

Part II

Copyright and Neighbouring Rights

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Copyright – Its Birth and Nature

The Great Question of Literary Property and the Birth of Copyright

The *Copyright Act* 1968 (Cth) s 8 provides that, subject to the Crown prerogative, copyright does not subsist “otherwise than by virtue of this Act”. That is, copyright is a statutory right and common law copyright, if any, is abolished. This little section rounds off one of the great debates of the 17th and 18th centuries which was known at the time as “The Great Question of Literary Property”. The “great question” was whether authors had, or should have, a property right in their published literary works which was separate from the chattel right in the paper and ink which comprised the book itself. It was generally accepted that authors had an equitable right to prevent publication of unpublished works¹ but once the work was published debate raged as to the nature, if any, of the authors’ right in the work.

Two powerful arguments framed the debate as it was conducted inside and outside the courts. On the one hand, it was argued that, according to principles of natural law, an author should own the “fruits of his labour”. On the other, it was argued that, also according to principles of natural law, property was only property in so far as it could be occupied, that is only in so far as the owner was able to protect it and exclude others from it. Once words and ideas were published in the public arena, it was said, an author could no more own them than a person might own the sunshine or the air. The first of these arguments was a popularised version of John Locke’s argument in *Two Treatises of Government*, published in 1690, regarding the creation of private property from the commons.² The second argument is familiar to all law students today as a traditional, but criticised, legal definition of property. In the 17th century, however, the test might have been more popularly associated with Thomas Hobbes who wrote in *Leviathan*, published in 1651:

¹ *Macklin v Richardson* (1770) 27 ER 451.

² John Locke, *Two Treatises of Government*, Dent, London, 1924 (first published 1690).

To this war of every man, against every man, this also is consequent; that nothing can be unjust ... It is consequent also to the same condition, that there can be no propriety, no dominion, no *mine* and *thine* distinct; but only that to be every man's, that he can get; and for so long, as he can keep it.³

Why this question should reach its peak in England only at this time is a matter of great debate itself. Books had been written for some 5000 years, the printing presses had been running for more than 200 years and a substantial book trade had existed at least since the second century BC. Cicero's friend, Pomponius Atticus (109-32 BC), for example, kept writer slaves who copied books for the trade, and historians calculate that in a large scriptorium up to 400 books a day may have been produced by the simple expedient of having one slave read aloud to the rest.⁴ For lawyers, however, it is possible to identify two distinct events which brought the great question of literary property into sharp relief. These were the dismantling, in 1641, of the licensing system for printing and publishing literary works and the subsequent enactment of the first copyright act, the *Statute of Anne* (8 Anne c 19) in 1709.

In Benjamin Kaplan's influential series of lectures, *An Unhurried View of Copyright*,⁵ the author begins his history of copyright law with a consideration of the system of press licensing established by the Tudor monarchs (1485-1603) following the introduction of Caxton's printing press into England in 1476. The system, which continued until the abolition of the Star Chamber in 1641, was based on the Crown prerogative to grant licences and patents to individuals authorising them to print or import books. It was policed by the Stationers Company which was given a charter to act as a "literary constable" to license printing presses, censor books and to search out, seize and destroy illicit presses and seditious, heretical literature. In exchange, the Stationers Company obtained a substantial monopoly in the printing and selling of books. The Star Chamber partially enforced the system through its criminal jurisdiction over treason, sedition and heresy. Kaplan concludes his survey of the period with the rhetorical flourish, "How does this relate to copyright? To mangle Sir Henry Maine's aphorism, copyright has the look of being gradually secreted in the interstices of the censorship".⁶ This idea of copyright as an objectionable form of publisher's privilege still enjoys currency today although Kaplan himself is careful to distinguish the censorship/licensing system from copyright law itself:

The patents for the books, in that they conferred exclusive rights, bear some family resemblances to the later institution of copyright. They did not however, stand on any notion of original composition, for they might be granted for ancient as well as new works.⁷

The first copyright Act, the *Statute of Anne*, was passed in 1709. Under that Act the right to print or reprint a book was vested, for the first time, in

3 Thomas Hobbes, *Leviathan: Or the matter, forme and power of a Commonwealth ecclesiasticall and civil*, edited with forward by Michael Oakeshott, Blackwell, Oxford, 1955, p 83.

4 See S Dahl, *History of the Book*, 2nd ed, Scarecrow Press, Metuchen, 1968.

5 Benjamin Kaplan, *An Unhurried View of Copyright*, Columbia University Press, 1967.

6 Benjamin Kaplan, *An Unhurried View of Copyright*, Columbia University Press, 1967, p 4.

7 Benjamin Kaplan, *An Unhurried View of Copyright*, Columbia University Press, 1967, p 4.

the hands of the author rather than in the hands of the person registered with the Stationers Company. The right could be sold or licensed to publishers and others. Some commentators, loosely relying on Kaplan, have suggested that the *Statute of Anne* was primarily an economic right designed to protect the interests of publishers following the collapse of the Stationers' monopoly.⁸ More literary scholars have suggested that the Act represented a new and romantic image of the author as the creator of the work and the emergence of the professional writer-scholar who was no longer supported by a patronage system.⁹ Historians might see both of these suggestions as examples of the relentless move from Crown privilege to private industry. Kaplan's own conclusion is more measured. "I doubt", he writes, "that the statute was any more grounded on a thoughtful review of policy than the defeat of official licensing had been. . . . It is hard to know how far the interests of authors were considered in distinction from those of publishers".¹⁰ The preamble of the Act partially reflects all of these interests.

An act for the encouragement of learning, by vesting the copies of printed books in the authors or purchasers of such copies, during the times therein mentioned. Whereas printers, booksellers, and other persons have of late frequently taken the liberty of printing, reprinting, and publishing, or causing to be printed, reprinted, and published, books and other writings, without the consent of the authors or proprietors of such books and writings, to their very great detriment, and too often to the ruin of them and their families: for preventing therefore such practices for the future, and for the encouragement of learned men to compose and write useful books; may it please your Majesty, that it may be enacted, and be it enacted by the Queen's most excellent majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same; That from and after the tenth day of April, one thousand seven hundred and ten, the author of any book or books already printed, who hath not transferred to any other the copy or copies of such book or books, share or shares thereof, or the bookseller or booksellers, printer or printers, or other person or persons, who hath or have purchased or acquired the copy or copies of any book or books, in order to print or reprint the same, shall have the sole right and liberty of printing such book and books for the term of one and twenty years, to commence from the said tenth day of April, and no longer; and that the author of any book or books already composed, and not printed and published, or that shall hereafter be composed, and his assignee or assigns, shall have the sole liberty of printing and reprinting such book and books for the term of fourteen years, to commence from the day of the first publishing the same, and no longer.

8 S Ricketson's opening chapter in *The Berne Convention and the Protection of Literary and Artistic Works: 1886-1986*, Kluwer, London, 1987, pp 3-4, partially adopts this argument. See also Jane C Ginsberg, "The Tale of Two Copyrights: Literary Property in Revolutionary France and America" in B Sherman and A Strowel (eds), *Of Authors and Origins: Essays on Copyright Law*, Clarendon Press, Oxford, 1994, p 131-158.

9 Mark Rose, "The Author as Proprietor: *Donaldson v Beckett* and the Genealogy of Modern Authorship" in B Sherman and A Strowel (eds), *Of Authors and Origins: Essays on Copyright Law*, Clarendon Press, Oxford, 1994, p 23-55; Paul Edward Geller, "Must Copyright Be Forever Caught between Marketplace and Authorship Norms?" in B Sherman and A Strowel (eds), *Of Authors and Origins: Essays on Copyright Law*, Clarendon Press, Oxford, 1994, p 159-201.

10 Benjamin Kaplan, *An Unhurried View of Copyright*, Columbia University Press, 1967, pp 6-7.

The *Statute of Anne* presented a puzzle for lawyers. Did it create a new, hitherto unknown, copyright vested in authors or did it declare an existing common law copyright? If the latter, did the common law right survive the statute and exist in perpetuity or were all rights in the nature of copyright henceforth limited to statute? The question was eventually answered in the great cases of *Millar v Taylor*¹¹ in 1769 and *Donaldson v Becket*¹² in 1774 in favour of those who propounded a common law copyright based on the natural right of the author as the creator of a work. In *Donaldson v Becket* and *Jefferys v Boosey*¹³ in 1854 it was further decided that the common law right had been abolished by the passing of the *Statute of Anne* and that henceforth copyright was purely a creature of statute.

Millar v Taylor concerned the copyright in James Thomson's book of poetry, *The Seasons*, which was owned by Millar. Following the elapse of the statutory period under the *Statute of Anne*, Taylor printed 1000 copies of the book and these copies were offered for sale. Millar sued for loss of profit and benefit. The Court of Kings Bench, in its first split decision under Lord Mansfield, found that there was a common law copyright and that it was not taken away by the *Statute of Anne* (Willes and Ashton JJ and Mansfield LJ; Yates J dissenting).

Willes J avoided the "too metaphysical" Lockean arguments advanced by counsel. "Metaphysical reasoning", he said, "is too subtle; arguments from the supposed modes of acquiring the property of acorns, or a vacant piece of land in an imaginary state of nature are too remote".¹⁴ Instead, Willes J appealed to what he called "natural justice", a concept which still owed a lot to Locke. He referred to the importance of encouraging literary works, the desire that strangers should not reap where they have not sown, the author's entitlement to the "fruits of his own labour", the public advantage of authors being able to feed themselves and their families, and the small impact such a right would have on the price of books.¹⁵ In addition, Willes J argued, the Courts of Equity had historically granted injunctions for breach of copyright even though the formalities required under the *Statute of Anne* had not been complied with. In other words, Willes J found proof of the existence of a common law right in an examination of the practices of the equity justices.

Ashton J also found the philosophical arguments regarding property inadequate as legal tools. Such arguments were suitable for things in a primitive and imaginary state, he said, but they were too crude to deal with the subtleties and developments of the common law. They "lose sight of the present state of the world; and end their enquiries where they should begin".¹⁶ Property, he said, no longer depended on the crudeness of occupancy or on the myth of a commons. The types of property had been expanded to include objects hitherto unknown to the law and property no longer depended on its utility. All that was required, Ashton J held, was

11 (1769) 98 ER 201.

12 (1774) 1 ER 837.

13 (1854) 4 HLC 815.

14 (1769) 98 ER 201 at 218 referring to Chapter 5 para 31 of John Locke's *An Essay Concerning the True Original, Extent and End of Civil Government* first published in 1690. See EA Burt (ed), *The English Philosophers from Bacon to Mill*, Modern Library, New York, 1939, p 415.

15 (1769) 98 ER 201 at 218.

16 (1769) 98 ER 201 at 220-221.

that the thing have a “distinguishable existence” and an “actual value” to the true owner.¹⁷ Copyright in a literary work in general, and *The Seasons* in particular, met these criteria:

The present claim is founded upon the original right to the work, as being the mental labour of the author; and that the effect and produce of the labour is his. It is a personal, incorporeal property, saleable and profitable; it has indicia certa: for though the sentiments and doctrine may be called ideal, yet when the same are communicated to the sight and understanding of every man, by the medium of printing, the work becomes a distinguishable subject of property, and not totally destitute of corporeal qualities.¹⁸

Ashton J concluded: “The best rule, both of reason and justice seems to be, ‘to assign to everything capable of ownership, a legal and determinate owner’.”¹⁹

Lord Mansfield, like Willes J, found proof of the existence of a common law copyright in the practices of the equity justices.²⁰ Like the other judges he found the arguments of the philosophers inadequate but based his arguments not on any principle of labour but on the moral rights of the author as expounded by John Milton (1608-1674).²¹

The author may not only be deprived of any profit, but lose the expense he has been at. He is no more master of the use of his own name. He has no control over the correctness of his own work. He cannot prevent additions. He cannot retract errors. He cannot amend; or cancel a faulty edition. Anyone may print, pirate, and perpetrate the imperfections, to the disgrace and against the will of the author; may propagate sentiments under his name, which he disapproves, repents and is ashamed of.²²

Yates J’s three-hour dissent provides a comprehensive statement against a common law copyright and is based on general principles of property law and on legal history. He accepts the maxim that “nothing can be an object of property which is not capable of sole and exclusive enjoyment”²³ and concludes that the words and ideas in a literary work are no more capable of being owned than the sunshine or light. He accepts that a person may be entitled to the “fruits of his labour” but he adds, we “must not expect these fruits to be eternal”. The author in this regard is like the inventor and both the author and the inventor owe the extent of their property to the legislature rather than to the common law.²⁴ As a matter of precedent Yates J rejects the injunctions of the courts of equity, the decrees of the Star Chamber and the practices of the Stationers Company as evidence of the common law. The equity courts could not determine the

17 (1769) 98 ER 201 at 221.

18 (1769) 98 ER 201 at 221-222.

19 (1769) 98 ER 201 at 221.

20 (1769) 98 ER 201 at 252.

21 “The single opinion of such a man as Milton”, stated Mansfield LJ, “speaking, after much consideration, upon the very point is stronger than any inferences from gathering acorns and seizing vacant pieces of ground; when the writers, so far from thinking of the very point, speak of an imaginary state of nature before the invention of letters”: *Millar v Taylor* (1769) 98 ER 201 at 253. See John Milton, “Areopagitica or A Speech for the Liberty of Unlicensed Printing to the Parliament of England 1644” in *Areopagitica and Other Prose Works*, Dent, London, 1927, p 1-41.

22 Lord Mansfield in *Millar v Taylor* (1769) 98 ER 201 at 252.

23 (1769) 98 ER 201 at 233.

24 (1769) 98 ER 201 at 231-232.

content of the common law;²⁵ the criminal jurisdiction of the Star Chamber could not determine the content of the civil law;²⁶ and the charter powers of the Stationers Company were no proof of a common law of property.²⁷

*Donaldson v Becket*²⁸ came before the House of Lords as an appeal against a decree of the Court of Chancery regarding *The Seasons* and other works by Thomson. Copyright in these works, under the *Statute of Anne*, had expired in 1757. In 1768 Donaldson printed and published copies of the works and in 1769 an alleged right to print the works was sold to Becket by the executors of Millar's will. Based on the decision in *Millar v Taylor*, Becket successfully sought an injunction against Donaldson who appealed to the House of Lords on the ground that he was authorised to print, publish and sell the works unless Becket could prove a "title paramount to the statute".²⁹ The House of Lords referred the matter to the 12 common law judges for opinion. The judges were split in their advice. By a majority of eight to three they advised that there was a common law copyright in published works but by a majority of six to five they advised that it had been taken away by statute. Lord Mansfield did not speak and the House of Lords reversed the decree.

*Jefferys v Boosey*³⁰ concerned Vincenzo Bellini's unpublished opera, *La Sonnambula*. Bellini assigned his rights in the opera to Giovanni Ricordi according to the laws of Milan. On a visit to London, Ricordi assigned the rights to the plaintiff, Jefferys, who published the work. In an action against Boosey for breach of copyright, Boosey argued that no copyright subsisted in the work, at least in England. The judges were still divided on the question of whether there had indeed been a common law copyright but agreed that copyright was now a "creature of statute". On this basis the court held that Boosey had not infringed copyright in the opera because the *Statute of Anne* did not vest copyright in a foreign national who composed a work in another country nor did the statute vest copyright in the first publisher of the work in England.

Despite the fact that by a substantial majority the 18th century judges³¹ held that there was a common law copyright which vested in authors, such a view now appears to be unpopular, at least amongst text book writers. The rather flighty language of the judges in favour of a common law right, together with their appeals to natural law and to moral rights, hold little attraction as a form of legal discourse today.³² Whether there was in fact a form of copyright at common law is still, therefore, a moot point and, while studying copyright law, it is worth remembering that at the time of its birth this was indeed a "great question".

Whatever its origins, the idea of an author's property right in his or her work which was separate from the chattel right took hold and has

25 (1769) 98 ER 201 at 241.

26 (1769) 98 ER 201 at 239.

27 (1769) 98 ER 201 at 240.

28 (1776) 1 ER 835.

29 (1776) 1 ER 835 at 839.

30 (1854) 4 HLC 815.

31 See a head count of judicial opinion in Sir William Holdsworth, *A History of the English Law*, Methuen, London, 1936-1966, Vol 6, p 379n.

32 The views of Yates J and the occupancy theories of property are not popular either. In *Pacific Film Laboratories Pty Ltd v Commissioner of Taxation (Cth)* (1970) 121 CLR 154 at 168, Windeyer J commented that "[t]he views of Yates J as to the nature of copyright as property can be disregarded now".

since been enshrined in statutory form throughout the world. Over the 18th and 19th centuries the types of works to which it applied, the duration of the right and the rights granted gradually expanded. In the United Kingdom the *Engraving Copyright Act* was introduced in 1734 (8 Geo II c 13); the *Print Copyright Act* in 1777 (17 Geo III c 57) and the *Sculpture Copyright Act* in 1798 (38 Geo III c 71). A performance right was introduced in 1833 under the *Dramatic Copyright Act* (3 and 4 Will IV c 15) and later extended to musical works by amendment to the 1842 *Copyright Act* (5 and 6 Vict c 45). A *Lectures Copyright Act* (5 and 6 Will IV c 65) was introduced in 1835 and in 1862 a *Fine Arts Copyright Act* (25 and 26 Vict c 68) which covered paintings, drawings and photographs was enacted.

In the United Kingdom this ad hoc, piecemeal approach to the protection of authors' rights was subject to sustained criticism.³³ There was also concern that the legislation did not meet the United Kingdom's obligations under the first international convention on copyright, the *International Convention for the Protection of Literary and Artistic Works* which had been concluded at Berne on 9 September 1886 (the Berne Convention).³⁴ In 1911 the United Kingdom Parliament passed the *Copyright Act 1911* (1 and 2 Geo V c 46) which repealed 20 separate statutes relating to copyright and replaced them with one consolidated statute which covered literary, dramatic, musical and artistic works (s 1). Sound recordings were protected as musical works (s 19) and some cinematographic films were protected as dramatic works (s 35(1)). In order to meet the requirements of the Berne Convention the Act also extended copyright to architectural works (as artistic works) and choreographic works (as dramatic works) and all registration and other formality requirements for obtaining copyright protection were abolished. The Act vested in the author the right to publish, reproduce and perform a work, deliver a lecture, dramatise a novel or make a non-dramatic version of a dramatic or artistic work and, in the case of literary, dramatic and musical works, to make a record, piano roll, cinematographic film or other "mechanical reproduction" (such as a music box) of the work (s 1).

The International Context

In the age of empire into which copyright was born, the international aspects³⁵ of copyright protection were always important. In 1886 the first international convention on copyright, the *Berne Convention for the Protection of Literary and Artistic Works*, was finalised and signed by 10 nations – Belgium, France, Germany, Haiti, Italy, Liberia, Spain, Switzerland, Tunisia and the United Kingdom. In reaching agreement on the terms of the convention the primary concern for copyright-producing nations was to protect the work of their authors in other countries. For

33 See *The Royal Commission into Copyright*, Command 2086, HMSO, London, 1878, and Board of Trade, *Report of the Committee on the Law of Copyright*, Command 4976, HMSO, London, 1909.

34 This was three years after the *Paris Convention on the Protection of Industrial Property* 1883 which was the first international intellectual property convention and covered patents, trade marks and designs.

35 For a detailed account of the development and first 100 years of the Berne Agreement, see S Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works 1886-1986* Kluwer, London, 1987.

copyright consuming nations, such as Sweden (which did not sign until 1904), as for developing countries today, a primary concern was to ensure access to and translation rights for copyright works. Before the Berne Convention the usual method of achieving these aims had been through bilateral agreements and, in the case of colonial powers such as Spain, France, Portugal and the United Kingdom, by passing imperial legislation. Today, nearly 150 states are members of the Berne Union.

The central plank of the Berne Convention was the adoption of the principle of national treatment or reciprocity. Under this principle an author whose work was made in one Union country and infringed in another was entitled to the same protection and remedies in the country of infringement as a national of that country (Art 5). By itself, the principle of national treatment had certain shortcomings. A domestic law, for example, might require registration of a work or other formalities in order to obtain protection and in many cases foreign authors would not have complied with these requirements. Article 5(2) therefore provided that the exercise of Berne Convention rights would not be subject to any formalities, although a member country could still impose formalities on its domestic authors. To give an example, in the United States a domestic author may be required to register a work in order to receive damages in infringement proceedings but, since signing the Berne Convention in 1989, the United States has finally agreed that a foreign author need not adopt these formalities in order to receive similar protection in the United States.³⁶ Another shortcoming of the principle of national treatment is that the level of copyright protection, the duration of copyright, the works covered and the remedies available might differ significantly between member countries. Country A might therefore be required to offer substantial protection to authors from Country B even though neither that author nor an author from Country A would receive comparable protection in Country B. Recognition of these shortcomings led to the second aspect of the Berne Convention which was the establishment of minimum standards for the protection of copyright.

The original Berne Convention covered “literary and artistic works” which included books, musical works, dramatic works, maps and paintings, engravings and designs (Art 4). Since 1886 the convention has been subject to five major revisions. These were at Berlin in 1908, Rome in 1928, Brussels in 1948, Stockholm in 1967 and Paris in 1971. In 1908 the convention was extended to include architectural works, pantomimes and choreographic works and, in 1948, cinematographic films and photographs were included. Authors were given exclusive broadcast rights in 1928 and in the same year moral rights were introduced (Art 6bis). Although moral rights are not strictly a form of copyright they are often dealt with under copyright legislation and are referred to as a “neighbouring right”.

36 The *Universal Copyright Convention* (UCC) was drafted under the auspices of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in 1952 and is more generous than Berne in allowing developing countries to use copyright material. The UCC provides that the application of the copyright symbol © shall be sufficient to achieve copyright protection for a foreign author in a contracting state whose domestic laws require formalities (Art III). If a country is a party to both the UCC and Berne, however, Berne shall prevail and no formalities may be required. The only countries which are signatories to the UCC and not Berne are Andorra, Cambodia, Kazakhstan, Laos, Saudi Arabia and Tajikistan.

The Berne Convention is not the only international copyright agreement and not all copyright material is covered by it. The *Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations* 1961, the *Geneva Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of their Phonograms* 1971 and the *Brussels Convention Relating to Distribution of Programme-Carrying Signals Transmitted by Satellite* 1974 extended the reach of copyright law to include sound recordings and television and radio broadcasts as well as introducing another neighbouring right known as performers' protection.

An important development during the 1970s and 1980s on the international scene was the growing voice of developing countries. These countries sought to limit the extent of copyright protection, facilitate the use of works for scholarly and educational purposes and to protect folklore. A protocol to the 1967 Stockholm revision of the Berne Convention partially addressed these concerns (but was not binding) as had the introduction of the *Universal Copyright Convention* (UCC) under the auspices of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in 1952. However, the strength of this voice waned in the late 1980s and since 1990 international copyright agreements have tended to reflect a commitment to free trade principles rather than to development issues.

This new direction in copyright law has not been led by the World Intellectual Property Organisation (WIPO), the international body established to administer the Berne Convention but by the *General Agreement on Trade and Tariffs* (GATT) and the recently created World Trade Organisation (WTO). GATT, an international agreement committed to freeing up world trade, was first signed in 1947, and is regularly renegotiated. As part of the negotiations known as the Uruguay Round (1986-1994) intellectual property was added to the range of trade matters subject to the GATT and is now governed by the *Agreement on Trade Related Aspects of Intellectual Property* 1995 (TRIPS). TRIPS covers trade marks, designs, patents, and confidential information as well as copyright. In relation to copyright TRIPS requires members to abide by the Berne Convention, protect computer programs and databases as literary works, grant commercial leasing rights to owners of copyright in computer programs and cinematographic works and extend performers' protection. These provisions have since been adopted and developed by WIPO which in 1996 completed the *WIPO Copyright Treaty* (on computer programs and digital rights) and the *WIPO Performances and Phonograms Treaty*.

The significance of TRIPS does not lie in its comparatively minor substantive provisions but in its treatment of intellectual property as a trade commodity. Members are required to abolish impediments to free trade in intellectual property and to institute effective enforcement and customs procedures to prevent piracy and other infringements of intellectual property rights. Failure to meet the requirements of the agreement may lead to disputes procedures in the WTO and eventual trade sanctions. This has been particularly important in the field of patents (especially for pharmaceutical products) but has also been applied in copyright cases. In January 1999, for example, the European Community notified a dispute against the United States in relation to an amendment to s 110(5) of the

US *Copyright Act Title 17*.³⁷ The amendment allowed small businesses, within certain limits, to play music on radios and televisions to their customers without breaching the public performance right of the copyright owner. The WTO Disputes Settlement Board held that this was an unauthorised deduction from the rights of the copyright owner as provided for under the Berne Convention and ordered the United States to repeal the provision.³⁸ It might be noted that the interests of developing nations were not completely ignored under TRIPS – developing countries were allowed an extended period of time to meet their obligations under the agreement.

In addition to its obligations under TRIPS, Australia has now signed a free trade agreement with the United States which requires Australia to further extend the level and range of its intellectual property protection. The *US Free Trade Agreement Implementation Act 2004* (Cth) commenced on 5 January 2005. Schedule 9 to that Act introduces nine significant changes to the *Copyright Act 1968*. These are:

- the granting of copyright to performers in sound recordings (Part 1). Previously, only the maker of the sound recording, usually the recording company, owned this copyright. This Part also extended the definition of performance to cover expressions of folklore;³⁹
- the extension of moral rights to performers in live performances, including performances of expressions of folklore (Part 2);⁴⁰
- the strengthening of performer's protection by tightening the defences (Part 3);⁴¹
- the introduction of compulsory licensing schemes for copying and broadcasting performances (Part 4);⁴²
- changing the duration and ownership of copyright in photographs (Part 5);⁴³
- extension of duration of copyright for other works and subject-matter (generally from 50 years after the death of the author to 70 years after the death of the author, Part 6);⁴⁴
- broadening electronic rights management actions and offences (Part 7 and 8);⁴⁵
- broadening fences relating to encoded broadcasts (Part 9);⁴⁶
- changing the definition of reproduction and material form so as to cover transitory reproductions; plus new defences in relation to

37 Australia, Brazil, Japan, Switzerland and Canada reserved their right to intervene.

38 The Panel Report in *United States – Section 110(5) of the US Copyright Act* WT/DS160/R was adopted by the Disputes Settlement Body (DSB) on 27 July 2000.

39 For application and transition provisions, see *US Free Trade Agreement Implementation Act 2004* (Cth) s 15.

40 For application and transition provisions, see *Copyright Act 1968* (Cth) s 195AZR.

41 For application and transition provisions see, *US Free Trade Agreement Implementation Act 2004* (Cth) s 84.

42 For application and transition provisions see, *US Free Trade Agreement Implementation Act 2004* (Cth) s 106.

43 For application and transition provisions see, *US Free Trade Agreement Implementation Act 2004* (Cth) s 117.

44 For application and transition provisions, see *US Free Trade Agreement Implementation Act 2004* (Cth) s 131.

45 For application and transition provisions, see *US Free Trade Agreement Implementation Act 2004* (Cth) ss 145 and 160.

46 For application and transition provisions, see *US Free Trade Agreement Implementation Act 2004* (Cth) s 185.

reproductions incidentally made as part of technical processes (Part 10);⁴⁷

- limiting the remedies available against carriage service providers (Part 11).

All of these changes are dealt with in detail in the text.

Copyright in Australia

On 25 July 1828, by virtue of the *Australian Courts Act 1828* (9 Geo IV c 83), United Kingdom statutes then in force were received as part of the law of what are now the Australian States of New South Wales, Victoria and Queensland. Similar legislation was eventually passed in the other States and Territories. The reception date in Western Australia was 1 June 1829, in South Australia 28 December 1836 and in the Australian Capital Territory and the Northern Territory the reception date was 1 January 1911. Statutes passed in the United Kingdom after the reception date did not apply unless expressed to do so. The effect of these different reception dates, together with the already ad hoc nature of United Kingdom copyright law, was that the protection offered to both British and colonial authors was highly inconsistent. In light of this generally unsatisfactory situation and possibly spurred on by the passing of the *Colonial Laws Validity Act* in 1865 (28 and 29 Vict c 63), a number of colonies were moved to pass their own copyright laws. Thus Victoria (in 1869), South Australia (in 1878), New South Wales (in 1879) and Western Australia (in 1895) passed relatively consolidated copyright laws which remained in force until after federation.⁴⁸

Given the international context of intellectual property law it is not surprising that the Australian Constitution gave the Australian Parliament power under s 51(xviii) to make laws with respect to “copyrights, patents of inventions and designs and trade marks”. The new Federal Parliament passed the *Copyright Act 1905* (Cth) but this Act was repealed in 1912 when the *Copyright Act 1912* (Cth) declared the *Copyright Act 1911* (UK) to be in force in Australia subject to any modifications made by the Australian Act itself (s 8). The 1911 Act applied in Australia as a piece of imperial legislation rather than as an ordinary Act of the Australian Parliament and therefore was not restricted to Australian territorial jurisdiction.⁴⁹ In 1931 the *Statute of Westminster* (22 Geo V c 4) was passed which provided that no Act of the United Kingdom Parliament would apply to any part of the Dominions unless there was an express request and consent to such application. In the absence of such a request from Australia the UK *Copyright Act 1958* which repealed the 1911 Act in the United Kingdom did not apply in Australia.⁵⁰ The 1911 Act therefore

47 For application and transition provisions, see *US Free Trade Agreement Implementation Act 2004* (Cth) s 190.

48 For a discussion of the inadequacies of this colonial system of copyright protection, see Senator Keating’s second reading speech to the Senate on the Bill for the first Commonwealth Federal *Copyright Act 1905* in *Hansard*, Senate, 24 August 1905, pp 1425-1432.

49 *Gramophone Company Ltd v Leo Feist Inc* (1928) 41 CLR 1.

50 See *Copyright Owners Reproduction Society Ltd v EMI (Australia) Pty Ltd* (1958) 100 CLR 597.

remained in force in Australia until it was repealed by the *Copyright Act 1968* (Cth) which came into effect on 1 May 1969.

One of the most important innovations of the 1968 Act was the introduction of a new category of protected subject-matter known by the unfortunate title of “Part IV Subject-matter other than Works”. Under Part IV, copyright subsisted in television and radio broadcasts, and in cinematographic films and sound recordings as independent forms of copyright subject-matter. A new form of copyright in the printed edition of a work was also introduced. The *Copyright Act 1968* has been extensively amended over the past 30 years to take account of changing forms of distribution and production and in order to meet Australia’s international obligations. Some of the most important of these amendments have been the inclusion of computer programs as literary works in 1984,⁵¹ the introduction of performers’ protection in 1993,⁵² the regulation of parallel importation of books (1991);⁵³ sound recordings (1998);⁵⁴ computer programs, electronic literary and music items (2003);⁵⁵ the introduction of a new digital communication right;⁵⁶ the extension of moral rights;⁵⁷ and the introduction of some protection for expression of folklore under the *US Free Trade Agreement Implementation Act 2004*.

Australian colonies became members of the Berne Union in 1887 by virtue of being part of the British Empire and, even after federation, Britain continued to act for Australia in many international matters. In 1912, for example, Britain acceded to the Rome revision of the Berne Convention on Australia’s behalf and Australia did not become a member of the Berne Union in its own right until 1928. Since then Australia has signed and ratified most of the major international copyright agreements including the *Universal Copyright Convention* in 1969, the *Rome Convention* in 1992, the *Geneva Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of their Phonograms* in 1974, the *Brussels Convention Relating to Distribution of Programme-Carrying Signals Transmitted by Satellite* in 1990 and the TRIPS Agreement in 1995. Australia has neither signed nor ratified the two WIPO Treaties although, it has agreed to do so as part of the US Free Trade Agreement.

Copyright and the Crown Prerogative

The *Copyright Act 1968* s 8A preserves “any prerogative right or privilege of the Crown”. The Crown prerogative to publish certain books, as it was understood in England in 1769, was described by Yates J in *Millar v Taylor*⁵⁸ in the following terms:

51 *Copyright Amendment Act 1984*.

52 *Copyright Amendment Act 1989* and *Copyright Amendment (Re-enactment) Act 1993*.

53 *Copyright Amendment Act 1991*.

54 *Copyright Amendment Act (No 2) 1998*.

55 *Copyright Amendment (Parallel Importation) Act 2003*.

56 *Copyright Amendment (Digital Agenda) Act 2000*.

57 *Copyright Amendment (Moral Rights) Act 2000*; *US Free Trade Agreement Implementation Act 2004*.

58 (1769) 98 ER 201 at 243.

The books are Bibles, Common-Prayer Books, and all extracts from them (such as primers, Psalters, Psalms) and almanacs. Those have relation to the national religion, or Government, or the political constitution. Other compositions to which the King's right of publication extends, are the statutes, Acts of Parliament, and State-papers. The King's right to all these is, as head of the Church, and of the political constitution.

It is unlikely that the Crown prerogative would be understood in these broad terms in Australia today but the precise extent and nature of the Crown prerogative today in Australia is contested in both the academic literature and the case law. It has been argued that the Crown has a prerogative in the printing and publishing of legislation⁵⁹ but the question of copyright in a judge's reasons for decisions has been subject to disagreement.⁶⁰ The significance of the Crown prerogative in relation to copyright is diminished in so far as any defence available to infringement of copyright under the *Copyright Act* is also available for infringement of the prerogative or privilege in the nature of copyright (s 8A(2)).

General Principles regarding the Nature of Copyright

Despite the misgivings of Yates J in *Millar v Taylor*,⁶¹ the *Copyright Act* 1968 describes copyright as a personal right which is transmissible by assignment, by will and by devolution (s 196). Copyright has a number of distinctive features. As the name suggests, copyright originally granted the copyright owner exclusive rights in the copying of the subject-matter – through publication, reproduction or performance. If there was no copying then there was no infringement. Thus, if Painter B independently and fortuitously creates a painting which is identical to Painter A's painting there is no infringement of copyright. If a hundred monkeys over a hundred days with a hundred computers fortuitously rewrite even a well known novel there is no infringement of copyright. This is the primary difference between copyright and patents. A patent gives a monopoly right over the invention regardless of copy. If Inventor B independently makes a drip-less teabag which is the same as the drip-less teabag for which Inventor A owns the patent then Inventor B has infringed Inventor A's patent despite the fact that Inventor B had no knowledge of the patent or Inventor A's teabag.

Copyright is different from and separate to the chattel right in the subject-matter. Furthermore, the copyright and the chattel right may be owned by different people. If I buy a book, for example, I have bought the chattel but I have not thereby acquired the copyright in the book as a literary work. I might sell the book, lease it, lend it or give it away but I may not exercise the rights of the copyright owner. I may not photocopy the book, make it available online, perform a dramatic version of it in public or make a translation of it. I may not even make a Braille copy of it

59 *Attorney-General (NSW) v Butterworth and Co (Australia) Ltd* (1938) 38 NSW (SR) 195.

60 See CJ Bannon, "Copyright in Reasons for Judgment and Law Reporting" (1982) 56 *ALJ* 59, for example, and M Taggart's response in "Copyright in Written Reasons for Judgment" (1984) 10 *Syd L Rev* 319. Taggart argues that the Crown does not own the copyright in a judgment either under the *Copyright Act* or under the prerogative in judgments. If copyright subsists in judgments it is owned by the judges. See also Mark Perry, "Judges' reasons for judgments – to whom do they belong?" (1998) 18(2) *NZULR* 257.

61 (1769) 98 ER 201.

for my visually impaired friend. As one can imagine, many disputes have arisen because parties have failed to deal with the copyright separately from the chattel.

In *Pacific Film Laboratories Pty Ltd v Commissioner of Taxation (Cth)*,⁶² the Commissioner of Taxation applied sales tax to the photographic prints developed by Pacific Film Laboratories and paid for by its customers. Pacific Film objected to the assessment on the ground that the customer owned the copyright in the film negatives, that Pacific Film was authorised by the customer to reproduce prints from these negatives, that Pacific Film had no property right in these prints and therefore was not selling anything to the customer which might be taxed. The High Court rejected this argument as based on a confusion between the chattel right in the print and the copyright in the negative. The customer had authorised Pacific Film to reproduce the negatives but the chattel produced in the process of this reproduction was owned by Pacific Film.

This general provision is partly modified by s 198 which provides that if an unpublished manuscript in a literary, dramatic, musical or artistic work forms part of a bequest then, unless the contrary intention appears in the will, the bequest will be read as including any copyright in the unpublished work owned by the testator at the time of his or her death. This section reverses the decision of the Court of Appeal in *Re Dickens*⁶³ regarding copyright in an unpublished manuscript by Charles Dickens known as “The Life of Christ”. In his will Dickens left his papers, including the unpublished manuscript, to his sister-in-law. His residual estate was left to a beneficial trust. The sister-in-law purported to sell the copyright in “The Life of Christ” to Associated Press and the residual beneficiaries sued. The court held that the copyright in the literary work and manuscript as a chattel were separate and, although the sister-in-law owned the manuscript itself, the copyright in that manuscript had passed with the residual estate. Section 198 does not apply to published works and in that case the general rule applies.⁶⁴

Authorship and the idea-expression dichotomy

The fundamental principle of copyright law is that copyright does not protect ideas but only protects the form of expression. This principle arises directly from the original concept of copyright as an author’s right. The author’s craft is the craft of expression and copyright protects the author’s craft. The idea-expression dichotomy is explicitly maintained in the TRIPS Agreement which provides that “[c]opyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such” (Art 2).

Two examples of the principle are traditionally given. A book which explains a system of accounting, it is said, would be protected as a literary work but the ideas in the book would not be protected. Therefore, it would be an infringement of copyright to reproduce the text of the book but it would not be an infringement of copyright in the book to use or put into

62 (1970) 121 CLR 154.

63 [1935] 1 Ch 267.

64 For transitional provisions regarding bequests, see *Copyright Act* 1968 s 240.

practice the system of accounting outlined in the book.⁶⁵ Similarly, the text of a recipe for a rabbit pie may be protected as a literary work but the recipe itself would not be protected. It would therefore be an infringement to reproduce the text of the recipe but it would not be an infringement to make the rabbit pie.⁶⁶ Both the accounting system and the recipe are classified as mere ideas and therefore not protected by copyright.

In copyright law the principle is applied in two different ways. Positively, the principle is applied to afford copyright protection to an author's expression regardless of the fact that the ideas expressed by the author existed in the public domain, were common or lacked novelty. Thus, in *Walter v Lane*,⁶⁷ the respondents argued that copyright did not subsist in a journalist's verbatim report of a public speech by Lord Rosebery because the report consisted only of matters which were "publici juris". The House of Lords rejected this argument, Lord Davey stating:

[The respondents] say that Lord Rosebery was the author of his speech and gave it to the world ... The reporter they say (with a pardonable jingle), is the reproducer and not the producer of the speech ... In my opinion the reporter is the author of his own report. He it was who brought into existence in the form of a writing the piece of letterpress which the respondent has copied.⁶⁸

Applying similar reasoning, it has been held that the author of a translation owned the copyright in a translation despite the fact that the ideas in the translation were not new and that they had been expressed in other terms before.⁶⁹ Similarly, copyright subsists in a photograph of a particular scene despite the fact that the scene itself is public.⁷⁰

Negatively, the idea-expression dichotomy is applied to exclude mere information or ideas from copyright protection apart from their form of expression. Thus, in *Chilton v Progress Printing and Publishing Company*,⁷¹ the English Court of Appeal found that copyright did not subsist in a racing tip although copyright would have subsisted in the written expression of that racing tip had it been claimed.

In *Donoghue v Allied Newspapers Ltd*,⁷² a popular jockey, Donoghue, was interviewed over a period of time by a journalist. News of the World published a number of articles written by the journalist based on these interviews. The articles had titles such as "Steve Donoghue's Racing Secrets", "Enthralling Stories of the King of Sports" and "My Greatest Derby". Some of the articles were in the form of dialogues with Donoghue. Donoghue had been paid for these interviews but subsequently the infor-

65 This example is loosely taken from the famous US case of *Baker v Selden* 101 US 99 (1879).

66 This example appears to have first been used by counsel for the defendant in *Cuisenaire v Reed* [1963] VR 719.

67 [1900] AC 539.

68 [1900] AC 539 at 551.

69 *MacMillan v Khan Bahadur Shamsul Ulama Zaka* [1895] ILR 19 Bom 557 (India). The *Copyright Act* 1911 added the right to translate a work to the rights of the copyright owner. This does not prevent an infringing translator from claiming copyright in a translation: *Byrne v Statist Co* [1914] I KB 622.

70 For an obiter discussion of this point, see *Bauman v Fussell* [1978] RPC 485.

71 [1895] 2 Ch 29. See also *Walter v Steinkopff* [1892] 3 Ch 489 and *Springfield v Thame* (1903) 89 LT 242. Copyright does not subsist in news but in the form in which that news is expressed.

72 [1938] Ch 106.

mation in the articles was updated and a further article appeared in another newspaper under the title “My Racing Secrets. By Steve Donoghue”. Donoghue sought to prevent further circulation of the articles. Farwell J “reluctantly” found that Donoghue was neither the author nor a joint author of the articles because he had supplied only the ideas for the article and there was no copyright in an idea.

Functionality and the idea-expression dichotomy

Special problems arise in applying the idea-expression dichotomy to functional works such as computer programs or instruments. In Australia a computer program has been narrowly defined to mean the expression of the set of instructions which cause the computer to perform that particular function.⁷³ It would not, therefore, be an infringement of the copyright in a computer program to produce another program which performs the same function unless one also reproduced the expression of the set of instructions used in that computer program.

In *Autodesk Inc v Dyason (No 1)*,⁷⁴ the appellants owned the copyright in a computer program known as AutoCAD which was designed to aid architectural drawing and design. In order to discourage piracy the appellants developed a hardware device called an “AutoCAD lock” without which the computer program could not run. Thus, even if the program were copied it could not be used without the AutoCAD lock, only one of which was supplied with each program purchased. The respondent developed a circumvention device called an Auto Key lock which performed the same function as the AutoCAD lock but was designed quite differently. The respondents sold their lock for less than the cost of buying another AutoCAD program. At first instance Northrop J, applying a very broad interpretation of computer program, found that both locks were computer programs, that they performed the same function and that the difference in the form of expression used in the two locks to achieve this particular function was irrelevant. Northrop J held that the respondents had infringed the appellant’s copyright because the function of the AutoCAD lock had been reproduced in material form by the Auto Key lock.⁷⁵ In the High Court Northrop J’s judgment was criticised both for the broad definition of computer program and also for the emphasis placed on the function of the locks rather than on the form of expression by which the function was achieved. The judgment was said to have ignored the traditional distinction between an idea and its expression. Dawson J, who delivered the leading judgment said:

Indeed, the significance placed by Northrop J upon the function of the two locks would appear to disregard the traditional dichotomy in the law of copyright between an idea and the expression of an idea . . . There is a particular difficulty in distinguishing an idea from its expression in the case of a utilitarian work, such as a computer program, which, in contrast to literary works of an artistic kind, is intended to be useful rather than to please. But it has been held that the idea of a utilitarian work is its purpose or function and that the method of arriving at that

⁷³ *Data Access Corporation v Powerflex Services Pty Ltd* (1999) 202 CLR 1 and see the definition of computer program in *Copyright Act 1968* s 10(1).

⁷⁴ (1992) 173 CLR 330.

⁷⁵ *Autodesk Inc v Dyason* (1989) 15 IPR 1 at 25.

purpose or function is the expression of the idea: see *Whelan Associates v Jaslow Dental Laboratory* (1986) 797 F 2d 1222, at p 1236 citing *Baker v Selden* (1879) 101 US 99.⁷⁶

Dawson J's reference to American case law is unfortunate in this context because the application of the idea-expression dichotomy to functional works has developed quite differently in the United States. Under the United States *Copyright Act Code 17 s 102*, copyright subsists in an "original work of authorship" but is limited in s 102(b) in terms which are arguably wider than the terms of the TRIPS Agreement:

In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, *regardless of the form in which it is described, explained, illustrated, or embodied in such work.* [emphasis added]

Although influential American commentators, such as Nimmer,⁷⁷ have argued that s 102(b) should be read as a statement of the general principle that copyright subsists in the expression of an idea but not in the idea itself, this interpretation has not been adopted by US courts. Instead the exemption has given rise to two important limitations to copyright in US law which do not apply in Australia.

First, it has been held that where there is a merger between an idea (or function) and its expression then copyright does not subsist in that expression. Thus, in *Baker v Selden*,⁷⁸ copyright did not subsist in accounting forms designed especially to enable a new method of accounting to be performed. The US Supreme Court held that to grant copyright in the accounting forms would indirectly give a monopoly over the method of accounting itself because there was a merger between the method of accounting (the idea) and the forms themselves (the expression). To allow such a monopoly over an idea would be against the purposes of copyright protection as provided under the US Constitution:

The Congress shall have power ... to promote the progress of the sciences and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.⁷⁹

Nearly one hundred years later, in *Whelan Associates v Jaslow Dental Laboratory*,⁸⁰ it was argued that copyright could not subsist in a computer program designed to keep records in a dental clinic because there was a merger between the idea of the program (or its function) and its expression. The argument was rejected on the basis that there were a number of different ways that such a program could be expressed and therefore there was no merger in that case.

Although there have been many obiter statements in Australian and English cases⁸¹ supporting the existence of a merger doctrine in Australian copyright law, the leading computer software case in the High Court impliedly rejects its application. In *Data Access Corporation v Powerflex*

76 (1992) 173 CLR 330 at 344.

77 Melville B Nimmer and David Nimmer, *Nimmer on Copyright* (1999) §2[18][C][2].

78 101 US 99 (1879).

79 US Constitution Art 1 s 8.

80 *Whelan Associates v Jaslow Dental Laboratory* 797 F 2d 1222 (1986).

81 See Davey LJ in *Hollinrake v Truswell* [1894] 3 Ch 420 at 428 and Dawson J in *Autodesk Inc v Dyason (No 1)* (1992) 173 CLR 330 at 344 for two examples.

Services Pty Ltd.⁸² the High Court found that copyright subsisted in a computer compression table. Whilst acknowledging that such a finding would effectively prevent competitors developing compatible computer software because the function of the compression table could not be achieved without reproducing the compression table itself, the High Court left it to the legislature to fix the problem.⁸³ Interestingly, the necessary legislation came into effect on the same day that the High Court handed down its decision.⁸⁴ These amendments allowed reproductions of computer programs to be made for the purposes of making interoperable programs as well as for the ordinary running of the computer, making back-up copies, security testing and for correcting programming errors.⁸⁵

A controversial extension of the US functionality exemption was made in *Lotus Development Corporation v Borland International Inc*,⁸⁶ a case which Nimmer has referred to as the computer software case of the century.⁸⁷ In *Lotus v Borland* the First Circuit Court of Appeals held that copyright could not subsist in a computer menu command structure because it was a “method of operating” a computer (just as a gear shift mechanism might be a method of operating a car or a button might be the method of operating a video or food processor). The menu command structure was therefore excluded from protection under s 102(b). The exemption applied despite the fact that the court found that there were other ways of expressing the menu command structure, that is, the exemption applied even though there was no merger between the idea or function of the menu command structure and its expression.⁸⁸ Again, the US court came to this conclusion by interpreting s 102(b) in the light of the broader public purposes of copyright protection as provided for under the US Constitution. In *Data Access*, by comparison, the Australian High Court refused to adopt these public policy issues as part of its reasoning despite being urged to do so by the respondents.

Despite the fact that the distinction between an idea and its expression has been criticised and despite the fact that there is no express reference to it in the *Copyright Act* 1968, it remains a fundamental feature of Australian copyright law. As Dawson J commented in *Autodesk Inc v Dyason (No 1)*, “it is true that it is often difficult to separate an idea from its expression, but it is nevertheless fundamental that copyright protection is given only to the form in which ideas are expressed, not to the ideas themselves”.⁸⁹

Copyright and this Textbook

In this chapter the birth and nature of copyright law have been sketched in their international context. In Chapter 3 the categories and types of subject-matter in which copyright is said to subsist will be considered in

82 (1999) 202 CLR 1.

83 (1999) 202 CLR 1 at 42.

84 *Copyright Amendment (Computer Programs) Act* 1999 Sch 1.

85 See *Copyright Act* 1968 ss 47C-47F.

86 (1995) 33 IPR 233.

87 Melville B Nimmer and David Nimmer, *Nimmer on Copyright* (1999) §13.3[F][3][e] n 17.

88 *Lotus Development Corporation v Borland International Inc* (1995) 33 IPR 233 at 243.

89 (1992) 173 CLR 330 at 344.

more detail. In Chapter 4 the exclusive rights of the copyright owner will be examined by reference to actions for infringement of those rights. In addition, in Chapter 4 we will consider other actions available to the copyright holder besides infringement to protect the interests of the copyright owner and offences provided for under the Act.

One of the distinctive features of the *Copyright Act* 1968 is its lack of broad principles. Unlike the United States copyright regime, there are no broad constitutional principles to uphold, there is no general fair use exemption to copyright infringement, there are no free speech principles which might function to ensure that important works remain “in the public domain” and, in recent years at least, Australian courts have declined to take on the role of balancing the rights of the copyright owner against the public interest in ensuring access to copyright material. One of the results of this is that the *Copyright Act* contains numerous detailed limitations on the rights of the copyright owner. For example, the Act allows personal video taping of live television broadcasts but not the Saturday night film (s 111). A computer program may be reproduced for the purposes of making a back-up copy (s 47C) but not for file sharing. Such limitations typically take the form of a defence in infringement proceedings. These defences will be considered separately in Chapter 5, “Balancing the Interests”, but the table of defences which is provided in that chapter could prove useful when considering the rights of the copyright owner.

The other way that the *Copyright Act* balances the interests of the public and the copyright owner is by granting compulsory licences. A compulsory licence authorises a member of the public to exercise one or more of the rights of the copyright owner without the owner’s consent but still requires the member to pay for that use. Compulsory licences are particularly important in the educational field and in the music industry. Anyone is free to play or broadcast any published CD in public, for example, but records must be kept of such use and an agreed licence fee eventually paid (ss 108 and 109). Educational institutions may reproduce one article from a periodical journal for educational purposes so long as they have an agreement to pay for this use with the appropriate collecting agency (s 135ZJ). Compulsory licences are also considered in Chapter 5.

Copyright is a form of personal property which may be licensed and sold. In Chapter 6, “Dealing With Copyright”, the rules relating to ownership and licensing of copyright will be considered together with the remedies for infringement of copyright which occurs when a person exercises the rights of the copyright owner without permission. We shall also examine the role of collecting agencies and the regulatory structure necessary to enable copyright dealings to be carried on effectively at a commercial level.

In Chapter 7 “Moral Rights, Indigenous Cultural Property and Performers’ Protection” we will examine moral rights and performers’ protection as granted under the *Copyright Act*. The extension of moral rights and performers’ protection in Australia is having significant effects on copyright dealings and these may be expected to develop further in the future.

The legislative history of copyright law has necessitated the drafting of detailed transitional provisions. The general rule is that the *Copyright Act* extends to subject-matter made before the commencement of the Act but, if

the Act grants copyright in a new form of subject-matter, the Act will only apply to infringing actions after the commencement of the Act. Part IX of the Act contains provisions relating to transitional arrangements and these will be referenced in the footnotes. This general rule is not always followed. In the case of copyright for performers in sound recordings and live performances, which were introduced under the *US Free Trade Agreement Implementation Act 2004*, the rights were made retrospective. This means that a performer on an old Beatles' album, and the band itself, suddenly becomes an owner of the copyright in the sound recording and shares this ownership with the recording studio. This extraordinary provision will be considered in more detail in Chapter 6, dealing with copyright.

CASES

***Pacific Film Laboratories Pty Ltd v
Commissioner of Taxation (Cth)***

High Court of Australia: Barwick CJ, McTiernan, Windeyer,
Owen and Walsh JJ
(1970) 121 CLR 154

The Commissioner of Taxation applied sales tax to the photographic prints developed by Pacific Film Laboratories and paid for by its customers. Pacific Film objected to the assessment on the ground that the customer owned the copyright in the film negatives, that Pacific Film was authorised by the customer to reproduce prints from these negatives, that Pacific Film had no property right in these prints and therefore was not selling anything to the customer which might be taxed. The High Court rejected this argument as based on a confusion between the chattel right in the print and the copyright in the negative.

Barwick CJ: [162] But it is objected that there could not in any case be a sale of a print or duplicate either to the photographer or to any other person because of the provisions of the *Copyright Act* 1912. It has been assumed in argument that the person ordering the print was the owner of the copyright in the negative or transparency. This may or may not be so, but I am prepared to assume it as fact. Because the negative or transparency was the subject of copyright it is said that the appellant as the producer of the print [162] or duplicate as a reproduction of the negative or transparency could not have any general property in the print which he could transfer by sale to any person including the owner of the copyright. It is submitted that it would have no more than a lien for the amount agreed to be paid for the production of the print or duplicate. The fact that he owned the sensitized paper or the film on which the print or duplicate was made to appear and such of the chemicals as remained on the paper or film at the end of the process of making the print or duplicate did not give him any general property in the print or duplicate as reproductions of the copyright work, the negative or transparency as the case may be.

The *Copyright Act* 1912 (Cth) which was in force during the period relevant to the assessment in this case carried the *Copyright Act* 1911 of the United Kingdom into operation in Australia. Section 1 sub-s 2 (a) of the Act of 1911 gives to the author of a photograph the sole right to reproduce the photograph and to authorize its reproduction. By s 2 sub-s 1, copyright shall be deemed to be infringed by any person who without the consent of the owner of the copyright does anything, the sole right to do which is by the Act conferred on the owner of the copyright. By s 7, all infringing copies of any work in which copyright exists shall be deemed to be the property of the owner of the copyright who accordingly may take proceedings for the recovery of possession thereof or in respect of the conversion thereof. But s 8 provides that where proceedings are taken in respect of the infringement of the copyright in any work and the defendant establishes that he was not aware nor had reasonable ground for suspecting that copyright existed in the work the plaintiff shall not be entitled to any remedy other than an injunction.

There are, in my opinion, several clear answers to this submission. In the first place, there is authority for the proposition that the property in a chattel may be in one person and the copyright in another: *In re Dickens*; *Dickens v Hawksley*

[1935] 1 Ch 267. In the second place, an authority to reproduce a copyright work given by the owner of the copyright allows the authorized person to produce the copy as his own property and indeed unless the authority to reproduce it provides otherwise, he is free to dispose of the reproduction, cf Copinger and Skone James' *Law of Copyright*, 10th ed (1965), p 378, s 1027. In the third place, whilst of course the *Copyright Act* enables the copyright owner to recover possession of infringing copies of the copyright work or damages [164] for the conversion of such infringing copies there were in this case no infringing copies, the owner of the copyright on the supposition made, authorized the making of the copy and its delivery to himself. It seems to me that even if the agreement between the owner of the copyright and the appellant had been no more than an agreement for the rendering of services the print produced by the appellant could not have been claimed by the owner of the copyright as his own nor could he have recovered it in detinue before it had been delivered to him but if as I think the agreement was an agreement for the sale of the print or duplicate by the appellant to the owner of the copyright it seems to me necessarily to follow that not only was there no property in the owner of the copyright in the print viewed as a chattel at any time before the delivery of the print to the owner of the copyright but that it was intended that property in the print or duplicate should pass on delivery of the print or duplicate.

In my opinion, the appellant had general property in the print or duplicate when produced with the authority of the copyright owner: it was not an infringing copy of the negative or transparency as the case may be though possibly it might have become so if sold to some person other than the owner of the copyright: this was so because of the limited nature of the authority to reproduce given by the owner of the copyright. But the rights given by s 7 to recover infringing copies, though subject to s 8, only arise when the copy is the infringing copy: that is to say, it is the sale which attracts the operation of the section in the case supposed. But that conclusion denies that the authorized reproducer had no general property in the print or duplicate. As I have said, the appellant, in my opinion, had the general property in the print or duplicate which it manufactured out of its own materials and none the less so because the copyright in the negative or transparency was in some other person, or as has been supposed in the member of the public ordering the print or duplicate.

In my opinion, the delivery of the prints or duplicates by the appellant for an agreed sum was a sale of those prints or transparencies within the meaning of s 17 of the Act. Accordingly, in my opinion, the sale value of those sales was rightly included in an assessment by the respondent Commissioner of the appellant. The question whether the sale value assigned by the Commissioner in the assessment was the correct sale value is not a question which is before this Court on the case stated.

Walter v Lane

House of Lords: Earl of Halsbury LC, Lord Davey, Lord James of Hereford,
Lord Brampton and Lord Robertson
[1900] AC 539

The Earl of Rosebery delivered five speeches at public lectures in 1896 and 1898. Journalists, employed by the appellant, attended the meetings, took down the speeches verbatim in short hand and the speeches were published in *The Times*. In 1899 the respondents published a book of the speeches which they admitted they had copied from *The Times*. The

respondents unsuccessfully argued that copyright did not subsist in *The Times* reports of the speeches.

Lord Davey: [550] My Lords, the question in this appeal is whether the proprietors of *The Times* by assignment from their reporter are entitled to copyright in the reports published in their newspaper of certain speeches delivered by Lord Rosebery on public occasions. Copyright is the right of multiplying copies of a published writing. There is no copyright in a speech although delivered on a public occasion ... It is not disputed in the present case that the thoughts and words of Lord Rosebery's speeches were communicated by him to the public, and no question is raised as to the existence of any right in the orator. This case raises only a question of statutory copyright in *The Times* report, and must be decided on the provisions of the Copyright Act (5 & 6 Vict c 45).

Now, what has the respondent done? He has admittedly copied and republished for his own profit certain sheets of letterpress forming parts of *The Times* newspaper. A sheet of letterpress is a book within the meaning of the Act, and, not-[551]withstanding the decision of Malins V-C in *Cox v Land and Water Journal Co* (1869) LR 9 Eq 324, I have no doubt that a newspaper is within the Act. In *Walter v Howe* (1881) 17 Ch D 708 Sir George Jessel differed from the Vice-Chancellor, and his decision has since been followed. Prima facie, therefore, the respondent has fringed the appellants' copyright in their newspaper. His defence is that the appellants have no copyright in this portion of their published work because it was compiled from, or consisted only of, matters which were publici juris. They say that Lord Rosebery was the author of his speech and gave it to the world for any to reproduce who would, and that nobody, therefore, can claim to be the "author" within the meaning of the Act of a report of his speech. The reporter, they say (with a pardonable jingle), is the reproducer and not the producer of the speech. That is true in a sense, and if *The Times* were claiming a property in the speech itself and seeking prevent anybody else from publishing any other report of it, the argument would be cogent. But the appellant's claim is of a more modest description. They seek only to prevent the respondent multiplying copies of their own report of the speech and availing himself for his own profit the skill, labour, and expense by means of which that report was produced and published. But for the fact that the Court of Appeal thought differently, and one of your Lordships agrees with the learned judges, I should say that there is no answer to this claim.

In my opinion the reporter is the author of his own report. He it was who brought into existence in the form of a writing the piece of letterpress which the respondent has copied. I think that he and he alone composed the report. The materials for his composition were his notes, which were his own property, aided to some extent by his memory and trained judgment. Owing to the perfection which the art of shorthand writing has attained in recent years, memory and judgment bear a less important part in the composition of a report a speech than was formerly the case. But the question whether the composer has copyright in his report does not [552] seem to me to vary inversely with or to depend on his skill in stenography. Nor, as it appears to me, does the fact that the subject-matter of the report had been made public property, or that no originality or literary skill was demanded for the composition of the report have anything to do with the matter. Again, it is said that the lucidity of diction and perfection of expression which characterise the eminent person named render an exact reproduction of his words a comparatively easy and almost mechanical task. But is it argued that the reporter of the hesitating or half-completed utterances of an inferior speaker might have copyright, though the reporter of Lord Rosebery may not? or does the question of copyright in the report depend on the clearness of thought and speech

of the orator? In my opinion the question must be decided on general considerations, and not on any grounds which are personal either to the orator or to the reporter. Copyright has nothing to do with the originality or literary-merits of the author or composer. It may exist in the information given by a street directory: *Kelly v Morris* LR 1 Eq 697; or by a list of deeds of arrangement: *Cate v Devon and Exeter Constitutional Newspaper Co* (1889) 40 Ch D 500; or in a list of advertisements: *Lamb v Evans* [1893] 1 Ch 218. I think those cases right, and the principle on which they proceed directly applicable to the present case. It was of course open to any other reporter to compose his own report of Lord Rosebery's speech, and to any other newspaper or book to publish that report; but it is a sound principle that a man shall not avail himself of another's skill, labour and expense by copying the written product thereof. To quote the language of North J in another case: "For the purposes of their own profit they desire to reap where they have not sown, and to take advantage of the labour and expenditure of the plaintiffs in procuring news for the purpose of saving labour and expense to themselves."

For these reasons I agree with my noble and learned friend in thinking that the judgment of the Court of Appeal should be reversed, and that of North J restored.

Lord James of Hereford: [553] The question, therefore, to be decided is whether there is any copyright in the reports of speeches made in public with the object that they should be published. The determination of this question depends upon the construction to be placed the provisions of the *Copyright Act* of 1842. It may be that the matter published in the columns of a newspaper is a "book" within s 2 of that Act; but the plaintiffs in the suit have to establish that the proprietors of *The Times* are the "authors" of such book within the meaning of s 3 ... The plaintiffs do not claim copyright in the speech itself, but, as stated by Lord Lindley in the Court of Appeal, the report of the speech is something different from and beyond the speech, and the question to be solved is whether this difference represents a "something" of which any one can regarded as the "author" within the meaning of the *Copyright Act*.

Whilst the Act supplies no definition of the word "author," and whilst it may be difficult for any judicial authority to give [554] a positive definition of that word certain considerations controlling the meaning of it seem to be established. A mere copyist of written matter is not an "author" within the Act, but a translator from one language to another would be so. A person to whom words are dictated for the purpose of being written down is not an "author." He is the mere agent or clerk of the person dictating, and requires to possess no art beyond that of knowing how to write. The person dictating takes a share in seeing that the person writing follows the dictation, and makes it his care to give time for the writing to be made. But an "author" may come into existence without producing any original matter of his own. Many instances of the claim to authorship without the production of original matter have been given at the bar. The compilation of a street directory, the reports of proceedings in courts of law, and the tables of the times of running of certain railway trains have been held to bring the producers within the word "author"; and yet in one sense no original matter can be found in such publications. Still there was a something apart from originality on the one hand and mere mechanical transcribing on the other which entitled those who gave these works to the world to be regarded as their authors.

Donoghue v Allied Newspapers Ltd

High Court of Justice, Chancery Division: Farwell J
[1937] 3 All ER 503

Donoghue was interviewed over a period of time by a journalist and a number of articles were subsequently published by *News of the World*. Donoghue sought an injunction, as a joint author and owner of the copyright in the articles, to prevent further publication. The court held that Donoghue was neither the author nor a joint author of the articles because he had supplied only the ideas for the article and there was no copyright in an idea.

Farwell J: [506] The first question that I have to determine is whether the plaintiff is or is not either the sole or the joint owner of the copyright in these articles, that is to say, in the original articles which appeared in the *News of the World*. If Mr Donoghue has no copyright, either as sole owner or as [507] joint owner, in these articles, then of course this action necessarily fails, and it is unnecessary then for me to consider the further question which I shall have to consider if that is not the position, namely, as to the effect of the agreement of 4 April 1931, and whether that agreement amounts to an equitable assignment of Mr Donoghue's copyright to the *News of the World*. It is necessary, in considering whether Mr Donoghue is the owner or part owner of the copyright in this book, to see what it is in which a copyright exists under the Copyright Act 1911. This, at any rate, is clear, and one can start with this beyond all question, that there is no copyright in an idea, or in ideas. A person may have a brilliant idea for a story, or for a picture, or for a play, and one which, so far as he is concerned, appears to be original, but, if he communicates that idea to an author or a playwright or an artist, the production which is the result of the communication of the idea to the author or the artist or the playwright is the copyright of the person who has clothed the idea in a form, whether by means of a picture, a play, or a book, and the owner of the idea has no rights in that product. On the other hand, this, I think, is equally plain, that, if an author employs a shorthand writer to take down a story which the author is composing, word for word, in shorthand, and the shorthandwriter then transcribes it, and the author then has it published, the author and not the shorthandwriter is the owner of the copyright. A mere amanuensis does not, by taking down word for word the language of the author, become in any sense the owner of the copyright. That is the property of the author. I think the explanation of that is this, that that in which the copyright exists is the particular form of language by which is conveyed the information which is to be conveyed. If the idea, however brilliant and however clever it may be, is nothing more than an idea, and is not put into any form of words, or any form of expression such as a picture or a play, then there is no such thing as copyright at all. It is not until it is (if I may put it in that way) reduced into writing, or into some tangible form, that you get any right to copyright at all, and the copyright exists in the particular form of language in which, or, in the case of a picture, in the particular form of the picture by which, the information or the idea is conveyed to those who are intended to read it or to look at it.

In the present case, apart altogether from what one may call merely the embellishments, which were undoubtedly supplied wholly by Mr Felstead, the ideas of all these stories, and, in fact, the stories themselves, were supplied by the plaintiff; but, in my judgment, upon the evidence, it is plain that the particular form of language by which those stories were conveyed was the language of Mr Felstead and not that of the plaintiff. Although many of the stories were told in the form of dialogue, and to some extent Mr Felstead no doubt tried to reproduce

the story as it was told to him by the plaintiff. Nevertheless the particular form of language in which those adventures or stories were conveyed to the public was the language of Mr Felstead, and not the language of Mr [508] Donoghue. *Evans v Hulton (E) & Co Ltd*, is, I think, very near to the present case, and I feel that, if I were to decide in favour of the plaintiff on this first point, I really should be disregarding the decision of Tomlin J, in that case. No doubt it is quite true, as Mr Clark very ably pointed out, that the facts are not on all fours, but, if one looks closely into the circumstances of the case before Tomlin J, I think one is driven to the conclusion that the principles upon which that judgment turns are really the principles which I have to apply in this case. No doubt in that case the person who supplied the information was a foreigner, and no doubt he did not convey the information in a form which would have been at all adaptable to an article in a newspaper, and to that extent it may be that the person who wrote it down and supplied the article had more to do, possibly, than in this present case. But, as it seems to me, the principle upon which Tomlin J, proceeded in that case is the one which I am bound to apply here. What Tomlin J, said at p 56 was this:

One thing is reasonably plain, I think, that probably Mr Zeitun would not himself claim that he was capable of producing in the English tongue a literary work which would find a market. He certainly agrees that he has never attempted to do so, And I should doubt his capacity to do so. The fact that he is the subject-matter of the production in the sense that it is an incident from his life, for which he provided the material, does not seem to me to make him in any sense the joint author with Mr Evans of the manuscript which was in fact written, and, upon the facts which I have stated, I find that he did not take any part in producing the express matter which is the original literary work, the subject-matter of copyright.

What I understand the judge to mean by “the express matter” is that which I have endeavoured to define as the particular form of language in which the information is conveyed, and, although it may be that, in the present case, the plaintiff could give more help to Mr Felstead than Mr Zeitun could give, in *Evans v Hulton (E) & Co Ltd*, to the author of the manuscript, nevertheless, although Mr Donoghue supplied all the substance of the articles, the articles themselves, and the information which was in them, were conveyed in language which was the language of Mr Felstead, and for which Mr Donoghue himself was not responsible.

I come to the conclusion, with some regret, that the plaintiff has failed to show that he is the owner or part owner of the copyright in these articles. The articles in this paper *Guide and Ideas* were published as being the adventures of Steve Donoghue, entitled “My Racing Secrets. By Steve Donoghue,” and no doubt that was because, both in that case and in the earlier case, the persons who are responsible for the papers desired to lead the public to believe that what they were reading was something of which Steve Donoghue himself was the author, and I think it is probable that so describing the articles does have the effect, under the Copyright Act 1911, s 6, of throwing the onus, in a case of this kind, on the defendant company. But, notwithstanding that, it appears to me that I am forced to come to the conclusion—although, as I say, rather unwillingly—that Mr Donoghue was not the author, or even the joint [509] author, of the articles in the *News of the World*. It must necessarily follow that he cannot sustain this action, and that the action fails, accordingly, and must be dismissed with costs.