] FSR 19

In 1961 Woody Guthrie composed a song called ‘New York Town’, containing the line, ‘Every good man gets a little hard luck sometimes’. LM owned the copyright in this work. In 1973 Loudon Wainwright III composed a parody of Guthrie’s song, entitled ‘I Am the Way (New York Town)’, obtaining LM’s permission to do so and later assigning the copyright in the parody to LM. The fourth verse of the parody consisted of the line ‘Every Son of God gets a little hard luck sometime’, repeated three times and followed by ‘Especially when he goes around saying he’s the way’. In 1998 RW composed and recorded a song entitled ‘Jesus in a Camper Van’, containing the lines ‘I suppose even the Son of God/Gets it hard sometimes/Especially when he goes round/Saying I am the way’. This was repeated, then the first two lines were repeated twice. The Wainwright parody was brought to RW’s attention, but copyright negotiations between him and RW were unsuccessful.

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↩ LM sued RW for infringement. It was held that 'Jesus in a Camper Van' took its central idea, that the Son of God attracted bad luck by going around saying 'I am the way', from 'I Am the Way (New York Town)', and embodied it in virtually identical words. This was sufficiently substantial copying to be infringement.

### Discussion point

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Does this case go too far in its use of the concept of 'copying of a substantial part' towards protecting the idea rather than the expression of a work?

**4.16** On the other hand, where the taking is only of the idea rather than the substance of the work, there is no infringement.<sup>32</sup> Similarly there is no protection for what is merely the style or technique with which a work is created.

### ■ *Norowzian v Arks Ltd (No 2)* [1999] FSR 79 (Rattee J) ChD; [2000] FSR 363 (CA)

A film entitled 'Joy' showed a man dancing to music and produced its principal effects through the technique of 'jump cutting', 'whereby the editor excises pieces of the original film within a sequence of movements by the actor, with the result that on the edited version of the film he appears to have performed successively, without an interval, two movements that in reality could not have immediately succeeded each other ... This gives the finished film ... a surreal effect' (per Rattee J at 81). The allegedly infringing film was an advertisement for Guinness called 'Anticipation' which used the same technique in showing a man dancing while waiting for his newly poured pint of Guinness to settle. It was held that 'Anticipation' did not infringe *Joy*. Although there was a striking similarity of style and technique, no copyright subsisted in these elements. A choreographer also gave evidence that there was no particular similarity in the dance movements of the two films.<sup>33</sup>

### Substantial part: quality that gives the copied part its originality

4.17 More recent case law from the UK has suggested that originality of the copied part is the main test to be applied. The House of Lords has held that generally the role played by the component in the allegedly infringing work is irrelevant, and that substantiality is related to the qualities that give the copied work its originality, or to the skill and labour involved.

#### ■ *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2001] FSR 11 (HL)

DGL sued RWT for infringement of the copyright in its *Ixia* fabric design by the latter's *Marguerite* design.<sup>34</sup> The trial judge found that *Marguerite* had been copied from *Ixia*, and that the copying had been of a substantial part. The Court of Appeal, although unable to overturn the judge's finding of fact that there had been copying, reversed his decision on the basis that there had been no copying of a substantial part: the designs were not similar enough. The House of Lords agreed that the approach of the Court of Appeal had been wrong, and that in general the question of substantiality had to be tested only in relation to the copyright work, not the allegedly infringing work. The similarity or otherwise of the two designs, while relevant to the basic question of copying, was irrelevant to substantiality. Lord Hoffmann said:<sup>35</sup>

↵ Generally speaking, in cases of artistic copyright, the more abstract and simple the copied idea, the less likely it is to constitute a substantial part. Originality, in the sense of the contribution of the author's skill and labour, tends to lie in the detail with which the basic idea is presented. Copyright law protects foxes better than hedgehogs (para 26).

Lord Scott of Foscote distinguished between cases where an identifiable part of the whole of a work, but not the whole, had been copied, and those of what he called 'altered copying', where the copying relates to the whole of a work but has not been exact but rather with modifications. He proposed that in such cases, of which the present was one, the test of substantiality should be whether the infringer had incorporated a substantial part of the independent skill and labour contributed by the original author in creating the copyright work, and that for these purposes a comparison between the two designs was legitimate, albeit that once there had been found to be copying in such cases, it was almost inevitable that it would be found to be of a substantial part as well. Lord Millett criticised Lord Scott's distinction and emphasised the irrelevance of the copied design to the issue of substantiality. Lords Bingham of Cornhill and Hope of Craighead expressed no view other than that the Court of Appeal had illegitimately taken to itself the role of the trial judge in re-deciding the issue of substantiality.<sup>36</sup>

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### Discussion point

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What does the *Designers Guild* case tell us about the meaning of substantiality in relation to infringement? What else may be learned from the cases described in the next two paragraphs?

**4.18** The House of Lords also appeared to accept the relevance of the copyright owner's skill and labour to substantiality in the later case of:

### ■ *Newspaper Licensing Agency Ltd v Marks and Spencer plc* [2003] 1 AC 551

For the facts, see para 3.85. The question was, given that the typographical arrangement copyright in a newspaper applied only to the whole newspaper, and not to individual articles within the newspaper, whether the copying of an article from the newspaper was copying of a substantial part of the newspaper's typographical arrangement. The House of Lords held that it was not. In general, the quality relevant for the purposes of substantiality was the originality of, or skill and labour in, what had been copied. In typographical arrangement copyright as applied to newspapers, what mattered was the overall appearance of the newspaper, and Lord Hoffmann, giving the only reasoned speech, found it 'difficult to think of the skill and labour which has gone into the typographical arrangement of a newspaper being expressed in anything less than a full page' (para 23).

### Substantial part: originality as in the 'author's own intellectual creation'

**4.19** The provision on 'substantial part' in section 16(3) of the CDPA 1988 must be construed in conformity with the Information Society (InfoSoc) Directive 2001. The Directive, in Article 2, titled 'reproduction right', does not mention 'substantial part' but prohibits reproduction 'in whole or in part' and must be interpreted in the same way throughout the EU.<sup>37</sup> The meaning of 'reproduction in part' has been considered by the ECJ.

### ■ Case C-5/08 *Infopaq International A/S v Danske Dagblades Forening* [2009] ECDR 16

The case concerned an electronic newspaper cuttings firm which undertook a complex process of searching, scanning, and printing for the material which it then distributed to its customers. The ECJ held that this data capture process, consisting in the particular case of storing an extract of a copyrighted work amounting to 11 words and subsequently printing it, amounted to 'reproduction in part' if the elements reproduced were an expression of the intellectual creation of their author. The Court emphasised that Article 2 had to be given a broad interpretation and stated:

As regards the parts of a work, it should be borne in mind that there is nothing in Directive 2001/29 or any other relevant Directive indicating that those parts are to be treated any differently from the work as a whole. It follows that they are protected by copyright since, as such, they share the originality of the whole work ... the various parts of a work thus enjoy protection under Art.2(a) of Directive 2001/29, provided that they contain elements which are the expression of the intellectual creation of the author of the work (paras 38–39).

The UK courts, in a number of cases, have considered the implications of this judgment on the assessment of 'substantial part'. In *SAS Institute Inc v World Programming Ltd*<sup>38</sup> Arnold J noted that the ECJ's approach in *Infopaq* is the same as that mentioned in the House of Lords' decision in *Newspaper Licensing Agency Ltd v Marks and Spencer plc* and stated:

when considering whether a substantial part has been reproduced, it is necessary to focus upon what has been reproduced and to consider whether it expresses the author's own intellectual creation. To that extent, some dissection is not merely permissible, but required. On the other hand, the Court of Justice also held ... that it is necessary to consider the cumulative effect of what has been reproduced (para 243).

This approach was confirmed by the Court of Appeal, with Lord Justice Lewison stating:<sup>39</sup>

It has long been the position in domestic law that what is substantial is a question to be answered qualitatively rather than quantitatively. In *Infopaq* the court said that parts of a work are entitled to the same protection as the work as a whole. But the parts in question must 'contain elements which are the expression of the intellectual creation of the author of the work': [39]. This is now the test for determining whether a restricted act has been done in relation to a substantial part of a work (para 38).

### ■ *Newspaper Licensing Agency Ltd v Meltwater Holding BV* [2010] EWHC 3099 (Ch); [2011] EWCA Civ 890 (CA)

M, a commercial online media monitoring service, monitored publishers' websites using software which 'scraped' content, and recorded the position of every word in every article in an index. It then provided a monitoring report, based on the customer's search terms, of content comprising article headline, opening text, and an extract from the article. N, who represented a number of newspapers, claimed infringement and argued that M required an end-user licence for its customers to use its services. Proudman J, with whom the Court of Appeal agreed, found that the extracts constituted a substantial part of the article and the receiving and using of monitoring reports by users was infringing. In following *Infopaq*, Proudman J stated:

It therefore seems that the ECJ is saying that no distinction is to be made between the part and the whole, provided that the part contains 'elements which are the expression of the intellectual creation of the author'. There is no reference to 'substantial part' in art.2; the ECJ makes it clear that *originality rather than substantiality is the test to be applied to the part extracted*. As a matter of principle this is now the only real test (para 69).

It seems to me wrong in principle to suggest that the court must conduct some sort of assessment of whether the extract is itself novel or artistically worthwhile. That would be tantamount to determining whether the extract is itself a literary work ... (para 80).

↪ In my judgment the test of quality has been re-stated but for present purposes not significantly altered by *Infopaq* ... The effect of the *Infopaq* case ... is that *even a very small part of the original* may be protected by copyright if it demonstrates the stamp of individuality reflective of the creation of the author or authors of the article. Whether it does so remains a question of fact and degree in each case. It is often a matter of impression whether use has been made of those features of the article which, by reason of the skill and labour employed in its production, constitute it an original copyright work (paras 81–83; emphases added).

From the above cases, it is clear that the originality of the copied part is the main test to be applied in this regard. While originality is to be understood in the sense of 'author's intellectual creation' (see paras 3.32–3.37), as confirmed by the Court of Appeal in *SAS*, the full impact, especially in practical terms, of this in the decision-making by the British courts remains to be seen.<sup>40</sup> The main implication of this shift appears to be an expansion in the scope of protection offered under copyright.

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### Substantial part: works that do not require originality

**4.20** The provision on ‘substantial part’ in section 16(3) applies to both works that must be ‘original’ (literary, dramatic, musical, and artistic works) to attract copyright, as well as those works that do not require originality (sound recordings, films, published editions, and broadcasts) for copyright subsistence (see paras 3.38–3.39). Should ‘substantial part’ in relation to the latter works be judged as per the ‘author’s own intellectual creation’ standard or some other standard? And what if the part taken is unrecognisable?

#### ■ *England and Wales Cricket Board v Tixdaq* [2016] EWHC 575 (Ch)

E owned copyright in TV broadcasts, and in films incorporated within such broadcasts, of certain cricket matches. T operated an app, amongst others, to which T’s employees, contractors, and users uploaded clips of broadcasts of cricket matches lasting up to eight seconds. In assessing whether such clips were infringing, Arnold J considered the correct test for the assessment of what amounts to a substantial part of films and broadcasts. He noted that copyright in films and broadcasts being ‘signal rights and not content rights’, they are essentially ‘entrepreneurial rights which protect the investment of the broadcaster and film producer respectively’ (paras 58–62). They do not protect the creativity of an author, and that is why the 1988 Act does not require them to be original. The *Infopaq* test of author’s own intellectual creation is inapplicable to films and broadcasts, which fall under Article 2(d) and (e), because the test only applied to works in Article 2(a) of the InfoSoc Directive 2001. However, an approach similar to *Infopaq* should be applied, and this should reflect the rationale for protecting entrepreneurial rights, that is, the investment made by the broadcaster or producer. He held that ‘the correct test of substantiality is to consider the degree of reproduction both quantitatively and qualitatively, having regard to the extent to which the reproduction exploits the investment made by the broadcaster or producer’ (para 66). He proceeded on the basis that the works of broadcasts and films comprised ‘each session of play’ lasting around two hours or more, of which, quantitatively, eight seconds is not a large proportion. However, qualitatively, the clips constituted highlights of the matches (wickets taken, appeals refused, centuries scored) and replays of highlights, and showed something of interest and value. Consequently, they substantially exploited E’s investment in producing the relevant broadcast and films.

#### ■ *Case C-476/17 Pelham v Hütter* [2019] ECDR 26

P, in their song ‘Nur mir’, sampled a two-second rhythm sequence and used it in a continuous loop. The sample was taken from a sound recording of the song ‘Metall auf Metall’ by the band Kraftwerk. The ECJ held that the phonogram producer’s reproduction right in the sound recording<sup>41</sup> allows them to prevent another person from taking a sample of their sound recording, even if very short, for the purposes of sampling, unless that sample is included in the new work in a modified form that is unrecognisable to the ear. The court notes that even very short samples should be regarded as

reproduction ‘in part’<sup>42</sup> because the right is to protect the phonogram producer’s considerable investment and guarantee an opportunity for satisfactory returns. However, sampling constitutes a form of artistic expression that is covered by a user’s freedom of the arts (and falling within the scope of freedom of expression) and should be balanced against the interests of copyright holders. Sampling in a modified unrecognisable form, for the purposes of a new artistic creation, is permitted, as it would not interfere with the opportunity for satisfactory returns on the investment.

### Question

What do you think of the approach in *Tixdaq* and *Pelham* in focusing on the investment of the producers (in films, broadcasts, and sound recordings) to assess infringement? Are the two decisions compatible?

### General principles: (2) doing a restricted act directly or indirectly

**4.21** The doing of a restricted act is infringement whether carried out directly or indirectly.<sup>43</sup> In other words, it is no answer to a claim of infringement to say that the restricted act was carried out, not in relation to the original work, but to some other work which was derived from it.

#### ■ *King Features Syndicate Inc v Kleeman Ltd* [1941] AC 417

Copyright in drawings of Popeye the Sailor Man was held to be infringed, although the defendant had copied not the drawings, but the plaintiffs’ licensed dolls and brooches based on these drawings.

#### ■ *Sony Music v Easyinternetcafé Ltd* [2003] FSR 48

Internet cafés operated by E provided a CD-burning service for customers, which could include sound recordings downloaded from the internet by the customers. Fees were payable for this service. The owners of the copyright in sound recordings sued E for copyright infringement. It was held that E was guilty of indirect infringement by copying the copies which its customers had made. It was not an involuntary copier like an internet service provider or the recipient of a fax. It was irrelevant that the customer might be going on to use the CD for private and domestic purposes; E was in business for commercial gain.

### Reverse engineering

p. 128 4.22 'Reverse engineering' can thus be an infringement of copyright. This involves a party working back from a finished product to the copyright work which underlies it, and then evolving a work of his own. Formerly of greatest significance in the field of industrial design (see Part III), it also raises problems for the software industry, where competitive development is commonly achieved by such endeavours in relation to the embodiment of the program in a disk.<sup>44</sup> Often 'reverse engineering' will be carried out through a process of 'redesign' or 'clean-room' procedure, where the analysis of the original product and the briefing of the designers of the new one are kept rigorously apart within the organisation carrying out the work. It has been held that a defender cannot escape liability by showing that the copy was made by a third party if the third party acted in accordance with the defender's instructions;<sup>45</sup> but there have been successful arguments that redesign is not copying.<sup>46</sup> In considering whether a restricted act has been carried out indirectly, it is immaterial whether any intervening acts themselves infringe copyright, as for example might be the case in the preparation of a redesign brief.

#### Question

What is the difference between direct and indirect infringement? Give an example of each form of infringement.

#### Key points on general principles applicable to all restricted acts

- The restrictions apply whether the act in question relates to the whole of the copyright work or only part of it.
- Where the act relates to only part of the copyright work, it must be a substantial part of the work to be an infringement of the copyright.
- Substantiality depends on whether the part taken is original in the sense of the author's own intellectual creation; or in the case of entrepreneurial works, on whether the reproduction exploits the investment made.
- A restricted act may infringe copyright whether performed directly or indirectly, via some intermediate work.

### Restricted acts and primary infringement: detail

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4.23 We now turn to detailed discussion of each of the restricted acts, viewed primarily through the lens of infringement actions.

### (1) Copying (reproduction)

4.24 Two basics need to be established in any action for infringement based on a claim of copying:

- *similarity* of the alleged infringing work with that of the copyright owner;
- that *the similarity is caused by copying* the copyright owner's work.

#### When are two works similar?

p. 129 4.25 The starting point is the similarity of two works. In many instances of infringement, this is not a problem. The development of modern copying technology has made the production of *exact copies* in the fields of reprography, software and other digital works, and audiovisual works, increasingly easy, and this is one of the major policy issues which copyright law has to confront. From a conceptual rather than a policy point of view, however, identifying the use of such technology as potentially infringing copying is not difficult.

#### Works similar but not the same

4.26 Generally, problems begin to arise when *works are similar but not the same*. It is clear from the law on substantial copying (paras 4.13–4.20) that the later work need not be identical to the earlier work in order to infringe the latter's copyright, although the limits of this, given the basic principle that copyright subsists in modes of expression rather than ideas, are uncertain. The issue is perhaps most acute where it is alleged that a work has been reproduced in a different medium from the original. Copying in relation to a literary, dramatic, musical, or artistic work means reproducing the work in any material form, including storing the work in any medium by electronic means.<sup>47</sup> This certainly includes reproduction in the form of a record or a film,<sup>48</sup> as well as reproduction in a broadcast or in a computer, computer disk, or on the internet. In the case of an artistic work, a version produced by representing a two-dimensional work in three dimensions is a reproduction, as is a version produced by the reverse process.<sup>49</sup> An example illustrating the second instance might be a photograph of a work of artistic craftsmanship.<sup>50</sup> Not being exhaustive, these statutory definitions are but particular instances showing the general principle that the reproduction need not be in the same form as the original to be an infringement. Other examples might include a painting of a photograph.<sup>51</sup> However, there may be a difficulty where a literary work is translated into an artistic or quasi-artistic form: for example, the conversion of statistical data into drawings and graphs. Arguably, in the absence of express provision, reproducing the literary work is confined to reproductions which have some literary form in the sense of using words.

#### ■ *Cuisenaire v Reed* [1963] VR 719

It was held here that coloured rods used for arithmetical calculations did not reproduce a literary work describing such rods.

### ■ *Brigid Foley v Elliott* [1982] RPC 433

It was held here that garments did not reproduce the words and numerals constituting a knitting guide. A reproduction of a literary work must be, according to Sir Robert Megarry V-C, 'some copy of or representation of the original' (at 434).<sup>52</sup>

### ■ *Anacon Corporation Ltd v Environmental Research Technology Ltd* [1994] FSR 659

ACL were held to have both literary and artistic copyright in electronic circuit diagrams relating to an electronic dust meter. ERTL produced circuit boards using information derived from ACL's boards, involving the creation of a 'net list' of all the components in ACL's circuits, and the connections between them; by feeding such lists into a computer, a new circuit diagram could be produced, and a scheme for producing a printed circuit board. It was held, with regard to the artistic copyright, that ACL's claim of infringement failed, because the alleged infringement did not look like the copyright work. With regard to the literary copyright, however, the claim succeeded so far as the net lists reproduced the information which was the literary work contained in the diagram. Jacob J preferred not to decide whether the ERTL circuits themselves, 'because in relation to each of the components there is also a written or coded indication of what it is' (at 663), were also infringements.

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### ■ *Electronic Techniques (Anglia) Ltd v Critchley Components Ltd* [1997] FSR 401

This was another case about infringement of copyright electronic circuit diagrams in which Laddie J too held that they were literary works but that the defendant's taking might be insufficiently substantial to be infringement.

### ■ *Sandman v Panasonic UK Ltd* [1998] FSR 651

This was also a case on whether the copyright in electronic circuit diagrams was infringed by electronic circuits. It was held that the diagrams had both artistic and literary copyright. The artistic copyright would only be infringed if the circuit reproduced from a circuit diagram was visually

similar to the latter, at least when laid out on the circuit. With regard to the literary copyright, there was no equivalent to the artistic infringement of two-dimensional by three-dimensional works, but it was possible for a circuit itself to contain the content of the literary aspects of the circuit diagram.

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oup.support.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

How may the copyright in electronic circuit diagrams be infringed?

### Causal connection between two works

**4.27** It is necessary to show the causal connection of copying between two works, since there may be many other explanations for a similarity between them which do not involve infringement of the rightholder's copyright: for example, mere chance, a common source, the nature of the subject matter, or that the claimant copied the other party's work.<sup>53</sup>

#### ■ *Purefoy v Sykes Boxall* (1955) 72 RPC 89

P produced a trade catalogue containing illustrations of its products. SB's products copied P's. SB produced a catalogue of its imitative products, and P sued for infringement of the copyright in the catalogue. It was held that these facts by themselves were not enough to establish that SB's catalogue was a copy, direct or indirect, of P's catalogue. SB's copying of the products was not indirect copying of P's catalogue. However, other evidence showed that SB had copied certain advertisements and tables in P's catalogues; there was also indirect copying, since SB had copied certain tables from sheets prepared with P's consent by its customer, H, who had supplied them to SB.

**4.28** In general, it may be said that if two works are strikingly alike, if the claimant's work predates that of the defendant, and if the latter had access to it, then the Court will be ready to infer that copying took place.<sup>54</sup> '[I]n most copyright cases ... infringement can only be established by inference because there is no evidence of anyone being present and looking over the defendants' shoulder.'<sup>55</sup> But before proceeding to make that inference, the Court must consider when it can be displaced by other evidence.<sup>56</sup> However, the more strikingly similar the two works are, the more likely the proposition that there has been copying, and as such

more cogent evidence is required for a rebuttal than where the similarities are less striking, this being a matter of weighing up the evidence.<sup>57</sup> This is not a matter of the copyright owner shifting the evidential burden to the alleged infringer but rather of making 'a prima facie case for [him] to answer'.<sup>58</sup>

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### Question

When will a court infer that copying has taken place?

### Relevance of knowledge

**4.29** So far as the issue of whether or not there has been infringement is concerned, it is irrelevant that the defendant did not know or was unaware of the existence of the original work (as might be the case, for example, where he was copying from a copy of it) or of the fact that the original work had copyright. All that matters is the causal chain between the original and the derivative work, and that chain may have several links. Even where the defender produces a work apparently independently it has been said that he may be liable if subconscious copying can be established by the usual tests of similarity, dating, and access.<sup>59</sup> However, the inference that subconscious copying has taken place is one to be considered on the evidence as a whole and if subconscious copying is a proper inference to be drawn in the light of all the circumstances, then it is not a presumption to be rebutted, but is a conclusion of copying.<sup>60</sup>

### ■ *Francis Day & Hunter Ltd v Bron* [1963] Ch 587 (CA)

FDH owned the copyright in a musical work 'In a Little Spanish Town' (published in 1926 and performed in a 1955 recording by Bing Crosby), and claimed that it was infringed by the conscious or unconscious taking of its first eight bars in another work, 'Why', published by B in 1959. There was considerable similarity, but the composer (Peter de Angelis) gave evidence, accepted by the judge (Wilberforce J), that he had not consciously copied, or indeed heard 'In a Little Spanish Town', and that his main musical influences were Puccini, Ravel, and Debussy; if he had heard 'In a Little Spanish Town', this had probably occurred when he was young. It was held that there was no infringement, although subconscious copying was a possibility, which might amount to infringement. But, 'if subconscious copying is to be found, there must be proof (or at least a strong inference) of de facto familiarity with the work alleged to be copied. In the present case, on the findings of Wilberforce J, this element is conspicuously lacking' (per Willmer LJ at 613).

### ■ *Jones v Tower Hamlets London Borough* [2001] RPC 23

J, an architect, was instructed by ADL, a property development company, to produce plans for a housing development commissioned by THLB and to be carried out by ADL. After starting work, ADL was dismissed by THLB, which continued the development on the basis of its own plans. J had not been paid his fees of £219,000 by ADL and remained unpaid when ADL went into liquidation. In an action against THLB, J claimed that the ‘footprint’ of the houses as built on the site and some interior floor plans infringed the copyright in his plans. The claim was largely rejected save in respect of a ‘wrap around’ bathroom partition. Although the THLB official concerned could not remember seeing J’s plan for this, it was so striking that the only possible inference was that there had been copying, J’s plans having possibly remained subconsciously in the official’s mind.

### ■ *John Kaldor Fabricmaker UK Ltd v Lee Ann Fashions Ltd* [2014] EWHC 3779 (IPEC)

J, a fabric designer, claimed that a dress manufactured by L had used one of its fabric designs. In relation to indirect and subconscious copying, the Court noted that the first stage was to consider whether J had established a prima facie inference of copying by reason of the similarities between the works, and the stronger that case, the more compelling the defendant’s evidence would have to be to rebut that inference (para 11). The similarities between the designs, and the evidence offered, was ultimately not sufficient to infer copying.

### ■ *Sheeran v Chokri* [2022] EWHC 827

Ed Sheeran, a well-known singer-songwriter, sought a declaration that his worldwide hit song ‘Shape of You’ did not infringe the musical work in Sami Chokri’s earlier song ‘Oh Why’. The focus was on whether an eight-bar chorus from the latter had been copied deliberately and consciously, or alternatively subconsciously, by Sheeran. Zacaroli J held that while there were similarities between the relevant components of the two songs, there were also significant differences, and the similar elements were commonplace and their presence in Sheeran’s song could be explained by reasons other than copying. In relation to the similarities, the judge noted that ‘the fact that the precise notes, vocalised and harmonised in the same way has not been found before is no more than a starting point when considering whether one is copied from the other’ (para 202). It was held that Sheeran had not heard Chokri’s song and had neither deliberately nor subconsciously copied it. In recent years, there have been an increasing number of claims in the music industry around copying of what are seen by

some as common building blocks in music, of which this high profile case is a good example. It also illustrates the issues of casual connection, inference of copying, and relevance of knowledge noted above.

### Question

What is the relevance of knowledge in a question about copying?

### Copying and adaptation

**4.30** Adaptation of a work is a form of infringement distinct from copying, applying only to literary, dramatic, and musical works.<sup>61</sup> Adaptation is given a restricted meaning—it covers dramatisations and translations, for example—and it is specifically provided that no inference as to what does or does not amount to copying a work should be drawn from the definition of adaptation.<sup>62</sup> There may well be overlap, but copying is wider in scope. However, the dividing line between what amounts to a reproduction of a work and what amounts to an adaptation of a work can be unclear.<sup>63</sup>

### ■ *Hodgson v Isaac* [2010] EWPCC 37 (PCC)

H wrote an autobiography and entered into an agreement with I to make a film based on the book. Permission to use the book was later withdrawn and H claimed infringement by adaptation, but the claim also referred to reproduction. I claimed that he did not need permission, as the film script was not an adaptation of the book but rather based on I's own creative input. The similar elements in the two works were 'the main characters, many of the settings and contexts in which the events take place and a good number of the incidents themselves' (para 77). Birss J noted that adaptation was a more apt description of the facts here; while these elements were not quantitatively the majority of the book and there was much more in the book than the script, this was due to the different nature of the works; nature of film scripts meant they will often have fewer incidents as the scriptwriter's skill involves distilling down the essence of a story in a book ↵ to a suitable film. The judge held that the elements reproduced were not generic but a recognisable part of the story, including incidents and their interpretations, which were a key part of what made the book an original work. The fact that such elements are presented as factual rather than fictional did not make a difference and producing an autobiography is an intellectual effort of creation. Such elements together amounted to a substantial part of the book.

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### Ideas and impressions

4.31 Even where both works are in the same medium or form of expression, it can be difficult to determine whether one reproduces another. Reproduction must be substantial rather than exact or complete,<sup>64</sup> and so the substance of a work must be determined in order to judge the scope of the copyright owner's rights. In some cases, this has extended well beyond expression in the simple sense of words used, to touch on the ways in which information and ideas have been arranged by the author, for example historical incidents.

#### ■ *Harman Pictures NV v Osborne* [1967] 1 WLR 723

It was held here that similarities of incidents and situations suggested that a film screenplay by John Osborne infringed the copyright in a historical book (*The Reason Why* by Mrs Cecil Woodham Smith), even though there were also many dissimilarities between the two works and both were based upon historical events (the 'Charge of the Light Brigade' in the Crimean War).

Several other cases demonstrate that where the question is whether or not one dramatic or musical or artistic work reproduces another of the same kind, account may be taken of factors other than the similarity of the respective modes of expression. With dramatic works, the essence of the copyright may be not so much in the words used as in the characterisation and sequence of incidents and events and where that is taken there is infringement of copyright.<sup>65</sup> With musical works, 'infringement of copyright ... is not a question of note for note comparison', but falls to be determined 'by the ear as well as by the eye'.<sup>66</sup>

4.32 But there are limits to how far this approach can be taken, since it can make unacceptable inroads upon the basic principle that copyright does not protect ideas and information, which are available for all to use in their own work.

#### ■ *Bauman v Fussell* [1978] RPC 485

A photograph of two cocks fighting each other was used as the basis of a painting. The composition of the subject matter was followed closely but the painter employed different colouring to heighten the dramatic effect of the representation. It was held that it was appropriate to consider the different effects of each work on the viewer in assessing whether there had been an infringement of artistic copyright (answer in this case, no).

### ■ *Baigent v Random House Group Ltd* [2006] EMLR 16 (Peter Smith J); aff'd [2007] FSR 24 (CA)

This case was based on a claim that the best-selling novel, *The Da Vinci Code* (DVC) by Dan Brown, infringed copyright in an earlier, non-fictional work called *The Holy Blood and the Holy Grail* (HBHG), written by B and others. The claimants relied on *Ravenscroft v Herbert*, arguing that Dan Brown had used the central theme and argument of HBHG in constructing the plot of DVC, and so infringed their copyright. The evidence showed that Dan Brown had used HBHG while working on DVC, and there was some limited textual copying. It was held that DVC did not infringe any copyright in HBHG. The central theme or argument claimed for HBHG was not made out in the book itself, but was an artificial creation put together for the purposes of raising the claim. DVC did not copy any central theme of HBHG, and the textual copying was insubstantial. While the way in which facts, themes, or ideas were put together could be protected by copyright, because this was the result of the skill and labour of the author, the facts, themes, and ideas in themselves were open to anyone else.

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### ■ *Allen v Bloomsbury Publishing plc* [2010] EWHC 2560 (Ch)

A alleged that B's *Harry Potter and the Goblet of Fire* infringed an earlier work, *Willy the Wizard*, because of the similarities in plot elements in the two works: the main characters are wizards and compete in a contest; they have to work out the nature of their main task; they work this out covertly in a bathroom; they complete it using information from helpers; it involves rescuing human hostages from half-human, half-animal creatures. B sought summary judgment arguing that any similarities were of a general nature and arose purely by chance. Kitchen J noted that the similarities seemed to constitute ideas which are relatively simple and abstract and was inclined to view them as ideas rather than expressions due to their high level of generality. However, the judge refused summary judgment because while A's claim had an improbable chance of success, it was not so bad as to be described as fanciful. The merits of the case were not tested further as the case was struck out after a failure to abide by an aspect of court procedure.<sup>67</sup>

### ■ *Temple Island Collections Ltd v New English Teas Ltd* [2012] FSR 9 (PCC)

This case concerned two similar photos, by F and H, showing a London Routemaster bus in red in the foreground, on a black-and-white background of Westminster Bridge and the Houses of Parliament. Both photos had been altered using a computer program.<sup>68</sup> The defendants had settled a previous case

of infringement based on an earlier photograph. Birss J stated that photographs, as one species of artistic work, are not to be treated differently from other artistic works and, as such, infringement is not limited only to facsimile reproductions of a photograph and in an appropriate case infringement can take place by recreating a scene which was photographed (para 31). The defendant argued that the place of the picture was where many tourists stand and it was altered using a 'bog-standard bit of software'. The judge noted that:

What falls to be considered, in order to decide if a substantial part of an artistic work has been reproduced, are elements of the work which have visual significance. What is visually significant in an artistic work is not the skill and labour (or intellectual creative effort) which led up to the work, it is the product of that activity. The fact that the artist may have used commonplace techniques to produce his work is not the issue. What is important is that he or she has used them under the guidance of their own aesthetic sense to create the visual effect in question (para 34).

The defendant also argued that their expression of the same idea was very different, in almost every respect, to the claimant's. The judge noted that:

I have not found this to be an easy question but I have decided that the defendants' work does reproduce a substantial part of the claimant's artistic work. In the end the issue turns on a qualitative assessment of the reproduced elements. The elements which have been reproduced are a substantial part of the claimant's work because, despite the absence of some important compositional elements, they still include the key combination of what I have called the visual contrast features with the basic composition of the scene itself. It is that combination which makes ... [the claimant's] ... image visually interesting. It is not just another photograph of clichéd London icons (para 63).

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↵ The judge found that while images of London landmarks are free to be used, the defendant went to elaborate lengths to produce an image in which they sought lawfully to produce an image which bore some resemblance to the claimant's image but would not infringe the copyright of the claimant. The decision is seen as an unsatisfactory application of the basic principle that copyright does not protect ideas and information.<sup>69</sup>

### Question

How useful is the distinction between idea and expression? How does it work in relation to, say, poetry, music, or art?

### Computer programs and infringement

**4.33** Particular problems have arisen with copyright in computer programs. It is clearly infringement to make an exact copy of a program.<sup>70</sup> More complex, however, is the situation often arising as a result of ‘reverse engineering’,<sup>71</sup> where the aim of the second party is to produce a program which can perform the same functions on the same machines as the first program (ie compatibility or interoperability). This functional similarity can be achieved with quite distinct underlying codes. Thus, the reverse engineer’s product may not be an exact or literal copy of the original program, and the question which arises is how far the first programmer’s copyright may be pressed in challenging such non-literal copies as infringements of a substantial part of his work. As already noted (paras 4.31–4.32), copyright protection is not confined to literal copying, and can extend to sequences of ideas and effects. But the Software Directive 2009 provides that ideas and principles which underlie any element of a computer program, including those which underlie its interfaces, are not to be protected.<sup>72</sup>

The scope of infringement of software copyright by non-literal copying has been addressed by the courts.

#### ■ *Navitaire Inc v EasyJet Airline Co Inc* [2006] RPC 3 (Pumfrey J)

EJ had taken a licence from N to use their ‘OpenRes’ copyright software for an online ‘ticketless’ airline booking system and another program (‘TakeFlight’) for the web user interface accompanying it. EJ moved on to another web interface and B wrote for them the code for a new booking system (‘eRes’). N alleged that its ‘OpenRes’ copyright was infringed by ‘eRes’. There was no dispute that the underlying software was different, that EJ had wanted a new system substantially indistinguishable from ‘OpenRes’ in respect of its user interface, and that ‘eRes’ acted upon identical or very similar inputs and produced very similar results. N argued that there was non-textual copying, akin to that involved in copying the plot of a book, or copying of the ‘business logic’ of the program. It was held that there was no infringement by non-textual copying. The analogy with infringement of the copyright in a plot was inapt because a computer program did not have a theme, events, or narrative flow, but was rather a series of pre-defined operations to produce a result in response to a user’s requests or commands. ‘Business logic’ fell within the scope of unprotectable ideas and principles.

#### ■ *SAS Institute Inc v World Programming Ltd* [2010] ECDR 15 (Arnold J); *Case C-406/10* [2012] ECDR 22 (ECJ); [2013] EWHC 69 (Ch); [2013] EWCA Civ 1482 (CA)

S developed analytical software (SAS), which consisted of an integrated set of programs and its core component (Base SAS) allowed users to write and run application programs which were written in the SAS language. W studied the SAS manuals and functioning of SAS to create competing software (WPS), which emulated much of the functionality of SAS; that is, the same inputs would generate the

same outputs as SAS. There was no suggestion that W had copied the source code of SAS. S argued that the Court's decision in *Navitaire*, that it is not infringement of copyright in a computer program for a competitor to engineer a program that emulates the functionality of the first, was incorrect. In addition, S claimed that W had infringed the copyright within manuals for the program, and had breached the contract of use of a learning edition. Arnold J reiterated the decision in *Navitaire* and was not persuaded that it was incorrect. The judge concluded that W had not infringed components of SAS but the resolution of the case depended on a number of issues of interpretation of the Software Directive 1991 (now consolidated in Software Directive 2009). As such, several questions were referred to the ECJ to clarify whether copyright in computer programs protected programming language, interfaces, and functions.

The ECJ held that the source code and the object code are forms of expression which can be protected by copyright but the ideas and principles which underlie a computer program are not protected by copyright. The Court found that neither the functionality nor the programming language and the format of data files used in a computer program constitutes a form of expression of that program and are not protected under the Directive. The Court noted that: 'to accept that the functionality of a computer program can be protected by copyright would amount to making it possible to monopolise ideas, to the detriment of technological progress and industrial development' (para 40). This interpretation is generally consistent with the approach taken in UK case law.

The Court held that a lawful user of a program could, without further authorisation, observe, study, or test the functionality of a program to determine underlying ideas and principles, where he is carrying out acts covered by the licence. However, the Court also held that reproduction, in a computer program or a user manual for that program, of certain elements described in the user manual for another computer program is capable of constituting an infringement if the reproduction constitutes the expression of the intellectual creation of the author of the user manual for the computer program protected by copyright (see also para 3.52).

In applying this interpretation to the facts of the case, the High Court noted that the ECJ had in effect endorsed Pumfrey J's judgment in *Navitaire Inc*: 'In short, copyright in a computer program does not protect either the programming language in which it is written or its interfaces (specifically, its data file formats) or its functionality from being copied' (para 16). This is because, as the Court of Appeal noted, 'the nature of the skill and judgment expended in devising the functionality of a computer program (which will inevitably involve making choices) still falls on the ideas side of the line' (para 46). The Court of Appeal did, however, go on to hold that copyright in the SAS manuals, as a literary work in itself rather than the program it related to, had been infringed to an extent. It emphasised that the question was whether there had been reproduction of the intellectual creation of the author of the manual; the intellectual creation of the author of the computer program it related to was not relevant (para 63).

p. 137 4.34 Even where the form of expression in computer language is distinct from the first version, there may still be infringement by adaptation.<sup>73</sup> With regard to screen displays, a problem may be the idea that a literary work (which includes a computer program) cannot be infringed by a visual representation.<sup>74</sup> On the other hand, the display may have an independent artistic copyright of its own, which would be infringed by substantially similar displays.

#### **Transient copies: computer programs, databases, and the internet**

4.35 Copying in relation to any description of work includes the making of copies which are transient or are incidental to some other use of the work.<sup>75</sup> This again has particular significance in relation to computer programs. When a program is loaded into a computer, it is generally copied from the source into the computer's random-access memory and central processing unit. This may well be transient or incidental, but is nonetheless infringement unless authorised. Similarly, in browsing the internet, a user who calls up a webpage on his computer screen would be making a copy of the materials. It applies to 'data scraping', the use of programs to copy data from a website or database. The concept of transient reproduction also embraces activities such as proxy server caching where, by deploying appropriate software technology internet service providers, librarians, archivists, and others make and store on their own servers temporary and regularly updated copies of materials contained on other servers with the purpose of making the information more readily available to their own clients by avoiding congestion at the 'live' site. Such operations may also amount to the infringing act of storage by electronic means.<sup>76</sup>

On creation of small transient fragments of a work, such as those in the memory of a satellite decoder or in the buffers of a streaming service, an important question for assessing reproduction is whether it is appropriate to consider the fragments on a cumulative or rolling basis. It has been held that the rolling basis is not to be applied 'where the copies relied upon are successively destroyed as an inherent part of the process'; this is because what is restricted is a 'transient copy of a substantial part of the work' and as such 'the substantial part must be embodied in the transient copy, not a series of different transient copies which are stored one after the other in the decoder box'.<sup>77</sup>

#### **■ Cases C-403/08 and C429/08 *Football Association Premier League Ltd v QC Leisure, Murphy v Media Protection Services Ltd* [2012] 1 CMLR 29 (ECJ)**

This case concerned the reception of Premier League matches, in a pub, through foreign decoders, which included the Premier League anthem, pre-recorded films showing highlights of recent matches, and various graphics (see also para 20.26). As part of the reception, transient sequential fragments of works are created within the memory of a satellite decoder and on a television screen which are immediately effaced and replaced by the next fragments. The ECJ was asked whether the reproduction right extends to these fragments of works (para 153).

The Court began by emphasising that the concept of ‘reproduction’ is to be given an autonomous and uniform interpretation throughout the EU, and various parts of a work enjoy protection provided they contain elements which are the expression of the intellectual creation of the author (see discussion on *Infopaq* at para 4.19). The Court confirmed that reproduction extends to transient fragments of works within the memory of a satellite decoder and on a television screen, if those fragments contain elements which are the author’s own intellectual creation. The Court also noted that:

the unit composed of the fragments reproduced simultaneously—and therefore existing at a given moment—should be examined in order to determine whether it contains such elements. If it does, it must be classified as partial reproduction ... it is not relevant whether a work is reproduced by means of linear fragments which may have an ephemeral existence because they are immediately effaced in the course of a technical process (para 157).

p. 138 ↪ In *ITV Broadcasting Ltd v TVCatchup Ltd*,<sup>78</sup> which concerned reproduction of films in memory buffers of a streaming service and on TV screens, Floyd J noted that the *FAPL* decision by the ECJ had clarified that the rolling approach is incorrect and, as such, it should not be applied to either films or broadcasts. The judge concluded that there was reproduction of a substantial part of the films in the memory buffers but not on the TV screens. It is important to note here that copying of such transient fragments can be allowed as a permitted act where it is an integral and essential part of a technological process, the sole purpose of which is to enable a transmission of the work in a network between third parties by an intermediary or a lawful use of the work and the temporary copy has no independent economic significance.<sup>79</sup> Otherwise, the remarkable result would be that the technical basis of the operation of the internet itself is illegal. In fact, this exception was seen as applicable in both the *FAPL* and *ITV* decisions, as well as to temporary copies generated during browsing by the users of a media monitoring service (see further at para 5.19).<sup>80</sup>

### Common source material; admittedly derivative work

4.36 Difficult questions can also arise with compilations where the same generally available information or material is conveyed in a different way; but if it is shown that in fact the second work was based on the first then it will be held to infringe copyright.

#### ■ *Alexander v Mackenzie* (1847) 9 D 748

A, a solicitor, published a work entitled *An Analysis of the Heritable Securities and Infeftment Acts* with an Appendix, containing Practical Forms of the Writs and Instruments thereby introduced. The Acts, which had been passed in 1845, were aimed at the simplification of conveyancing, and gave general directions and descriptions of the styles to be used henceforth by conveyancers. A used industry and his knowledge as a conveyancer to produce 19 new styles. A committee of the Society of Writers to the Signet (a society of solicitors in Edinburgh) prepared and circulated amongst its membership reports on the two statutes, which also had an appendix containing a number of forms.

The forms were largely based on those in A's work; A, who was a member of the committee, objected to this way of proceeding. It was held that the styles, being the creation of industry and knowledge rather than a mere reproduction of what was in the statutes, were copyright subject matter; the committee's alterations in its forms were of a trivial and unimportant nature; the committee styles were presented in the same order as A's; actual copying was acknowledged; and A's copyright was infringed.

### ■ *Elanco Products Ltd v Mandops (Agrochemical Specialists) Ltd* [1980] RPC 213 (CA)

EP invented, patented, and marketed a weed killer. The product was accompanied by an instruction leaflet. The information contained in this leaflet was also available by way of scientific journals. When the patent expired, M brought out a competing version of the product accompanied by an instruction leaflet very similar to that of EP. When EP challenged M, the latter produced new versions of the leaflet embodying the information but which was not so similar to EP's leaflet. EP sought an interlocutory injunction and it was held that EP had an arguable case. It appeared on the evidence that M had begun by making a simple and unauthorised copy, which M had then revised. This was not sufficient to cure the copyright infringement. It would have been different if M had researched all the other available information as well as EP's leaflet before writing their leaflet; then, even if the results had been extremely similar, there would have been no infringement.

p. 139 ↗ 4.37 But, on the other hand, it may be admitted that the allegedly infringing work was based upon the pursuer's work, yet, because the defender put in sufficient independent skill and labour, the result was not an infringement but a new and independent work. See, for example, the case of *Bauman v Fussell* [1978] RPC 485, described at para 4.32. Again, there may be issues about whether a product emanates from the claimant's work or from a wider source upon which both products ultimately depend.

### ■ *JHP Ltd v BBC Worldwide Ltd* [2008] FSR 29 (Ch D)

JHP sought an injunction to prevent further publication of *The Daleks Survival Guide*, which the BBC published in 2002 as a 'secret dossier on this deadly breed of embossed exterminators'. The book was said to be in breach of the copyright in previous books, published in the 1960s, in which JHP now claimed the rights. Though the judge found that JHP did not hold the rights claimed, he went on to consider the issue of copying and substantiality had they held the rights. Any similarities between the

new book and the three original ones were held to arise from the texts all referring to material in the TV series, which existed as a published artistic concept separate from the books. In any case, even if there had been copying, the quantity was insignificant.

### Parodies as reproductions

**4.38** A parody of another work may or may not be an infringement of its copyright, depending on whether a substantial part is copied or not. Prior to October 2014, a ‘parody’ was neither necessarily an infringement of copyright,<sup>81</sup> nor an independent, substantive defence to a charge of infringement.<sup>82</sup> However, as a result of the Hargreaves Review, fair dealing with a work for the purposes of caricature, parody, or pastiche is now a defence to infringement. As such, a parody of another work may now be an infringement of its copyright only if it is a reproduction of a substantial part thereof, and also doesn’t fall within the remit of the new exception (see paras 5.40–5.42).

### Abridgements as reproductions

**4.39** Abridgements have received favourable treatment in England in being held not to infringe copyright, as long as the abridger does not make excessive use of the original’s mode of expression.<sup>83</sup> It was held that an abridgement infringed copyright, however, in a Scottish case on the subject.<sup>84</sup> Again, therefore, it is apparent that the question of whether or not an abridgement is an infringement depends on the normal principles of copyright: how much and in what way has use been made of the original work and its mode of expression?

### Copying of sound recordings, films, and broadcasts

**4.40** The copyright in a sound recording, film, or broadcast is infringed by copying the work.<sup>85</sup> This can include the copying of a substantial part of the work (para 4.20) as well as the whole,<sup>86</sup> and so in relation to a film or broadcast making a photograph of the whole or any substantial part of any image forming part of the work is an infringement.<sup>87</sup> This would cover, for example, the enlargement of one section of an image from a film or broadcast. However, film copyright may be infringed only by ‘copying of the particular recording of the film’.<sup>88</sup> Perhaps the most important general point to note here is that ‘home copying’ of such works by private individuals is infringement, without any general exception being made for private use.<sup>89</sup> Similarly, downloading from unlicensed music or film sites on the internet is infringement of the copyright in the sound recordings or films in question.<sup>90</sup> On the other hand, in practical terms, it is expensive as well as exceptionally difficult to enforce this right against individual infringers.

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### Copying in relation to the typographical arrangement of a published edition

4.41 Copying in relation to the typographical arrangement of a published edition means making a facsimile copy of the arrangement.<sup>91</sup> The most important example of this is photocopying or reprography, which is therefore *prima facie* infringement of the publisher's right, as well as that of the author of the text.<sup>92</sup> The scope of the publisher's protection is, however, restricted to a certain extent by provisions on the permitted acts and on licensing.<sup>93</sup>

#### Key points on copying

- Copying means that there must be a causal link between two works in that one is derived from the other.
- Copying does not have to be intentional to be infringement.
- The copying does not have to be exact ('literal').
- The copy may be transient or temporary (this is especially important for computer programs, databases, and the internet).

### (2) Infringement by issuing to the public copies of the work

4.42 The issue to the public of the original work or of copies of the work without the authority of the copyright owner is an infringement of the copyright.<sup>94</sup> *Issuing to the public* means:<sup>95</sup>

putting into circulation in the United Kingdom copies not previously put into circulation in the United Kingdom or the EEA by or with the consent of the copyright owner.

Specifically excluded from the definition is any *subsequent* distribution, sale, hiring, or loan of copies previously put into circulation.<sup>96</sup> In other words, the owner has the right to be *first* to produce copies of the copyright work to be available to the public, whether in the form of books, posters, records, videos, or whatever. The right is therefore sometimes described as the right of *first sale* or of *distribution*. Only the copyright owner or his licensee can put a new reproduction of the work on the market. The right exists only as far as, or is *exhausted* by, the initial issue of copies in the UK or EEA, however. So, the second-hand bookseller of books legitimately put into circulation does not require copyright licences in order to carry on business.<sup>97</sup> Generally, of course, the author will exercise the right by the grant of a licence to a commercial publisher, because it is the latter's business to put material into public circulation. Once the publisher has put copies of the work on the market, these may be dealt with freely, and no subsequent sale or other dealing with those copies can be an infringement of copyright.

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### Issuing

**4.43** The issue must take place in the copyright territory, that is, the area to which the CDPA applies. But what does ‘issuing’ mean? And at what point does infringement occur? In *Independiente Ltd v Music Trading On-line (HK) Ltd*<sup>98</sup> (the ‘CD-WOW case’), where a parallel importer posted infringing copies of CDs from Hong Kong to customers in the UK, who made orders by way of the supplier’s website, it was held that infringement by issuing to the public took place when the goods were delivered to the customer through the post. The case was strengthened by the fact that the CD-WOW website was clearly intended to attract customers in the UK. Issuing must also be understood in accordance with the EU notion of ‘distribution to the public’ (under InfoSoc Directive 2001, Art 4).

#### ■ **Case C-5/11 Criminal proceedings against Titus Alexander Jochen Donner [2015] ECDR 22 (June 2012)**

The ECJ noted that distribution is ‘characterised by a series of acts going, at the very least, from the conclusion of a contract of sale to the performance thereof by delivery to a member of the public’ and, in a cross-border sale, distribution may take place in a number of member states. As such, the right may be infringed in a number of member states (para 26).<sup>99</sup> The Court noted that:

a trader who directs his advertising at members of the public residing in a given member state and creates or makes available to them a specific delivery system and payment method, or allows a third party to do so, thereby enabling those members of the public to receive delivery of copies of works protected by copyright in that same Member State, makes, in the member state where the delivery takes place, a ‘distribution to the public’ (para 30).

In these circumstances, the trader not only bears responsibility for any act carried out by him or on his behalf but acts carried out by third parties, such as freight forwarders, may also be attributed to him, where he specifically targeted the public of the destination and was aware of the actions of the third party.

#### ■ **Case C-516/13 Dimensione Direct Sales Srl v Knoll International SpA [2015] ECDR 12 (May 2015)**

The ECJ held that the right of distribution includes advertisement for sale of protected works. The judgment in *Donner* (above) did not exclude ‘acts or steps preceding the conclusion of a contract of sale’ from the concept of distribution because the Court used the term ‘at the very least’ (para 26). As such, the right owner can prevent an offer for sale, or an advertisement in the press or by direct mail for sale, of the original or a copy of the work, whereby the consumers of the member state of the

protected work are invited to purchase it. It is irrelevant that the advertisement does not result in a purchase or transfer of ownership. The ECJ justified this interpretation in light of the objectives of the InfoSoc Directive to provide rigorous, effective, and a high-level of protection to right owners. In strengthening the position of the right owners, the Court has expanded the notion of distribution.<sup>100</sup>

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### ■ **Case C-419/13 *Art & Allposters International v Stichting Pictoright* [2015] ECDR 8 (January 2015)**

S had licensed protected images for use to produce posters. A transferred images from the paper posters to canvasses by means of a chemical process, during which the image disappears from the poster. The ECJ was asked whether S's Article 4 right was exhausted on distribution of the images incorporated into the tangible posters (for an answer to which see para 19.74). The Court noted that the replacement of the tangible medium, from the poster to the canvas, resulted in the creation of a new object. Such alteration of the protected work constitutes a new copy of work for the purposes of the distribution right and requires the rightholder's authorisation (para 43).

### ■ **Case C-476/17 *Pelham v Hütter* [2019] ECDR 26**

For the facts see para 4.20. An issue was whether a phonogram producer's distribution right in sound recordings<sup>101</sup> is infringed by sampling (ie sound samples from the initial recording are transferred into and embedded into another sound recording). The ECJ held that such samples do not constitute a 'copy' for the purposes of the distribution right (para 55).<sup>102</sup> The aim of the right is to protect phonogram producers from piracy (ie the public dissemination of counterfeit copies of sound recordings) which can affect their revenues received from the distribution of sound recordings. Only reproduction of all or a substantial part of the initial sound recording is intended to replace lawful copies of initial sound recording, which is not the case in sampling for the purpose of creating a new work.

### **Discussion point**

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oupsupport.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

A similar factual situation to *Allposters* arose in an earlier Canadian case, *Galerie d'Art du Petit Champlain inc v Théberge*,<sup>103</sup> where T, a well-known painter, sued art galleries for purchasing licensed cards and posters with images owned by T and transferring them to canvas, leaving the originals blank. By a majority of 4:3, the Supreme Court of Canada held that there was no infringement. Find out the majority and minority views in the case. Which do you prefer, and why? How do you think it compares to the decision in *Allposters*?

### Issuing to the public and publication

**4.44** Issue of copies to the public should be kept distinct from publication, which is important for other aspects of copyright such as term and qualification for protection in the UK, and receives an independent definition.<sup>104</sup> A key element in the constitution of publication is that it does not include publication which is merely colourable and not intended to satisfy the reasonable requirements of the public.<sup>105</sup> This would not apply to the right of the owner to be the first to issue copies of his work, and so private publication for limited circulation might exhaust that right, although it might not constitute publication for other purposes. Nevertheless, it is probably true to say that most acts constituting publication under the 1988 Act will also constitute issuing copies to the public.

#### Question

What is the difference between 'issuing to the public' and 'publication'?

### p. 143 The public

**4.45** The question—*who are the public for these purposes?*—is one on which there is no direct authority, and it may be that it should be answered in the same way as it has been in the cases concerning infringement by performing the work in public.<sup>106</sup> However, issue to the public should be kept distinct from the other forms of infringement, in particular performance and public communication. Issuing a substantial part of a work to the public will constitute infringement of the copyright where copies of the work have not previously been put into circulation.<sup>107</sup>

#### Key points about issuing to the public

- The right is to be the first to sell or otherwise distribute copies of a work to the public.
- A typical example is when an author licenses a publisher to publish his book.

- The right does not reach second or subsequent sales: it is *exhausted* by the first transaction.

### (3) Rental or lending of a work to the public

**4.46** The copyright owner's right to be the first to issue copies of his work to the public (paras 4.42–4.45) generally does not preclude subsequent dealing with those copies so as to make them available to the public, for example through a public library. But since the 1988 Act and its subsequent amendment as a result of the Rental Right Directive of 1992,<sup>108</sup> certain forms of subsequent dealing are within the scope of the restricted acts by virtue of an express provision stating that in relation to most forms of copyright work, *rental or lending of copies to the public* is an act restricted by the copyright in the work.<sup>109</sup> The works to which rental and lending right do *not* apply are works of architecture in the form of a building or a model for a building, works of applied art, and broadcasts.<sup>110</sup>

#### Discussion point

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Why do rental and lending rights not apply to works of architecture in the form of buildings or models for buildings, works of applied art, and broadcasts?

#### **4.47** Rental is:<sup>111</sup>

making a copy of a work available for use, on terms that it will or may be returned, for direct or indirect economic or commercial advantage.

The typical scenario where the right applies is that of a business or other organisation which has purchased authorised copies of the works in question; in order to engage in the business of rental of these copies to customers, a licence from the copyright owner is required. Licences permit control of rental outlets and libraries, while royalties to the copyright owner provide some sort of compensation for the supposedly illicit copying carried out by the outlet's customers.

#### Question

How does 'rental' differ from 'issuing to the public'?

p. 144 ↩ 4.48 *Lending* right, an innovation of the Directive, is defined similarly to rental (para 4.47), save that the restricted act is one performed *otherwise* than for direct or indirect economic or commercial advantage, *and* is carried out through an establishment which is accessible to the public.<sup>112</sup> Thus, a public library's lending activities require a copyright licence.<sup>113</sup> But if you lend a book or DVD to a friend there is no copyright infringement, since you are not an establishment accessible to the public. The ECJ has clarified that lending includes e-lending of the 'one copy, one user' type, that is:<sup>114</sup>

the lending of a digital copy of a book, where that lending was carried out by placing that copy on the server of a public library and allowing a user to reproduce that copy by downloading it onto his own computer, bearing in mind that only one copy may be downloaded during the lending period and that, after that period had expired, the downloaded copy could no longer be used by that user.

### Question

How does 'lending' differ from rental?

4.49 Neither rental nor lending covers making copies available for the purpose of performance, showing, playing, or exhibiting in public, or communication to the public (activities subject to their own regime of rights—see further at paras 4.50ff), or for the purpose of on-the-spot reference use, as for example in a reference library or in the reference section of a university or college library.<sup>115</sup>

### Question

How do the provisions on lending right affect your university or college library?

### Key points on rental and lending

- Both are about the right to issue products to the public, on condition that the product will or may be returned to the issuer.
- Rental involves an economic return to the party issuing the product, while lending involves no economic return.
- The issuer will typically be someone who has a licence to do so from the copyright owner, rather than the copyright owner itself.

### (4) Public performance, showing, and playing

**4.50** Public performance of a literary, dramatic, or musical work in public infringes its copyright.<sup>116</sup>

*Performance* includes:<sup>117</sup>

delivery, in relation to lectures, addresses, speeches and sermons; it also includes any mode of visual or acoustic presentation, including presentation by means of a sound recording, film, or broadcast of the work.

p. 145 ↵ Since this definition only ‘includes’, other things than the activities mentioned may amount to performance. It has been suggested that the meaning of performance should be confined to performing in the sense of entertaining or instructing; otherwise it might be possible to argue, for example, that the copyright in a concert programme was infringed by the performance of the items there listed.<sup>118</sup> The performance need only be of a substantial part of the copyright work to infringe.<sup>119</sup> *Playing or showing* a sound recording, film, or broadcast in public is also an infringement of copyright.<sup>120</sup>

#### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oup.support.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

Can an artistic work be performed, played, or shown in public? Why are artistic works excluded from protection under this head?

#### When is a performance in public?

**4.51** Public performance is a ‘direct representation or performance’, encompassing interpretation of the works before the public that is in direct physical contact with the actor or performer of those work<sup>121</sup> and is different from ‘communication to the public’<sup>122</sup> (see para 4.59). Most of the UK case law on this topic has been concerned with when a performance is in public. It is clear that the performance must be addressed to an audience before any question of infringement can arise and that it is the nature of the audience which determines whether it is in public. It is not necessary that the performance be one which the public at large may attend. The test has been well put in a Scottish case:

### ■ *Performing Right Society v Rangers FC Supporters Club* 1974 SC 49

At one end of the spectrum there is what has been described as the domestic situation. At the other end is the situation where the promoter invites the public to attend the performance on payment of an entrance fee. In between there is a wide range of varying situations. 'Domestic' has been extended to include 'semi-domestic'. What is the underlying reasoning behind the exclusion of domestic or quasi-domestic performances? It is to be found in the relationship between the audience and the owner of the copyright. In a situation where a person organises a private party in his own home, or in what might reasonably be deemed to be an extension of his own home, then it seems reasonable to assume that the unauthorised publication or use of the copyright work is not rebounding to the financial disadvantage of the owner of the copyright, since the selected audience is not enjoying the work under conditions in which they would normally pay for the privilege in one form or another. A performance of the work in such circumstances would ordinarily be regarded as being in private (per Lord Justice-Clerk Wheatley at 59).

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oupsupport.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

If there is no charge to attend a performance, does that make it private? See also para 4.56.

p. 146 ↩ 4.52 The test is the relationship between the audience and the copyright owner. The courts have held that performances in the following places were in public:

- members' clubs (*Harms (Incorporated) Ltd v Martans Club Ltd* [1926] Ch 870; *PRS v Rangers FC Supporters Club* 1974 SC 49);
- the lounge of a hotel (*PRS v Hawthorns Hotel (Bournemouth) Ltd* [1933] Ch 855);
- a factory during working hours (*Ernest Turner Electrical Instruments v PRS* [1943] Ch 167 (CA));
- a meeting of a women's rural institute (*Jennings v Stephens* [1936] Ch 469);
- performance of musical works in a record shop by playing records over a loudspeaker system (*PRS v Harlequin Record Shops* [1979] 1 WLR 851);
- a butcher's shop (*South African Music Rights Organisation Ltd v Trust Butchers (Pty) Ltd* [1978] 1 SALR 1052).

**4.53** In most of these cases, attendance at the performance was restricted to certain categories of the public only. It is also apparent that it is not relevant to consider either the size of the audience or the return, if any, received by the performer. But if the audience is unrestricted and the performer is acting for profit, the performance is clearly an infringement. It has been said that ‘a performance given to any audience consisting of the persons present in a shop which the public at large are permitted, and indeed encouraged, to enter without payment or invitation, with a view to increasing the shopowner’s profit, can only properly be described as a performance “in public”’.<sup>123</sup> The nature of the retailer’s business is unimportant in deciding whether or not performances of this type are in public.<sup>124</sup>

### ■ *Brown v Mcasso Music Ltd* [2005] FSR 40

B and M were joint authors of a rap song, which was used in a TV commercial for two months. Subsequently M made the work available on its website for nine months, in order to advertise M’s services to prospective clients. After that, the work was archived on a part of the website not intended to be accessible to the public. M had only paid B for the two months’ transmission in the TV commercial. It was held that the initial nine months’ use of the song on the website infringed B’s joint copyright, and damages of £180 were awarded (challenged on appeal). *Obiter*, however, Fysh J noted that the website archiving was not an infringing public performance.

### An audience of one, or of several, but at different times?

**4.54** A gathering of the audience together in one place is not a necessary condition for performance in public. It has been held in Australia that playing recorded music ‘on hold’ to users of mobile telephones was ‘in public’ even though the distribution of the material was not necessarily, or even very often, simultaneous for each member of the audience.<sup>125</sup> The fact that the members of the audience would be quite unaware of each other, and joining and leaving the audience at various times, would not seem to be relevant. Nor would the fact that the audience might consist of only one person at any given moment. Many such cases may now be dealt with by the public communication right (paras 4.57–4.68).

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### Exercise

I book a venue at the Edinburgh Festival Fringe at which I advertise that I will be giving readings from my favourite twentieth-century poets, most of whose work is still in copyright. But I do not seek any copyright licences. Tickets for my show cost £10 each, but none are sold and no one comes to any of my performances, which I nonetheless resolutely give in an otherwise empty room. Have I infringed the various poets’ copyrights by public performance? Would it make any difference to your answer if:

(1)

one night a newspaper critic came on a complimentary ticket, but did not publish any review of the show; or

- (2) the venue provided a couple of staff to man the public entrance and operate the lighting and sound systems for the show?

### Performing for one's own benefit but in public places; education

**4.55** It is arguable that there is no performance in public in situations where the performer is acting essentially for personal benefit or pleasure and incidentally members of the public constitute an audience which watches or listens: for example, the members' sing-song in a club<sup>126</sup> or labourers playing music on a radio at a building site.<sup>127</sup> The same would seem to apply to playing a sound recording on a personal stereo which can be overheard by persons close to the wearer of the equipment. Note that performance of a literary, dramatic, or musical work in the course of the activities of an educational establishment (school, college, university) before an audience of teachers, pupils, and other persons directly connected with the establishment's activities<sup>128</sup> is not in public if the performers are teachers or pupils or if the performance is for the purpose of instruction.<sup>129</sup> The rule is the same for playing or showing a sound recording, film, or broadcast to such an audience in the course of instruction at an educational establishment.<sup>130</sup>

### Use of apparatus for receiving visual images or sounds conveyed by electronic means

**4.56** One of the most important ways of performing, playing, or showing a work may be through a television screen or radio set situated in a public place, on which a literary, dramatic, or musical work may be being performed, or a sound recording, film, or broadcast played or shown. It is provided that in such cases the person by whom the images or sounds are sent is not an infringer and, in the case of a performance, nor is any performer;<sup>131</sup> but there is nothing to define who is the primary infringer in such cases; or, to put it another way, who should be seeking the licence for the performance in question. The 1956 Act provided that the occupier of the premises where the apparatus was situated would be taken as giving the performance, playing, or showing if he also provided the apparatus itself.<sup>132</sup> This may still be the most useful guide. It should be noted, however, that an occupier of premises who gave permission for the apparatus to be brought on to the premises can be liable as a secondary infringer.<sup>133</sup> There is also a narrow exception on free public showing or playing of broadcast.<sup>134</sup>

### Key points on public performance

Whether a performance, playing, or showing of a work is in public depends on a number of factors:

- Is the audience paying, in some form or another, to attend the performance?
- Is the person responsible for the performance engaged in a profit-making activity?

- The audience must consist of members of the public, but restrictions on who may attend do not prevent the performance being in public.
- The performance need not be simultaneous for each member of the audience.

### (5) Public communication right

4.57 The communication to the public of the work is an act restricted by the copyright in literary, dramatic, musical, and artistic works, sound recordings, films, and broadcasts.<sup>135</sup> This right was introduced in implementation of the InfoSoc Directive 2001, which in turn implemented for the EU the WCT 1996.<sup>136</sup> Article 3 of the InfoSoc Directive requires member states to provide for ‘the exclusive right to authorise or prohibit any communication to the public ... including the making available to the public’. Article 3(1) provides the right to authors. Article 3(2) provides the right to producers of sound recordings and films and to broadcasters for fixations of broadcasts only.<sup>137</sup> The concept of ‘making available to the public’ here forms part of the wider ‘communication to the public’, but ‘making available to the public’, refers to ‘interactive on-demand transmissions’ for which an act, must cumulatively, meet both conditions: members of the public may access the work from a place *and* at a time individually chosen by them.<sup>138</sup> Live TV broadcasts on the internet cannot be classified as ‘making available’ under Article 3(2); however, national legislation can give more protection to broadcasting organisations by giving a ‘communication to the public’ right to cover acts of transmissions of live broadcasts on the internet, provided that such an extension does not undermine copyright protection.<sup>139</sup> Section 20(1) CDPA does exactly this and does grant a communication to the public right in broadcasts beyond what is required by the InfoSoc Directive.<sup>140</sup>

**Public communication** for these purposes means electronic transmission (CDPA 1988, s 20(2)).

It includes:

- (1) **broadcasting** the work (CDPA 1988, s 20(2)(a)).

*electronic transmission of visual images, sounds, or other information*

*transmitted for simultaneous reception by members of the public*

*capable of being lawfully received by members of the public*

*transmitted at a time determined solely by the person in question for presentation to members of the public* (CDPA 1988, s 6(1) and see paras 3.76–3.79).

Public communication also includes:

- (2) **making available** to the public of the work by electronic transmission in such a way that members of the public may access it from a place *and* at a time individually chosen by them (s 20(2)(b)).

### Question

What are the differences between 'broadcasting' and 'making available' in these definitions?

**4.58** Although the definition of public communication in the CDPA 1988 uses the term 'include' to refer to the two particular cases, it is not limited to those cases alone and the term is technologically neutral.<sup>141</sup> *Internet transmission* is public communication under the 'making available' head, and only the copyright owner or its licensee may so transmit a work. Accordingly, those who make copyright material such as sound recordings or films available for internet transmission without authorisation will infringe copyright under this category of restricted act. This is the chief purpose of the new right. Uploaders in peer-to-peer networks or on bulletin boards would be examples of such infringers. In the case of broadcasting, the infringer will be the person transmitting the programme, if he has responsibility to any extent for its contents, or the person providing the programme who made with the person transmitting it the arrangements necessary for its transmission.<sup>142</sup> There used to be an important limitation on this form of infringement under section 73 of the Act, which applied where a wireless broadcast was included in a cable programme service by reception and immediate retransmission, but it has been recently repealed.<sup>143</sup>

### Key points on public communication right

- The right is concerned with electronic transmission of works to the public.
- The right includes broadcasting and internet transmissions of works.
- The right covers both transmissions where the transmitter decides when the transmission takes place and those where the recipient decides.

**4.59** The meaning and scope of the concept of 'communication to the public' has been the subject of much ECJ jurisprudence through which some key principles have emerged. Recently, the Court of Appeal has helpfully summarised such principles in *TuneIn Inc v Warner Music*<sup>144</sup> and also refused to depart from it (para 2.22) because, amongst others, there has been no change in the domestic legislation or the international framework and interpreting the concept is a difficult task on which the ECJ has unrivalled experience. The Court noted that 'the jurisprudence is not free from difficulty or criticism, but it does not follow that better solutions are readily to hand'.<sup>145</sup> The following account covers some of the key ECJ cases delivered prior to the UK's withdrawal from the EU, as well as relevant UK cases on the subject, with the aim of illustrating the application of the public communication right in different technological contexts.

**4.60** The ECJ has held that since the concept has not been defined by the InfoSoc Directive, its meaning and scope must be determined in light of the objectives pursued by the Directive, and in the context in which the provision being interpreted is set.<sup>146</sup> The term must be given an autonomous and uniform interpretation

p. 150 throughout the EU and interpreted broadly to achieve the principal objective of establishing a high level of protection to authors.<sup>147</sup> The term must also be interpreted in a manner that is consistent with international law, in particular taking account of the Berne Convention, Rome Convention, TRIPS, WPT, and WPPT.<sup>148</sup> The concept of ‘communication to the public’ includes two cumulative criteria: there must be ‘an act of communication’ of a work, and the communication of that work must be to a ‘public’.<sup>149</sup>

**4.61** An ‘act of communication’ refers to any transmission of the protected works, irrespective of the technical means or process used;<sup>150</sup> and, every transmission or retransmission of a work which uses a specific technical means must, as a rule, be individually authorised.<sup>151</sup> For the existence of an ‘act of communication’, it is sufficient that a work is made available to a public in such a way that the persons forming that public *may* access it, irrespective of whether or not they avail themselves of that opportunity.<sup>152</sup> The concept of ‘public’ refers to an ‘indeterminate’ number of potential recipients and implies ‘a fairly large number of persons’.<sup>153</sup> This can be understood as follows: the ‘indeterminate’ nature means making a work perceptible in any appropriate manner to ‘persons in general’, and not restricted to specific individuals belonging to a private group;<sup>154</sup> a fairly large number of people indicates that ‘public’ has a ‘certain de minimis threshold’ so it does not include groups which are too small or insignificant;<sup>155</sup> in determining the size of the audience, the cumulative effects of making works available to potential audiences must be taken account of, that is, how many persons have access to the same work at the same time and how many of them have access to it in succession.<sup>156</sup>

**4.62** Specific challenges arise when there is a retransmission, especially in an online context, of works which have already been communicated to the public with the consent of the right owner, for example a work has been initially communicated by the right owner on a website, but it is then retransmitted by a third party through a hyperlink. In such cases, in order to be a communication to the public,<sup>157</sup>

the protected work must be communicated using specific technical means, different from those previously used or, failing that, to a ‘new public’, that is to say, to a public that was not already taken into account by the copyright holders when they authorised the initial communication to the public of their work.

p. 151 Essentially, either a different technical means must be present,<sup>158</sup> in which case ‘new public’ is not required,<sup>159</sup> or, more often in the case of hyperlinking, the technical means is not different, so a ‘new public’ is required.<sup>160</sup> The Court has also indicated that the concept of ‘communication to the public’ requires an ‘individual assessment’.<sup>161</sup> For the purpose of such assessment account has to be taken ‘of several complementary criteria, which are not autonomous and are interdependent’; such criteria ‘may, in different situations, be present to widely varying degrees’ so ‘they must be applied both individually and in their interaction with one another’.<sup>162</sup> Such criteria include the role played by the user who transmits the work and the deliberate nature of their intervention, as well as the profit-making nature of the communication.<sup>163</sup>

**4.63** The ECJ has developed this meaning of ‘communication to the public’, not always consistently, by considering the right in a range of contexts.

### ■ Case C-306/05 *SGAE v Rafael Hoteles SL* [2006] ECR I-11519 (December 2006)

S, a collecting society, claimed that provision of television sets with broadcast signals within hotel rooms owned by R required copyright licences as public communications. The ECJ held that the distribution of a signal by means of a TV to different customers in individual hotel bedrooms amounted to communication even though the mere provision of physical facilities did not.<sup>164</sup> The hotel was intervening and transmitting the broadcasts to a new public consisting of a rapid turnover of guests who could decide whether to watch the TVs. In the absence of such intervention, the guests would not be able to enjoy the broadcast work, although physically within that area. The Court identified hotel customers as ‘a public’ distinct from other ‘publics’, when holding that the copyright author’s licence to the TV broadcasters to communicate its work to the public covered only ‘direct’ users of the broadcasts, that is, ‘owners of reception equipment who, either personally or within their own private or family circles, receive the programme’ (para 41). This did not extend to occupants of hotel bedrooms receiving the work by way of a further transmission process inside the hotel, who were a new and different public for the work; a further licence was needed before the material could be communicated to them. In determining the relevant numbers of the public, it is relevant to consider ‘the fact that, usually, hotel customers quickly succeed each other’ (para 38), that is, it is not a matter of ‘freezing’ the audience at any particular moment in time.

Moreover, whether or not customers switch on the TVs is unimportant; or, putting the point more generally, whether or not members of the public actually access the communication. The ECJ noted that the seemingly very wide potential liability is somewhat restricted by a statement in the InfoSoc Directive recitals that: ‘the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Directive’.<sup>165</sup> Thus, according to the Court, merely installing TV sets in the bedrooms would not be enough for liability, whereas transmitting signals to be picked up by those TVs would complete the infringement. Just as it did not matter there whether or not customers switched on the TVs, whether or not they received the same communications by way of the transmission or whether they were received simultaneously or at different times was also unimportant. But the Court noted that it is not necessary that the unlicensed communicator had to make a profit or receive some other benefit from the activity to be liable for it, but held that the hotel clearly did do so in the case before it, since it affected both the hotel’s standing and the price of its rooms (para 44).<sup>166</sup> The view of the Court in relation to profit is also borne out by the absence of any reference to such a requirement in the Directive, but subsequent cases have differed in this regard. The Court observed that the public or private nature of the place where the communication took place was immaterial. The essence of ‘making available’ was the recipient’s ability to choose the place and time of the communication, and this would be rendered meaningless if her choice of a private place made a difference.

■ **Cases C-403/08 and C-429/08 *Football Association Premier League Ltd v QC Leisure, Murphy v Media Protection Services Ltd* [2012] 1 CMLR 29 (October 2011)**

For the facts in brief, see para 4.35. The ECJ held that communication to the public covers transmission of broadcasts, such as showing of football matches on a television to customers in a pub.<sup>167</sup> The customers present in the pub are a new public and the publican intervenes by giving the customers access to the broadcast, without which the customers cannot enjoy them. The profit-making nature of the communication in a pub, in that it attracts an increased number of interested customers, is not irrelevant. The Court noted that communication to the public requires that the work broadcast must be transmitted to a 'public not present at the place where the communication originates' per Article 23 of InfoSoc Directive (paras 200–203).<sup>168</sup> As such, it does not cover any activity which does not involve a 'transmission' or a 'retransmission' of a work.<sup>169</sup>

■ ***ITV Broadcasting Ltd v TVCatchup Ltd* [2011] EWHC 2977 (Pat); Case C-607/11 [2013] ECDR 9 (ECJ) (March 2013); [2015] EWCA Civ 204 (CA)**

ITV, and other commercial television broadcasters, contended that TVC's internet-based broadcasting service permitting its users to receive live streams of free-to-air television broadcasts amounted to acts of communication to the public of ITV's copyright in the films and broadcasts. TVC ensured that its users located in the UK could only watch what they were entitled by virtue of holding a valid TV licence for the free-to-air broadcasts. Floyd J was not persuaded that the principle of law was clear and made a referral to the ECJ. The ECJ held that 'each transmission or retransmission of a work which uses a specific technical means' must be individually authorised by the right owner. Since retransmission of a terrestrial TV broadcast over the internet requires a specific technical means, different from that used for the original transmission, it is a 'communication' and requires authorisation when communicated to the public. It was irrelevant that the original transmission could already be lawfully accessed by the user by other means. The profit-making and competitive nature of TVC did not influence the outcome. Floyd J then applied this to the case in October 2013, holding that TVC infringed ITV's copyright in films and broadcasts.<sup>170</sup>

### ■ C-466/12 *Svensson v Retriever Sverige AB* [2014] ECDR 9 (February 2014)

S were authors of articles in a Swedish newspaper which were freely available on the newspaper's website. R operated a website that provided its clients with hyperlinks to S's articles. The ECJ found that provisions of hyperlinks to protected works, published on the original site without access restrictions, gives users direct access to the works and is 'making available' the linked work, and as such, an act of communication. However, R's website was not communicating to a 'new public' because the newspaper's website did not have any restrictive measures to prevent access and as such, the public targeted by it were all internet users who could freely access them. Therefore, the public using the hyperlinks on R's website were already a 'public' taken into account by the newspaper's website and there was no 'new public'. As such, 'provision on a website of clickable links to works freely available on another website does not constitute an act of communication to the public' (para 32). It is not relevant that when users click on the link, it gives an impression of appearing on the second site rather than the original site. The Court did, however, suggest that if a hyperlink is used to ↵ circumvent restrictions placed by the original site to restrict access to the protected works to its subscribers only, hence allowing users who would not otherwise be able to access the work on the original site, then this would be 'communication to the public', the reasoning being that this would be communicating to a 'new public' which was not taken into account by the copyright holders when they authorised communication of the protected works on the original site (para 31).

p. 153

This idea of a 'new public' being necessary in order for a hyperlink to constitute a communication to the public was reiterated by the ECJ in the German reference *BestWater v Mebes*,<sup>171</sup> which involved the framing of B's YouTube video on M's website, that is, frame links or embedded links.

### ■ Case C-117/15 *Reha Training v GEMA* [2016] 3 CMLR 40 (May 2016)

The ECJ held that installation of television sets and showing of programmes in a rehabilitation centre constituted communication to the public. It noted that although broadcasting of television programmes is intended to create a diversion for the patients during treatment or in the waiting time, it does constitute an additional service, which does not have medical benefit but has an impact on the establishment's standing and attractiveness and gives it a competitive advantage (para 63). As such, the broadcasting of programmes has a profit-making nature, which is capable of being taken into account to determine the remuneration due.

### ■ Case C-160/15 *GS Media v Sanoma* [2016] ECDR 25 (September 2016)

S, publisher of *Playboy* magazine, had exclusive rights in photographs from a photoshoot. GS operated a website that provided hyperlinks to such photographs, which had been published without restrictions on another website by a third party without the consent of S. The ECJ reiterated that the concept of communication to the public requires an individual assessment, for which several complementary criteria, which are not autonomous and are interdependent, must be taken into account (paras 33–34). Such criteria include ‘the indispensable role played by the user and the deliberate nature of its intervention’ and the relevance of a communication being of a profit-making nature (paras 35 and 38). The Court also noted the importance of the internet to freedom of expression and of information, and the role of hyperlinking in the sound operation of the internet. It also acknowledged a practical challenge that ‘it may be difficult, in particular for individuals who wish to post such links, to ascertain whether a website to which those links are expected to lead, provides access to works which are protected and, if necessary, whether the copyright holders of those works have consented to their posting on the internet’ (para 46). Consequently, if the hyperlinks are being provided by a person who, in doing so, does not pursue financial gain and who does not know or could not reasonably have known the illegal nature of the initial publication, then there is no communication to the public; in such a situation, the person providing hyperlinks ‘does not, as a general rule, intervene in full knowledge of the consequences of his conduct in order to give customers access to a work illegally posted on the internet’ (paras 47–48). On the contrary, if a person knew or ought to have known the illegal nature of the initial publication (eg he was notified of this by the copyright holders) then there is communication to the public (para 49). Equally, if the hyperlinks are provided for profit, then such knowledge must be presumed; due to the profit-making nature of the communication, ‘it can be expected that the person who posted such a link carries out the necessary checks to ensure that the work concerned is not illegally published on the website to which those hyperlinks lead’ (para 51).

p. 154

### ■ Case C-527/15 *Stichting Brein v Jack Frederik Wullems* [2017] ECDR 14 (April 2017)

W sold *Filmspeler*, a multimedia player, in which he pre-installed add-ons with hyperlinks to websites providing protected works without the consent of copyright holders. The ECJ applied the *Svensson* and *GS media* decisions. It held that there was an act of communication, as the multimedia player afforded purchasers of the player direct access to protected works available freely on the internet, just as hyperlinks did. The multimedia player was not a ‘mere’ provision of physical facilities for enabling or making a communication because W pre-installs and markets the add-ons, with such ‘intervention enabling a direct link to be established between websites broadcasting counterfeit works and purchasers of the multimedia player, without which the purchasers would find it difficult to benefit

from those protected works' (para 41). The multimedia players were supplied for profit-making, and the main attraction for purchasers was the pre-installed add-ons providing access to works published illegally on the internet. They were also sold with full knowledge that pre-installed add-ons containing hyperlinks gave access to works published illegally, as specifically stated on the advertising for the player. Consequently, the sale of the multimedia player constitutes a communication to the public.

### ■ Case C-610/15 *Stichting Brein v Ziggo* [2017] ECDR 19 (June 2017)

Z and others were internet access providers whose subscribers were using an online file-sharing platform, The Pirate Bay (TPB), which indexes BitTorrent files.<sup>172</sup> In this reference from the Supreme Court of the Netherlands, the question was whether The Pirate Bay communicates works to the public even though it doesn't host them. The ECJ inferred from previous case law that 'as a rule, any act by which a user, with full knowledge of the relevant facts, provides its clients with access to protected works is liable to constitute an "act of communication"' (para 34). TPB platform operators play an essential role in making works available, as they 'intervene, with full knowledge of the consequences of their conduct, to provide access to protected works, by indexing on that platform torrent files which allow users of the platform to locate those works and to share them within the context of a peer-to-peer network' without which the works could not be shared by the users, or sharing would be more complex (para 36). TBP operators do not merely provide physical facilities because the 'platform indexes torrent files in such a way that the works to which the torrent files refer may be easily located and downloaded by the users' and the platform offers a search engine as well as 'an index classifying the works under different categories, based on the type of the works, their genre or their popularity, within which the works made available are divided, with the platform's operators checking to ensure that a work has been placed in the appropriate category' and deleting obsolete or faulty files and actively filtering some content (para 38). The TPB was run for profit-making by generating advertising revenues and its operators were aware that the platform provided access to works published illegally as they were informed of this, and they themselves expressed this to be their purpose. As such, there was communication to a 'new public' (paras 45–46). The Court held that making available and managing an online sharing platform like TPB constitutes a communication to the public.

### ■ Case C-161/17 *Land Nordrhein-Westfalen v Dirk Renckhoff* [2018] ECDR 21 (August 2018)

DR, a photographer, gave the right of use in a photograph exclusively to the operators of an online travel portal. The photograph was available on the travel website without any restrictions on downloading. A pupil of a school (which was under the responsibility of L) downloaded the photo and used it to illustrate a school presentation. The presentation was uploaded to the school website, from which the photograph was available for anyone to download. The ECJ noted that both the initial communication of the work by the travel portal and its subsequent communication by the school website were made with the same technical means, so the issue was whether the photograph had been communicated to a 'new public' (paras 25–26). The Court held that 'the public taken into account by the copyright holder when he consented to the communication of his work on the website on which it was originally published is composed solely of users of that site and not of users of the website on which the work was subsequently published without the consent of the rightholder, or other internet users' (para 35). It was irrelevant that 'the copyright holder did not limit the ways in which internet users could use the photograph' (para 36). Consequently, there was communication to a 'new public'. The Court gave three reasons: first, authors' right to communication is preventative in nature and it would be deprived of its effectiveness if reposting of materials without consent was not a communication to a new public; second, to hold that reposting of materials without consent does not constitute a communication to a new public would amount to applying an exhaustion rule to the right of communication and this would be contrary to Article 3(3) of the InfoSoc Directive; third, to hold so would also deprive the copyright holder of the opportunity to claim an appropriate reward for the use of his work (paras 30–34).

L had argued that the *Svensson* case must be applied because there should be no difference between hyperlinking to a material posted on one website, and reposting such material by uploading it to another website. The ECJ did not agree and distinguished previous case law on hyperlinking. It noted that first, hyperlinks contribute to the sound operation of the internet by enabling the dissemination of large amount of works online but the reposting of a work previously uploaded on another website does not contribute, to the same extent, to such objective. Secondly, in the case of hyperlinking, the author has control if he no longer wishes to communicate the work, that is, the author can remove the original upload, rendering any hyperlinks to it by third parties obsolete. However, in the case of reposting, the author loses control and the new upload is independent of the original upload and may remain available online. Thirdly, unlike hyperlinking, the user downloading and then reposting the work on the latter website plays 'a decisive role' in communicating the work to a new public.

**4.64** The application of 'communication to the public' to different types of file-sharing, and other unauthorised activity on the internet has also received much attention in the UK (primarily in relation to the grant of s 97A injunctions, see para 4.79). The issue of whether operators of file-sharing websites can be liable themselves for 'making available' infringing material even though that material is placed upon its servers by others<sup>173</sup> arose in the UK much earlier than it did in ECJ jurisprudence (see the *Ziggo* decision at

p. 156 para 4.63). In *Twentieth Century Fox v Newzbin*<sup>174</sup> (for facts see para 4.75), the claimants contended that N made their films available to the public under section 20(2)(b) of the CDPA 1988, while N argued that its service was passive and it acted as an intermediary providing links to the sites for the films. Kitchen J held that N had intervened in a highly material way to make the films available to a new audience, being its premium subscription-paying members. Although N did not store the films, it had intervened 'by providing a sophisticated technical and editorial system which allows its premium members to download all the component messages of the film of their choice upon pressing a button, and so avoid days of (potentially futile) effort in seeking to gather those messages together for themselves' (para 125). Similarly, operators of several BitTorrent indexing websites (eg KAT, H33T, and Fenopy) have also been held to infringe rights owners' copyright by communication to the public.<sup>175</sup> It has also become possible to access infringing content through set-top boxes, media players (eg Amazon Fire TV Stick), and mobile device apps which connect directly to streaming servers via their IP addresses, and do not rely on connecting to specific websites. It has been held that operators of such streaming servers, which provide live footage of Premier league football matches, infringe copyright by communication to the public.<sup>176</sup> Finally, the operators of cyberlockers<sup>177</sup> and stream ripping websites<sup>178</sup> have themselves been held to infringe the public communication right.

**4.65** Another issue has been whether the users of file-sharing websites, who upload material, can be liable for 'making available'. In *Dramatico v BSKyB*,<sup>179</sup> the claimant contended that users of The Pirate Bay website communicated their copyright works to the public. Arnold J held that users of The Pirate Bay do make the works available under section 20(2)(b) of the CDPA 1988 and as such infringe the claimant's copyright. They communicate them to users, who have not purchased the works from an authorised source who are the new public, being 'a public which was not taken into account by the right holders when authorising the distribution of the recordings' (para 70). This approach has been followed to hold that uploading of copyright protected files by users of several other BitTorrent indexing websites is communication to the public.<sup>180</sup>

**4.66** A significant ongoing issue has been whether operators and users of websites that provide hyperlinks to copyright protected works in a categorised and searchable form can be liable for public communication, even though the protected works themselves are hosted on third-party sites. In *Paramount v British Sky Broadcasting Ltd*,<sup>181</sup> decided before the decisions in *Svensson* and *BestWater*, Arnold J held that while a mere provision of a hyperlink may not amount to communication to the public, it becomes so where the provider of hyperlinks also intervenes in a highly material way to make the copyright works available to a new audience. In this case, without the hyperlinks on SolarMovie and TubePlus websites it would be very difficult for the public to access much of the works directly from third-party host sites. Even where works could be accessed directly from host sites, the hyperlinks made it much easier to access such works. As such, the operators of these websites communicated the works to the public. The judge noted that if he is wrong on this point, then the operators were jointly liable with host sites who clearly communicated the works to the public (paras 34–35). It was also held that the users providing hyperlinks was communication to the public as a result of the combined effect of providing links and also uploading works to the host sites (para 37). In *Paramount v British Sky Broadcasting Ltd*,<sup>182</sup> Henderson J followed the decision by Arnold J above and held operators of similar websites providing hyperlinks to third-party hosted content were communicating to the public. The judge distinguished the decision in *Svensson* (para 4.63) on its facts.<sup>183</sup>

**4.67** UK courts have recently had the opportunity to consider and apply ECJ guidance in both *Svensson* and *GS Media* in relation to different scenarios involving hyperlinking.

### ■ ***Warner Music UK Ltd v Tunein Inc* [2019] EWHC 2923**

T provided a website and app through which users can search for, browse, and access internet radio stations from around the world. These facilities were enabled through collection and storage of metadata by T about the content being transmitted by internet radio stations. T's service would connect users to third-party radio streams via hyperlinks that were not visible to the users. W, owner and exclusive licensees of a large repertoire of sound recordings, claimed infringement of public communication right. T claimed that it was nothing more than a directory or search engine which links users to websites. Birss J first summarised eight key principles distilled from ECJ jurisprudence in the area (para 109). He held that T's service intervenes directly in the provision of the links to the streams in a manner which neither conventional search engines nor hyperlinks on conventional websites do. T's service did not infringe in relation to: (i) music radio stations which are licensed in the UK because there was no 'new public'. However, it did infringe by linking to: (ii) music radio stations which are not licensed in the UK or elsewhere; (iii) music radio stations which are licensed for a territory other than the UK; and (iv) premium music radio stations created for T exclusively for T's subscribers and not licensed for the UK. The stations from (ii)–(iv) also infringed the public communication right when their station was targeted at the UK by T.

### ■ ***Wheat v Google LLC* [2020] EWHC 27 (Ch)**

W was operator of a website whose content was unrestricted and freely accessible. G's search engine results of images from W's website, directed users to hotlinking websites, which would display images directly from the server on which W's website is hosted. G claimed this led to a loss of traffic to W's website and a loss of advertising revenue. The court was not persuaded that this was an infringement of the public communication right by G.

### ■ ***Sky UK Ltd v Cherrie* 2021 SLT 743**

S, a leading provider of pay TV services in the UK, inter alia, broadcasted two types of programmes which were available online: (a) those behind a paywall; and (b) free to view but only accessible to account holders who accepted S's terms and conditions, and for a specific time-frame. C uploaded copies of such programmes to YouTube, and provided hyperlinks on Reddit to such uploaded content.

The Scottish Court of Session, granted an interim interdict as there was a strong prima facie case that provision of hyperlinks to both types of programmes were a communication to the public as C was making the content available to a new public not envisioned by S.

**4.68** An interesting question was raised in *Twentieth Century Fox v Sky UK*,<sup>184</sup> where ‘Popcorn Time-type’ websites allowed users to download an application to their computer, which then allowed access to indexed and catalogued copyright works using BitTorrent protocol directly from host sites. The Court noted that it was the application itself, running on the user’s computer, which provided access to indexed catalogues of protected works, and once downloaded the application never re-connected to the website from which it originated. For these reasons the operators of the Popcorn Time-type websites were not communicating works to the public, as there is no transmission or re-transmission of the works at all, and all they provided was a tool, in the form of the application (para 38).<sup>185</sup>

## (6) Infringement by adaptation

**4.69** Making any adaptation of a literary, dramatic, or musical work infringes its copyright (see also para 4.30).<sup>186</sup> An adaptation is made when it is recorded in writing or otherwise.<sup>187</sup> Copying such an adaptation in any material form, issuing it to the public for the first time, performing it in public, broadcasting it, communicating it to the public, or further adapting it, also infringes the copyright in the original work.<sup>188</sup> In relation to *literary works other than computer programs or databases*, or to dramatic works, adaptation means any of the following things:<sup>189</sup>

- a *translation* of the work (eg from French into English);
- in the case of a dramatic work, conversion into a non-dramatic work or, in the case of a non-dramatic work, a *dramatisation*;
- a *version* of the work in which the story or action is conveyed wholly or mainly by means of *pictures* in a form suitable for reproduction in a book or in a newspaper, magazine or similar periodical.

**4.70** In relation to *computer programs and databases*, adaptation means an arrangement or altered version, or a translation.<sup>190</sup> Translation is given a particular meaning in relation to computer programs, where it is to include a version of the program in which it is converted into or out of a computer language or code or into a different computer language or code.<sup>191</sup> This is of particular importance in respect of ‘reverse engineering’ activities, which may well be caught by this provision if not by the prohibition on copying.<sup>192</sup>

### Discussion point

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What does ‘adaptation’ add to the concept of ‘copying’ (paras 4.24–4.41)? Is there adaptation or copying when a book is made into a film, or when a film is made into (1) a book; or (2) a play?

### Key point on adaptation

- Adaptation deals with specific cases not clearly within the concept of ‘copying’.

## Authorisation of infringement

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4.71 The copyright in a work is infringed by:<sup>193</sup>

any person who, without the licence of the copyright owner, authorises another person to do any of the restricted acts.

The 1988 Act provides for both primary liability (person who ‘does’ without the licence of the copyright owner any of the restricted acts) as well as accessory liability (person who ‘authorises another person to do’ without the licence of the copyright owner any of the restricted acts). There cannot be infringement by authorisation unless there has been an infringement, that is, someone ‘does’ the restricted acts. To authorise an infringement is to ‘sanction, approve, or countenance’ it,<sup>194</sup> a formulation capable of a very wide meaning, especially when conjoined with the apparent willingness of the courts to treat indifference as capable of being authorisation.<sup>195</sup> However, the concept has previously been applied in a relatively restricted way, by employing a test of the degree of authority, or control, which the defender had over those who actually carried out the infringement.

### p. 159 ■ *CBS v Ames Records and Tapes* [1982] Ch 91

The defendants owned a chain of record shops and began to operate record lending libraries in them. This facilitated infringing copying of records by borrowers from the libraries and the plaintiffs argued that this was ‘countenancing’ infringement in such a way as to authorise it. Whitford J refused to grant an injunction: ‘an authorisation can only come from somebody having or purporting to have

authority ... an act is not authorised by somebody who merely enables or possibly assists or even encourages another to do that act, but does not purport to have any authority which he can grant to justify the doing of the act' (at 105).

### ■ ***RCA Corp v John Fairfax & Sons Ltd* [1982] RPC 91 (NSW Supreme Court)**

Publishing a newspaper article or advertisement referring to the possibility of tape-recording records by use of machinery does not authorise infringement because the authors cannot control what individuals do with the machinery once they have bought it.

### ■ ***Vigneux v Canadian PRS* [1945] AC 108 (PC)**

A company which rented a juke box to restaurateurs was held not to authorise infringement of the copyright in musical works by performance because it 'had no control over the use of the machine [and] ... no voice as to whether at any particular time it was to be available to the restaurant customers or not' (per Lord Russell of Killowen at 123).

### ■ ***CBS Songs Ltd v Amstrad Consumer Electronics plc* [1988] 1 AC 1013**

The manufacture, distribution, and supply of machines capable of use by buyers for copying copyright works at high speed cannot be by themselves authorisations of infringement since, again, the manufacturer lacks control over the uses to which the machine is put, and it is also capable of legitimate use.

### **Discussion point**

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Find out what happened in the leading case on the US copyright law equivalent of infringement by authorisation—contributory infringement: *Sony Corp of America v Universal City Studios Inc* 464 US 417 (1984) (US Supreme Court). Would a UK court have reached the same decision?

### Cases finding authorisation to have taken place

p. 160 4.72 The decisions just discussed may be compared with those where there has been held to be authorisation. Supply of a film of a play for exhibition at a cinema was held to authorise infringement of the copyright in the play in *Falcon v Famous Players Film Co.*<sup>196</sup> Ordering spare parts from a manufacturer authorised him to infringe the copyright in drawings of those spare parts.<sup>197</sup> The prior approval by a local authority of the list of musical works to be played on a public bandstand was held to be an authorisation of infringement.<sup>198</sup> A restaurant owner allowing DJs to play in his restaurant was held to be authorisation of infringement, because the authorisation of the playing of music in public is the relevant act in such circumstances, and it is not the authorisation of specific songs which infringe the copyright.<sup>199</sup> In all these cases there was a direct and immediate link between the act of the defendant and the infringement which followed. They differ, too, from most of the cases cited in the previous paragraph where what was really being complained of was the fact that the defendant had created an opportunity for others to infringe which had probably, even certainly, been taken up, but specific instances of this were not brought to the Court's attention.<sup>200</sup> However, where the complaint is about the provision to others of the opportunity to infringe and it can be coupled with the necessary degree of control over those others and specific instances of infringement, then there may be liability for authorisation.

### ■ *Moorhouse v University of New South Wales* [1976] RPC 151 (HCA)

The High Court of Australia held that a university had authorised infringement by students (and, presumably, staff) by providing photocopying facilities in the university library without adequate supervision of what was copied. A notice near the photocopiers warning against copyright infringement was insufficient to avoid liability. Specific incidents of infringing copying were established and the Court stressed that authorisation might be implied from indifference to infringement where it was likely that such infringement would occur. Here the university also had power to control the access of students to photocopying facilities, either by not providing them or by ensuring through supervision that no infringing copying was done and accordingly it was liable.<sup>201</sup>

### Notices and statements as defences against claims of authorisation

4.73 A further significant point in the *Moorhouse* case concerned the use of notices as a defence to a claim of authorisation. The university issued guides for library users which made incomplete reference to the provisions of the copyright legislation on copying and stated that a copy of the Act was available in the

photocopying room. It was held that these were insufficient to rebut authorisation, but that an invitation to use copying facilities might be so restricted as to avoid liability.<sup>202</sup> But even the fullest possible notices will be inadequate if, despite their existence, infringing copying continues and the person able to control its occurrence remains indifferent to this.<sup>203</sup> The placing of copyright warning notices in the premises and on the copies of records lent was an important (but not the sole) factor in the *Ames Records & Tapes* case, where it was held that there had been no authorisation.<sup>204</sup> Contrast with:

### ■ *Law Society of Upper Canada v CCH* [2004] 1 SCR 339 (Supreme Court of Canada)

The Law Society of Upper Canada maintained its Great Library at Osgoode Hall in Toronto. The library was for reference and research and had one of the largest collections of legal material in Canada. A self-service photocopier was located in the library for the use of patrons (Law Society members, the judiciary, and other authorised researchers), alongside a notice warning that the library would not be responsible for any copies made in infringement of copyright. Law publishers challenged these practices as authorisation of infringement. It was held that the Law Society did not authorise copyright infringement. Authorisation could be inferred from indirect acts and omissions, but the authorisation of use of equipment which could be used to infringe copyright was not enough. Posting a notice warning against infringement was not an express acknowledgement that the machines would be used in an illegal manner. Authorisations should be presumed to be given to lawful acts only, this being rebuttable if a relationship or degree of control existed between the authoriser and persons who infringed copyright. This was not the case here, and there was no evidence of actual infringements. *Moorhouse* was criticised as shifting the balance in copyright too far in favour of the owner's rights, unnecessarily interfering with the proper use of copyrighted works for the good of society as a whole.

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### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oupsupport.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

Is the criticism of *Moorhouse* in this case justified? Consider the implications for internet service provider liability, discussed in paras 4.74–4.79.

### Key points on authorisation

- Authorisation of infringement is sanctioning, countenancing, or approving another person's primary infringement where one has authority or control over a primary infringer.
- Creating opportunities for others to infringe, for example by means of machinery, is not by itself authorisation, especially where legitimate activities are also made possible by the action.
- Notices warning against infringement may be a factor in preventing authorisation, but are not usually enough by themselves.

### Authorisation and infringement on the internet

**4.74** Liability by authorisation has obvious importance for infringement on the internet against various service providers such as the operators of unlicensed file-sharing networks or website operators but also broadband providers, universities, and other bodies which enable access to the internet for customers, students, and others by means of which infringing internet activity can take place, whether by way of copying or the public communication right. Can such bodies be liable for authorising such infringing use? Operators of early unlicensed 'file-sharing' on peer-to-peer (P2P) networks such as Napster, Grokster, and Kazaa, had been held liable in an important body of case law in the United States<sup>205</sup> (under the equivalent of authorisation, the concept of contributory infringement) and Australia<sup>206</sup> in the 2000s. During this period, there was uncertainty as to whether similar service providers may be liable for authorisation of infringement in the UK. The *Amstrad* and *Ames Records & Tapes* cases had held the providers of facilities not liable despite the fact that their services and products rendered infringement easy and probable;<sup>207</sup> the crucial factors being that lawful activity is possible with the facilities provided and that the defendants had given express warnings to customers against use for infringing copying. This may have seemed encouraging for those whose facilities enable others to make use of the internet: the facilities are capable of many lawful as well as infringing uses, and the providers generally give warnings to users against unlawful activity with the service.

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oupsupport.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

Find out how the US and Australian equivalent of authorisation of infringement was applied to early file-sharing services like Napster, Grokster, and Kazaa in the cases referred to in notes 205–06.

p. 162 ↩ **4.75** However, in an important judgment in 2010, it was made clear that service providers and site operators on the internet may nonetheless be liable for authorisation of infringement.

### ■ *Twentieth Century Fox and Others v Newzbin* [2010] ECDR 8

Usenet, a worldwide internet discussion system, allowed users to post content such as films, which could be split into lots of smaller-sized components, and could be retrieved by downloading and reassembling all of the components. N operated a website, which allowed its premium members to search and locate the content on Usenet and allowed them to download an NZB file for each content, which when run on a computer would reassemble the content from its component parts and make an infringing copy. The claimants, makers, and distributors of films contended that N had authorised infringement by its members. N claimed that its website was just a search engine and content-agnostic. Kitchin J first reviewed earlier case law on authorisation and noted that:

it is clear ... that 'authorise' means the grant or purported grant of the right to do the act complained of. It does not extend to mere enablement, assistance or even encouragement. The grant or purported grant to do the relevant act may be express or implied from all the relevant circumstances. In a case which involves an allegation of authorisation by supply, these circumstances may include the nature of the relationship between the alleged authoriser and the primary infringer, whether the equipment or other material supplied constitutes the means used to infringe, whether it is inevitable it will be used to infringe, the degree of control which the supplier retains and whether he has taken any steps to prevent infringement. These are matters to be taken into account and may or may not be determinative depending upon all the other circumstances (para 90).

The judge held that N had actively encouraged, guided, and rewarded its editors to make reports on films; provided a facility which went beyond indexing and categorisation, and instead identified components of a content and saved its members the 'the very substantial task of manually locating and identifying each of them separately'; provided useful information in relation to the content; created and controlled the NZB facility which was the means of infringement; and had failed to install any filtering system.<sup>208</sup>

**4.76** In *Dramatico Entertainment Ltd and Others v BSkyB and Others*,<sup>209</sup> Arnold J followed the four factors suggested in *Newzbin* and held that operators of The Pirate Bay website authorised its users' infringing acts of copying and communication to the public.<sup>210</sup> The judge noted that The Pirate Bay provides a sophisticated and user-friendly facility and goes well beyond enabling infringement to sanctioning and approving it. Authorisation of infringement has since been routinely argued as a basis for liability against a range of site operators on the internet.<sup>211</sup> The providers of cheat software to users of the video game 'Grand Theft Auto V' have also been held to have authorised the copying of the game program, by allowing a player to access objects in the game that would not be available if they were playing conventionally without cheating.<sup>212</sup>

p. 163 **Tackling infringement on the internet—an ongoing challenge with no ‘perfect’ solution**

**4.77** The music and other entertainment industries have claimed that unauthorised file-sharing, link sharing, and streaming activity of their protected content has had, and is having, a significant impact upon the ‘legitimate’ market for their products. Although it is possible to make individual file-sharers, both downloaders and uploaders of infringing content, liable for infringing copyright (paras 4.40 and 4.65), this is generally seen as an expensive option with little deterrent effect. So how can online infringement be prevented? The two major developments since the phenomenon first became prominent through the Napster case in the United States in 2000–01 (see para 4.74) have been the growth of licensed downloading and streaming sites, as well as several court decisions around the world, including in the UK, against the operators (eg by authorisation) and users of unlicensed file-sharing sites as infringers of copyright. The latter in particular, has paved the way for injunctions to be obtained against internet access providers to block access to infringing websites.

#### **Internet service providers: ‘safe harbours’ and injunctions**

**4.78** The Directive on electronic commerce in the EU<sup>213</sup> sets out an exemption from liability for intermediaries where they play a wholly passive role as mere conduits of information from third parties.<sup>214</sup> It also limits service providers’ liability for other activities such as the storage of information provided by recipients of the service and at their request (hosting), as long as the provider does not know of the illegal activity, is unaware of the facts and circumstances from which illegal activity is apparent, and acts expeditiously to remove or disable access upon learning or becoming aware of the activity.<sup>215</sup> There is no general obligation to actively screen or monitor third-party content.<sup>216</sup>

**4.79** The EU safe harbour provisions exempt liability, but they do not preclude injunctive relief. Under section 97A of the CDPA 1988,<sup>217</sup> the High Court can grant an injunction against a service provider where that service provider has actual knowledge of another person (eg users and operators of websites) using its service to infringe copyright. Rights owners have been successful in obtaining a series of injunctions against providers of broadband internet access, whose services were used by one or more subscribers to receive infringing copies of works, to block access to a range of websites including Newzbin2 and The Pirate Bay,<sup>218</sup> WatchOnlineSeries,<sup>219</sup> 123movies,<sup>220</sup> and NSW2U.<sup>221</sup> The High Court has also granted such injunctions requiring ‘live blocking’ of streaming servers which are used to stream Premier League and Champions League football matches, and boxing events.<sup>222</sup> Such injunctions have been held not to be in contravention of the safe harbour provisions above.<sup>223</sup> Although these injunctions have proved to be quite popular in the UK,<sup>224</sup> the policy question is whether they are the best mechanism to tackle the problem of online infringement.

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oup.support.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

Before blocking injunctions became popular, there were discussions about the merits of a graduated response mechanism. How was this mechanism considered in the UK? Why was it controversial?

### Exercise

The EU has recently introduced reforms through the Copyright Directive 2019 to adapt the copyright framework to the changing online market place for content and consumer behaviour. As the impact of new technologies and online services on the distribution of creative content continues to rapidly evolve, one consequence is seen to be a ‘value gap’, that is, the gap between the revenues of online platforms from user generated content and the revenues received by rightholders. To address this lack of transfer of value from platforms to rightholders, Article 17 of the Directive provides an obligation on online content-sharing service providers in relation to certain uses of copyright-protected content. Similarly, another challenge is seen to be the reproduction and making available of press publications by online service providers which can affect publishers’ remuneration. To address this, Article 15 of the Directive creates a new right for press publications concerning online uses (press publishers’ right). These provisions were the most controversial aspects of the reforms, and generated significant academic commentary and media attention, as well as intense lobbying on the part of both the creative industries and the tech giants.

Look at Articles 15 and 17 of the Copyright Directive 2019? Does the UK need reform in relation to the problems addressed by these provisions? Should the UK introduce any changes similar to, or inspired by, these provisions?

## Secondary infringement of copyright

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4.80 ‘Secondary’ infringements<sup>225</sup> of copyright are distinguished from ‘primary’ infringements because the defender is not liable unless he knew or had reason to believe that he was handling infringing copies, or that the performances would infringe copyright.<sup>226</sup> The following acts in relation to infringing copies of works constitute ‘secondary’ infringements of copyright:

- importing otherwise than for the importer’s private and domestic use;
- possessing in the course of a business;

- selling or hiring or offering or exposing for sale or hire;
- exhibiting or distributing in the course of a business;
- distribution otherwise in the course of a business to such an extent as to affect prejudicially the copyright owner.

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oupsupport.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

What is the common feature of this list of secondary infringements?

p. 165 ↩ 4.81 Also categorised as secondary infringements are:

- providing the means for making infringing copies;
- permitting the use of premises for infringing performances;
- provision of apparatus for infringing performances.

Where no charge is made for admission to the premises, however, there is no infringement of any copyright in a broadcast, or any sound recording included in it, by showing or playing in public a broadcast.<sup>227</sup> An audience has paid for admission to premises if (1) it has to pay for admission to *part* only of the premises; (2) it pays prices for goods or services on the premises either (a) *substantially* attributable to the facilities afforded for hearing or seeing the broadcast, or (b) exceeding those usually paid there and *partly* attributable to the facilities.<sup>228</sup>

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oupsupport.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-4-guidance-on-answering-the-discussion-points?options=showName>>.

How do these rules interact with those on public performance, showing, or playing as a primary infringement (paras 4.50–4.56)?

### Importance of secondary infringement

**4.82** Claims of secondary infringement are of great importance in preventing commercial piracy, in particular the circulation of infringing sound recordings, videos, CDs, and DVDs, where it is not possible to identify or take action against the person actually making the copies. The question of the degree and amount of knowledge required to make someone liable as a secondary infringer is one on which there is little clear authority. The 1988 Act requires that only ‘reason to believe’ need be shown to impose the liability.<sup>229</sup> The case law suggests that this is an objective test, requiring knowledge of facts from which a reasonable person would, after the passage of a reasonable amount of time, arrive at the relevant belief; facts giving rise only to suspicion would not be enough.<sup>230</sup> In practice, the safest approach where a possible infringement is discovered will be to send the defendant a warning letter as a first step; this will fix him with actual knowledge sufficient to justify action should the activities continue. The copyright owner should allow a reasonable time after receipt of the letter to enable the defender to consider his position, before further action is taken.<sup>231</sup>

#### Key points on secondary infringements

- Secondary infringements are essentially those of dealing commercially in products the making of which was a primary infringement of copyright, or which enable such products to be made.
- The infringer must know or have reason to believe that infringing copies were being handled.

### p. 166 Further reading

#### Books

L Bently, B Sherman, D Gangjee, and P Johnson, *Intellectual Property Law* (6th edn, 2022), Chs 6, 8

N Caddick, G Harbottle, and U Suthersanen (eds), *Copinger & Skone James on Copyright* (18th edn, 2021), Chs 7, 8

J Koo, *The Right of Communication to the Public in EU Copyright Law* (2019)

D Llewelyn and T Aplin, *Cornish, Llewelyn and Aplin Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (9th edn, 2019), 12.1–2, 12.5

I Stamatoudi and P Torremans (eds), *EU Copyright Law: A Commentary* (2nd edn, 2021)

A Strowel (ed), *Peer-to-Peer File Sharing and Secondary Liability in Copyright Law* (2009)

G Westkamp, *Digital Copyright Laws in Europe: Regulating Information Access* (2011)

#### Articles

R Arnold, ‘Website-blocking injunctions: the question of legislative basis’ [2015] EIPR 623

R Arnold and PS Davies, 'Accessory liability for intellectual property infringement: the case of authorisation' [2017] LQR 442

N Cordell and B Potts, 'Communication to the public or accessory liability? Is the CJEU using communication to the public to harmonise accessory liability across the EU?' [2018] EIPR 289

J Ginsburg, 'The (new?) right of making available to the public' in D Vaver and L Bently (eds), *Intellectual Property in the New Millennium* (2004)

K Grisse and C Kaiser, 'On the significance of (un)recognisability for the reproduction right in European copyright law' [2022] EIPR 78

R Hoy, 'Internet blocking injunctions are alive and well in the post Svensson world' [2015] Ent LR 44

D Liu, 'Test of infringement: what is it now?' [2014] EIPR 588

A Ross, 'Communication to the public—Court of Justice gives the Pirate Bay no quarter' [2017] Ent LR 248

A Ross and C Livingstone, 'Communication to the public: Part 1' [2012] Ent LR 169 and 'Communication to the public: Part 2' [2012] Ent LR 209

## Notes

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<sup>1</sup> TRIPS, Art 9(1).

<sup>2</sup> TRIPS, Art 11.

<sup>3</sup> WCT, Art 7.

<sup>4</sup> WCT, Art 6.

<sup>5</sup> WCT, Art 8, referring to Berne Convention, Arts 11, 11*ter*, and 14—see para 4.4.

<sup>6</sup> Rome Convention 1961, Art 10.

<sup>7</sup> Rome Convention, Art 13. See also TRIPS, Art 14(3).

<sup>8</sup> TRIPS, Art 14(2); WPPT, Art 11.

<sup>9</sup> WPPT, Arts 12–14.

<sup>10</sup> Directive 2009/24/EC amended and consolidated Directive 91/250/EEC. Unless stated otherwise, all references will be to the 2009 Directive.

<sup>11</sup> Directive 2006/115/EC consolidated and replaced Directive 92/100/EEC. Unless stated otherwise, all references will be to the 2006 Directive.

<sup>12</sup> Software Directive 2009, Art 4(1).

<sup>13</sup> Database Directive 1996, Art 5(a).

<sup>14</sup> InfoSoc Directive 2001, Art 2.

- <sup>15</sup> See, eg, Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations 2019, reg 4.
- <sup>16</sup> Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market, Art 15, 17.
- <sup>17</sup> Nor does the UK Government intend to do so. See UK Parliament, ‘Copyright: EU Action’, Question for Department for Business, Energy and Industrial Strategy, 16 January 2020 available at <https://questions-statements.parliament.uk/written-questions/detail/2020-01-16/4371> <<https://questions-statements.parliament.uk/written-questions/detail/2020-01-16/4371>>.
- <sup>18</sup> CDPA 1988, s 16(1).
- <sup>19</sup> CDPA 1988, s 16(2).
- <sup>20</sup> See CDPA 1988, ss 22–26, headed ‘Secondary infringement of copyright’.
- <sup>21</sup> CDPA 1988, s 16(3)(a).
- <sup>22</sup> CDPA 1988, s 17(4); see *Spelling Goldberg v BPC Publishing* [1981] RPC 283 (CA).
- <sup>23</sup> *Warwick Film Productions Ltd v Eisinger* [1969] 1 Ch 508.
- <sup>24</sup> *Nova Productions Ltd v Mazooma Games Ltd* [2007] RPC 25 (CA) at para 26 for both points.
- <sup>25</sup> See, eg, InfoSoc Directive 2001, Art 2; Software Directive 2009, Art 4(1)(a).
- <sup>26</sup> *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 WLR 273 per Lord Reid at 276.
- <sup>27</sup> *Hawkes & Son Ltd v Paramount Film Services* [1934] Ch 593 (CA).
- <sup>28</sup> *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 WLR 273 per Lord Reid at 276; to like effect, Lord Hodson at 285, Lord Devlin at 290, and Lord Pearce at 293. The context is the component parts of a football pools coupon. See also *Law Society of Upper Canada v CCH Canadian Ltd* [2004] 1 SCR 339.
- <sup>29</sup> *Sillitoe v McGraw Hill Book Co* [1983] FSR 545.
- <sup>30</sup> *Cate v Devon and Exeter Constitutional Newspaper Co* (1889) 40 Ch D 500; *Electronic Techniques (Anglia) Ltd v Critchley Components Ltd* [1997] FSR 401. See also the provisions for such infringement of the *sui generis* database right (paras 7.19–7.20).
- <sup>31</sup> *Express Newspapers v Liverpool Daily Post and Echo* [1985] FSR 306 per Whitford J at 311.
- <sup>32</sup> *Williamson Music Ltd v Pearson Partnership Ltd* [1987] FSR 97.
- <sup>33</sup> See further A Barron, ‘The legal properties of film’ (2004) 67 MLR 177.
- <sup>34</sup> The competing designs in the case are illustrated in colour at [2000] FSR 121 at 136 and 137.
- <sup>35</sup> ‘The fox knows many things, but the hedgehog knows one big thing’ (Archilochus, 7th-century BCE Greek poet). See also Isaiah Berlin, *The Hedgehog and the Fox: An Essay on Tolstoy’s View of History* (1953). See further *L Woolley Jewellers Ltd v A & A Jewellery Ltd* [2003] FSR 15 per Arden LJ at 259–60.
- <sup>36</sup> For discussion of the issues raised by this case, see M Spence and T Endicott, ‘Vagueness in the scope of copyright’ (2005) 121 LQR 657.
- <sup>37</sup> Case C-5/08 *Infopaq International A/S v Danske Dagblades Forening* [2009] ECDR 16 at paras 27–29; Cases C-403/08 and C-429/08 *Football Association Premier League Ltd v QC Leisure, Murphy v Media Protection Services Ltd* [2012] 1 CMLR 29 at para 154; C-355/12 *Nintendo v PC Box* [2014] ECDR 6 at para 22.

<sup>38</sup> *SAS Institute Inc v World Programming Ltd* [2010] ECDR 15.

<sup>39</sup> *SAS Institute Inc v World Programming Limited* [2013] EWCA Civ 1482 (CA).

<sup>40</sup> See, eg, *John Kaldor Fabricmaker UK Limited v Lee Ann Fashions Limited* [2014] EWHC 3779 (IPEC) at paras 12–22.

<sup>41</sup> Harmonised under the InfoSoc Directive 2001, Art 2(c).

<sup>42</sup> Note that Art 2 uses the phrase ‘in whole or in part’, as opposed to whole or substantial part used in CDPA 1988.

<sup>43</sup> CDPA 1988, s 16(3)(b).

<sup>44</sup> See, eg, *Autodesk Inc v Dyason and Kelly* (1990) 96 ALR 57. Note, however, that ‘decompilation’ of a computer program in low-level language (ie the object code) is not infringement if certain conditions are met: CDPA 1988, s 50B; discussed further at para 5.55.

<sup>45</sup> *Solar Thomson Engineering Co Ltd v Barton* [1977] RPC 537; *Howard Clark v David Allan & Co Ltd* 1987 SLT 271.

<sup>46</sup> *Merlet v Mothercare* [1986] RPC 115 (CA); *Rose Plastics GmbH v Wm Beckett & Co* [1989] FSR 113.

<sup>47</sup> CDPA 1988, s 17(2).

<sup>48</sup> As was specifically provided in s 48 of the 1956 Act.

<sup>49</sup> CDPA 1988, s 17(3).

<sup>50</sup> If not situated in a public place—see CDPA 1988, s 62 (para 5.52).

<sup>51</sup> See *Bauman v Fussell* [1978] RPC 485.

<sup>52</sup> See also *Interlego AG v Tyco Industries Inc* [1989] AC 217 per Lord Oliver at 265 (PC); also *J & S Davis (Holdings) Ltd v Wright Health Group* [1988] RPC 403 per Whitford J at 414.

<sup>53</sup> *Corelli v Gray* (1913) 29 TLR 570 per Sargent J at 570 (Ch D).

<sup>54</sup> See *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2001] FSR 11 (HL).

<sup>55</sup> *Sifam Electrical Instrument Co Ltd v Sangamo Weston Ltd* [1971] 2 All ER 1074 per Graham J at 1076.

<sup>56</sup> *LB (Plastics) Ltd v Swish Products Ltd* [1979] RPC 551 per Lord Wilberforce at 621.

<sup>57</sup> *Mitchell v BBC* [2011] EWPCC 42 at para 25.

<sup>58</sup> *Francis Day & Hunter Ltd v Bron* [1963] Ch 587 per Willmer LJ at 612. See also *Abraham Moon & Sons Ltd v Thornber and Others* [2012] EWPCC 37 at para 25.

<sup>59</sup> *Francis Day & Hunter Ltd v Bron* [1963] Ch 587. See also *Industrial Furnaces Ltd v Reaves* [1970] RPC 605 per Graham J at 623–624.

<sup>60</sup> *Mitchell v BBC* [2011] EWPCC 42 at para 39.

<sup>61</sup> See CDPA 1988, s 21 and generally paras 4.69–4.70.

<sup>62</sup> CDPA 1988, s 21(5).

<sup>63</sup> *Hodgson v Isaac* [2010] EWPCC 37 at para 21.

<sup>64</sup> CDPA 1988, s 16(3)(a).

<sup>65</sup> *Rees v Melville* [1911–16] MCC 168.

<sup>66</sup> *Austin v Columbia Gramophone Co Ltd* [1917–23] MCC 398 at 409 and 415, quoted with approval by Willmer LJ in *Francis Day & Hunter Ltd v Bron* [1963] Ch 587 at 608.

<sup>67</sup> *Allen v Bloomsbury Publishing plc* [2011] EWCA Civ 943.

<sup>68</sup> The competing images in the case are reproduced in colour at the end of the judgment.

<sup>69</sup> A Rahmatian, ‘Temple Island Collections v New English Teas: an incorrect decision based on the right law?’ [2012] EIPR 796.

<sup>70</sup> Note, however, CDPA 1988, s 50A, providing that the making of a back-up copy of a computer program necessary for the purposes of lawful use is not infringement, and may not be prevented by contract (para 5.55).

<sup>71</sup> For this phrase, see para 4.22.

<sup>72</sup> Art 1(2).

<sup>73</sup> See CDPA 1988, s 21(3)(a)(i) and (4), discussed later.

<sup>74</sup> See para 4.26.

<sup>75</sup> CDPA 1988, s 17(6). The concept of infringement by transient copying had already been present in the 1988 Act before being required under EU directives.

<sup>76</sup> CDPA 1988, s 17(2).

<sup>77</sup> *Football Association Premier League Ltd v QC Leisure (No 2)* [2008] EWHC 1411 (Ch) at para 227.

<sup>78</sup> *ITV Broadcasting Ltd v TVCatchup Ltd* [2011] EWHC 2977 (Pat).

<sup>79</sup> CDPA 1988, s 28A, inserted after the InfoSoc Directive 2001, Art 5(1).

<sup>80</sup> Case C-360/13 *Newspaper Licensing Agency Ltd v Meltwater Holding BV* [2014] AC 1438 (ECJ).

<sup>81</sup> See *Joy Music Ltd v Sunday Pictorial Newspapers* [1960] 2 QB 60; *Schweppes v Wellingtons* [1984] FSR 210.

<sup>82</sup> It could have been defended then on the basis that it was ‘fair dealing ... for purposes of criticism’. See CDPA 1988, s 30(1); M Spence, ‘Intellectual property and the problem of parody’ (1998) 114 LQR 594.

<sup>83</sup> See *Sillitoe v McGraw Hill* [1983] FSR 545.

<sup>84</sup> *Murray v McFarquhar* (1785) Mor 8309.

<sup>85</sup> CDPA 1988, s 17(1).

<sup>86</sup> CDPA 1988, s 16(3)(a).

<sup>87</sup> CDPA 1988, s 17(4).

<sup>88</sup> *Norowzian v Arks Ltd (No 1)* [1998] FSR 394. See also para 63 in *Dramatico* (note 90).

<sup>89</sup> Note, however, the provision for ‘time-shifting’ in CDPA 1988, s 70, discussed at para 5.56; and note that a private copying exception was introduced in 2014 and repealed in 2015, for full details of which see para 5.57.

<sup>90</sup> *Dramatico Entertainment Ltd and Others v BSkyB and Others* [2012] ECDR 14 (Ch). See further paras 4.65 and 4.76.

<sup>91</sup> CDPA 1988, s 17(5).

<sup>92</sup> See, for discussion of copying in relation to typographical arrangements, *Newspaper Licensing Agency Ltd v Marks & Spencer plc* [2003] 1 AC 551, discussed at para 4.18.

<sup>93</sup> See, eg, paras 5.25–5.28 and 5.43–5.45.

<sup>94</sup> CDPA 1988, s 18(1), (4). Corresponding provisions can be found in Software Directive 2009, Art 4; Rental and Lending Right Directive 2006, Art 9; InfoSoc Directive 2001, Art 4.

<sup>95</sup> CDPA 1988, s 18(2) as amended by Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations 2019/265, reg 4(2). Despite Brexit, the UK is unilaterally participating in the EEA regional exhaustion regime.

<sup>96</sup> CDPA 1988, s 18(3). But note the proviso to the subsection, about rental and lending rights (on which see further paras 4.46–4.49).

<sup>97</sup> For further details on exhaustion of rights, including the application of exhaustion to tangible and digital copies of copyright works, see paras 19.68–19.75. For parallel importing in the EEA, see Chapter 19.

<sup>98</sup> [2007] FSR 21 (Ch).

<sup>99</sup> See also Case C-98/13 *Martin Blomqvist v Rolex SA* [2014] ECDR 10, where the ECJ held that distribution to the public is proven where a contract of sale and dispatch has been concluded.

<sup>100</sup> See further Case C-572/17 *Riksaklagren v Syed* [2019] ECDR 4.

<sup>101</sup> Harmonised under of the Rental and Lending Right Directive 2006, Art 9(1)(b).

<sup>102</sup> See para 4.20 for the ECJ's ruling on the reproduction right in the sound recording.

<sup>103</sup> [2002] 2 SCR 336; see further S Stokes, 'Copyright and the reproduction of artistic works' [2003] EIPR 486.

<sup>104</sup> CDPA 1988, s 175.

<sup>105</sup> CDPA 1988, s 175(5).

<sup>106</sup> See paras 4.50–4.56.

<sup>107</sup> CDPA 1988, s 16(3)(a).

<sup>108</sup> Council Directive 92/100/EEC, now in a consolidated version, Directive 2006/115/EC.

<sup>109</sup> CDPA 1988, s 18A(1).

<sup>110</sup> CDPA 1988, s 18A(1)(b)(i), (ii). For works of applied art, see para 8.5 and Berne Convention, Arts 2(7) and 7(4).

<sup>111</sup> CDPA 1988, s 18A(2)(a).

<sup>112</sup> CDPA 1988, s 18A(2)(b).

<sup>113</sup> However, see CDPA 1988, ss 40A and 36A (paras 5.45–5.47).

<sup>114</sup> Case C-174/15 *Vereniging Openbare Bibliotheken v Stichting Leenrecht* [2017] ECDR 3 at para 54.

<sup>115</sup> CDPA 1988, s 18A(3).

<sup>116</sup> CDPA 1988, s 19(1).

<sup>117</sup> CDPA 1988, s 19(2).

<sup>118</sup> See *British Broadcasting Co v Wireless League Gazette Publishing Co* [1926] Ch 433 per Astbury J at 442 for the example.

<sup>119</sup> CDPA 1988, s 16(3)(a).

<sup>120</sup> CDPA 1988, s 19(3).

<sup>121</sup> Such as a live presentation or performance of a work; the public performance right has not been harmonised, see Case C-283/10 *Circ & Variete Globus București v Uniunea Compozitorilor și Muzicologilor din România—Asociația pentru Drepturi de Autor—UCMR—ADA* (24 November 2011) at para 40.

<sup>122</sup> Cases C-403/08 and C429/08 *Football Association Premier League Ltd v QC Leisure, Murphy v Media Protection Services Ltd* [2012] 1 CMLR 29 at para 201. There may, however, be overlap between CDPA 1988, s 19 and s 20 in that certain activities may fall under both, *FAPL v QC Leisure* [2012] EWHC 108 (Ch) at para 63.

<sup>123</sup> *PRS v Harlequin Record Shops* [1979] 1 WLR 851 at 858.

<sup>124</sup> *South African Music Rights Organisation Ltd v Trust Butchers (Pty) Ltd* [1978] 1 SALR 1052.

<sup>125</sup> *Telstra Corporation Ltd v Australasian Performing Right Association Ltd* (1997) 191 CLR 140 (HCA).

<sup>126</sup> See *PRS v Rangers FC Supporters Club* 1974 SC 49 per Lord Stott at 55.

<sup>127</sup> See, however, *PRS v Kwik-Fit Group Ltd* [2008] ECDR 2, where it was held arguable that employees using personal radios at their place of work in such a way that members of the public and customers of the employer could hear the music being played might be guilty of infringing public performances.

<sup>128</sup> A parent of a pupil is not as such directly connected (CDPA 1988, s 34(3)).

<sup>129</sup> CDPA 1988, s 34(1).

<sup>130</sup> CDPA 1988, s 34(2).

<sup>131</sup> CDPA 1988, s 19(4).

<sup>132</sup> 1956 Act, s 48(6). See also *Phonographic Performance Ltd v Lion Breweries* [1980] FSR 1 (NZ).

<sup>133</sup> CDPA 1988, s 26(3); and see further at paras 4.80–4.82.

<sup>134</sup> CDPA 1988, s 72. This exception was amended by the Copyright (Free Public Showing or Playing) (Amendment) Regulations 2016 following decisions which found the provision incompatible with InfoSoc Directive 2001. See also para 4.81.

<sup>135</sup> CDPA 1988, s 20(1). See further J Ginsburg, 'The (new?) right of making available to the public' in D Vaver and L Bently (eds), *Intellectual Property in the New Millennium* (2004).

<sup>136</sup> See paras 4.5–4.7. Note also that the concept of communication to the public is now the same for related rights, eg equitable remuneration right for performers (see further at para 7.42).

<sup>137</sup> The right is also given to performers for fixations of their performances (para 7.33).

<sup>138</sup> Case C-279/13 *C More Entertainment AB v Sandberg Case* [2015] ECDR 15 at paras 24–26.

<sup>139</sup> *ibid*, paras 27, 36.

<sup>140</sup> See *ITV Broadcasting Ltd v TVCatchup Ltd* [2011] FSR 40; see also A Ross, 'Linking to live: C More Entertainment AB v Linus Sandberg' [2015] Ent LR 203.

<sup>141</sup> *ITV Broadcasting Ltd v TVCatchup Ltd* [2011] FSR 40 at paras 45, 81.

<sup>142</sup> CDA 1988, s 6(3).

<sup>143</sup> CDA 1988, s 73 was repealed in July 2017 by the Digital Economy Act 2017. See also the consultation on repealing the provision, Department for Digital, Culture, Media and Sport (DCMS), 'The balance of payments between television platforms and public service broadcasters: options for deregulation' (March 2015); and the government response, DCMS, 'The balance of payments between television platforms and public service broadcasters consultation report' (July 2016).

<sup>144</sup> [2021] EWCJ Civ 441 at para 70.

<sup>145</sup> *ibid*, para 80.

<sup>146</sup> Case C-161/17 *Land Nordrhein-Westfalen v Dirk Renckhoff* [2018] ECDR 21 at para 17; Case C-610/15 *Stichting Brein v Ziggo* [2017] ECDR 19 at para 21.

<sup>147</sup> Case C-306/05 *SGAE v Rafael Hoteles SL* [2006] ECR I-11519 at paras 31 and 36; Case C-607/11 *ITV Broadcasting Ltd v TVCatchup Ltd* [2013] ECDR 9 at para 20.

<sup>148</sup> Case C-306/05 *SGAE v Rafael Hoteles SL* [2006] ECR I-11519 at para 35; Case C-135/10 *Società Consortile Fonografici (SCF) v Del Corso* [2012] ECDR 16 at para 56; Cases C-403/08 and C-429/08 *Football Association Premier League Ltd v QC Leisure, Murphy v Media Protection Services Ltd* [2012] 1 CMLR 29 at para 189.

<sup>149</sup> Case C-325/14 *SBS Belgium* [2016] ECDR 3 at para 15; Case C-117/15 *Reha Training v GEMA* [2016] 3 CMLR 40 at para 37; Case C-527/15 *Stichting Brein v Jack Frederik Wullems* [2017] ECDR 14 at para 29; Case C-161/17 *Land Nordrhein-Westfalen v Dirk Renckhoff* [2018] ECDR 21 at para 19.

<sup>150</sup> Cases C-403/08 and C-429/08 *Football Association Premier League Ltd v QC Leisure, Murphy v Media Protection Services Ltd* [2012] 1 CMLR 29 at para 193; Case C-325/14 *SBS Belgium* [2016] ECDR 3 at para 16; Case C-117/15 *Reha Training v GEMA* [2016] 3 CMLR 40 at para 38.

<sup>151</sup> Case C-325/14 *SBS Belgium* [2016] ECDR 3 at para 17.

<sup>152</sup> Case C-466/12 *Svensson v Retriever Sverige AB* [2014] ECDR 9 at para 19; Case C-610/15 *Stichting Brein v Ziggo* [2017] ECDR 19 at para 31; Case C-161/17 *Land Nordrhein-Westfalen v Dirk Renckhoff* [2018] ECDR 21 at para 20.

<sup>153</sup> Case C-466/12 *Svensson v Retriever Sverige AB* [2014] ECDR 9 at para 21; Case C-161/17 *Land Nordrhein-Westfalen v Dirk Renckhoff* [2018] ECDR 21 at para 22.

<sup>154</sup> Case C-117/15 *Reha Training v GEMA* [2016] 3 CMLR 40 at para 42; Case C-135/10 *Società Consortile Fonografici (SCF) v Del Corso* [2012] ECDR 16 at para 85.

<sup>155</sup> Case C-117/15 *Reha Training v GEMA* [2016] 3 CMLR 40 at para 43; Case C-135/10 *Società Consortile Fonografici (SCF) v Del Corso* [2012] ECDR 16 at para 86.

<sup>156</sup> Case C-117/15 *Reha Training v GEMA* [2016] 3 CMLR 40 at para 44; Case C-306/05 *SGAE v Rafael Hoteles SL* [2006] ECR I-11519 at para 39; Case C-162/10 *Phonographic Performance (Ireland) Ltd v Ireland* [2012] ECDR 15 at para 35.

<sup>157</sup> Case C-161/17 *Land Nordrhein-Westfalen v Dirk Renckhoff* [2018] ECDR 21 at para 24. See also, C-466/12 *Svensson v Retriever Sverige AB* [2014] ECDR 9 at para 24.

<sup>158</sup> For example, streaming is a different technical means to cable or satellite broadcasts, *UEFA v BT* [2017] EWHC 3414 (Ch) at para 9; *FAPL v BT* [2017] EWHC 480 (Ch) at para 36.

<sup>159</sup> See also Case C-265/16 *VCAST Ltd v RTI SpA* [2018] ECDR 5 at paras 48–50; Case C-607/11 *ITV Broadcasting Ltd v TVCatchup Ltd* [2013] ECDR 9 at para 39.

<sup>160</sup> The ‘new public’ requirement has been subject to criticism and considered by some to be erroneous. See S Karapapa, ‘The requirement for a “new public” in EU copyright law’ [2017] E L Rev 63.

<sup>161</sup> Case C-160/15 *GS Media v Sanoma* [2016] ECDR 25 at para 33.

<sup>162</sup> Case C-117/15 *Reha Training v GEMA* [2016] 3 CMLR 40 at para 35; Case C-160/15 *GS Media v Sanoma* [2016] ECDR 25 at para 34.

<sup>163</sup> Case C-160/15 *GS Media v Sanoma* [2016] ECDR 25 at paras 35 and 38.

<sup>164</sup> In Case C-351/12 *OSA v Lécebné* [2014] ECDR 25, a spa was held to be similar to a hotel, in that distribution of a signal by TV or radio sets in patients’ rooms in the spa had been communication to the public.

<sup>165</sup> InfoSoc Directive 2001, recital 27; Case C-306/05 *SGAE v Rafael Hoteles SL* [2006] ECR I-11519 at paras 45–47.

<sup>166</sup> AG Sharpston had felt it not necessary to decide this particular point (paras 56–57 of her Opinion).

<sup>167</sup> Kitchen J applied this and held that defendants had infringed the public communication right: *FAPL v QC Leisure* [2012] EWHC 108 (Ch).

<sup>168</sup> This differentiates it from direct representation or live performance of a work, which is covered by the right of public performance (see paras 4.50–4.56).

<sup>169</sup> Case C-283/10 *Circ & Variete Globus București v Uniunea Compozitorilor și Muzicologilor din România—Asociația pentru Drepturi de Autor—UCMR—ADA* (24 November 2011) at para 40.

<sup>170</sup> Floyd J accepted that TVC had a defence for its online streams (but not mobile streams) which fell within the meaning of retransmission by cable under CDPA, s 73. The section has been repealed since (see para 4.58).

<sup>171</sup> Case C-348/13 (October 2014).

<sup>172</sup> For an explanation of how file-sharing through BitTorrent works, see paras 9–12 of this decision.

<sup>173</sup> The operators may, however, have available the defences discussed at para 4.78.

<sup>174</sup> [2010] ECDR 8 (Ch).

<sup>175</sup> *EMI Records Ltd v British Sky Broadcasting Ltd* [2013] ECDR 8 (Ch) at paras 44–51; *1967 Ltd v British Sky Broadcasting Ltd* [2014] EWHC 3444 (Ch) at paras 18–21. This cause of action was not pursued against the operators of The Pirate Bay in the UK case of *Dramatico Entertainment Ltd and Others v BSKyB and Others* (see para 4.76).

<sup>176</sup> *FAPL v BT* [2017] EWHC 480 (Ch). Notably, in this case, Arnold J applied the decisions in *Svensson* and *GS Media* to reach this conclusion regarding communication to the public by the operators.

<sup>177</sup> *Capitol Records v BT* [2021] EWHC 409, where cyberlockers were described by the claimants as a file storage site which makes available unlicensed commercial content by allowing users to upload and download such content to and from its servers.

<sup>178</sup> *Young Turks Recordings Ltd v BT* [2021] EWHC 410, where stream ripping was described as a process through which streamed audio content is converted into permanent audio downloads for storage and further uses.

<sup>179</sup> [2012] ECDR 14 (Ch).

<sup>180</sup> *EMI Records Ltd v British Sky Broadcasting Ltd* [2013] ECDR 8 (Ch) at paras 44–51. *1967 Ltd v British Sky Broadcasting Ltd* [2014] EWHC 3444 (Ch) at paras 15–17; importantly, it was noted in this case at para 16 that the ECJ judgment in *Svensson* did not detract from the reasoning adopted in earlier UK cases on infringement by users.

<sup>181</sup> [2013] EWHC 3479 (Ch) (November 2013).

<sup>182</sup> [2014] EWHC 937 (Ch) (February 2014).

<sup>183</sup> *ibid*, paras 31–33.

<sup>184</sup> [2015] EWHC 1082 (Ch).

<sup>185</sup> However, operators of host sites were communicating to the public and operators of Popcorn Time-type websites were jointly liable with them, *ibid*, para 55; see also S Baggs et al, ‘Curtains down on Popcorn Time: s.97A takes centre stage’ [2016] EIPR 56.

<sup>186</sup> CDPA 1988, s 21(1).

<sup>187</sup> CDPA 1988, s 21(1).

<sup>188</sup> CDPA 1988, s 21(2).

<sup>189</sup> CDPA 1988, s 21(3)(a).

<sup>190</sup> CDPA 1988, s 21(3)(ab), (ac).

<sup>191</sup> CDPA 1988, s 21(4).

<sup>192</sup> See para 4.22 for reverse engineering.

<sup>193</sup> CDPA 1988, s 16(2).

<sup>194</sup> This definition of ‘authorise’ was first stated in *Monckton v Pathe Freres Pathephone Ltd* [1914] 1 KB 395 and *Evans v Hulton & Co Ltd* [1924] WN 130.

<sup>195</sup> *PRS v Caryl Theatrical Syndicate* [1924] 1 KB 1; *Moorhouse v University of New South Wales* [1976] RPC 151 (HCA); *CBS v Ames Record & Tapes* [1982] Ch 91; *PRS v Kwik-Fit Group Ltd* [2008] ECDR 2.

<sup>196</sup> [1926] 2 KB 474.

<sup>197</sup> *Standen Engineering v Spalding & Sons* [1984] FSR 554.

<sup>198</sup> *PRS v Bray UDC* [1930] AC 377 (PC).

<sup>199</sup> *PPL Ltd v Abimbola Balgun t/a Mama Africa* [2018] EWHC 1327 (Ch) at paras 27–28.

<sup>200</sup> See in particular the discussion of the problem of ‘home copying’, which was the real issue in *CBS Songs Ltd v Amstrad Consumer Electronics plc* [1988] 1 AC 1013.

<sup>201</sup> Compare *CBS v Ames Records & Tapes* [1982] Ch 91, where no copying machines were provided. Under the CDPA 1988, the *Moorhouse* situation would be avoided through the limited scope of the permitted acts (eg, see CDPA 1988, ss 29 and 36) and reprography licensing (ss 130 and 136–141). The Copyright Licensing Agency plays a significant role here. See further at [www.cla.co.uk/education](http://www.cla.co.uk/education) <<http://www.cla.co.uk/education>>.

<sup>202</sup> *Moorhouse v University of New South Wales* [1976] RPC 151 (HCA).

<sup>203</sup> *Moorhouse v University of New South Wales* [1976] RPC 151 per Jacobs J at 166.

<sup>204</sup> *CBS v Ames Record & Tapes* [1982] Ch 91.

<sup>205</sup> *A&M Records v Napster* 239 F 3d 1004 (2001); *Metro-Goldwyn-Mayer Studios Inc v Grokster Ltd* 380 F 3d 1154 (9th Cir, 2004); 545 US 913 (2005) (US Supreme Court).

<sup>206</sup> *Universal Music Australia Pty Ltd v Sharman License Holdings Ltd* (2005) 220 ALR 1 (FCA).

<sup>207</sup> *CBS Inc v Ames Records & Tapes Ltd* [1982] Ch 91; *CBS Songs Ltd v Amstrad Consumer Electronics plc* [1988] 1 AC 1013.

<sup>208</sup> Bear in mind also that unauthorised file-sharing might also involve infringement of the public communication right by the operators themselves (para 4.64).

<sup>209</sup> [2012] ECDR 14 (Ch).

<sup>210</sup> Note that, in contrast, the ECJ in *Ziggo* (para 4.63) held that the operators of TPB themselves communicated the works to the public, as the Court did not differentiate between primary liability and accessory liability. See further A Ross, ‘Communication to the public—Court of Justice gives the Pirate Bay no quarter’ [2017] Ent LR 248; N Cordell and B Potts, ‘Communication to the public or accessory liability? Is the CJEU using communication to the public to harmonise accessory liability across the EU?’ [2018] EIPR 289.

<sup>211</sup> See, eg, BitTorrent indexing websites KAT, H33T, and Fenopy in *EMI Records Ltd v British Sky Broadcasting Ltd* [2013] ECDR 8 (Ch); SolarMovie and TubePlus websites providing hyperlinks to third-party hosted content in *Paramount Home Entertainment v BSkyB* [2013] EWHC 3479 (Ch); cf Popcorn Time-type websites providing an application in *Twentieth Century Fox v Sky UK* [2015] EWHC 1082 (Ch) (see para 4.68). See also R Arnold and PS Davies, ‘Accessory liability for intellectual property infringement: the case of authorisation’ [2017] LQR 442.

<sup>212</sup> *Take-Two Interactive Software Inc v James* [2020] ECDR 14.

<sup>213</sup> European Parliament and Council Directive 2000/31/EC on certain legal aspects of Information Society services, in particular electronic commerce, in the Internal Market (E-Commerce Directive), implemented in the Electronic Commerce (EC Directive) Regulations 2002 (SI 2002/2013).

<sup>214</sup> E-Commerce Directive, Art 12; Electronic Commerce Regulations, reg 17. See the Digital Millennium Copyright Act 1998 for the position in the United States.

<sup>215</sup> See E-Commerce Directive, Art 14; Electronic Commerce Regulations, reg 19 (hosting). See also Case C-236/08 *Google France Sarl v Louis Vuitton Malletier SA* [2010] RPC 19; Case C-324/09 *L’Oréal SA v eBay International AG* [2011] RPC 27.

<sup>216</sup> E-Commerce Directive 2000, Art 15.

<sup>217</sup> Implementing InfoSoc Directive 2001, Art 8(3). See also Enforcement Directive 2004/48/EC, Art 11; R Arnold, ‘Website-blocking injunctions: the question of legislative basis’ [2015] EIPR 623; see further paras 21.79–21.80.

<sup>218</sup> *Twentieth Century Fox Film Corporation and Others v BT* [2011] RPC 28, [2011] EWHC 2714 (Ch); *Dramatico Entertainment Ltd and Others v BSkyB and Others* [2012] ECDR 24 (Ch). See A Shaw, ‘“Newz-binned”: High Court grants first copyright infringement blocking order against a UK ISP: Twentieth Century Fox Film Corporation & others v British Telecommunications PLC’ (2012) 18(4) CTLR 105.

<sup>219</sup> *Twentieth Century Fox v Sky UK* [2015] EWHC 1082 (Ch).

<sup>220</sup> *Columbia Pictures Industries Inc v BT* [2021] EWHC 2799.

<sup>221</sup> Providing unauthorised Nintendo Switch video games, *Nintendo v Sky UK* [2019] EWHC 3511.

<sup>222</sup> *FAPL v BT* [2017] EWHC 480 (Ch); *UEFA v BT* [2017] EWHC 3414 (Ch); *FAPL v BT* [2018] EWHC 1828 (Ch); *Matchroom Boxing Ltd v BT* [2020] EWHC 2868.

<sup>223</sup> *Twentieth Century Fox Film Corporation and Others v BT* [2011] RPC 28, [2011] EWHC 2714 (Ch).

<sup>224</sup> And since, elsewhere. See EUIPO, Dynamic Blocking Injunctions In The European Union (2021).

<sup>225</sup> See the headings to the relevant sections of the CDPA 1988, ss 22–26.

<sup>226</sup> See ss 22, 23, 24, 25(1), and 26(2)–(4).

<sup>227</sup> CDPA 1988, s 72(1) amended by the Copyright (Free Public Showing or Playing) (Amendment) Regulations 2016. See further para 4.56.

<sup>228</sup> CDPA 1988, s 72(2). On this test, the employer was probably not guilty of secondary infringement under this head in *PRS v Kwik-Fit Group Ltd* [2008] ECDR 2 (allowed employees to play personal radios at work so that music could be heard by customers of the employer).

<sup>229</sup> See ss 22, 23, 24, 25(1), and 26(2)–(4).

<sup>230</sup> *ZYX Music GmbH v King* [1997] 2 All ER 129 (CA); *Pensher Security Door Co Ltd v Sunderland City Council* [2000] RPC 249 (CA); *Vermaat and Powell v Boncrest (No 2)* [2002] FSR 21; *Whitby v Yorkshire* [2014] EWHC 4242 (Pat).

<sup>231</sup> *Van Dusen v Krutz* [1936] 2 KB 176; *Vermaat and Powell v Boncrest (No 2)* [2002] FSR 21.

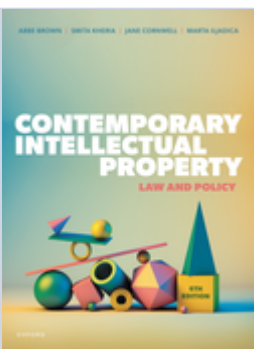
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Contemporary Intellectual Property: Law and Policy (6th edn)

Abbe Brown, Smita Kheria, Jane Cornwell, and Marta Iljadica

## p. 207 6. Copyright 5: authors' rights, and exploitation of copyright

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### Abstract

This chapter begins by examining the rights granted exclusively to authors—moral rights and artist's resale right. It discusses 'moral rights' first, that is, the right to be identified as the author of the protected work, and to have that work's integrity respected by others, followed by the artist's resale right. The rest of this chapter discusses fundamental rules and controls on exploitation and use of copyright. This includes dealings in copyright, such as assignment and licensing; specific features of copyright exploitation, for example collective licensing; and also contemporary issues related to the use of copyright works, for example the challenge of orphan works for users, and the application of technological protection measures by right owners to prevent unauthorised use of or access to protected works.

**Keywords:** copyright law, authors' rights, moral rights, ownership, resale right, assignment, licensing, collecting societies, orphan works, technological protection measures

## Introduction

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### Scope and overview of chapter

**6.1** This chapter begins by considering authors' rights, dealing first with 'moral rights', that is, the right to be identified as the author of the protected work, and to have that work's integrity respected by others, and then with the artist's resale right. The second half of the chapter discusses exploitation and use of copyright. It discusses a range of rules relevant to exploitation of copyright, and also highlights some contemporary issues.

### 6.2 Learning objectives

By the end of this chapter you should be able to describe and explain:

- the moral rights of the author to be identified and to have the work's integrity respected;
- the artist's resale right;
- the basic rules on assignment and licensing of copyright;
- contemporary issues relating to exploitation of copyright, including the regulatory controls on exploitation, contractual practices, licensing of orphan works, and the legal protection of technical protection measures.

**6.3** The author's moral rights to be identified and to have the integrity of a work respected are discussed first, along with the right to prevent false attribution, and the special right of privacy in relation to certain commissioned photographs. Unlike moral rights, the artist's resale right enables authors to take a share of the profit made by others from sales of their original art works, and is highly economic in nature.

p. 208 Commercial exploitation of copyright by a right owner takes place within the context of the general framework of laws in any particular country (eg contract, commercial, and employment laws). Specific rules govern dealings with rights in copyright-protected works, such as assignment and licensing. Specific challenges arise due to the weak bargaining position of authors in contractual relationships. There are also specific features of copyright exploitation, for example collective licensing, and also specific challenges faced in the exploitation and use of copyright works, for example orphan works. Finally, during the exploitation of copyright, right owners may also use technological protection measures (TPMs) to prevent unauthorised use of or access to works. This chapter addresses all these issues and looks like this:

- Author's moral rights (6.4–6.21)
- Artist's resale right (6.22–6.26)
- Exploitation of copyright (6.27–6.52)
- Technical protection measures and rights management information systems (6.53–6.64).

### Author's moral rights

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#### International background

**6.4** As noted in its historical introduction (para 2.8), the Berne Convention 1886 developed the concept of *non-transferable (inalienable) moral rights* (to claim authorship and to object to derogatory treatment of the work prejudicial to the author's honour or reputation (Art 6bis)).<sup>1</sup> Moral rights thus recognise certain non-economic interests which an author (but no one else) may continue to exercise in respect of a work even though no longer owner of the copyright or of the physical form in which the work was first created and recorded, this last being particularly important in respect of artistic works. The rights are reinforced by their

recognition in the 1948 Universal Declaration of Human Rights: 'everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author' (Art 27(2)).<sup>2</sup>

6.5 As also noted in para 2.25, moral rights first developed in Continental European legal systems, and were not recognised in UK law until introduced by the Copyright, Designs and Patents Act 1988 (CDPA 1988).<sup>3</sup> In the Continental traditions, moral rights are plainly seen as an important aspect of copyright, protecting significant interests of authors. This is unlike the far more cautious approach to moral rights seen in Anglo-American traditions. Yet, European Union (EU) directives have nothing substantive to say about moral rights.<sup>4</sup> The Commission Copyright Paper 2004, consistent with the emphasis it generally placed on the economic rights in European reforms, saw 'no apparent need to harmonise moral rights protection at this stage'.<sup>5</sup> It took the view that the lack of harmonisation or reform of moral rights did not affect the functioning of the internal market, noting that 'no evidence exists in the digital environment either that the current state of affairs does affect the good functioning of the Internal Market'.<sup>6</sup> While it is possible to imagine situations where export of a lawful product from a weak moral rights member state could be blocked in one with stronger rights, the good functioning of the internal market should not have been the only relevant consideration on the issue of harmonisation of authors' rights in Europe. Moral rights exemplify an area that has been untouched by EU harmonisation, and as such, unaffected by Brexit. Since moral rights are valued more in Continental traditions, any codification or reform process of moral rights before Brexit would have required a compromise between the Continental and British approaches. However, in a post-Brexit policy-making environment, without the barrier of accommodating a weaker British moral rights regime, the EU might find it easier to harmonise these rights in the future, should it choose to do so.

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## The law in the UK

6.6 The two principal moral rights introduced in the UK by the CDPA 1988 are:

**Paternity:** *the right to be identified as author of a literary, dramatic, musical, or artistic work, or as director of a film* (CDPA 1988, s 77).

**Integrity:** *the right of such authors and directors to prevent derogatory treatment of their work* (CDPA 1988, s 80).

Moral rights of paternity and integrity are accorded to authors of a range of copyright-protected works (literary, dramatic, musical, and artistic works) and directors of copyright-protected films. Under the heading of 'moral rights', the 1988 Act also deals with *prevention of false attributions* to any literary, dramatic, musical, or artistic works and films,<sup>7</sup> and a *right of privacy in certain photographs and films*.<sup>8</sup> It should be noted, however, that these are not usually seen as moral rights in other legal systems, or under the Berne Convention.

### Question

What moral rights are recognised in the UK?

### Characteristics of moral rights

6.7 In the UK, the moral rights of paternity and integrity subsist as long as copyright subsists in the works in question.<sup>9</sup> This contrasts with the position in some Continental European countries, where the moral rights are of indefinite duration.<sup>10</sup> Being conceived as highly personal to the author, moral rights are not assignable<sup>11</sup>—that is, transferable to third parties—but they can be waived by an instrument in writing signed by the person giving up the right.<sup>12</sup> It is also not an infringement of the moral rights to do anything to which the person entitled to the right has consented.<sup>13</sup> In these ways, UK moral rights are significantly weaker than their Continental counterparts. Infringements of the rights are treated as breaches of statutory duty, giving rise to remedies such as injunction and damages.<sup>14</sup>

### Question

May the owner of moral rights choose not to enforce them?

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### Key points about moral rights in general

- The main moral rights are the rights of paternity and integrity.
- These moral rights last for the same length of time as the economic rights (see paras 3.115ff).
- The rights are inalienable, but can be waived, while the holder may also consent to acts which would otherwise be infringements.

### Paternity right

6.8 The precise extent of the right to be identified as the author of a copyright work varies according to the nature of the work. When it is required, the identification must be clear and reasonably prominent so as to bring the identity of the author or director to the attention of the public.<sup>15</sup> The right applies to the whole or any substantial part of a work.<sup>16</sup> Identification is required in the following circumstances:

### Literary and dramatic works (excluding song lyrics)

Whenever the work is published commercially, performed in public, or communicated to the public, or whenever copies of a film or sound recording including the work are issued to the public, or when any of these events occur in relation to an adaptation of the work.

### Musical works and song lyrics

Whenever there is commercial publication or copies of a sound recording are issued to the public, or where it is the soundtrack of a film available to the public, or when any of these events occur in relation to an adaptation.

### Artistic works

Whenever there is commercial publication or public exhibition, or when a visual image is communicated to the public, or included in a film available to the public. In the case of three-dimensional artistic works, the author must be identified when copies of graphic works representing them or photographs of them are issued to the public. The author of a work of architecture in the form of a building has the right to be identified on the building as constructed, by appropriate means visible to persons entering or approaching the building.

### Films

Whenever the film is shown in public, communicated to the public, or copies of the film are issued to the public.

## Question

When must the author of a work be identified?

### Paternity must be 'asserted'

6.9 There is no infringement of the right of paternity unless it has been previously asserted by the author.<sup>17</sup> Assertion is by *statement in writing* to that effect, either in any assignation of copyright in the work or in any other instrument in writing signed by the author (eg in a licence or in a warning letter to an infringer, actual or potential).<sup>18</sup> The requirement may well offend against the Berne Convention provision that the enjoyment and exercise of rights under the Convention (which include moral rights) shall not be subject to any formality.<sup>19</sup> The assertion may be general or in relation to any specified act or acts. A statement that the right has been asserted will commonly be found in the prelim pages of books, usually saying something like, 'The right of XYZ to be identified as the author of this work has been asserted in accordance with the Copyright,

Designs and Patents Act 1988.' The Act contains *no requirement that paternity be asserted before the publication of a work*; but any delay in asserting the right is to be taken into account by a court in deciding whether or not to grant a remedy for breach of the right.<sup>20</sup>

### ■ ***Sawkins v Hyperion Records* [2005] RPC 32 (CA)**

For the facts, see para 3.30. Hyperion issued a CD of Lalande's music with the statement 'With thanks to Dr Lionel Sawkins for his preparation of performance materials for this recording'. Since this did not identify Sawkins as the author of a copyright work, the attribution right was held infringed. Sawkins had previously asserted his right with a letter during pre-recording negotiations with Hyperion in which he stated that the CD sleeve notes should bear the legend '© Copyright 2002 by Lionel Sawkins'.

### ■ ***Walmsley v Education Ltd* 2014 WL 2194626**

W was accepted to have asserted his moral rights in two photographs through: asserting copyright and his status as author in the copyright rubric in the book where they were used as illustrations; and, through a watermark stating '(c) John Walmsley 1969 all rights reserved' on many copies of the photos appearing on the internet. It was noted that while an assertion is necessary at some point in time, it is not required continuously or every single time the copyright work is used.

### **Question**

How and when must 'paternity' be asserted to be effective? Have the authors of this book asserted their rights of paternity?

## **Public exhibition of artistic works**

**6.10** There are some special provisions in respect of the *public exhibition of artistic works*. If the author affixes his name to the original or a copy when he or the first owner parts with possession of it, he has asserted the moral right to be identified as its author against any subsequent possessors, whether or not the original identification is still present or visible on the work.<sup>21</sup> Further, where the author licenses the making of copies, the author's moral to be identified in the event of the public exhibition of a copy made in pursuance of the

licence, may be asserted through a statement in the licence.<sup>22</sup> This affects the licensee and anyone into whose hands a copy made in pursuance of the licence comes, regardless of whether or not he has notice of the assertion.<sup>23</sup>

### Exercise

A city council commissions a large, bronze statue of a phoenix to stand in the city's main square, symbolising its post-industrial renaissance. The sculpture is erected and becomes a popular success. However, no information is provided at the site about the identity of the sculptor, although it is publicised in newspapers at the time of the commission and again at the unveiling ceremony. The sculptor also identifies herself as the creator on her website, and her name is mentioned in official tourist and business guides. The commissioning contract contained no provisions about identification of the sculptor at the site, but it did give the council merchandising rights such as the reproduction and sale of miniatures of the sculpture, and the marketing of T-shirts bearing its image. Now the sculptor has approached the council, requesting that she be identified at the site of the sculpture and on merchandising material. Must the council comply with this request?

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### Limits on the right to be identified as author or director

**6.11** The right to be identified as author does not exist in respect of computer programs, the design of typefaces, or computer-generated works.<sup>24</sup> Where copyright first vested in an employer, nothing done or authorised by him infringes the author's right to be identified.<sup>25</sup> Certain acts permitted in respect of the copyright in a work—fair dealing for certain purposes, for example—are not to be taken as infringements of the moral right to be identified as author.<sup>26</sup> The right does not apply to works in which Crown or parliamentary copyright subsists, unless the author or director has previously been identified as such on or in published copies of the work.<sup>27</sup> Nor does it apply to publications in newspapers, magazines, or similar periodicals, or in an encyclopaedia, dictionary, yearbook, or other collective works of reference where the work was made for the purposes of such publication.<sup>28</sup>

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oupsupport.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-6-guidance-on-answering-the-discussion-points?options=showName>>.

What is the reason for these limitations on the right of paternity?

### Key points about the moral right of paternity

- Paternity is the right to be identified as the author of a work.
- It applies in varying ways to literary, dramatic, musical, and artistic works and films, but not to computer programs.
- The right must be asserted by a statement in writing.
- An employer who owns the copyright in a work cannot infringe the employee-author's moral rights.

### Right of integrity

6.12 The author of a work or director of a film has the right to object to *derogatory treatment* of his work. This moral right does not need to be asserted in any formal way. The right applies to the treatment of the whole or any part (without a requirement that it be a substantial part) of the work.<sup>29</sup> Derogatory treatment will occur when there is:<sup>30</sup>

*addition to, deletion from or alteration to or adaptation of a work which amounts to distortion or mutilation of the work or is otherwise prejudicial to the honour or reputation of the author or director.*

p. 213 ↺ There must be a *treatment* of the work (in the form of addition, deletion, alteration, or adaptation) and such treatment must be *derogatory* (a distortion or mutilation that must also be prejudicial to the author's honour or reputation).<sup>31</sup> But a translation of a literary or dramatic work will not amount to derogatory treatment, nor will an arrangement or transcription of a musical work involving no more than a change of key or register.<sup>32</sup> The right affects those who:

- publish commercially, perform in public or communicate to the public, or issue to the public copies of a film or sound recording of, or including, a literary, dramatic, or musical work (CDPA 1988, s 80(3));
- publish commercially, exhibit in public, communicate to the public, show or issue to the public copies of a film including images of, an artistic work (CDPA 1988, s 80(4)(a), (b));
- issue to the public copies of a graphic work or photograph of works of architecture in the form of models, sculptures, or works of artistic craftsmanship (CDPA 1988, s 80(4)(c)). Note that the author of a building has only the right to require that his identification be removed from it in the event of derogatory treatment (s 80(5));
- show in public, communicate to the public, or issue to the public copies of, a film (CDPA 1988, s 80(6)).

If any of these activities includes a derogatory treatment of a work to which the right pertains, the right of integrity has been infringed.<sup>33</sup> Further, dealing in an article which infringes this right will also attract a secondary infringement liability.<sup>34</sup>

### Question

Identify the common features of the various situations in which the moral right of integrity may be infringed.

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oup.support.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-6-guidance-on-answering-the-discussion-points?options=showName>>.

How far may the right of integrity be compared to one of private censorship?

**6.13** There have been few cases to date in the UK courts about the right of integrity, and they exhibit a cautious approach: 'while the term "treatment" has been more favourably interpreted, most authors have failed in showing that the treatment meted out to their works is "derogatory"'.<sup>35</sup>

### ■ *Morrison Leahy Music Ltd v Lightbond Ltd* [1993] EMLR 144

L produced a sound recording entitled 'Bad Boys Megamix' which took bits of the music and words from five George Michael compositions (the copyright of which MLM owned) and put them together in snatches lasting from ten to 65 seconds, where the works from which they were taken lasted from three minutes, 22 seconds to six minutes, 45 seconds. An injunction was granted as it was plainly *arguable* that such relatively short snatches did alter the character of the original works by removing them from their original context and creating a new one.

### ■ *Tidy v Natural History Museum Trustees* (1995) 39 IPR 501

T, a cartoonist, produced large-scale dinosaur cartoons to hang in the museum. It was held that the right of integrity did not entitle T to prevent the re-publication of the cartoons on a much smaller scale in a book being published by the museum trustees.

### ■ *Pasterfield v Denham* [1999] FSR 168

P was commissioned by Plymouth City Council in 1988 to design promotional leaflets for the Plymouth Dome, a tourist attraction. The leaflet used devices of a satellite, a German bomber formation, and a detailed cut-away drawing of the Dome's interior. In 1994, the council commissioned D to produce a new leaflet for the Dome: this included copies of the satellite and bomber formation, along with a smaller and altered version of the cut-away drawing. The alterations included the omission of features on the edge of the original drawing and a variation in colouring. It was held that these differences were so trivial that they could only be seen by close inspection, and so could not amount to derogatory treatment. Mere distortion/mutilation is not sufficient unless such distortion/mutilation also prejudices the author's honour or reputation. Such prejudice must be to the author's honour or reputation *as an artist*, and it was not enough that the artist themselves felt aggrieved.

### ■ *Confetti Records v Warner Music UK Ltd* [2003] EMLR 35

The composer of a musical work called 'Burnin' sued for derogatory treatment by way of mixing it on a compilation album with rap material referring to violence and drugs. It was held that merely distorting or mutilating a work did not infringe the right of integrity; prejudice to the author's honour and reputation was also required. In giving evidence the composer made no complaint about the treatment of 'Burnin', and the Court should not infer prejudice for him. The words of the rap were for practical purposes in a foreign language the content of which was not proved, and they were anyway hard to decipher. All this went against any conclusion that the treatment infringed the right of integrity.

### ■ *Harrison v Harrison* [2010] ECDR 12

JP had written the first edition of a book and its second edition was edited and published by JD. JP claimed that the second edition was prejudicial to his honour or reputation. Fysh J noted that 'treatment' is a broad general concept implying a spectrum of possible acts, 'from the addition of, say, a single word to a poem to the destruction of the entire work' (para 60). The generality of the term 'treatment' is limited by the requirement of prejudice to the honour or reputation of the author to arise from such treatment. It was held that there was no infringement of the integrity right because it is not enough for the author to point to a 'miscellany of arguable trivia' to substantiate a case for derogatory treatment (para 66).

### ■ *Delves-Broughton v House of Harlot Ltd* [2012] EWPCC 29

D took a photograph depicting a model in a forest wearing clothes supplied by H which H included in its website after cropping it, reversing the image, and removing the background. On D's claim for infringement of integrity right, it was found that considerable time and effort had been spent in the composition of the photograph for which D considered the forest to be particularly important. The judge held that the changes to the photograph amounted to distortion, that such treatment of the work was therefore derogatory and awarded £50 for it. Surprisingly, the judge noted that the changes were not prejudicial to D's honour or reputation. The approach in this case is inconsistent with earlier cases; previous authorities (noted above) were not referred to in the judgment which also lacked any clear reasoning for the outcome. As such, the decision is arguably unreliable.

p. 215 **6.14** In contrast to the position in the UK, the potentially wide scope of this right can be illustrated with well-known decisions from other jurisdictions: for example, the French decision that the moral rights of the film director John Huston were infringed by the colourisation of his black-and-white film 'The Asphalt Jungle', even although the colouriser had a contractual right to do so and there was no right of integrity in Huston's home territory of the United States;<sup>36</sup> in a Canadian case it was held that the integrity of a sculpture in a public place was infringed by festooning it with Christmas decorations.<sup>37</sup>

### Exercise

A local authority commissions a new concert hall and paintings to be hung in its entrance hall. The paintings are unpopular and much criticised in the local media for their abstract character. Following an election leading to a change of party in control of the authority, and amidst much publicity, the council orders the removal of the paintings to storage, and their replacement with cartoons humorously depicting aspects of local life. Can either the architect of the hall or the painter object to the council's action on the basis of their rights of integrity? You may find it helpful in thinking about this problem to consider the Indian case of *Sehgal v Union of India* [2005] FSR 39.

### Limits on the right of integrity

**6.15** The limits on the kinds of work affected by the right of integrity are similar to those operative in the right of paternity:<sup>38</sup> for example, computer programs, computer-generated works,<sup>39</sup> publications in collective works,<sup>40</sup> and works where the employer, Crown, or Parliament has the first copyright.<sup>41</sup> There are some important further limits on the integrity right, however. It does not apply in relation to any work made for the purpose of reporting current events, since otherwise the traditional sub-editing process could be severely hampered.<sup>42</sup> In the case of anonymous and pseudonymous works where it is reasonable to suppose

that copyright has expired,<sup>43</sup> no act will infringe the right of integrity if it would not infringe copyright.<sup>44</sup> The right is not infringed by anything done for the purpose of avoiding the commission of an offence, or complying with a duty imposed by or under an enactment.<sup>45</sup> Finally, anything done by the BBC for the purpose of avoiding the inclusion in a programme of anything which offends against good taste or decency or which is likely to encourage or incite crime or lead to disorder or to be offensive to public feeling will not infringe the right of integrity.<sup>46</sup>

### Exercise 1

Before the 1988 Act came into force, the author of a play about the Falklands War to be broadcast on the BBC strenuously objected to the Corporation's cutting of passages that presented the Prime Minister Mrs Thatcher in an unfavourable light.<sup>47</sup> Would that author now be able to make a claim under the right of integrity, and would the BBC be able to plead its privileged position (described previously) in its defence?

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### Exercise 2

Would Elinor Glyn have been able to argue that the film satire 'Pimple's Three Weeks (without the option)' infringed the moral rights in her novel *Three Weeks* (see *Glyn v Weston Feature Film Co* [1916] 1 Ch 261)?

### Exercise 3

To what extent are authors able to use the right to control the way in which their works are presented to the world—for example, through distasteful association, packaging, or advertising, or through adaptations in other media which travesty their work (at least in their view)?

### Exercise 4

Consider the case of *Galerie d'Art du Petit Champlain inc v Théberge* [2002] 2 SCR 336 (Supreme Court of Canada), discussed at para 4.43. Was the artist's right of integrity infringed in that case?

### Exercise 5

Could an author who had become dissatisfied with the quality of his work demand its withdrawal from public circulation, on the basis that its continued availability would damage his honour and reputation?<sup>48</sup> Consider in this connection the old Scottish case of *Davis v Miller* (1855) 17 D 1166.

### Exercise 6

Consider the case of *Hugo v SA Plon* [2007] ECDR 9 (Cour de Cassation, France) in which the moral right of Victor Hugo (1802–85) in his famous novel *Les Misérables* (published 1862 and out of copyright) was held not infringed by the publication in 2001 of two works purporting to be sequels to the novel and using characters from it. French law requires respect for the author's name, title, and work. Apart from the questions of location, term, and assertion, would it have been possible to sue on these facts for infringement of the UK moral rights of paternity or integrity?

### Meaning of publishing commercially

**6.16** Both the rights of paternity and integrity arise, inter alia, when a work is published commercially. Commercial publication means issuing copies of the work to the public at a time when copies made in advance of the receipt of orders are generally available to the public (eg through a retail outlet), or making the work available to the public by means of an electronic retrieval system.<sup>49</sup>

### Key points on the moral right of integrity

- The right is to prevent derogatory treatment of copyright works when they are published or otherwise put before the public.
- Derogatory treatment is distortion or mutilation of a work or treatment which is otherwise prejudicial to the honour or reputation of the author.
- The UK courts have not given the right expansive scope in their decisions on the matter.

### False attribution of authorship

6.17 A person has a right not to have a work falsely attributed to him as author or director.<sup>50</sup> This is the counterpart of the right to be identified as the author. There is a potential secondary liability for dealers in copies which infringe this right.<sup>51</sup> The right applies to the whole or any part (without any requirement of substantiality) of the work.<sup>52</sup> The right subsists until 20 years after a person's death.<sup>53</sup> This creates the curious possibility of false attribution being lawful 20 years and one day after the death of the person.

#### ■ *Clark v Associated Newspapers Ltd* [1998] 1 All ER 959

In this case<sup>54</sup> the *London Evening Standard* published a series of articles entitled 'Alan Clark's Secret Election Diary' or 'Alan Clark's Secret Political Diaries' set beside a photograph of Clark, a prominent Conservative politician and an author well known for the publication of his personal diaries, which were 'malicious, lecherous and self-pitying, and ... enormous fun'. The *Standard* articles sought to parody or spoof the real diaries, and contained a statement that 'Peter Bradshaw ... imagines what a new diary might contain'. The statement was in a font bigger than that of the main text but much smaller than the heading and title. It was held that there had been a false attribution. The statement of attribution had to have a clear single meaning, but the law did not require proof of damage, nor was there a cure for the attribution in the 'counter-messages' about Bradshaw's contribution. If 'counter-messages' are to be effective, they have to be as bold, precise, and compelling as the false statement.

#### ■ *Harrison v Harrison* [2010] ECDR 12

JP had written the first edition of a book and its second edition was edited and published by JD. JP claimed that the promotion of the second edition, through testimonials on the back cover of the second edition which referred to the first edition, created the impression that both editions were, contrary to fact, written by the same author. The Court held that there was false attribution of authorship because the single message to the reader from the back cover was praise for the author responsible for the creation of the first edition, not the publisher, who would usually produce a number of books on different subjects and, without any indication to the contrary, the reader would assume that the author of the title had not changed (para 55).

### Right of privacy of certain photographs and films

6.18 A person who for private and domestic purposes commissions the taking of a photograph or the making of a film has, where copyright subsists in the resulting work, the right not to have copies of the work issued to the public, the work exhibited or shown in public, or the work communicated to the public.<sup>55</sup> The statutory right applies in relation to the whole or any substantial part of the photograph or film.<sup>56</sup> Any person

doing or authorising one of these acts is liable as an infringer. An example would be the display of wedding photographs in the photographer's shop window where that was not authorised contractually or otherwise.<sup>57</sup> The right is not infringed where the act occurs in the context of certain specified acts which would not infringe copyright in the work (eg incidental inclusion).<sup>58</sup>

### p. 218 **Moral rights reform**

**6.19** The subject of moral rights is otherwise and in general underplayed in recent international, European, and domestic negotiations, discussions, and instruments. One policy issue in relation to moral rights is whether they should be stronger. In the UK, moral rights cannot be alienated, but it simply means that these rights cannot be the subject of commerce in themselves; they may be waived, albeit this requires writing. Further, the paternity right must be 'asserted' before it can apply, and it is not generally available to authors whose works are created in the course of employment. In all these respects, the British moral rights are weaker than the systems found, for example, in some other EU member states.<sup>59</sup>

**6.20** That a strong moral rights regime is nonetheless in the public interest has been argued on the following grounds:

- a trade mark-like function of assuring the public as to the origin and quality of the work;
- social reward (prestige, status, recognition) going to where it belongs;
- cultural preservation, helping to maintain the record of the country's culture;
- author empowerment in connection with the exploitation of their work.

The rights may also be considered particularly significant in an online digital world, where works can be speedily and endlessly transmitted and retransmitted, readily modified and reshaped, and integrated, in whole or in part, in other works. Even if economic interests in the digital environment can be as effectively defended by way of contract as by copyright, it is much less clear that this is so with the moral rights, since it will not necessarily be the author who is making the product available to the public (contractually or otherwise). Many of the functions of moral rights identified previously could also be of great importance in a world of open access publishing, to ensure author recognition. After much debate, the rights are recognised in the Creative Commons licences (paras 6.51–6.52). Such licences preserve the paternity right by contractually requiring attribution but do not always preserve the integrity right.<sup>60</sup> The right of integrity causes concern because it might seem to hamper the ability of users to rework existing material in their own works. However, the royalty-free and irrevocable nature, and potentially worldwide scope, of such licences also underlines the need for a quid pro quo and some legal recourse to protection of an authors' reputation.

**6.21** If the arguments in favour of a stronger moral rights regime are accepted, then questions follow about the present UK position, in particular the position with regard to:

- the exclusion of employees from the paternity right in their work (para 6.11);
- the need to assert paternity right (para 6.9);
- whether waivers of moral rights should be allowed (para 6.7);

- regulation of waivers for unconscionability;
- duration (paras 6.7 and 6.17)—it is not clear, especially in the light of some of the underlying policies referred to previously, why there should be a time limitation on any of the moral rights; on the other hand, moral rights which endure beyond an author's lifetime may be an undue limitation of the public domain, putting powers capable of amounting to censorship in the hands of people other than the person in whose interest the rights were created;
- the name of the rights, at least in the UK, where 'moral' in the context of rights tends to suggest, at least to the uninformed, 'not legal', and so to devalue their significance; 'author's personality rights', while cumbersome, might better convey what the law seeks to protect here.

### Exercise

Take each of the points previously listed, and consider how, if at all, the present UK rules on moral rights should be reformed.

## Artist's resale right

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### Background

**6.22** The Berne Convention 1886 provides (Art 14*ter*) for an author's inalienable resale right (*droit de suite*) in works of art and original manuscripts, giving him a right to a share of the proceeds of any sale of the work after the first transfer by the author. This right is, however, optional for Berne states. In a significant move, in 2001, the Resale Right Directive was enacted in the EU, to be implemented in the member states for the benefit of living artists by 2006 and for those who had died before then by 2012 at the latest.<sup>61</sup> It applies only to works of art and not to literary or musical manuscripts, thus taking partial advantage of the option of resale rights under Art 14*ter* of the Berne Convention. The Directive gives the artist a right to a share of the proceeds of any resale of the original of his work after the sale by the artist to a first purchaser. While the Directive's objective is primarily economic, its content also owes much to moral right ideas, notably the resale right's inalienability from the author of the work to which they attach (see further at para 6.7). However, it is worth noting that this authors' right is not a moral right, as a result of its highly economic character. The Directive was enacted against British opposition, but the majority of the then EU member states already had such a system in place and perceived distortion in the European art market resulting from the variability of the national laws, as well as an injustice to the artist, who gained no benefit from the value others came to place on the original of his work.

**6.23** The artist's resale right was introduced in the UK on 14 February 2006, in implementation of the EU Resale Right Directive 2001.<sup>62</sup> The UK has retained the resale right on withdrawal from the EU. Consequently, the UK rules remain largely unchanged except in relation to qualification.<sup>63</sup> However, reciprocal protection between the UK and EU member states will continue.<sup>64</sup>

## The law in the UK

p. 220 6.24 The author of a work of graphic or plastic art in which copyright subsists has a right to a royalty on any sale of a work that is a resale subsequent to the first transfer of ownership by the author.<sup>65</sup> The right subsists as long as the copyright subsists,<sup>66</sup> one effect of this being that 'only the originals of works of modern and contemporary art ... fall within the scope of the resale right'.<sup>67</sup> In general, and in the fashion of a moral right, this right cannot be assigned,<sup>68</sup> waived,<sup>69</sup> or shared<sup>70</sup> by the author, although it can be transmitted on death, whether by will or the rules of intestate succession,<sup>71</sup> and the right may be transferred to a charity.<sup>72</sup> But the right can be exercised *only* through a collecting society.<sup>73</sup> The holder of the right can choose which such collecting society to mandate for this purpose,<sup>74</sup> but in the absence of such a transfer of management, the collecting society managing copyright on behalf of artists (eg the Design and Artists' Copyright Society (DACS))<sup>75</sup> is deemed mandated to manage the right<sup>76</sup>—that is, collect the resale royalty in return for a fixed percentage or fee of the money so ingathered.<sup>77</sup> The amount of the royalty is calculated in relation to the resale price,<sup>78</sup> the resale price being taken to be the price obtained for the sale net of any tax payable on the transaction and converted into euros at the European Central Bank reference rate prevailing at the contract date.<sup>79</sup> The (not especially generous) royalty rates<sup>80</sup> are shown in Figure 6.1.

Portion of the sale price	Percentage amount
From 0 to 50,000 euro	4%
From 50,000.01 to 200,000 euro	3%
From 200,000.01 to 350,000 euro	1%
From 350,000.01 to 500,000 euro	0.5%
Exceeding 500,000 euro	0.25%

**Figure 6.1** Royalty rates table

A resale becomes liable to the royalty where the buyer or the seller or the agent of either is acting in the course of a business of dealing in works of art, and the sale price is not less than €1,000.<sup>81</sup> The persons liable to pay the royalty are the seller *and*, if acting in the course of a business of dealing in works of art, the seller's agent, the buyer's agent if there is no seller's agent, and, where there are no such agents, the buyer.<sup>82</sup> The liability of these parties is joint and several.<sup>83</sup> The liability to make the payment arises on completion of the resale.<sup>84</sup>

6.25 A number of other points should be made about the artist's resale right:

- The royalty is only payable on the *resale of works of graphic or plastic art* in which copyright subsists. Works of graphic or plastic art include, for example, a picture, collage, painting, drawing, engraving, print, lithograph, sculpture, tapestry, ceramic, glassware item, or photograph.<sup>85</sup> The work sold must be the one which the artist created. The resale of a *copy* of a work of art is not subject to the royalty right unless it is one of a limited number made by the author or under his authority.<sup>86</sup>

- The royalty is only payable on a resale *after the first transfer of ownership of the work of art by the author*. While the author's first transfer of ownership will typically be a sale to another person, the transaction need not be for any consideration,<sup>87</sup> and so might be a gift. Transfer also includes transmission on death by will or by intestate succession, and disposal of the work by the author's personal representatives for estate administration purposes, as well as disposal by the administrator of the author's insolvent estate.<sup>88</sup>
- Where the seller previously acquired the work directly from the author less than three years before the resale *and* the sale price now does not exceed €10,000, there is no liability to a resale royalty.<sup>89</sup>
- There are complex *transitional* provisions. Resale royalties are not payable in respect of contracts concluded before 14 February 2006, but the right does otherwise apply to works made before that date.<sup>90</sup> Where the artist died before 14 February 2006, rules for determination of artist's successors are provided.<sup>91</sup>
- The Secretary of State is required to review the regulations periodically.<sup>92</sup>

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**6.26** The purpose of an artist's resale right is succinctly summarised in one of the recitals to the Resale Right Directive:<sup>93</sup>

... to ensure that authors of graphic and plastic works of art share in the economic success of their original works of art ... to redress the balance between the economic situation of authors of graphic and plastic works of art and that of other creators who benefit from successive exploitations of their works.

Crudely, the model is one of the impecunious artist forced to sell his creations, only to see others later earning riches from dealings in those creations. As already noted, the right did not exist in the UK before 14 February 2006, but it was found in the majority of other EU member states, albeit with variable rules. The harmonisation under the Directive was thus intended to eliminate the differences found in the EU, in order to remove an obstacle to the operation of a single European market in this field. The Directive was highly contested, because the resale right is not widely found outside Europe, and there was significant concern that what is effectively a form of tax on dealings in art would drive business away from Europe to other centres such as the United States (in particular New York).<sup>94</sup> The UK was particularly concerned because the success of its international art market could be attributed, some thought, to the absence of artist's resale right. More fundamentally, it can be argued against the right that those who make successful businesses through dealing in art are not necessarily merely enriching themselves on the back of the artist, but play a significant independent role in ensuring that art works generate wealth.<sup>95</sup> On the other hand, DACS argued that the right 'enables artists to have a share in the increasing value of their work and allows artists' estates to continue to care for an artist's legacy' noting in its White paper, reviewing ten years of the artist's resale right in the UK, that there has been no evidence to support any negative impact on the UK art market or diversion of sales to non-artist's resale right markets.<sup>96</sup>

### Discussion point

For answer guidance visit [www.oup.com/he/brown6e](http://www.oup.com/he/brown6e) <<https://iws.oup.support.com/ebook/access/content/brown6e-student-resources/brown6e-chapter-6-guidance-on-answering-the-discussion-points?options=showName>>.

Why should resale right be limited to works of art? Why are there no equivalent rights for authors of literary, dramatic, and musical works in relation to their manuscripts, as provided in the Berne Convention, Article 14<sup>ter</sup> (para 6.22)? (Note recital 19 of the Resale Right Directive: 'the harmonisation brought about by this Directive does not apply to original manuscripts of writers and composers').

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### Key points about artist's resale right

- The aim of the right is to enable artists to take a share of the profit made by others from sales of their original art works.
- The right lasts for the same period as the copyright in the work.
- The right is inalienable, although it transmits on death.

## Exploitation of copyright

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**6.27** Copyright is a property right.<sup>97</sup> It is primarily a negative right of exclusion, similar to other IPRs, providing no positive entitlement to privilege or success in the market (see para 1.43). However, in practical terms, copyright has both an external and internal aspect in how it benefits the right owner: the external aspect enables the right owner to exclude others from the market by enforcing the rights granted exclusively to them (see Chapter 4 for infringement and Chapter 21 for enforcement procedures and remedies available to the right owner); the internal aspect enables the right owner to exploit and use the rights exclusively granted to them through contractual arrangements, usually for financial return.<sup>98</sup> This section considers only the second aspect: the exploitation and use of copyright. Contracts play a crucial role in the exploitation of copyright. The acts restricted by copyright (see para 4.9) can be transferred by assignment, by testamentary disposition, or by operation of law, as personal or moveable property, and they can also be licensed,<sup>99</sup> all of which can endure beyond the author's lifetime. Key issues in relation to contractual exploitation, including those regulated by the 1988 Act,<sup>100</sup> and contemporary issues are discussed below.

### Assignment

**6.28** The owner of copyright may choose to assign that right to a third party. An assignment (known as assignation in Scotland) is the transfer of ownership of copyright from one party to another. When copyright is assigned, the assignee stands in the shoes of the assignor and can deal with the right as they wish. An assignment of copyright can be partial in terms of the manner of exploitation and time.<sup>101</sup> A prospective copyright owner can also assign future copyright, that is 'copyright which will or may come into existence in respect of a future work or class of works or on the occurrence of a future event'.<sup>102</sup> To be effective, an assignment must be in writing, and signed by, or on behalf of, the assignor.<sup>103</sup> 'Writing' is broadly defined to include 'any form of notation or code, whether by hand or otherwise and regardless of the method by which, or medium in or on which, it is recorded'.<sup>104</sup> An instrument that is signed and written 'may amount to an assignment of copyright even though the word "copyright" is not used, if, on its true construction, it was intended that copyright should thereby pass', and 'it is not necessary that the words "grant" or "assign" be used if an intention to assign can be gathered from the context'.<sup>105</sup> There is no requirement for the assignment to be registered. However, without a signed document the requirements of a legal assignment are not fulfilled.<sup>106</sup>

### Question

Find out whether, and to what extent, the rules on assignments are different for other IPRs?

### Licensing

**6.29** Licensing is a central feature of exploitation and use of copyright. An author may be the first owner of copyright, but may not have the resources or the expertise to exploit their works protected by copyright. For instance, a music band may need the help of a record label to produce and market a song. Literary authors may need the assistance of a collecting society to enable them to monitor some uses of a work (eg photocopying of literary works) and to receive a return from exploitation. If the author does not assign the copyright in her work, then she will need to enter into a licence to permit such exploitation and management of the bundle of rights that copyright provides. When copyright is owned by more than one person jointly, then a licence by all the owners is required.<sup>107</sup>

**6.30** Copyright licences can be exclusive, non-exclusive, or sole. An exclusive licence means a licence in writing, signed by or on behalf of the copyright owner, by which the owner licenses a third party to carry out some or all of the restricted acts to the exclusion of all others including the owner.<sup>108</sup> A sole licence permits the owner of the copyright to exploit the right as well as the person to whom she has licensed the work. A non-exclusive licence permits the owner to exploit the right and also to license as many other people as she wishes to carry out the same act. The 1988 Act sets out no formalities for a non-exclusive licence. Licences for copyright can carve up an author's exclusive rights in many ways in order to maximise the opportunities for financial return to them.<sup>109</sup> So they could cover some but not all of the rights pertaining to a particular work.

For example, the author of a book might license the right to one publisher to publish the book in hardback, but another publisher may be granted the serial rights. Or one publisher may be given permission to publish the book in English, but another the translation rights. One director might be given permission to turn a work into a play, another to turn the work into a film. Licences also tend to be limited in terms of duration and territory and include terms of financial return (eg royalty calculation, costs to be deducted).

### Exercise

Imagine scenarios where these different types of copyright licence might be used and consider why it might be appropriate to use one type of licence rather than another in any given set of circumstances. Consider the interests that require to be met when making a choice.

### Assignment or licence?

**6.31** Sometimes a question can arise as to whether a document is an assignment or a licence. In a case involving rights to the song 'A Whiter Shade of Pale', the House of Lords stated that in order for there to be an implied assignment:<sup>110</sup>

(a) it would have been obvious to Mr Fisher [the assignor] (as well as Essex [the record company]) that his interest in the musical copyright was being, or had to be, assigned to Essex [the record company], or, which may amount to the same thing, (b) the commercial relationship between the parties could not sensibly have functioned without such an assignment.

p. 224 ↩ The House of Lords ruled that there was no implied assignment and that the recording contract merely granted the record company the right to exploit the original recording.<sup>111</sup> The general principles applicable to construction of contracts also apply to the determination of whether a copyright contract is an assignment or a licence.<sup>112</sup>

**6.32** If a reverter clause is present in an agreement, a question may arise as to whether the agreement is a licence or an assignment. In *JHP Ltd v BBC Worldwide Ltd*<sup>113</sup> it was held to be an exclusive licence rather than an assignment. The Court reviewed the relevant authorities. In *Chaplin v Frewin*<sup>114</sup> an agreement in a publishers' contract whereby the publishers should, during the legal term of the copyright, have the exclusive right of producing, publishing, and selling a work in volume form in any language throughout the world was held to be an assignment of copyright. In *Messenger v BBC*<sup>115</sup> the composers and authors of an opera granted to the proprietor of the theatre the sole and exclusive right of representing a play, in which it was provided that the copyright in the music of the play should remain the property of the composer and in certain events the right of representation should 'revert to and become again the absolute property of [the composer and the authors]'. The Court in that case said that there had been use of 'inept language in which to describe the mere cessation of a licence and ... much more apt to describe the reversion to the licensors of rights which had been assigned'. The Court in *JHP* came to the conclusion that.<sup>116</sup>

the concept of reverter (rather than of termination or cessation) is strongly suggestive of the assignment or a transfer of a property right that does not depend for its existence on the very agreement which contains the reverter provision itself. But ... there is no general principle that a reverter clause automatically indicates an assignment.

### Copyright contract practices: authors' weak bargaining position

**6.33** In UK law there are few statutory controls on contracts negotiated between individual authors and exploiters in the field of copyright and related rights. As seen above, these controls are largely concerned with formalities of execution (eg assignment, exclusive licence) and flexibilities in terms of what can be transferred (eg partial assignment, assignment of future copyright).<sup>117</sup> They do not regulate the substantive terms on which a work may be exploited. However, in practice, an author may have a weak bargaining position when entering contractual relationships, and several difficulties may be encountered due to the inequality of bargaining power as between the author and the exploiter. For instance, contracts between authors and exploiters might be non-negotiable and provided to authors on a 'take it or leave it' basis, or they may contain terms which are one-sided and overwhelmingly in favour of the exploiters. In such situations, general principles of contract law have sometimes been called upon to give relief to the author, albeit with limited success. In other instances, specific statutory provisions have been created to ensure that authors benefit from exploitation of their works in certain situations. In practical terms, collecting societies (para 6.42), trade unions, and professional organisations representing authors also play a role in representing authors' interests and strengthening their bargaining position to some extent. These issues are discussed below.

### Copyright contract practices: the music company and the musician

**6.34** Perhaps the most well-known examples of contractual controls on copyright licences as between the author and exploiter arise in the entertainment field, most particularly in the music sector. Recording companies have long argued that their business model is predicated on the success of a minority of musicians. The financial return that the companies receive from this minority enables them in turn to engage other musicians. To ensure that the record company can profit from the future success of the few, it is in the interests of the record company to enter into a relationship with a musician for as long as possible. Equally, the record company will not want to be bound to the unsuccessful musician, and in particular it does not want to be under any obligation to publish and distribute music that may not have found favour in the market. This has caused some problems where record companies have signed musicians in the early stages of their career, and where the musicians have not had the benefit of independent advice in relation to the contract into which they entered. A few examples where general principles of contract law have been called upon to give relief to the musician are now discussed.

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### Restraint of trade

6.35 In *Schroeder Music Publishing v Macaulay*,<sup>118</sup> Macaulay entered into a standard form agreement with Schroeder Music Publishing in which he agreed to assign the copyright in his works to the publisher for five years and, if the royalties exceeded £5,000, for a further five-year period. However, Schroeder was not required to exploit the works. The House of Lords held that this agreement was invalid as it was in restraint of trade. Lord Reid was particularly concerned as to the one-sided nature of the contract, which assigned the copyright in the work to the publisher, but which did not require the publisher to exploit that work:<sup>119</sup>

it appears to me to be an unreasonable restraint to tie the composer for this period of years so that his work will be sterilised and he can earn nothing from his abilities as a composer if the publisher chooses not to publish. If there had been ... any provision entitling the composer to terminate the agreement in such an event the case might have had a very different appearance. But as the agreement stands not only is the composer tied but he cannot recover the copyright of work which the publisher refuses to publish.

6.36 The doctrine is, however, not without its limits. Georgios Panayiotou (aka George Michael) challenged his contract with Sony Music Entertainment,<sup>120</sup> from which he wanted to resile on the ground that it was in restraint of trade. The history between the parties was complex, and a number of changes to their contractual relationship had occurred during the 1980s, the last of which was in 1988. The High Court refused to set aside the agreement, largely because it was considered that to do so would be contrary to public policy.

### Undue influence

6.37 In *O'Sullivan and Another v Management Agency*<sup>121</sup> Gilbert O'Sullivan had entered into various contracts with a management agency and publishing company without receiving any independent advice. The Court of Appeal held that the onus was on those asserting that the agreements were valid to show that they had been entered into with full information as to the nature of the transaction—which was not so in this case.<sup>122</sup>

### Question

Despite these examples, there have been few other cases in which the contractual arrangement between a musician and a record company has been challenged in court. Why do you think this is the case? When considering this question, you might like to browse the Musicians' Union website at [www.musiciansunion.org.uk](http://www.musiciansunion.org.uk) <<http://www.musiciansunion.org.uk>>. What activities does the Musicians' Union undertake on behalf of its members? Does it assist its members regarding the contractual relationships they might enter into? If so, how?

p. 226 ↩ 6.38 It is not only in the music industry that difficulties may be encountered due to the inequality of bargaining power as between the author and the exploiter. To assist, a number of different societies representing the interests of the author have developed best practice guidelines as well as specimen agreements that an author can use in negotiations. Further, the Writers' Guild has negotiated a raft of minimum terms agreements applicable as between their members and organisations such as the BBC, ITV,<sup>123</sup> and the Producers Alliance for Cinema and Television (PACT); Equity does the same for performers' rights (see Chapter 7) with respect to the exploitation of performances in, for example, cinema and on television.<sup>124</sup>

### Question

Do other authors' organisations (eg Society of Authors, Scottish Artists' Union, Association of Illustrators) assist their members in relation to copyright contracts, and if so, how?

## Copyright contracts and equitable remuneration

6.39 Although there are few statutory controls on copyright contracts negotiated between individual authors and exploiters, one exception is in relation to the rental right in a film or sound recording belonging to the author. When the right is voluntarily, or is presumed to be, transferred to a producer, the author retains a right to equitable remuneration for the rental.<sup>125</sup> This right cannot be transferred or waived, although it can be assigned to a collecting society or may transfer by testamentary disposition or operation of law. The level of remuneration is to be determined by agreement or, failing agreement, by the copyright tribunal. Consequently, the author has an unwaivable right to benefit from successful exploitation of the work, albeit in this relatively narrow area.<sup>126</sup> In contrast to the position of authors, performers not only benefit from similar provisions in relation to the rental right, there are also further statutory controls in place for them (paras 7.41, 7.46).<sup>127</sup>

## Reform of authors' rights

6.40 A policy question is whether there should be legal reform to improve the bargaining position of authors in contractual relationships. For instance, whether a right to remuneration should be extended in the area of copyright? Or if a literary work becomes a bestseller, should the author, who might have assigned or licensed exclusive rights to the publisher, be entitled through a statutory mechanism to benefit from the financial success of the work? In some jurisdictions, measures can be found within copyright and related rights legislation which are protective of the author. For example, the copyright framework in Germany provides that an author is entitled to equitable or adequate remuneration for the exploitation of a work, to be judged by the standard of the prevailing levels in the industry.<sup>128</sup>

p. 227 6.41 Recent EU reform in the area of copyright (see para 2.15) acknowledges the weak bargaining position of authors in contractual relationships. Chapter 3 of the Copyright Directive 2019,<sup>129</sup> entitled 'Fair remuneration in exploitation contracts of authors and performers' specifically aims at benefitting authors (and also

performers, see Chapter 7) once their works have been exploited through a contractual relationship, but it does not address the formation of contracts. Article 20 sets out a contract adjustment mechanism, whereby authors and performers, or their representatives, are entitled to claim additional, appropriate, and fair remuneration from the exploiter when the remuneration originally agreed is disproportionately low compared to the subsequent revenues derived from the exploitation of the work concerned. The mechanism is restricted to situations where there are no collective bargaining agreements providing for a comparable mechanism. Article 22 provides for a right of revocation for author and performers where there is a lack of exploitation of work, potentially opening the doors for the author to exploit the work themselves or engage other exploiters. The Directive also provides for transparency obligations under Article 19 to ensure that authors receive relevant and comprehensive information on the exploitation of their works from their exploiter, particularly in relation to modes of exploitation, revenues generated, and remuneration due. Finally, Article 18 sets out an overarching obligation on EU member states to ensure that authors and performers are entitled to receive appropriate and proportionate remuneration in the context of exploitation contracts, leaving it to the member states to use suitable mechanisms, while accounting for the principle of contractual freedom and a fair balance of rights and interests.

### Exercise

Due to Brexit, the UK is not required to implement the Copyright Directive 2019.<sup>130</sup> However, the issue of legal reform to better protect authors in contractual relationships has arisen in the context of a UK Parliamentary inquiry on the impact of music streaming, including on the income of artists in the industry.<sup>131</sup> The inquiry's recommendations include introduction of author protective measures for musicians and ensuring 'that creators in the UK are not worse served than they would have been had the UK remained in the European Union'.<sup>132</sup> The UK government hasn't taken any legislative action in response to such recommendations.<sup>133</sup>

Should the UK introduce provisions similar to, or inspired by, those in Articles 18–23 of the Copyright Directive 2019 to ensure that authors benefit from the financial success of their works? Should the UK go further and introduce a general fairness requirement in copyright contracts, limiting the freedom to contract, to protect authors?<sup>134</sup>

### Key points on dealings with rights in copyright-protected works

- Copyright is a property right and the rights restricted by copyright can be transferred by assignment, by testamentary disposition, or by operation of law, as personal or moveable property, and can also be licensed.
- Both an assignment and an exclusive licence are required to be in writing, signed by or on behalf of the copyright owner.

- The doctrines of restraint of trade and undue influence can sometimes control copyright contractual practices.
- Equitable remuneration is available for authors who transfer the rental right in a sound recording or film.

### p. 228 **Collective licensing**

**6.42** Exploiting works protected by copyright can cause practical problems for both the copyright owner (whether an author, or an exploiter) and the prospective licensee. A copyright owner can find it difficult to keep track of third parties who wish to exploit those works in one form or another. Similarly, a licensee may wish to incorporate a large number of works protected by copyright into their repertoire, but have difficulty in tracing the copyright owners to obtain permission. For example, educational establishments and businesses often make copies of published literary works which do not fall under the fair dealing provisions in the copyright legislation<sup>135</sup> and broadcasters frequently use musical works which are protected by copyright. In order to facilitate the management of these rights, collecting societies were introduced.<sup>136</sup> Authors of works protected by copyright are able to assign or license their rights to the collecting societies (or the collecting society will act as agent on their behalf), which then manage the rights on behalf of their members. Thus, the authors are saved from having to spend a lot of time on administration, and those who wish to exploit the works have one place from which they can seek permission to use them.

**6.43** Examples of collecting societies currently operating in the UK include the Copyright Licensing Agency (CLA) which represents both publishers and authors of literary and visual works (through their own bodies), and the PRS for Music (formerly the Performing Rights Society (PRS)) which represents composers, authors, and publishers of music. Different societies operate in different ways. For instance, a collecting society could have copyright assigned to it and then administers licences and enforces copyright as the owner of the copyright. Alternatively, it could be authorised by its members to license the work on their behalf, that is, there is no assignment of the copyright. Royalties could be distributed to the members in proportion to the use made of a particular work, for example assessed by a census or a sample.<sup>137</sup> In addition, there is also provision in the CDPA 1988 for statutory extended collective licensing, under which a licensing body such as a collecting society can be authorised by the Secretary of State to grant licenses not just on behalf of its right holder members, but also on behalf of non-member right holders.<sup>138</sup>

### **Question**

Have a look at the websites of the Authors' Licensing Collecting Society (ALCS) [www.alcs.co.uk](http://www.alcs.co.uk) <<http://www.alcs.co.uk>>, PRS for Music [www.prsformusic.com](http://www.prsformusic.com) <<http://www.prsformusic.com>>, Phonographic Performance Limited (PPL) [www.ppluk.com](http://www.ppluk.com) <<http://www.ppluk.com>>

[www.ppluk.com](http://www.ppluk.com)>, and DACS [www.dacs.org.uk](http://www.dacs.org.uk) <<http://www.dacs.org.uk>>. Find out who these organisations represent, what rights they manage on behalf of their members, and how they administer such rights? Can you find any similar organisations in other jurisdictions?

p. 229 6.44 Collecting societies occupy a powerful role, both in relation to the authors of the works, and in relation to users: they can control a very large repertoire of works, set terms for membership and administration of rights in relation to authors, and also the terms (including royalty rates) on which works are licensed, or not licensed, to individuals and groups. Consequently, some oversight of their activities has been found to be essential. The 1988 Act sets out the regulatory framework for oversight of copyright licensing schemes and the activities of collecting societies. It defines both licensing schemes and licensing bodies, and gives the Copyright Tribunal broad powers to monitor the licensing schemes of collecting societies.<sup>139</sup> Thus, for instance, those parties who wish to take a licence from the collecting society but who feel that the terms are unfair or where the society might have refused to grant them a licence, may take a complaint and have it heard by the Tribunal.<sup>140</sup>

### ■ *Universities UK v The Copyright Licensing Agency* [2002] RPC 36

In this case, universities in the UK asked the Copyright Tribunal to rule on the terms of the Higher Education Copying Accord promulgated by the CLA and which allows, inter alia, students in higher education institutions to make copies, up to a certain amount, of published works during the currency of their educational courses. Negotiations had broken down on matters concerning both the scope of and the fee for the licence. The Copyright Tribunal made an order referring to both of these matters: the course pack provision (which had required separate negotiation each time a 'course pack' was provided to a class of students), so disliked in education, was to be abolished, artistic works were to be included in the licence, and the fee was to be set at £4.00 per full-time enrolled student.

The 1988 Act also contains powers exercisable by the Secretary of State or the Competition and Markets Authority in relation to collecting societies and anti-competitive practices (see also paras 20.75–20.83).<sup>141</sup> In addition, the Collective Management of Copyright Regulations 2016<sup>142</sup> set out a range of obligations of collecting societies, particularly towards their right holder members. These obligations were introduced as a result of the 2014 EU Directive on collective management which aimed to set down a high standard of governance, financial management, transparency, and reporting on collecting societies,<sup>143</sup> and also facilitate multi-territorial licensing (see para 20.83). Obligations on UK collecting societies under these regulations, including multi-territorial licensing, have been retained post-Brexit, even though EEA collecting societies have no obligation anymore to represent UK right holders or catalogues of UK collecting societies for online licensing of musical rights.<sup>144</sup>

### Further licensing issues

#### Compulsory licences

**6.45** There are few provisions for compulsory licences in the UK because international obligations under the Berne and Rome Conventions mean that compulsory licences will be granted in respect of the exploitation of copyright in only limited circumstances. The Berne Convention 1886 allows for the grant of compulsory licences for broadcasting, and mechanical licences for musical works, both subject to conditions.<sup>145</sup> Under the Rome Convention 1961 compulsory licences may only be granted as regards broadcasting or communication to the public of phonograms.<sup>146</sup> However, unlike patents, there is no broader power for facilitating compulsory licences (see para 12.9).

#### p. 230 Orphan works licensing scheme

**6.46** If a user wishes to use a substantial part of an existing protected work in a new work, then permission must be obtained from the owner of the copyright. Since copyright is an unregistered right and copyright in author works extends well after the death of the author (and the date of that event may be difficult to ascertain), would-be users and re-publishers of works who wish to comply with the law frequently find it impracticable or impossible to take the necessary steps to do what they want to do lawfully, that is, find out whether a work is still in copyright and, if so, who is now the owner. Tracing copyright owners can be a complex, costly, and time-consuming activity, particularly where a work may be out of print, the copyright may have devolved amongst countless heirs, or the work may simply have been forgotten about. Where an owner cannot be located after reasonable inquiry, some term the work an 'orphan work'. Orphan works have been the subject of intense discussion at international, European, and national policy-making levels in recent years.<sup>147</sup>

**6.47** The problem of orphan works was summarised in a UK Government Policy Statement:<sup>148</sup>

[I]t benefits no-one to have a wealth of copyright works be entirely unusable under any circumstances because the owner of one or more rights in the work cannot be contacted. This is not simply a cultural issue; it is also a very real economic issue that potentially valuable intangible assets are not being used, and an issue of respect for copyright if they are being used unlawfully.

Despite the obvious difficulty such orphan works may create, it took a number of years for there to be a legislative solution. The Hargreaves Review 2011 proposed establishing licensing and clearance procedures for orphan works—a suggestion subsequently investigated further in the Hooper Report.<sup>149</sup> Consequently, in October 2014, a statutory licensing scheme for orphan works was introduced in the UK, administered through the Intellectual Property Office (IPO).<sup>150</sup>

**6.48** The UK licensing scheme enables an applicant to apply for a licence to use an orphan work having carried out a 'diligent search' for the right holder and met other formalities.<sup>151</sup> An application fee is payable, and if successful, a fee is also payable for the licence to use the work. The IPO may grant a licence for non-

exclusive use of the work in the UK for no more than seven years. The use can be commercial or non-commercial, and the licence acts as if it was granted by the right owner of the work. The IPO may refuse to grant a licence if a diligent search has been inadequate or if the proposed use by the applicant is not appropriate. The IPO also maintains an orphan works register of works for which applications have been made, and works for which licences have been granted. Consequently, any right owner whose work has been licensed can contact the IPO to claim the licence fee paid; or a right owner whose work is the subject of an application can ask the IPO to stop the application.

### Exercise

Explore the UK Orphan works register at [www.orphanworkslicensing.service.gov.uk/view-register](http://www.orphanworkslicensing.service.gov.uk/view-register) <<http://www.orphanworkslicensing.service.gov.uk/view-register>>. Find out the number of applications made, and the number of licences granted, and the types of works for which applications are made and licences granted. Do you think the UK licensing scheme for orphan works is functioning effectively?

- p. 231    6.49 A key challenge in allowing use of orphan works without authorisation of the right owner is ensuring an adequate balance between interests of rights owners and users (eg addressing the right owners' concerns about abuse of such permitted use while allowing sufficient uses, and an easy and efficient mechanism for the users). Whether the UK's licensing scheme achieves such balance remains to be seen. An alternative solution to the orphan works problem would be enabling use of such works as a permitted act (see para 5.59). A completely different solution to the problem of orphan works would be a copyright registration system, but that would presumably be a radical step too far, since it is inconsistent with the Berne Convention.

### Individual online licensing schemes

6.50 The digital environment has opened up opportunities for authors for self-publishing and for making creative works available over the internet themselves. As such, the onus falls upon authors to choose and use an appropriate licence (although there is no obligation to do so) when disseminating works online. In some such instances, authors may wish to use restrictive licences such as those that keep all rights reserved to the author, or which only permit very limited use. In other instances, authors may wish to provide a more permissive licence, enabling wide dissemination and re-use of their works, rather than a restrictive licence. A number of individual online licensing schemes that facilitate the dissemination and re-use of creative work have proliferated. These initiatives are interesting in that they operate within the existing copyright framework but are designed to meet the challenges imposed by what many perceive to be the opaque boundaries of the law on re-use of works protected by copyright.

### Creative Commons

**6.51** Perhaps the best known of these is Creative Commons (CC). Its aim is to offer a range of licences that can be used by authors and artists. Started in the United States, it has now become international. Creative Commons was inspired originally by the 'open source' movement which began in connection with computer software and was conceived in opposition to the existence of copyright in such material. The credo was that software should be made available in such a way that others might use and build upon it, especially in developing new software, as this was the best way to facilitate further such innovation. This does not necessarily mean that the software must be made available free of charge, but rather that copyright should not be used to block further development of what already exists. However, in order to grant an effective licence removing any restrictions of use, or granting wide use, copyright must subsist.<sup>152</sup> There is a certain irony in the fact that copyleft needs copyright in order to function.

**6.52** Creative Commons offers a suite of standardised permissive irrevocable licences under which users are given advance permission for various uses of the work (eg to copy and distribute the work), as long as due credit is given to the original work. The starting point is that some or more uses are permitted in all the types of CC licences, whereas the underpinning assumption of traditional licences is that no use is allowed unless expressly permitted. Since CC licences enable authors (or other right holders) to select which rights they wish to reserve and which they wish to offer, it is argued, to be an appropriate way to support and encourage creativity in the online environment<sup>153</sup> While other licensing schemes have been trialled or were established in response to the complexities which arise when licensing digital content online,<sup>154</sup> the CC licence scheme is undoubtedly the largest and the one that has outlasted the others.

Six different licences are available:<sup>155</sup>

↵

- i. CC BY Attribution: lets others distribute, remix, tweak, and build upon the work, including for commercial purposes, as long as the author is attributed.
- ii. CC BY-SA Attribution—ShareAlike: lets others remix, tweak, and build upon a work, including for commercial purposes, as long as the author is attributed and the new creation is licensed under identical terms.
- iii. CC BY-ND Attribution-NoDerivs: allows for commercial and non-commercial redistribution as long as the author is attributed and the work is passed on unchanged.
- iv. CC BY-NC Attribution-NonCommercial: lets others remix, tweak, and build on the work for non-commercial purposes, as long as the author is attributed.
- v. CC BY-NC-SA Attribution-NonCommercial-ShareAlike: lets others remix, tweak, and build on for non-commercial purposes as long as the author is attributed and the new work is licensed on identical terms.
- vi.

CC BY-NC-ND Attribution-NonCommercial-NoDerivs: allows download and unchanged non-commercial sharing of the work as long as attributed.

### Exercise

Go to the Creative Commons webpage and have a browse around it. How many works licensed under a CC licence do you think are available today? Can you find cases where the courts have upheld the licence or addressed an aspect of the licence?

### Key points on copyright licensing

- Collective licensing is a notable feature in copyright exploitation.
- Collecting societies are subject to regulatory oversight.
- Compulsory licences may be granted in respect of copyright in only very limited circumstances laid down in the Berne and Rome Conventions.
- The UK has a statutory licensing scheme for orphan works.
- Several licensing schemes have emerged in recent years to facilitate individual licensing of digital works protected by copyright, the most well known of which is Creative Commons.

## Technical protection measures and rights management information systems

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**6.53** In the process of exploiting copyright works, producers and exploiters of digital works may wish to deploy digital rights management systems to restrict unauthorised access to and use of the works. Digital rights management systems (DRMs)—the generic term for collectively referring to technical protection measures (TPMs) and rights management information systems (RMIs) together—allows right holders to do so, and were of critical importance to the creation of markets using the new forms of distribution made possible by the internet and digitisation. Therefore, DRMs themselves received specific legal protection at both the international and EU level.

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### Historical background

**6.54** The Software Directive 1991 provided that there should be appropriate remedies in national legislation against a person putting into circulation, or possessing for commercial purposes, any means the sole intended purpose of which was to facilitate the unauthorised removal or circumvention of any technical device applied to protect a computer program.<sup>156</sup> The aim of this legislation was to support the pragmatic answer to the problems of protecting electronic or digital works deployed to ensure that users and consumers paid for their access and use. That answer had been provided by the technology itself: products could be locked behind technological barriers (or 'walls' or 'fences'), for example, encryption, passwords, activation codes, and so on, requiring payment and/or authorisation by electronic means before they could be opened up or set aside. Other examples operate through interaction between software and hardware: the former is encrypted and will only operate if the latter contains a device or key with which decryption is possible. Such devices protecting against unauthorised access are commonly known as *technical protection measures* (TPMs).<sup>157</sup>

**6.55** The New York case of *Universal Studios Inc v Corley* provides an explanation of one well-known such TPM, the 'content scramble system' (CSS) protecting DVDs:<sup>158</sup>

CSS is an encryption scheme that employs an algorithm configured by a set of 'keys' to encrypt a DVD's contents. The algorithm is a type of mathematical formula for transforming the contents of the movie file into gibberish; the 'keys' are in actuality strings of 0's and 1's that serve as values for the mathematical formula. Decryption in the case of CSS requires a set of 'player keys' contained in compliant DVD players, as well as an understanding of the CSS encryption algorithm. Without the player keys and the algorithm, a DVD player cannot access the contents of a DVD. With the player keys and the algorithm, a DVD player can display the movie on a television or a computer screen, but does not give a viewer the ability to use the copy function of the computer to copy the movie or to manipulate the digital content of the DVD.

From 1989, making and supplying devices to enable such TPMs to be evaded was made equivalent to infringement of copyright itself and, in the UK, also invited criminal penalties. In the early days, the primary kind of protected work was the computer program; but databases, CDs, commercial websites on the internet, and DVDs quickly joined the ranks of works technologically protected against unauthorised copying.

**6.56** The WCT 1996 and the InfoSoc Directive 2001 contained further provisions designed to support and strengthen the rules against circumvention devices and their use, and also extended protection to 'electronic rights management information systems' (RMIs). The latter are electronic tags or fingerprints included in copies of digital products, enabling them to be traced and identified electronically wherever they may be in use, lawfully or otherwise. The systems typically identify the software, the copyright owner, and the rights held by that party and the users of the work, respectively. The information in the system may well often appear on the computer screen when the work is installed or run. Such systems are of particular importance in the internet context, through which most tracing and identification activity is likely to be conducted.<sup>159</sup> As a result of the InfoSoc Directive, UK law on the protection of DRMs was substantially amended and added to, and it is to the present position that we now turn.

### Question

Explain the difference between technological protection measures and electronic rights management systems.

## Law in the UK

**6.57** There are specific provisions for TPMs in relation to computer programs.<sup>160</sup> Any technical device applied to a computer program that is intended to prevent or restrict acts unauthorised by the copyright owner *and* restricted by copyright is protected. Making, dealing in, or possessing for commercial purposes a circumvention device while knowing or having reason to believe that it will be used to make infringing copies makes the person in question liable as an infringer of copyright in his own right.

**6.58** The rules for TPMs are similar in respect of copyright works that are not computer programs (eg broadcasts, databases, sound recording CDs, film DVDs, websites), but wider in scope.<sup>161</sup> Here there is a provision that the person who circumvents an effective technological measure, knowing or having reasonable grounds to know that he is pursuing that objective, is to be treated as a copyright infringer.<sup>162</sup> So now we are dealing with actual circumvention, and not just the manufacture of, dealing in, or commercial possession of a circumvention device. The rules apply to protect not just technical devices, but any effective technological measures applied to the work. This covers any technology, device, or component designed in the normal course of its operation to protect a copyright work, that is, to prevent or restrict acts unauthorised by the copyright owner *and* restricted by copyright.<sup>163</sup> These measures are 'effective' if use of the work within the scope of the acts restricted by copyright is controlled by the copyright owner through either (1) an *access control* or protection process such as encryption, scrambling, or other transformation of the work; or (2) a *copy control* mechanism.<sup>164</sup>

### Question

What are the differences between the protection of technical protection measures for computer programs and the protection of those for other kinds of copyright work?

**6.59** In *Nintendo Co Ltd v Playables Ltd and Another*,<sup>165</sup> Floyd J held that both section 296 and section 296ZD were infringed by the defendants who imported and sold mod-chips which allowed users to play pirated games on Nintendo's consoles. Technical devices had been applied to the copyright computer programs in the games console and game cards and the sole purpose of mod-chips was to circumvent them. On the

question of knowledge, the Court held that since it was well known that mod-chips were used for piracy and given the minor proportion of the market represented by lawful use and the large numbers sold, the defendants did not have a realistic prospect of asserting lack of knowledge of unlawful uses.

Technical protection systems being developed by the entertainment industries include ones built into the hardware used to access and copy digital works, such as DVD players and games consoles. For instance, an encryption code in the work that prohibits access is more effective if the work has to be run through a chip embedded in a computer which decrypts the work, rather than simply relying on the code itself. Are systems so constructed in the hardware subject to the protection for 'effective technological measures'? ↵ What falls within the concept of an effective technological measure? Are there any limitations to the scope of protection offered?<sup>166</sup>

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### ■ *Sony v Ball* [2005] FSR 9

This was another case about the territorially based protection of Sony's *PlayStation 2*. B produced mod-chips to fit the console and trick it into believing that unauthorised or foreign DVDs being played had the necessary embedded code. It was held that summary judgment could be granted to prevent sales of B's chips in the UK (but not elsewhere). It did not matter that Sony's protection system was partly in the hardware (the console) and only partly in the software (the games DVD).<sup>167</sup>

### ■ *C-355/12 Nintendo Co Ltd v PC Box Srl* [2014] ECDR 6 (ECJ)

This reference to the ECJ by the Milan District Court concerned Nintendo games and consoles, which were manufactured such that they had to recognise each other in order for the game to work. The aim was to ensure that only games produced under a licence by Nintendo could be played. P manufactured devices which would allow other games, not produced or authorised by Nintendo, to be played on the console. The ECJ found that Article 6 of InfoSoc Directive 2001 required a member state to provide adequate legal protection against circumvention of any 'effective technological measure' which must be understood to include a protection system that was incorporated both in the hardware (the console) as well as the DVD (housing the copyright protected video game itself, see para 3.16) where the aim of the required interaction between the two was to prevent or to limit acts adversely affecting rights of the copyright holder. The Court also confirmed that legal protection is granted 'only with regard to technological measures which pursue the objective of preventing or eliminating, as regards works, acts not authorised by the rightholder of copyright referred' and 'those measures must be suitable for achieving that objective and must not go beyond what is necessary for this purpose' (para 31). This makes it necessary to examine whether other measures could have caused less interference with the activities of third parties, while still providing comparable protection to the right holder's rights (para 31). It is for the national court to determine this. In doing so, it is relevant to take account

of: the relative costs of different types of technical measures; their technological and practical aspects; their effectiveness in protecting right holders, although the effectiveness doesn't have to be absolute; and, the purpose of circumvention devices. Evidence of actual use of circumvention devices will be relevant, in particular, how often they are in fact used to disregard copyright and how often they are used for non-infringing purposes.

### Rights management information systems

**6.60** The approach to the protection of rights management systems is likewise to make it akin to infringement of copyright knowingly and without authority to remove or alter digital rights management information associated with a copy of a copyright work or which appears in connection with a communication of the work to the public.<sup>168</sup> Also caught is the person who knowingly and without authority distributes, imports for distribution, or communicates to the public copies of a copyright work from which the RMI has been removed or altered.<sup>169</sup> In both cases the person so acting must know, or have reason to believe, that the action induces, enables, facilitates, or conceals an infringement of copyright.

### p. 236 Persons enjoying the anti-circumvention rights

**6.61** The people who can sue under any of the anti-circumvention rights are:

- those who have issued copies of the protected work, or communicated it, to the public;
- the copyright owner or his exclusive licensee.<sup>170</sup>

In addition, with regard to devices protecting computer programs, the owner/exclusive licensee of any intellectual property right in the protection device itself may take action.<sup>171</sup>

### Dealing in apparatus for unauthorised reception of transmissions

**6.62** A person who makes charges for the reception of broadcasts provided from a place in the UK, or who sends encrypted transmissions of any other description from a place in the UK, has the same rights and remedies as a copyright owner in respect of infringement against a person dealing in any apparatus or device designed or adapted to enable or assist persons to receive the programmes or other transmissions when they are not entitled to do so, or publishing information calculated so as to enable or assist them.<sup>172</sup> The provisions may also be applied in relation to services provided from outside the UK.<sup>173</sup> There are criminal law sanctions against manufacturing, dealing in or with, or installing, maintaining, or replacing unauthorised decoders (counterfeit or stolen viewing cards, or illicit devices); punishments include imprisonment and/or fines.<sup>174</sup>

### Controlling TPMs and RMIs

**6.63** Arguably TPMs are also capable of preventing use permitted under the copyright exceptions (Chapter 5) and, indeed, when a work has fallen out of copyright altogether (eg at the expiry of its term) or when the work never had copyright. Yet copyright law gives protection to TPMs, which makes their circumvention illegal as long as the protected work is made available by way of contractual terms. Thus, technology has the potential to create protection akin to copyright for works which have never had, or have ceased to have, copyright, as well as to extend protection beyond the scope of copyright where that exists.<sup>175</sup> Consequently, TPMs can set up a world in which right holders and would-be users *contract* for the use of the copyright work, raising complex questions about the interrelationship between exceptions to copyright, TPMs, and contract rights.

**6.64** The InfoSoc Directive, in the fourth paragraph of Article 6(4), appears to give pre-eminence to contractual terms over copyright exceptions, where works are made available in such a way that they may be accessed from places and at times individually chosen by users. This reinforces the position of the right holder barring access in order to create an opportunity to establish a contractual nexus under which the user pays for his use; and it is really only against the right holder who wishes to deny access in order to be paid for the privilege that exceptions and limitations giving access regardless of the right holder's wishes are of any significance. Concerns that the legal protection of TPMs had the potential to deprive copyright exceptions of their content and value are also addressed in Article 6(4) of the Directive by a provision which requires member states to take:

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appropriate measures to ensure that right-holders make available to the beneficiary of an exception or limitation provided for in national law [in accordance with the Directive] the means of benefiting from that exception or limitation, to the extent necessary to benefit from that exception or limitation and where that beneficiary has legal access to the protected work or subject-matter concerned.

The UK implemented Article 6(4) in the following rather complex fashion.<sup>176</sup> Where the application of any effective technological measure to a copyright work other than a computer program prevents a person from carrying out a permitted act in relation to that work, then that person (or a person who is a representative of a class of persons prevented from carrying out a permitted act) may complain to the Secretary of State (ie the relevant government minister). The Secretary of State may thereupon issue written directions to the copyright holder, with which the latter must comply. The complainant must be someone who has lawful access to the protected copyright work. This provision only applies to certain (and not all) permitted acts.<sup>177</sup> It includes, for example, research and private study, as well as making a copy available for a disabled person. It is noteworthy, however, that it does not apply to criticism, review, and news reporting, despite the particular importance which the courts have attributed to these exceptions in the interests of freedom of speech and expression (see Chapter 5).<sup>178</sup> None of this is applicable, however, where the copyright work in question has been 'made available to the public on agreed contractual terms in such a way that members of the public may access them from a place and at a time individually chosen by them'.<sup>179</sup> So, for example, there

can be no complaint about TPMs and RMIs attached to music files downloaded from the iTunes service.<sup>180</sup> This would seem to suggest that the only complaint likely to be successful is one where access is completely blocked.

### Question 1

Who may apply to the Secretary of State that the application of a TPM is preventing the exercise of an exception to copyright?

### Question 2

What kinds of order may the Secretary of State make?

### Question 3

What must be shown before the Secretary of State will issue an order?

### Key points on TPM and RMI protection

- During exploitation of copyright works, TPMs and RMIs, generically known as digital rights management (DRM) systems, enable right owners to prevent unauthorised access to and use of them.
- TPMs are any technological means within a copyright product designed to prevent acts restricted by copyright unless the authorisation of the copyright owner is obtained, usually by electronic means provided within the system.
- ↩ RMIs are electronic systems built into digital products which record information about the identity and use of the product, thus enabling their tracing and the pursuit of unauthorised uses.
- Copyright legislation prohibits circumvention of TPMs and removal or alteration of RMIs, treating these as infringements of copyright if carried out with knowledge, or reasonable grounds to know. The law is more limited with regard to computer programs.
- The legislation also treats as a form of infringement manufacturing or dealing in devices designed to circumvent TPMs or in products whose RMIs have been removed or altered.

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- Concerns arise about the scope of TPMs, especially when they can prevent use permitted under copyright exceptions.

## Further reading

### Books

#### General

L Bently, B Sherman, D Gangjee, and P Johnson, *Intellectual Property Law* (6th edn, 2022), Chs 10–13

N Caddick, G Harbottle, and U Suthersanen (eds), *Copinger & Skone James on Copyright* (18th edn, 2021), Chs 11, 15, 20, 26, and 27

#### Moral rights

E Adeney, *The Moral Rights of Authors and Performers: An International and Comparative Analysis* (2006)

FW Grosheide, 'Moral rights' in E Derclaye (ed), *Research Handbook on the Future of EU Copyright* (2009), Ch 10

S Kheria, 'An exploration of the dissonance between protection of moral rights in the UK and creative practitioners' perspectives' in A Favreau (ed), *La propriété intellectuelle en dehors de ses frontières* (2019)

MT Sundara Rajan, *Moral Rights: Principles, Practice and New Technology* (2011)

#### Artist's resale right

S Stokes, *Artist's Resale Right (Droit de suite): UK Law and Practice* (3rd edn, 2017)

#### Exploitation of copyright

L Guibault, 'Relationship between copyright and contract law' in E Derclaye (ed), *Research Handbook on the Future of EU Copyright* (2009), Ch 20

L Guibault and C Angelopoulos, *Open Content Licensing: From Theory to Practice* (2011)

#### Technological protection measures and rights management information

P Akester, *A Practical Guide to Digital Copyright* (2008), Ch 6

### Articles and reports

#### Exploitation of copyright

S Dusollier, 'EU Contractual Protection of Creators: Blind Spots and Shortcomings' (2018) 41 (3) Colum JL & Arts 435

European Parliament Legal and Parliamentary Affairs Committee Study, 'Strengthening the Position of Press Publishers and Authors and Performers in the Copyright Directive' (2017)

European Parliament Legal Affairs Committee Study, 'Contractual Arrangements Applicable to Creators: Law and Practice of Selected Member States' (2014)

p. 239 ↩ D Gervais, 'The cultural role(s) of collective management organizations' [2018] EIPR 349

M Kretschmer, 'Copyright and Contract Law: Regulating Creator Contracts: The State of the Art and a Research Agenda' (2010) 18(1) J Intell Prop L 141

N Scharf, 'Creative Commons-ense? An analysis of tensions between copyright law and Creative Commons' 12(5) [2017] Journal of Intellectual Property Law & Practice 376

#### Orphan works

A Ross, 'Orphan works—the law's in place; now here's the process' [2015] Ent LR 40

#### Technical protection measures and rights management information systems

P Akester, 'The new challenges of striking the right balance between copyright protection and access to knowledge, information and culture' [2010] EIPR 372

P and R Akester, 'Digital rights management in the 21st century' [2006] EIPR 159

M Favale, 'Death and resurrection of copyright between law and technology' 23 (2014) Information & Communications Technology Law 117

#### Websites

Intellectual Property Office, Guidance on orphan works: [www.gov.uk/guidance/copyright-orphan-works](http://www.gov.uk/guidance/copyright-orphan-works) <<http://www.gov.uk/guidance/copyright-orphan-works>>

### Notes

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<sup>1</sup> See in general E Adeney, *The Moral Rights of Authors and Performers: An International and Comparative Analysis* (2006), Chs 5–7.

<sup>2</sup> Note also the International Covenant on Economic, Social and Cultural Rights 1966, Art 15(1): 'the States Parties to the present covenant recognize the right of everyone ... to benefit from the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author'.

<sup>3</sup> See E Adeney, *The Moral Rights of Authors and Performers: An International and Comparative Analysis* (2006), Chs 13, 14.

<sup>4</sup> See InfoSoc Directive 2001, recital 19. See also the Database Directive 1996, recital 28: 'whereas the moral rights of the natural person who created the database belong to the author and should be exercised according to the legislation of the Member States and the provisions of the Berne Convention for the Protection of Literary and Artistic Works; whereas such moral rights remain outside the scope of this Directive'.

<sup>5</sup> Commission Staff Working Paper on the review of the EC legal framework in the field of copyright and related right SEC(2004) 995, 16.

<sup>6</sup> *ibid.*

<sup>7</sup> CDPA 1988, s 84.

<sup>8</sup> CDPA 1988, s 85.

<sup>9</sup> CDPA 1988, s 86(1).

<sup>10</sup> For example, France (E Adeney, *The Moral Rights of Authors and Performers: An International and Comparative Analysis* (2006), Ch 8); cf Germany (Ch9). Compare Canada, the United States, and Australia, also discussed in *ibid*, Chs 12, 16, 18.

<sup>11</sup> CDPA 1988, s 94.

<sup>12</sup> CDPA 1988, s 87(2)–(4).

<sup>13</sup> CDPA 1988, s 87(1).

<sup>14</sup> CDPA 1988, s 103. Note that an injunction may prohibit the doing of any act infringing the right of integrity unless a disclaimer is made dissociating the author or director from the treatment of the work (s 103(2)). For a discussion on measuring damages for breach of moral rights, see *Walmsley v Education* 2014 WL2194626 at 13.

<sup>15</sup> CDPA 1988, s 77(2)–(7).

<sup>16</sup> CDPA 1988, s 89(1).

<sup>17</sup> CDPA 1988, s 78(1).

<sup>18</sup> CDPA 1988, s 78(2).

<sup>19</sup> Berne Convention 1886, Art 5(2).

<sup>20</sup> CDPA 1988, s 78(5).

<sup>21</sup> CDPA 1988, s 78(3)(a) and (4)(c).

<sup>22</sup> CDPA 1988, s 78(3)(b).

<sup>23</sup> CDPA 1988, s 78(4)(d).

<sup>24</sup> CDPA 1988, s 79(2).

<sup>25</sup> CDPA 1988, s 79(3). See *Front Door (UK) Ltd (t/a Richard Reid Associates) v Lower Mill Estate Ltd* [2021] EWHC 2324.

<sup>26</sup> CDPA 1988, s 79(4), (4A), (5).

<sup>27</sup> CDPA 1988, s 79(7).

<sup>28</sup> CDPA 1988, s 79(6).

<sup>29</sup> CDPA 1988, s 89(2).

<sup>30</sup> CDPA 1988, s 80(2).

<sup>31</sup> *Pasterfield v Denham* [1999] FSR 168; *Confetti Records v Warner Music UK Ltd* [2003] EMLR 35.

<sup>32</sup> CDPA 1988, s 80(2)(a).

<sup>33</sup> CDPA 1988, s 80(1).

<sup>34</sup> CDPA 1988, s 83.

<sup>35</sup> S Kheria, 'An exploration of the dissonance between protection of moral rights in the UK and creative practitioners' perspectives' in A Favreau (ed), *La propriété intellectuelle en dehors de ses frontières* (2019), 175.

<sup>36</sup> *Huston v Turner Entertainment Inc* (1992) 23 IIC 702.

<sup>37</sup> *Snow v Eaton Centre Ltd* (1982) 70 CPR (2d) 105 (Ont).

<sup>38</sup> See generally CDPA 1988, ss 81 and 82, and para 6.11.

<sup>39</sup> CDPA 1988, s 81(2). But there is a right of integrity in a typeface.

<sup>40</sup> CDPA 1988, s 81(4).

<sup>41</sup> CDPA 1988, s 82.

<sup>42</sup> CDPA 1988, s 81(3).

<sup>43</sup> CDPA 1988, ss 57 and 66A; also see paras 3.103–3.104 and 3.119.

<sup>44</sup> CDPA 1988, s 81(5).

<sup>45</sup> CDPA 1988, s 81(6)(a), (b).

<sup>46</sup> CDPA 1988, s 81(6)(c). There is no specific exemption for commercial broadcasters, which will therefore have to rely on the general exemption in respect of avoiding the commission of offences or breach of a statutory duty (see note 45).

<sup>47</sup> cf *Frisby v British Broadcasting Corporation* [1967] Ch 932, where a similar complaint was dealt with as a matter of interpreting the author's contract.

<sup>48</sup> The example is drawn from the well-known French case of *Eden v Whistler* DP 1900, I 497, where the famous artist was allowed to refuse to deliver a portrait to its commissioner, despite previously exhibiting it himself. The permission was conditional on Whistler repaying his fee and undertaking not to exhibit the painting again. On honour, see E Adeney, 'The moral right of integrity: the past and future of "honour"' [2005] IPQ 111.

<sup>49</sup> CDPA 1988, s 175(2).

<sup>50</sup> CDPA 1988, s 84.

<sup>51</sup> CDPA 1988, s 84(3)–(7).

<sup>52</sup> CDPA 1988, s 89(2).

<sup>53</sup> CDPA 1988, s 86(2).

<sup>54</sup> See also on the passing-off aspects of this case in Chapter 16.

<sup>55</sup> CDPA 1988, s 85(1).

<sup>56</sup> CDPA 1988, s 89(1).

<sup>57</sup> See also *McCosh v Crow & Co* (1903) 5 F 670 and *Pollard v Photographic Co* (1889) 40 Ch D 345; *Carina Trimmingham v Associated Newspapers* [2012] EWHC 1296 (QB).

<sup>58</sup> CDPA 1988, s 85(2).

<sup>59</sup> Empirical research suggests a dissonance between the legal framework in the UK and reality of everyday creative practices, in that authors and artists place significant importance on the moral rights of paternity and integrity, inter alia for reasons such as respect and personal reward, as well as maintenance of artistic reputation. See S Kheria, 'An exploration of the dissonance between protection of moral rights in the UK and creative practitioners' perspectives' in A Favreau (ed), *La propriété intellectuelle en dehors de ses frontières* (2019).

<sup>60</sup> For example, the CC BY licence (4.0 International) requires authors to agree to waive and/or agree not to assert the integrity right, to the extent necessary to exercise the licensed rights, eg adaptation. Although this facilitates adaptation when it might otherwise infringe the integrity right, it can also be seen as a curtailment of authors' moral rights.

<sup>61</sup> EC Directive 2001/84/EC on the resale right for the benefit of the author of an original work of art (Resale Right Directive 2001).

<sup>62</sup> Resale Right Directive 2001 was implemented by the Artist's Resale Right Regulations 2006 (SI 2006/346), amended by Artist's Resale Right (Amendment) Regulations 2009 (SI 2009/2792) and 2011 (SI 2011/2873). See generally S Stokes, 'Droit de suite: an artistic stroke of genius? A critical exploration of the European Directive and its resultant effects' [2012] EIPR 305.

<sup>63</sup> References to EEA in Artist's Resale Right Regulations 2006 have been removed and replaced by the UK as a result of Intellectual Property (Copyright and Related Rights) (Amendment) (EU Exit) Regulations 2019, reg 29.

<sup>64</sup> 'Nationals of the UK and other countries that provide reciprocal treatment for UK nationals (including EU member states) will continue to receive resale rights in the UK and those countries. This is in accordance with the Berne Convention and provisions in the UK/EU TCA.' UK government, Guidance on 'Protecting Copyright in the UK and EU' (30 January 2020) available at <https://www.gov.uk/guidance/protecting-copyright-in-the-uk-and-eu#artists-resale-right> <<https://www.gov.uk/guidance/protecting-copyright-in-the-uk-and-eu#artists-resale-right>>

<sup>65</sup> Artist's Resale Right Regulations 2006, regs 3(1) and 4. A sale is a transfer of ownership of the work from seller to buyer under a contract in exchange for a money consideration called the price (Sale of Goods Act 1979, s 2 and reg 2 (definition of 'sale')). The author is the person who creates the work (reg 2, definition of 'author'). For a presumption that the author is the person whose name appears on the work as such, see reg 6. For requirements as to nationality of author, see reg 10.

<sup>66</sup> Artist's Resale Right Regulations 2006, reg 3(2).

<sup>67</sup> Resale Right Directive 2001, recital 17.

<sup>68</sup> Artist's Resale Right Regulations 2006, reg 7(1). Any charge on a resale right is void (reg 7(2)).

<sup>69</sup> Artist's Resale Right Regulations 2006, reg 8(1).

<sup>70</sup> Artist's Resale Right Regulations 2006, reg 8(2). Note, however, the provisions for cases of joint authorship, where resale right is owned in common unless otherwise agreed in writing (reg 5).

<sup>71</sup> Artist's Resale Right Regulations 2006, reg 9. The person into whose hands the right is transmitted may likewise transmit it. The ECJ, in Case C-518/08 *Fundacion Gala-Salvador Dali v ADAGP* [2010] ECDR 13, ruled that national law provisions reserving the benefit of the right to artist's heirs at law alone, to the exclusion of testamentary legatees, is not precluded by the Directive.

<sup>72</sup> Artist's Resale Right Regulations 2006, reg 7(3)–(5).

<sup>73</sup> Artist's Resale Right Regulations 2006, reg 14(1).

<sup>74</sup> Artist's Resale Right Regulations 2006, reg 14(3).

<sup>75</sup> See the DACS website at [www.dacs.org.uk](http://www.dacs.org.uk) <<http://www.dacs.org.uk>>.

<sup>76</sup> Artist's Resale Right Regulations 2006, reg 14(2).

<sup>77</sup> Artist's Resale Right Regulations 2006, reg 14(5)(b).

<sup>78</sup> Artist's Resale Right Regulations 2006, reg 3(3).

<sup>79</sup> Artist's Resale Right Regulations 2006, reg 3(4).

<sup>80</sup> Artist's Resale Right Regulations 2006, sch 1.

<sup>81</sup> Artist's Resale Right Regulations 2006, reg 12(2), (3).

<sup>82</sup> Artist's Resale Right Regulations 2006, reg 13(1), (2). See also Case C-41/14 *Christie's France SNC v Syndicat national des antiquaires* [2015] ECDR14 on who can bear the cost of resale royalty.

<sup>83</sup> Artist's Resale Right Regulations 2006, reg 13(1).

<sup>84</sup> Artist's Resale Right Regulations 2006, reg 13(3). The liable person may withhold payment until evidence of entitlement to be paid the royalty is produced (reg 13(3)).

<sup>85</sup> Artist's Resale Right Regulations 2006, reg 4(1).

<sup>86</sup> Artist's Resale Right Regulations 2006, reg 4(2).

<sup>87</sup> Artist's Resale Right Regulations 2006, reg 12(1).

<sup>88</sup> Artist's Resale Right Regulations 2006, reg 3(5).

<sup>89</sup> Artist's Resale Right Regulations 2006, reg 12(4).

<sup>90</sup> Artist's Resale Right Regulations 2006, reg 16(1).

<sup>91</sup> Artist's Resale Right Regulations 2006, reg 16(2).

<sup>92</sup> Artist's Resale Right Regulations 2006, reg 17.

<sup>93</sup> Resale Right Directive 2001, recital 3.

<sup>94</sup> For a discussion of the impact of the resale right in the UK, see S Blakeney, 'The great debate—using artistic licence to resist the artist's resale right' [2011] Ent LR 22; S Stokes, 'Artist's resale right—good intentions, bad law' [2013] Ent LR 35.

<sup>95</sup> J Merryman, 'The proposed generalization of the droit de suite in the European Communities' [1997] IPQ 16.

<sup>96</sup> DACS, 'Ten years of the Artist's Resale Right: Giving artists their fair share' (2016) 2 and 8, at [www.dacs.org.uk/DACSO/media/DACSDocs/reports-and-submissions/Ten-Years-of-the-Artist-s-Resale-Right-Giving-artists-their-fair-share-DACS-Feb-16.pdf](http://www.dacs.org.uk/DACSO/media/DACSDocs/reports-and-submissions/Ten-Years-of-the-Artist-s-Resale-Right-Giving-artists-their-fair-share-DACS-Feb-16.pdf) <<http://www.dacs.org.uk/DACSO/media/DACSDocs/reports-and-submissions/Ten-Years-of-the-Artist-s-Resale-Right-Giving-artists-their-fair-share-DACS-Feb-16.pdf>>.

<sup>97</sup> CDPA 1988, s 1(1). Contrast ss 94–95, whereby moral rights cannot be assigned but are transmissible on death.

<sup>98</sup> S Kheria, 'Visual arts: artists' voices from the field' in A Brown and C Waelde (eds), *Research Handbook on Intellectual Property and Creative Industries* (2018).

<sup>99</sup> CDPA 1988, ss 90(1), 92. See also s 93 for copyright to pass under a will in case of an unpublished work.

<sup>100</sup> CDPA 1988, Chapters V, VII, and VIII.

<sup>101</sup> CDPA 1988, s 90(2).

<sup>102</sup> CDPA 1988, s 91(1) and (2). See also *PRS v B4U Network* [2014] FSR 17 (CA).

<sup>103</sup> CDPA 1988, ss 90(3), 91(1). This provision refers to legal ownership of copyright and does not affect equitable ownership. See *Sprint Electric Ltd v Buyer's Dream Ltd* [2018] EWHC 1924 (Ch).

<sup>104</sup> CDPA 1988, s 178.

<sup>105</sup> *Penhallurick v MD5 Limited* [2021] EWCA Civ 1770 at para 28.

<sup>106</sup> Although there could be an equitable assignment; see, eg, *Fresh Trading v Deepend Fresh Recovery* [2015] EWHC 52 (Ch).

<sup>107</sup> CDPA 1988, s 173(2).

<sup>108</sup> CDPA 1988, s 92(1).

<sup>109</sup> Whether such exploitation of copyright *in fact* leads to financial return for authors and benefits them is a separate issue, for an exploration of which see S Kheria, 'Copyright in the everyday practice of writers' in J Jefferies and S Kember (eds), *Whose Book Is It Anyway? A View from Elsewhere on Publishing, Copyright and Creativity* (2019).

<sup>110</sup> *Fisher v Brooker and another* [2009] UKHL 41 at para 50.

<sup>111</sup> *ibid*, paras 57 and 58.

<sup>112</sup> For a recent summary of relevant principles, see *Mei Fields Designs Ltd v Saffron Cards and Gifts Ltd* [2018] EWHC 1332 (IPEC) at para 83.

<sup>113</sup> [2008] EWHC 757 (Ch).

<sup>114</sup> [1966] Ch 71.

<sup>115</sup> [1929] AC 151.

<sup>116</sup> *JHP Ltd v BBC Worldwide Ltd* [2008] EWHC 757 (Ch) at para 14. In *Crosstown Music Co 1 LLC v Rive Droite Music Ltd* [2010] EWCA Civ 1222, it was held that a provision in an assignment of copyright allowing automatic reversion of the rights to the assignor on a future event, was a valid partial assignment within the CDPA 1988, s 90(2).

<sup>117</sup> These rules also do not derive from EU law so will be unaffected by Brexit.

<sup>118</sup> [1974] 1 WLR 1308. See also *Elton John v James* (1983) [1991] FSR 397.

<sup>119</sup> [1974] 1 WLR 1308 at 1313–14. For another example of restraint of trade, see *Proactive Sports Management Ltd v Rooney* [2011] EWCA Civ 1444, which concerned footballer Wayne Rooney and a contract dealing with exploitation of his image rights.

<sup>120</sup> *Panayiotou and Others v Sony Music Entertainment* [1994] EMLR 229.

<sup>121</sup> [1985] QB 428.

<sup>122</sup> The doctrines of restraint of trade and undue influence may be subject to acquiescence: *Zang Tumb Tuum Records Ltd v Johnson* [1993] EMLR 61.

<sup>123</sup> Writers' Guild [www.writersguild.org.uk](http://www.writersguild.org.uk) <<http://www.writersguild.org.uk>>.

<sup>124</sup> Equity [www.equity.org.uk](http://www.equity.org.uk) <<http://www.equity.org.uk>>.

<sup>125</sup> CDPA 1988, ss 93A and 93B. Relevant authors pertaining to a sound recording or film are set out in s 93B(1). Although the right was introduced as a result of EU harmonisation, it has been preserved despite Brexit.

<sup>126</sup> The only other statutory mechanism through which an author has an entitlement to benefit from the exploitation of her work is under the resale right (para 6.22).

<sup>127</sup> Musical performers' right to equitable remuneration where a commercially published sound recording is played in public or otherwise communicated to the public (see para 7.41), and the additional protective measures (see para 7.46). Such benefits attempt to address the weak bargaining position in which performers involved in the production of sound recordings may find themselves.

<sup>128</sup> German Copyright Act (*Urheberrechtsgesetz*) 1965, as last amended in 2021, ss 11 and 32.

<sup>129</sup> Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market. See further, European Parliament Legal and Parliamentary Affairs Committee Study, 'Strengthening the Position of Press Publishers and Authors and Performers in the Copyright Directive' (2017); Study for the European Commission, 'Remuneration of Authors and Performers for the Use of Their Works and the Fixations of Their Performances' (2015); European Parliament Legal Affairs Committee Study, 'Contractual Arrangements Applicable to Creators: Law and Practice of Selected Member States' (2014).

<sup>130</sup> Nor does the UK government intend to. See UK Parliament, 'Copyright: EU Action', Question for Department for Business, Energy and Industrial Strategy, 16 January 2020 available at <https://questions-statements.parliament.uk/written-questions/detail/2020-01-16/4371> <<https://questions-statements.parliament.uk/written-questions/detail/2020-01-16/4371>>

<sup>131</sup> <https://committees.parliament.uk/work/646/economics-of-music-streaming/> <<https://committees.parliament.uk/work/646/economics-of-music-streaming/>>

<sup>132</sup> House of Commons DCMS Committee, Economics of Music Streaming, Second Report of Session 2021–22, 511.

<sup>133</sup> Copyright (Rights and Remuneration of Musicians, Etc.) Bill, a private members' bill, proposing author protective measures was debated in the UK Parliament, but rejected by the UK government.

<sup>134</sup> See further WR Cornish, 'The author as risk-sharer' (2003) 26(1) *Columbia J Law and the Arts* 1.

<sup>135</sup> See Chapter 5.

<sup>136</sup> See generally D Gervais, *Collective Management of Copyright and Related Rights* (2015); see UK government guidance at [www.gov.uk/guidance/licensing-bodies-and-collective-management-organisations](http://www.gov.uk/guidance/licensing-bodies-and-collective-management-organisations) <<http://www.gov.uk/guidance/licensing-bodies-and-collective-management-organisations>>.

<sup>137</sup> PRS uses the following methods, in order of preference, for distribution: census, sample and analogy. See [www.prsformusic.com/royalties/royalty-payment-dates/prs-distribution-policy](http://www.prsformusic.com/royalties/royalty-payment-dates/prs-distribution-policy) <<http://www.prsformusic.com/royalties/royalty-payment-dates/prs-distribution-policy>>.

<sup>138</sup> CDPA 1988, s 116B, and Copyright and Rights in Performances (Extended Collective Licensing) Regulations 2014 (SI 2014/2588).

<sup>139</sup> See CDPA 1988, ss 116, 117–123. For example, in *BPI v MCPS* [2008] EMLR 5, the Copyright Tribunal confirmed that songwriters, composers, and publishers should receive 8 per cent of gross revenues from online music service providers for on-demand services including downloads and subscription streaming services, 6.5 per cent of revenues for interactive webcasting services, and 5.75 per cent for non-interactive webcasting.

<sup>140</sup> See *In Respect of the Appeal of Phonographic Performance Ltd v The Appeal of the British Hospitality Association and Other Interested Parties* [2008] EWHC 2715 (Ch); also *CSC Media Group Ltd v Video Performance Ltd* [2011] EWCA Civ 650 (CA); *PPL v British Hospitality Association* [2010] EWHC 209 (Ch); *CT 127/14 ITV Network Ltd v Performing Right Society Ltd* [2016] 6 WLUK 631 affirmed in [2017] EWHC 234 (Ch). On licenses for foreign copyrights, see *BBC v MCPS* [2018] EWHC 2931.

<sup>141</sup> CDPA 1988, s 144.

<sup>142</sup> SI 2016/221.

<sup>143</sup> Directive 2014/26/EU on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market, recital 9.

<sup>144</sup> UK government, Guidance on 'Collective rights management in the EU' (30 January 2020) <https://www.gov.uk/guidance/collective-rights-management-in-the-eu> <<https://www.gov.uk/guidance/collective-rights-management-in-the-eu>>

<sup>145</sup> Berne Convention 1886, Arts 11bis (2) and 13.

<sup>146</sup> Rome Convention 1961, Art 12.

<sup>147</sup> One of the earliest investigations took the form of an inquiry by the US Copyright Office. See <http://copyright.gov/orphan> <<http://copyright.gov/orphan>>.

<sup>148</sup> IPO, 'Government Policy Statement: Consultation on Modernising Copyright' (July 2012), 7.

<sup>149</sup> R Hooper and R Lynch, 'Copyright Works: Streamlining Copyright Licensing for the Digital Age' independent report (IPO, 2012). The Gowers Review of Intellectual Property in 2006 had recommended that a proposal should be put to the European Commission to introduce a provision on orphan works in the form of a directive.

<sup>150</sup> CDPA 1988, s 116A, introduced by the Copyright and the Rights in Performances (Licensing of Orphan Works) Regulations 2014 (SI 2014/2863).

<sup>151</sup> See [www.gov.uk/guidance/copyright-orphan-works](http://www.gov.uk/guidance/copyright-orphan-works) <<http://www.gov.uk/guidance/copyright-orphan-works>>.

<sup>152</sup> See, eg, J Boyle, 'A manifesto on WIPO and the future of intellectual property' (2004) 9 Duke Law & Tech Rev 1; A Guadamuz, 'Viral contracts or unenforceable documents? Contractual validity of copyleft licenses' [2004] EIPR 331.

<sup>153</sup> For a critique of Creative Commons, see N Elkin-Koren, 'What contracts cannot do: the limits of private ordering in facilitating a Creative Commons' (2006) 74 *Fordham L Rev* 375.

<sup>154</sup> For example, AE ShareNet, see J Gilding and C Fripp, 'AEShareNet: Reflections on an innovative venture to move copyright licensing into the digital age' (2003) 52 *The Australian Library Journal* 5; or the Creative Archive, see [www.bbc.co.uk/creativearchive](http://www.bbc.co.uk/creativearchive) <<http://www.bbc.co.uk/creativearchive>>.

<sup>155</sup> For full details, see <http://creativecommons.org/licenses> <<http://creativecommons.org/licenses>>.

<sup>156</sup> Software Directive 2009 (Software Directive 1991 was consolidated into Directive 2009/24/EC), Art 7(1)(c).

<sup>157</sup> See further G Davies, 'Technical devices as a solution to private copying' in IA Stamatoudi and PLC Torremans (eds), *Copyright in the New Digital Environment* (2000); 'Digital Rights Management', Report of an Inquiry by the All Party Internet Group (June 2006). For an international perspective, see P Akester, *A Practical Guide to Digital Copyright* (2008), Ch 6.

<sup>158</sup> 273 F 3d 429 (2nd Cir, 2001) at 436-437.

<sup>159</sup> See further P and R Akester, 'Digital rights management in the 21st century' [2006] *EIPR* 159; 'Digital Rights Management', Report of an Inquiry by the All Party Internet Group (June 2006).

<sup>160</sup> CDPA 1988, s 296.

<sup>161</sup> Section 296ZA–ZF, implementing InfoSoc Directive 2001, Art 6; s296ZA provides civil remedies while s296ZB provides criminal sanctions.

<sup>162</sup> CDPA 1988, s 296ZA.

<sup>163</sup> CDPA 1988, s 296ZF(1), (3).

<sup>164</sup> CDPA 1988, s 296ZF(2).

<sup>165</sup> [2010] *FSR* 36.

<sup>166</sup> In the context of s 296ZB, see *R v Higgs (Neil Stanley)* [2008] *FSR* 34 (CA); see also *R v Gilham* [2009] *EWCA Crim* 2293 (CA); *Nintendo Co Ltd and Another v Playables Ltd and Another* [2010] *FSR* 36 (Ch). See generally D Booton and A Macculloch, 'Liability for the circumvention of technological protection measures applied to videogames: lessons from the United Kingdom's experience' (2012) *Journal of Business Law* 165.

<sup>167</sup> See A Macculloch, 'Game over: the "region lock" in video games' [2005] *EIPR* 176.

<sup>168</sup> CDPA 1988, s 296ZG(1), (3).

<sup>169</sup> CDPA 1988, s 296ZG(2).

<sup>170</sup> CDPA 1988, s 296(2), 296ZA(3), and 296ZG(3), (4).

<sup>171</sup> CDPA 1988, s 296(2)(c).

<sup>172</sup> CDPA 1988, s 298(1), (2).

<sup>173</sup> CDPA 1988, s 299(1)(b).

<sup>174</sup> CDPA 1988, s 297A.

<sup>175</sup> N Braun, 'The interface between the protection of technological measures and the exercise of exceptions to copyright and related rights: comparing the situation in the US and the EU' [2003] EIPR 496; W Davies and K Withers, *Public Innovation: Intellectual Property in a Digital Age* (Institute of Public Policy Research, 2006), 46–48, 84–87.

<sup>176</sup> CDPA 1988, s 296ZE, as amended by Copyright and Related Rights (Marrakesh Treaty etc.) (Amendment) Regulations 2018.

<sup>177</sup> CDPA 1988, Sch 5A, Part 1, as amended by the 2014 reforms to copyright exceptions (see Chapter 5).

<sup>178</sup> P Akester, 'Technological Accommodation of Conflicts between Freedom of Expression and DRM: The First Empirical Assessment' (2009) at <https://ssrn.com/abstract=1469412> <<https://ssrn.com/abstract=1469412>>.

<sup>179</sup> CDPA 1988, s 296ZE(9).

<sup>180</sup> Example suggested in W Davies and K Withers, *Public Innovation: Intellectual Property in a Digital Age* (Institute of Public Policy Research, 2006), 23.

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