

## PART I — INTRODUCTION TO COPYRIGHT

### I *Copyright and Intellectual Property*

#### A *Definition*

‘Copyright’ describes a bundle of legal rights that attach to various products of human intellectual endeavour. These rights confer upon their holder a legal entitlement to exclude others from dealing with such products in defined ways — traditionally by copying or distributing them — without permission. Put another way, a copyright is a temporary monopoly granted by the government on the use of an artistic or other expression in a certain way, qualified by the limitation that the monopoly will not prevent another author from independently creating a similar product. ‘Copyright’ thus refers to the set of rights held initially by creators in their works.

Copyright is a form of intellectual property — a class of intangible proprietary rights or *choses in action* that usually arise from human effort or creativity. In most jurisdictions, copyright is statutorily conferred automatically upon the fulfilment of certain subsistence conditions. It subsists for a limited duration and confers far-reaching rights and remedies, subject to certain exceptions. The following sections attempt to particularise this definition, to the extent possible.

#### 1 *‘Intellectual property’*

Those who would be architects of a coherent definition of intellectual property face several obstacles. Chief among these is that not all effort or creativity is protected: for example, copyright will not attach to a work, such as a speech, that has not been reduced to a material form, even though it may be highly creative or the product of extensive labour. Similarly, that which is protected is not always the product of labour: copyright may subsist in sound recordings, transcriptions, output of computer programs, and other automatic processes involving little or no creativity. Rough jottings or notes are the subject of copyright to the same extent as a masterpiece of composition or painting, despite involving comparatively little effort.

In short, the subject matter protected by copyright and other forms of intellectual property is so diverse as to defy precise articulation. It seems impossible to identify any correlation between effort, creativity, economic or cultural value and the corresponding extent, if any, of copyright protection — especially since copyright, once it subsists, has the same content for all works within a given category of protected subject matter.

#### 2 *In search of the intellectual property ‘metanarrative’*

The absence of any overarching navigational chart to the troubled waters of intellectual property is troubling but explicable. It may at least partly be explained by the unprincipled and circuitous history of the various intellectual property regimes known to Western law. Patent, copyright, trade mark and design law developed independently, in different socio-political contexts, and in response to different commercial and technological conditions. Thus, copyright developed alongside the printing press in enlightenment Europe; patents rose to prominence following the industrial revolution and the birth of the modern commerce; trade secrets were protected as incidents of ancient equitable jurisdictions; trade marks and designs the product of modern commercial practices. For this reason, to treat the various regimes as collectively creating a body of law called ‘intellectual property’ would be to suggest a level of order and foresight that idealises the chaos of their *ad hoc* development.

From about the nineteenth century onwards, it became fashionable to draw a distinction between *intellectual property* and *industrial property*. Intellectual property, it was said, protected the results of intellectual labour: literary and artistic works, for example. Industrial property, on the other hand, comprised patents, trade marks, trade secrets and other intangible property of commercial (but not artistic) significance. Clearly, there is considerable overlap between these two categories, and the distinction does not appear to be overly helpful. Modern scholars treat the two categories under the single heading of *intellectual property*.

However, the label *intellectual property* is inadequate as it fails to delimit the boundaries of legal protection afforded to original expressions. It is both too encompassing and too limited. Its value as an overarching description of the field of copyright, patent, trade mark, design and related rights must therefore be questioned. In the sections that follow, the author will endeavour to refer to the regimes themselves, rather than resort to transcendent nonsense and unhelpfully ethereal terminology. However, to a certain extent, one finds the broad label readily employed in preference to the specific for sake of descriptive convenience.

## B Relationship to Property Rights

### 1 Theoretical foundation

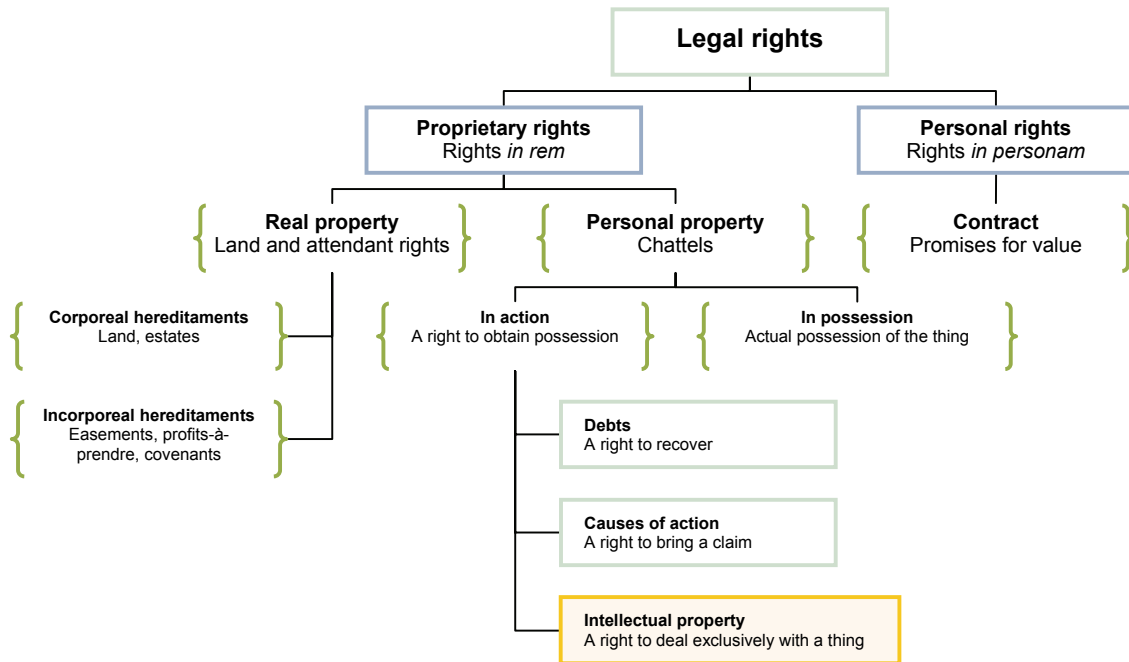
Modern property rights are defined by reference to the notion of excludability. To be property, it is said, a thing must be physically excludable (that is, literally capable of exclusion), legally excludable (that is, the subject of legal protection through remedies), and morally excludable (that is, legitimately able to be appropriated from the commons).

The objects of intellectual property are *a priori* none of these things. Others can be excluded from neither an idea nor its expression. One need only look to the uncontrollable spread of information in electronic contexts to see that this is true. Intangible things cannot be possessed, seen or touched. Further, in the absence of specific statutory regimes, much of what we accept to be intellectual property lacks remedies to protect and enforce its component rights. To the extent such protection does exist, it is unhelpfully circular to point to this as evidence of property. Finally, there are strong arguments against the protection of abstract expressions in a manner that would undermine society's freedom to use language, creativity and thought.

Intellectual property, then, finds *sui generis* protection under the various regimes enacted by domestic Parliaments. The answer must be, somewhat uselessly, that intellectual property is property because it is recognised by law as such. In other words, legal excludability is afforded by way of specific legislation, notwithstanding the inapplicability of physical exclusion and arguments against moral exclusion. The reader is forgiven if such an explanation is thought more suited to a Lewis Carroll novel than to conceptualising one of the most socially and commercially significant legal regimes of the modern era.

### 2 Position in the taxonomy of proprietary rights

Despite these shaky theoretical foundations, however, intellectual property rights are unambiguously proprietary. They fit within the conventional property taxonomy as *choses in action*, a form of intangible personal property.



The field of property law in which intellectual property rights arise is *personal property*. Within the branch of personal property, all things are said to be either *in possession* or *in action*:

All personal things are either in possession or in action. The law knows no *tertium quid* between the two.<sup>1</sup>

Things in possession are invariably physical. However, intellectual property rights cannot be possessed in this manner; indeed, the physical metaphor of possession is completely inapplicable. For this reason, we concern ourselves with things in action, or *choses in action*.

Essentially, a chose of action is a right to obtain possession of some property. Thus, the right to recover a debt, the right to obtain damages, and the right to pursue a cause of action *ex contractu* or in tort are all examples of choses in action. Common to these examples is that the *chose in action* enables the vindication of some ancillary right vested in a person (as a creditor, plaintiff or wronged person to whom a duty in tort is owed). Blackstone described a chose in action as:

Property in chattals personal may be either *in possession*, where a man hath not only the right to enjoy but hath the actual enjoyment of the thing, or else it is *in action*: where a man hath a bare right without any occupation or enjoyment.

Property *in action* or such where a man hath not the occupation but merely a bare right to occupy the thing in question: the possession whereof may, however, be recovered by a suit or action at law from whence the thing so recoverable is called a thing or *chose in action*. Thus money due on a bond is a *chose in action* ... but there is no possession till recovered by course of law. If a man promises or covenants with me to do any act, and fails in it, whereby I suffer damage, the recompense for this damage is a *chose in action*, for though a right to some recompense vests in me at the time of the damage done, yet what and how large such recompense shall be can only be ascertained by verdict ...<sup>2</sup>

<sup>1</sup> *Colonial Bank v Whinney* (1885) 30 Ch D 261, 285 (Fry LJ).

<sup>2</sup> William Blackstone, *Commentaries*, vol 3, ch 25.

Rastell would agree that the essence of a chose in action is a right to recover possession of property, as evidenced by the entry in his 1527 legal dictionary:

Things in action is when a man hath cause or may bring an action for some duty due to him, as an action of debt upon an obligation, annuity, or rent, action of covenant or ward, trespasse of goods taken away, beating or such like: and because they are things whereof a man is not possessed, but for recovery of them is driven to his action, they are called things in action.<sup>3</sup>

A slightly more recent definition is provided by Joshua Williams, who emphasises that the nature of the right is to recover things of which the vested party is wrongfully denied possession:

The term *choses in action* appears to have been applied to things, to recover or realize which, if wrongfully withheld, an action must have been brought: things, in respect of which a man had no actual possession or enjoyment but a mere right enforceable by action. The more important things recoverable by action only were money due from another, the benefit of a contract, and compensation for a wrong or damages: and these have always been the most prominent choses in action, though not the only things included in the term.<sup>4</sup>

The chose in action is an example of an incorporeal right — the personal analogue of the incorporeal hereditament. Such rights have been recognised since the middle ages, with Bracton noting in the thirteenth century:

*Incorporales vero res sunt, quae tangi non possunt, qualia sunt ea, quae in jure consistunt sicut haereditas, usus fructus, advocaciones ecclesiarum, obligationes, et actiones, et huius modi.*<sup>5</sup>

Bracton's inscrutable Latin translates roughly to, 'Incorporeal things in fact are things you can't touch, of such sort are they, which exist in the contemplation of law such as hereditaments, usufructs, advowsons, obligations, actions and things of that sort.'<sup>6</sup> This statement suggests that *choses in action* are a kind of *action*, in turn a kind of incorporeal thing.

The process by which copyright, patent and related rights can to be regarded as *choses in action* is disappointingly unprincipled. Because copyright, patent and other forms of intellectual property rights came to develop during the eighteenth century, they were treated as intangible rights not relating to land, and therefore as *choses in action*:

It is clear, however, that there was a tendency in the sixteenth century to regard any intangible right which was not clearly an incorporeal hereditament, and any non-assignable right, even though it was only temporarily non-assignable, as a chose in action. It seems to me that it was due partly to this tendency that such incorporeal property as patents and copyrights came in the eighteenth century to be classed as choses in action. Probably if these forms of property had arisen at an earlier stage in the history of the law they would have been regarded as franchises, and therefore as incorporeal hereditaments.<sup>7</sup>

Since its very inception, then, the development of copyright has proceeded in an *ad hoc* and unprincipled fashion. Its theoretical foundation remains confused; the rightfulness of its proprietary status is at least open to question; and its position in the property taxonomy a result of historical convenience rather than principled analysis. One would hope that this might be contrasted with modern statutory and treaty-based approaches, which create apparently self-

<sup>3</sup> Rastell, *Termes de la Ley* (1721 ed).

<sup>4</sup> Joshua Williams, *Personal Property* (1891) 9.

<sup>5</sup> Henrici de Bracton, *Bracton De Legibus et Consuetudinibus Angliae (Bracton on the Laws and Customs of England)* (1569 ed) fol 10b.

<sup>6</sup> George Woodbine (ed), *De Legibus et Consuetudinibus Angliae* (Samuel Thome trans, 1977) 208.

<sup>7</sup> W S Holdsworth, 'History of the Treatment of Choses in Action by the Common Law' (1919) 33 *Harvard Law Review* 997, 1001.

contained copyright regimes. Unfortunately, however, such regimes continue to find themselves the product of — if not historical or analytical convenience — political and other imperatives.

The need to go beyond descriptive *explanations* of copyright in search of a coherent *justification* and rationale suggests one possible avenue of further research; namely, the production of an integrated theory of intellectual property.

## C Historical Development

### 1 On the omnirelevance of history

Modern legislative enactments impose highly specific requirements for the subsistence and enforcement of copyright. To this extent, historical perspectives are of only limited utility in learning about the substantive elements of copyright law. However, given that much of the vocabulary and conceptual structure of modern copyright law evolved out of English decisions and cultural industries, there is significant value in a study of these developments, if only that a sense of historical perspective might be brought to bear upon the oft misconstrued and frequently exaggerated controversies of the present era.

### 2 Fifteenth to seventeenth centuries: copyright and the printing press

Between 1485 and 1603, the Tudors ruled England. During their reign, they established, among other things, a system of print press licensing; this system was designed to regulate the novel phenomenon of the private printing press. Presses were increasingly common, though still beyond the reach of all but institutional publishers. The Crown regulated such publishers by means of the licensing system; it would grant licences or 'patents' that authorised individuals to print or import books.<sup>8</sup> In lieu of the Crown, the Stationers' Company was given authority to grant and revoke these licences, effectively conferring a monopoly on the print and sale of books. In return, the Stationers' Company was required to carry out a censorship role, destroying unlicensed presses and any heretical literature or libels. The Court of Star Chamber enforced the licenses and prosecuted unauthorised or seditious stationers as an exercise of its criminal jurisdiction over treason, sedition and heresy.<sup>9</sup>

In effect, the Stationers' licensing system was similar to modern broadcasting regulation today: a limited oligopoly was afforded to a small number of printers (ie, broadcasters) in exchange for complying with and enforcing government content standards. The grant of print licenses and 'patents' conferred exclusive rights to print and sell the subject books, but here the similarities with modern copyright end; licenses could be granted in respect of new as well as old works, and were not founded on any notions of originality or authorship. The right to print and sell books was in effect a right conferred in exchange for private censorship, leading Kaplan to describe copyright as 'ha[ving] the look of being gradually secreted in the interstices of the censorship.'<sup>10</sup>

By the mid-seventeenth century, however, the Tudor licensing system had become unfeasible. Two factors led to its eventual disbandment. First, technological advancement had made the printing press inexpensive and widespread, increasing the number of 'irregular' presses beyond the control of the Stationers' Company and undermining their oligopoly and censorship. Second, the abolition of the Court of Star Chamber removed the only means of enforcing the licenses. For this reason, the Tudor licensing system was abolished in 1641.

<sup>8</sup> Benjamin Kaplan, *An Unhurried View of Copyright* (1967) 4.

<sup>9</sup> Rocque Reynolds and Natalie Stoianoff, *Intellectual Property: Text and Essential Cases* (2<sup>nd</sup> ed, 2005) 6.

<sup>10</sup> Kaplan, above n 8, 4.

Some 65 years would pass before a replacement system of print copy regulation was introduced.

### 3 *Eighteenth century: the Statute of Anne*

In 1709, the *Statute of Anne 1709* (UK) ('*Statute of Anne*') was enacted. This Act vested the right to print or reprint a book initially in its author. Such a right could then be dealt with by the author, as by selling or licensing it to publishers. For this reason, the Act is often treated as the grandfather (or grandmother) of modern copyright.

Historians argue that the *Statute of Anne* can be viewed in three ways:

- **Print oligopoly in disguise**  
By permitting dealing with authors' copyright, the Act operated to protect the economic interests of publishers, returning to them the Stationers' monopoly in a different guise, namely copyright — the primary difference was that the licence was issued by authors rather than the Crown;
- **Authorial romanticism**  
The Act recognised that many authors were no longer supported by the patronage system, and that it was necessary to provide an economic incentive for authors to write useful books; or
- **Liberation of private industry**  
Whereas printing was once publicly regulated by the Crown, the Act now permits private copying, continuing the Enlightenment trend towards private industry.

I suspect a combination of these three aims underpinned the statute. Certainly, its preamble suggests that the interests of both authors and publishers were being considered, and that the balance of economic power was intended to be shifted strongly in favour of authors:

#### ***Statute of Anne 1709* (UK) Preamble:**

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 ...;

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 of 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.

There are several elements of interest in the *Statute of Anne*. First, there is considerable emphasis placed on the conduct of publishers being detrimental to authors. The established practice of publishing or printing books without authorial consent is ‘to [authors’] very great detriment’. It is ‘too often to the ruin of them and their families’. The Act is expressed as being ‘for preventing therefore such practices for the future’, suggesting that at least one purpose of the Act is to confer rights upon authors to protect their creations from entrepreneurial third parties who would seek to misappropriate their creations without reciprocal reward.

Second, the Preamble recognises the need for ‘learned men’ to be ‘encourag[ed]’ to ‘write useful books’. The vesting of copies of a book in their author is said to provide the necessary encouragement. This is possibly the first example of explicit acknowledgement by a legislature of the importance of providing an economic incentive to create works of cultural or productive value. The Act therefore seems directed at providing the necessary legal rights to ensure that such works continue to be produced.

Third, the nature of the rights vested in authors is proprietary: they are expressed as attaching both to the author of any existing work and to authors of future works, as well as the ‘assignee or assigns’ of such authors. That, combined with the recognition that there are authors ‘who hath ... transferred ... the copy or copies of such book or books’, suggests that the form of copyright thereby created is devisable, assignable and alienable — three hallmarks of a property right.

Finally, it is interesting to note that the terms of protection were comparatively short: twenty one years ‘and no longer’ in the case of works already published at the time of enactment, ‘fourteen years ... and no longer’ in the case of then unpublished works. There are clear upper limits on the term of copy protection, an interesting feature when compared to the modern trend towards perpetual extension of copyright terms. Also interesting is the fact that the period of protection is measured from the date of publication — an indicium that continues to be used in modern copyright legislation today.

#### 4 *Eighteenth and nineteenth centuries: the great question of literary property*

Following enactment of the *Statute of Anne*, a debate arose — largely of historical significance but noteworthy for its elucidation of the development of copyright — as to the Act’s effect on so-called ‘common law copyright’. The ‘great question of literary property’ refers to whether there is a perpetual common law right of property in manuscripts and other literary works that is independent of the *Statute of Anne*.

Three English cases considered this issue, which usually arose when an author claimed some ancillary copyright in a work after the expiration of the statutory period. The first, *Millar v Taylor* (1769), held that copyright does indeed persist as a separate common law right.

#### ***Millar v Taylor* (1769) UK KB:**

##### Facts

- James Thomson authors a book of poetry entitled *The Seasons*
- Copyright in the book is held by Millar, until the statutory period of protection provided by the *Statute of Anne* lapses in 1757

- After statutory copyright protection has expired, Taylor prints and offers for sale 1000 copies of the book
- Millar sues Taylor for lost profits occasioned by the unauthorised printing and sale

#### Issue

- Was there ever such a thing as ‘common law copyright’?
- If so, has it been abrogated by the *Statute of Anne* such as to exhaust Millar’s rights after the statutory period of protection?

#### Reasoning

- Willes J:
  - Yes, there is common law copyright, and no, it was not abrogated in 1709
  - Lockean arguments about ‘the supposed modes of acquiring the property of acorns, or a vacant piece of land in an imaginary state of nature’ are ‘too metaphysical’ and ‘subtile’ and ‘remote’ to be legally persuasive
  - Natural justice demands that common law copyright subsists
    - There needs to be encouragement to produce literary works
    - An author should be entitled to the ‘fruits of his own labour’
    - The public good is served by authors being able to feed themselves and their families
    - Perpetual copyright is unlikely to affect greatly the price of books
  - In the past, Courts of Equity have granted relief for breach of copyright notwithstanding non-compliance with formalities required by the *Statute of Anne*
    - This suggests that an independent basis for copyright exists
    - [However, this reasoning also arguably fuses common law and equitable traditions]
  
- Ashton J:
  - Philosophical arguments about property ownership are inappropriate tools to develop the common law
  - They ‘lose sight of the present state of the world; and end their enquiries where they should begin’
  - Property rights depend neither upon utility nor philosophy
  - To be property, a thing must simply have a ‘distinguishable existence’ (*indicium certa*) and ‘actual value’ to its owner
  - Copyright in *The Seasons* meets these criteria:
    - ‘[221] 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.’
    - ‘The best rule, both of reason and justice seems to be, “to assign to everything capable of ownership, a legal and determinate owner”.’
    - See (1769) 98 ER 201, 221–2 (Ashton J)
  - [Interestingly, this analysis seems to recognise the distinction between idea and expression: only once ‘the sentiments’ of an author are set to paper and communicated by printing can property subsist in the corporeal subject]
  
- Mansfield LJ:
  - There is such a thing as common law copyright
  - That this is so is evidenced by the practices of equity judges, as well as the



moral rights of authors, identified by John Milton:

- '[252] 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 is disapproves, repents and is ashamed of.'
  - [Interestingly, the notion of moral rights would not feature prominently in copyright jurisprudence until centuries later, despite its enthusiastic exposition in *Millar v Taylor*]
  - [This message also contains one of the first uses of the transitive verb 'pirate' in the context of copyright materials: the act of piracy is to copy or misappropriate the author's property without permission]
- Yates J (dissenting):
    - '[233] nothing can be an object of property which is not capable of sole and exclusive enjoyment'
    - An author is entitled to the 'fruits of his labour', but we 'must not expect these fruits to be eternal'
    - Authors should be treated like inventors; their rights of property in their creations derives from the legislature rather than the common law
    - Practices of the Courts of Equity are irrelevant, and should not determine the common law — especially when the equitable jurisdiction sought to be applied is criminal, and the common law civil
    - Thus, charter powers of the Stationers' Company do not go towards establishing a common law right of property in copies

#### Decision (3:1)

- Majority: common law copyright subsists independently of the *Statute of Anne*; Millar is therefore entitled to succeed against Taylor, the latter having copied without permission
- Minority: copyright protection is not eternal, but rather limited by the *Statute of Anne*

The House of Lords had cause to reconsider the issue when in 1774 *Donaldson v Beckett* came before the House. Their Lordships held that although common law copyright had existed up until 1710, it was statutorily abrogated when the *Statute of Anne* then came into effect.

### ***Donaldson v Becket (1774) HL:***

#### Facts

- James Thomson is again the author of the books that form the subject of the dispute
- In 1757, the statutory copyright period expires
- In 1768, Donaldson prints and publishes copies of the works
- In 1769, Millar (of *Millar v Taylor* fame) sells Becket what is purported to be a right to print the works of Thomson
- Learning of the decision in *Millar v Taylor*, Becket seeks an injunction to prevent Donaldson from publishing further copies in contravention of the right Becket acquired
- The Court of Chancery grants the injunction; Donaldson appeals to the House of Lords, arguing that Becket would need to shew 'title paramount to the statute' in order to have his injunction

Issue

- Does a common law copyright subsist in the works of Thomson, such that it was capable of being assigned to Becket by Millar?

Decision

- (8:3) Yes, a common law copyright can exist in the published works
- (6:5) However, this copyright was abrogated by the *Statute of Anne*
- The decree of Chancery is reversed

*Donaldson v Becket* was decided by advisory opinion of the twelve common law judges, to whose Lordships the matter was referred by the House. The matter was determined finally by the House of Lords in 1854: no common law copyright survives the *Statute of Anne*.

***Jefferys v Boosey (1854) HL:***Facts

- Vincenzo Bellini authors an opera entitled *La Sonnambula (The Sleepwalker)*, an *opera semiseria* in two acts scored to an Italian libretto by Felice Romani
- It is first performed at the Teatro Carcano in Milan on 6 March 1831 (to critical acclaim)
- While in Milan, Bellini assigns his rights in the opera to a Giovanni Ricordi
- Ricordi subsequently assigns the rights to Jefferys, who publishes the opera in London
- Jefferys discovers that Boosey is publishing an unauthorised edition, and sues
- Boosey argues that no copyright subsists in the opera in England, it either having expired or been limited to the Italian jurisdiction

Issue

- Does copyright subsist in *La Sonnambula* by virtue of statute or common law, if at all?
- If it does, has that copyright been validly assigned to Jefferys?

Reasoning

- Regardless of whether common law copyright once existed, copyright is now undeniably a 'creature of statute'
- Therefore, in determining whether copyright subsists in *La Sonnambula*, primary regard must be had for legislation conferring copyright; specifically, the *Statute of Anne*
- The Act does not vest copyright in works created overseas by an overseas citizen

Decision

- Therefore, no copyright was capable of assignment to Jefferys, and Boosey infringed nothing

5 *Eighteenth and nineteenth centuries: expansion*

Once it had been agreed that copyright was purely a 'creature of statute', the English Parliament lost no time in supplementing its ever-growing scope with new rights and categories of subject matter in which copyright could subsist.

Some representative examples follow:

- 1734: Parliament introduced the *Engraving Copyright Act 1734* (8 Geo II c 13), which provided for copyright in engravings as works;
- 1777: Parliament introduced the *Print Copyright Act 1777* (17 Geo III c 71), which further expanded rights in printed copies of literary works and published editions
- 1798: Parliament enacted the *Sculpture Copyright Act 1798* (38 Geo III c 71), which provided for copyright in sculptures as artistic works;
- 1833: *Dramatic Copyright Act 1833* (3–4 Will IV c 15) created performance rights;
- 1835: *Lectures Copyright Act* (5–6 Will IV c 65) provided for copyright in public lectures and addresses;
- 1842: *Copyright Act 1842* (5–6 Vict c 45) created performance rights in musical works;
- 1862: *Fine Arts Copyright Act 1862* (25–6 Vict c 68) expanded copyright to encompass paintings, drawings and photographs as artistic works.

Clearly, this period of copyright history was marked by rapid expansion and piecemeal development. The disparate array of legislative implements was the subject of fervent criticism by law reform bodies.<sup>11</sup>

## 6 Twentieth century: consolidation

Consolidation of these regimes began with the conclusion of the *International Convention for the Protection of Literary and Artistic Works* (Opened for signature 9 September 1886) ('*Berne Convention*'). The *Berne Convention* was the first international agreement to deal with intellectual property rights and prescribe minimum standards of copyright protection.

To meet its obligations under the *Berne Convention*, the United Kingdom enacted the *Copyright Act 1911* (UK), which repealed the preceding *Copyright Acts* and created a unified regime to protect literary, dramatic, musical and artistic works; sound recordings; cinematograph films; architectural works; and choreograph works. It also removed the formality requirements imposed by previous Acts; copyright protection was now automatic, and encompassed defined exclusive rights. Other jurisdictions soon followed suit, and the various domestic regimes have since continued to evolve in parallel with relevant international agreements, technology and commerce.

### D Competing Policy Objectives

Intellectual property law raises uniquely complex policy considerations. To develop a fair and successful regime requires balancing the rights of many stakeholders: these include established actors, architects, artists, authors, photographers, playwrights, programmers, sculptors, writers (collectively, 'authors'), their publishers and distributors; independent or upcoming authors, as well as other productive consumers of intellectual property; end users of intellectual property; indexers of intellectual property, such as libraries, research institutions and search engines; creators of technology facilitating dealings with intellectual property; broadcasters; scientists and researchers; government departments; and international treaty signatories — to name but a few.

Their interests are often in conflict, rendering true balance impossible, and making a workable balance difficult to attain. Indeed, such interests are often diametrically opposed. For example, consumers benefit from weaker copyright protection, whereas artists and publishers are advantaged by it. Consequently, 'balancing' is very often a euphemism for 'not angering anyone enough to cause a political controversy'. The result, of course, is very often ambiguous drafting, legislative silence on crucial issues, and regular amendments by governments of the day.

<sup>11</sup> See, eg, Board of Trade, *Report of the Committee on the Law of Copyright* (1909).

Perhaps with the exception of criminal law, no other field of law has such an impact at all levels of society as intellectual property — and, in particular, copyright. Intellectual property is also influenced more than any other legal field by technology and neologistic practices. It is also increasingly influenced by international law and politics. Whereas, for example, criminal law might warrant extension into digital contexts and be indirectly informed by international developments, such developments would not be cause for its wholesale reinvention — not so with copyright. Whereas the law of real property may affect many commercial transactions, it arises in confined and unchanging circumstances (namely, transactions involving land), and has a clear policy foundation. Arguably, it is not so with copyright. For this reasons, it is crucial that the balancing process be founded on — and hopefully guided by — a defensible theoretical rationale.

Throughout the course of copyright history, scholars have consistently offered one of two justifications for its existence. Burrows has described these as the ‘justice’ and ‘efficiency’ arguments. Adopting this terminology, these arguments are now dealt with in turn. Following this exposition, an attempt is made to elucidate and explain the fundamental tensions that continue to shape modern copyright law.

### 1 *Enlightenment objective: natural justice*

The first copyrights were founded on the notion that authors are entitled to the products of their labour, skill and investment. Copyright was thus an embodiment of the claim that law should protect the rights of authors. Copyright, it is said, protects both pecuniary rights — such as a right to receive remuneration for use of an author’s work — and non-pecuniary (moral) rights — such as the rights of attribution and integrity, and the right to keep a work from the public domain.

The need for legal protection of these rights is said to lie in the nature of works of authorship. Such works are ‘partially non-excludable’, meaning that, once disclosed, their duplication cannot easily be prevented. Without the aid of law, an author would be largely powerless to stop third parties from unfairly competing by producing copies of the original. Such competition would be unfair because the competitors would not have to bear the marginal cost of creating the original work, and could thereby undercut the cost of the original.

Once we accept the need for some form of copyright protection, however, this rationale is, as Burrows notes, of little assistance. It simply restates the truism that authors should receive protection:

there is an important ambiguity in the proposition that an author deserves the fruits of his endeavours, because the financial returns to the sale of books, paintings and so on depends crucially on the nature of the market in which they are sold, in particular on whether or not the market is competitive. The question is, therefore, not so much whether the author should have a right to some financial return to his efforts as whether he should have a right to any particular level of remuneration. At this point desert theory tends to desert us by failing to come up with a categorical answer.<sup>12</sup>

In essence, this criticism suggests that natural justice provides the starting point — but not the answer — for the development of a copyright regime. Authors of cultural goods must be protected from unfair competition in a free market by the conferral of qualified legal monopolies with respect to those goods. However, that protection cannot be absolute, lest it be unjust to other authors and to society. It must be a limited monopoly: whether in time or in exclusivity.

<sup>12</sup> Paul Burrows, ‘Justice, Efficiency and Copyright in Cultural Goods’ in Peacock and Rizzo (eds) *Cultural Economics and Cultural Policies* (1994) 99, 101.

One early embodiment of the justice argument is found in *Millar v Taylor*. In that case, Willes J noted that natural justice ‘demands’ that common law copyright subsist, because an author should be entitled to the ‘fruits of his own labour’. The notion that an author’s labour creates rights in its results was echoed by Mansfield LJ, who viewed authors’ moral rights as of primary importance. Even Yates J agreed that authors should have property in the fruits of their labour, though his Honour concluded that we ‘must not expect these fruits to be eternal’. In this sense, the difference in outcome between the majority and minority reflects the difference between an absolutist natural justice position and a qualified one. Whereas the majority would see common law copyright as eternal and inherent, Yates J recognises the importance of qualifying the monopoly. (Just what the precise extent of that qualification is, however, remains to be seen.)

By contrast, the *Statute of Anne* emphasised that natural justice is qualified by the exigencies of economic efficiency. In seeking to deprive authors of what previously would have been a perpetual common law copyright, and by enacting in its place a system of time-limited copyright, the Act may be said to promote efficiency at the expense of natural justice. It did so by providing only the necessary incentives to produce works of cultural value, and by creating a market in older works. Although the Act also evidenced concern for the livelihood of authors and for their protection from unfair competition in the short-term, the primary aim appears to have been economic: natural rights were qualified to ensure the retention of sufficient incentives to create. Certainly, this has been the trend since that time.

## 2 Contemporary objective: economic incentive

The efficiency argument states that copyright law can enhance the production and dissemination of cultural goods, thereby increasing social welfare.<sup>13</sup> There are two competing effects caused by instituting a system of copyright:

- (i) **Increased production**  
Production of cultural original goods will increase, since authors will have an incentive to create them; but
- (ii) **Underutilisation**  
Consumption of those cultural goods will decrease, since they will be priced higher than their marginal cost of production.<sup>14</sup>

The tension is between increasing production of cultural goods and maintaining their utilisation by society.

Increased production tends to result from a system of copyright, though clearly not all authors respond to financial incentives. Providing an economic incentive is especially important where the production of cultural goods is expensive (as in the case of television shows or films) and copying — in the absence of protection — is cheap and incapable of being policed. Such an incentive may also be important where the size of the market for a cultural good is such that it takes some time for the author to recoup the marginal cost, as Breyer notes.<sup>15</sup>

Critics of the economic justification note that incentives are rarely necessary to spur creation of cultural products.

---

<sup>13</sup> Ibid 101.

<sup>14</sup> Ibid 102.

<sup>15</sup> See Stephen Breyer, ‘The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs’ (1970) 84 *Harvard Law Review* 281.

However, underutilisation is the obvious result where, because of copyright protection, the price of such goods is inefficiently high. In the case of individual products, this inefficiency is an inevitable by-product of conferring a monopoly right to sell the cultural good: a single supplier can determine its price. In the case of multiple competing products, it may also be the result of a publisher accumulating a large portfolio of copyrights, thereby minimising competition between those products.

According to the efficiency rationale, copyright law should optimise the scope of the monopoly conferred in order to balance the favourable production effect against the unfavourable underutilisation effect.<sup>16</sup> That is, copyright law should be designed so as to optimise the supply and stimulate demand for cultural goods.<sup>17</sup> Reduced to its essence, this involves a compromise between the interests of authors (and their agents) and the interests of their audiences. Again, the efficiency argument offers little assistance in pursuing this objective.

### 3 *The paradox of intellectual property*

The justice and efficiency arguments are compatible to the extent that they require authors to receive protection. The former rationale claims this is to ensure a just reward for their labour; the latter to ensure an incentive exists to create culturally valuable things. However, the efficiency argument also realises the need for an upper limit on this protection, lest the conferral of monopoly rights interfere with the use and consumption of those valuable things by pricing them inefficiently high.

The paradox of intellectual property is this: for there to exist an incentive to create cultural goods, they must be the subject of a property right. However, once created, the marginal cost of consumption and duplication are insignificant. Why, then, should an audience be denied that consumption, given that the work exists? Thus, the creation of works requires the presence of opportunities to distribute above marginal cost, yet efficient distribution requires authors to give their works away at marginal cost (ie, without payment), since it is suboptimal for their audience to be denied access to the good.

### 4 *Australian copyright law*

Parliament is vested with power to legislate for the peace, order and governance of the nation. Unlike the courts, Parliament's composition and manner of election suggests that it should concern itself with the social good rather than with justice in individual cases. As intellectual property has become increasingly valuable, corresponding legislation has been enacted to regulate it; the focus of this legislation has shifted from individual objectives (such as natural justice) toward broader, social ends (such as efficiency and balance).

These ends recently found expression in legislation to amend the *Copyright Act 1968* (Cth):

#### ***Copyright Amendment (Digital Agenda) Act 2000* (Cth) s 3:**

The object of this act is to amend the *Copyright Act 1968* so as to:

- (a) ensure the efficient operation of relevant industries in the online environment by:

<sup>16</sup> Burrows, above n 12, 102.

<sup>17</sup> Ibid 104.



- (i) promoting the creation of copyright material and the exploitation of new online technologies by allowing financial rewards for creators and investors; ...
  - (ii) providing a practical enforcement regime for copyright owners; and
  - (iii) promoting access to copyright material online; ...
- (b) promote certainty for communication and information technology industries that are investing in and providing online access to copyright material; ...
- (c) provide reasonable access and certainty for end users of copyright material online; ...
- (d) ensure that cultural and educational institutions can access, and promote access to, copyright material ... having regard to the benefits of public access ... and the provision of adequate remuneration to creators and investors;
- (e) ensure that the relevant global technical standards which form the basis of new ... technologies, such as the Internet, are not jeopardised.

Broadly, the act recognises the competing imperatives of promoting the creation of cultural goods and of promoting access to those works. It also recognises the need for certainty of certain industries (especially those dealing with new technology) and end users, and the desirability of maintaining access to copyright materials through cultural and educational institutions, such as libraries and universities.

## E Copyright Reform

### 1 Tidal forces

The arena of copyright reform is dominated by grim spectres and rabid ideologues. Content producers (and their highly-paid lobbyists) conjure up visions of a marketplace overtaken by pirates and free-riders, warning that cultural works will dry up as advances in technology make it increasingly unfeasible to remunerate content creators. They use this and other arguments to argue for an expansion of the scope and duration of exclusive rights afforded to copyright owners, and for protection to be extended to ancillary mechanisms, such as digital locks and market segregation devices.

On the other side of the copyright divide, self-styled 'copy-fighters' point with increasing fervency to the erosion of consumer rights occasioned by recent expansions of copyright, the importance of the public domain for new artists, and the need for changing standards and rules as new technologies emerge. Theirs is an argument for balance and circumspection. However, proponents of balanced reform lack consensus; their arguments range from the outright abolition of copyright law to reliance upon purely technological norms of protection. Partly for this reason, the copyfight movement has hitherto proven largely unsuccessful in attracting the attention of legislators or the public.

Ultimately, however, copyright reform is governed by apathy. Situated between these two extremes — commercial entrepreneurialism and irreverent activism — most people (and, therefore, politicians) evince little concern for the future direction of copyright law. Fundamental reforms are tacked onto free trade agreements without debate; copyright legislation is the product of piecemeal and supposedly interim amendments; despite improvements in domestic consultation processes, the reform agenda often remains dictated by the loudest voice.

Regardless of the content or direction of such reforms, the fact that they are adopted without adequate consideration or public comment is cause for concern. It is in this legislative environment that reforms to Australian copyright law must be considered.

## 2 Competition review

It was in this context that the Intellectual Property and Competition Review Committee conducted its *Review of Intellectual Property Laws under the Competition Principles Agreement* ('the Report').<sup>18</sup> The Report was the product of research into the effects of Australia's various intellectual property regimes upon competition in affected marketplaces.

An eloquent summary of the modern rationale behind intellectual property is given in the Report's introductory chapter:

The creation of intellectual property involves intellectual effort and can entail substantial resource outlays. Private producers will not have an incentive to make these outlays unless they receive an appropriate return.

This is only attainable if producers can appropriate at least some of the value that users place on the outputs of the creative process. However, the characteristics of intellectual property mean that in many instances the results of investment in creative effort can be reproduced at little or no cost.

Put slightly differently, without a system of intellectual property rights it is difficult to prevent 'free riding' by those who did not contribute to the original investment. ... Under these circumstances, economic incentives for intellectual property investment would likely be deficient, leading to under-investment in creative effort. ...

Intellectual property laws must therefore involve some balance between the incentives to invest in creative effort and the incentives for disseminating material that is the subject of intellectual property protection. This balance turns on determining the appropriate scope of protection, in terms of the conditions under which protection is granted, the scope and effectiveness of the exclusive privileges provided by protection, and the duration of the protection given.

Balancing between providing incentives to invest in innovation on one hand, and for efficient diffusion of innovation on the other, is a central, and perhaps the crucial, element in the design of intellectual property laws. In the Committee's view, it is essential that the terms of this balance be clearly set out in the intellectual property laws themselves, so that rights owners and users can be certain about the scope and content of the grants being made.<sup>19</sup>

The Committee also described the interaction between intellectual property and competition laws, which as it rightly noted exist in tension:

there is a cost to granting intellectual property rights. While conferring intellectual property rights encourages investment in creative effort, it can allow the owners of the results of this effort to unduly restrict the diffusion and use of these results. ... As a result, the consumption of the existing output of investment in creative effort falls below that which, in the short term, would maximise social income.

Additionally, while most intellectual property rights do not confer monopoly power, some do, and when this occurs, the owner of these rights could further restrict diffusion below the level that maximises society's gain from the stock of knowledge. ...

[T]he rights granted by the intellectual property laws can be used for anti-competitive ends. This occurs when the rights are used to claim for the creator not merely a share of the efficiency gains

<sup>18</sup> Intellectual Property and Competition Review Committee, *Review of Intellectual Property Legislation under the Competition Principles Agreement* (2000) <<http://www.ipcr.gov.au/IPAustralia.pdf>>.

<sup>19</sup> Ibid 6.

society obtains from the creation, but also supernormal profits that arise from market power unrelated to the creation.

That is, in addition to the income from the improved efficiency of the creation, the owner of the intellectual property right secures extra profits means that ultimately reduce social output — for example, by using intellectual property licenses to effect a horizontal price-fixing agreement. Where rights are thus used for purposes beyond the intention of the original grant, significant competition policy issues arise that need to be addressed.

Intellectual property rights should not therefore provide blanket immunity from the competition laws. Rather, the community's interest in competitive markets needs to be protected by ensuring that abuse of those rights is prevented.<sup>20</sup>

An efficient balance between protection (ie, incentive to create) and social output (ie, incentive to utilise) involves recognising copyrights qualified by exceptions that permit socially useful consumption. Clearly, also, competition laws must take precedence over property interests granted by copyright.

The Committee identified several areas of concern in relation to Australian copyright law:

- **Parallel importation:** copyright can be used to restrict importation of cultural goods, thereby segmenting geographical markets; '[these] restrictions do allow higher prices to be charged for the protected material than would otherwise prevail.'
- **Collecting societies:** organisations responsible for obtaining statutory licensing fees hold a strong market position, with the potential for adverse impacts on competition;
- **Digital reforms:** a new Act should be introduced in order to amend the *Copyright Act* for operation in digital environments; however, the position of disseminators of information (such as libraries) 'in an online world [must] not [be] jeopardised or undermined', and exceptions permitting fair dealings with copyright material must be maintained; and
- **Computer software:** it should be possible to decompile software in order to develop competing products that are interoperable (this was later the subject of amendment).

It is interesting to note that many of these issues concern digital goods.

### 3 Irrelevant?

As Nietzsche once spoke of the death of God<sup>21</sup> — and with It, the death of normative absolutism — so too, the modern harbinger of new technological paradigms and practices might well decry the death of copyright law as a declining relic of 'meatspace'. In the ensuing reevaluation of all values, what is to be the significance accorded to the old entitlements and incentives? The recording industry has offered one response (the strengthening of existing rules); pirates, meanwhile, have embraced the possibilities of a world beyond copyright, pursuing a techno-communitarian paradise of copying, sharing and remixing among *Übermenschen*.

Perhaps such a comparison is unflattering. However, the question remains: is copyright is dead? Professor William Cornish has described copyright as '[a] shrivelled, mummified corpse' — irrelevant and powerless in this new digital age. Others have not gone quite so far, but note the difficulties faced by traditional copyright norms in adapting to an environment in which copying is tantamount to breathing.

<sup>20</sup> Ibid 6–7.

<sup>21</sup> Friedrich Nietzsche, *The Gay Science* (2<sup>nd</sup> ed, 1887, Walter Kaufmann trans) § 108, 125, 343.

Another copyright paradox relates to the nature of control. Copyright owners lose the ability to control dissemination of their works once they are published. However, such works must be distributed in order to benefit their owners. This tension — between control and consumption — has always existed throughout history. In part, the law of confidential information and the right of first publication were developed in order to protect authorial control. More recently, moral rights afford some (admittedly trivial) level of additional control. Increasingly, however, modern technology is supplanting public norms of control: copyright owners are now able to employ Digital Rights Management ('DRM') technology to exercise substantially more control over material than ever before. Owners can limit access to material, set it effectively to 'self-destruct' after a certain period, prevent or limit copying, prohibit sharing or public performance, and completely encrypt digital works. They can even do so where that control exceeds the scope of the exclusive rights normally afforded by copyright.

This has led some authors to conclude that public norms of copyright are being supplanted by private norms of technology and contract. That is, DRM technology — supported by non-negotiable end use licensing agreements — is providing the effective protection, while copyright law merely provides the regulatory framework. This issue was considered by Cornish in *Intellectual Property: Omnipresent, Irrelevant, Distracting?* (2004). The question was posed whether copyright continues to have meaning in an era dominated by technological 'self-help'. To what extent is copyright actually affecting content creators who employ these technological protections? To what extent is digitisation actually affecting copyright-dependant industries? These are questions worthy of empirical analysis, though at the time of writing this author was unaware of any such research.

#### 4 Duration

The duration of copyright has been almost continuously extended since its birth. At the time of the *Statute of Anne*, copyright was limited to a maximum 'term of one and twenty years' (21 years), in the case of new works, and 14 years in the case of existing ones. Since then, copyright was routinely increased to 50 years, 70 years, the life of the author, the life of the author plus 20 years, the life of the author plus 50 years, and so on. Today, most subject matter attracts protection for the life of its author plus 70 years; however, this varies between jurisdictions, and among different categories of protected subject matter.

This expansion of the duration of copyright has largely been fuelled by pressure from lobbyists acting for the content-producers. Walt-Disney, in particular, has proved instrumental in securing extensions — seemingly at the eleventh hour before the expiration of copyright in its popular 'Mickey Mouse' cartoons. As a result of these extensions, almost all works composed since the 1920s remain subject to copyright.

This 'self-interested pressure group behaviour' is understandable. However, it is to be noted that such behaviour is exhibited not by authors themselves (long since dead), but by their heirs and agents, eager to continue reaping the harvest from the copyright for so long it subsists. Besides the obvious fact that these works' authors, being dead, need neither protection nor incentive, there are also several strong arguments against further expansion of the copyright term:

- **Low utilisation**  
Very few works continue to be exploited decades after production. The few uses which might have been made of them are further diminished by the requirements to seek permission and to pay royalties for doing so;
- **Orphan works**  
A work is said to be 'orphaned' if a potential licensee is unable to locate or obtain the permission of the original author. This is inefficient because the work is both

underutilised (indeed, not utilised at all) and the author (or their heirs) is not properly compensated. There are strong arguments that copyright should not protect such works;

- **The question of incentive**  
If the foundation of copyright is incentive, extending terms must be shown to strengthen that incentive to be considered legitimate. Given that terms already extend beyond an author's death, how can it be shown that a longer period of protection would strengthen the incentive to produce? Rarely will authors be swayed by protections that confer benefits only after their death — and on third party agents, at that — especially when they personally stand to gain significantly in the interim;
- **Technology reduces longevity**  
Changes in society and the nature of information mean that only a fractional minority of copyright works have any degree of longevity. Despite this, many works receive the full extent of copyright protection without differentiation;
- **Better alternatives exist**  
Many authors have proposed a system of automatic copyright protection for a fixed term (typically 21 years), followed by optional renewal. Others, such as Burrows, have proposed a fixed term of exclusive copyrights, followed by non-exclusive rights for a further period; and
- **Onus of proving benefit**  
*Prima facie*, works are produced and exploited in a free market. Arguably, this means that the onus rests on those who would extend the copyright monopoly to justify such extension — as, by demonstrating that authors' incomes would be substantially improved. However, in modern law reform, the opposite burden seems to have been assumed, despite extension causing significant harms to consumers of cultural goods.

Long copyright terms are doubtlessly to the advantage of those agents who market and distribute copyright works — far more so than such terms are to their consumers. If copyright terms were shorter, the price of works following expiration would be cheaper and availability would be increased. Utilisation would therefore be increased.

## F *International Context*

Copyright is a field highly influenced by the vagaries of international politics and diplomacy. Many of Australia's recent copyright reforms have been triggered by its obligations under bilateral treaties (commonly trade agreements) and multilateral conventions.

The following sections provide a brief overview of the international context in which Australian copyright law has developed. Further detail is available in the chapter entitled *International Intellectual Property Law*.<sup>22</sup>

### 1 *The Berne Convention for the Protection of Literary and Artistic Works*

The international history of copyright law began with the adoption of the *Berne Convention for the Protection of Literary and Artistic Works* ('the *Berne Convention*') at Berne, Switzerland on 9 September 1886. The *Berne Convention* was concluded on 4 May 189, and quickly attained

---

<sup>22</sup> See below Part IX [???].

widespread agreement; it was later revised in 1908, and again in 1928, 1948, 1967, 1971 and 1979. Australia acceded on 14 April 1928, the United States on 1 March 1989.

The *Berne Convention* set down three principles relating to the protection of literary and artistic works. It further obliged countries to implement certain minimum standards of protection in conformity with those principles. Protection thus consists of two levels: minimum standards and basic principles.

Stated briefly, those principles are:

- (a) **National treatment**  
Works created or first published in one signatory country must be afforded the same protection in every other signatory country as if the works had been created or first published in that other country; that is, a country must not discriminate in favour of its own citizens when granting copyright;
- (b) **Automatic protection**  
Copyright protection must not be conditional upon compliance with any formality; that is, copyright should attach automatically to works, and not after a process of registration; and
- (c) **Independence of protection**  
Copyright continues to subsist regardless of the existence of protection in the country of origin; that is, a work will still be afforded automatic national treatment even if its originating country repeals copyright protections. The only exception to this principle is when the duration of copyright in the originating country is less than that in others: protection of a work will generally cease once protection ceases in its country of production.

The second level of obligations relates to the specific content of national protection — the specifics of scope, exclusivity, duration, and the like.

## 2 The *Universal Copyright Convention*

The *Universal Copyright Convention* ('*UCC*') was adopted at Geneva in 1952. Until the *Agreement on TRIPs*, it stood alongside the *Berne Convention* as one of the core elements of the international copyright regime. However, for reasons developed below it is of limited significance today.

The *UCC* was originally conceived in response to the concerns of developing countries and the Soviet Union that the *Berne Convention* unfairly advantaged the predominantly copyright-exporting nations of the West. It was viewed as an alternative to the *Berne Convention*, permitting those disagreeing states nevertheless to adopt some form of multilateral copyright protection. In addition to these countries, signatories to the *Berne Convention* also assented to the *UCC*, so that their copyright material would be afforded protection in *UCC* states.

One significant point of difference between the *UCC* and the *Berne Convention* was that the *UCC* did not require automatic conferral of copyright. Thus, countries like the United States — which at this time still had formal systems of registrable copyright — could maintain existing protection systems (and indeed, the United States did so until 1988, when it finally became a party to the *Berne Convention*).



Since the *Agreement on TRIPs* was concluded, the *UCC* is no longer the critical instrument it once was. Because membership of the World Trade Organisation is now conditional upon accession to the *Agreement on TRIPs* (which incorporates the *Berne Convention*), very few countries continue to view the *UCC* as a serious alternative to the *Berne Convention*.

### 3 *The Agreement on Trade-Related Aspects of Intellectual Property Rights*

Another seminal argument concerning copyright is the *Agreement on Trade-Related Aspects of Intellectual Property Rights* ('*Agreement on TRIPs*').

The *Agreement on TRIPs* effectively revitalised the *Berne Convention* by incorporating it into its protection standards and dispute resolution processes. Those latter processes are various; most importantly, however, an aggrieved nation state may invoke the dispute settlement procedures of the World Trade Organisation and go to binding dispute resolution before a panel. The Agreement is given teeth by the ability of such a tribunal to impose trade sanctions in the event that a breach is found to have occurred.

### 4 *Other treaties*

A number of other international instruments influence domestic copyright laws:

- *Brussels Convention*;
- *Buenos Aires Convention*;
- *Geneva Convention*;
- *Rome Convention*;
- *World Intellectual Property Organisation Copyright Treaty*; and
- *World Intellectual Property Organisation Performances and Phonograms Treaty*.

### 5 *United States foreign policy*

For most of the twentieth century, the United States enjoyed a comparative advantage in the production of intellectual property goods, particularly in the entertainment and pharmaceutical industries. Consequently, United States foreign policy on copyright law has been one of 'maximalisation'. Because of this strategy, and strong domestic protections, intellectual property industries have flourished; its exports in those fields now account for a large proportion of the country's Gross Domestic Product.

Because the United States is a net exporter of intellectual property (meaning that other countries acquire more of its intellectual property than it acquires of theirs), the strength of copyright protection in other countries is of considerable interest to it. The United States, like a dwindling number of copyright academics (such as Professor David Brennan), firmly remains a 'copyright enthusiast' (as opposed to copyright sceptic, which may be found in increasingly large quantities in most law faculties across the Western world). Cornish: 'protagonists of freedom', etc [???].

Commentators have observed that the United States is attempting to 'export' not just its intellectual property *per se*, but also its intellectual property laws. Usually, these laws are tacked onto bilateral agreements that promise to give the other country access to the large consumer and agricultural import markets of the United States. This recently occurred in the Australia–United States Free Trade Agreement, which imposed extensive obligations upon Australia to strengthen domestic copyright law. The United States also strongly influenced the 1996 World Intellectual Property Organisation Copyright Treaty ('*WIPO Copyright Treaty*').

## II **Fundamentals of Copyright Law**

### A *Introduction*

In Australia and most other common law countries, four fundamental notions permeate all aspects of copyright protection:

- **Copyright only subsists in recognised categories of intellectual creation**  
Not all subject matter attract copyright protection; to give rise to copyrights, an expression must fall within a recognised category of the copyright taxonomy, such as 'literary work';
- **Copyright protects the expression of ideas, but not those ideas themselves**  
A copyright is not a patent, and will not attach to abstract concepts or ideas, but rather identifiable expressions of cognisable subject matter in a material form;
- **Copyrights are separate from the thing itself**  
Proprietary rights in the chattel that reflects the expression are conceptually and legally distinct from the author's copyrights that subsist in the underlying work or works; and
- **Infringements must be derived from the original**  
Copyright protection is not an absolute monopoly on creation; it is a limited monopoly on derivational copying and related acts; as such, it will afford remedies only against copies causally related to the original; thus, independent creation of the same work is not infringement.

These themes are now explored in turn in the context of Australian copyright legislation.

### B *Recognised Categories of Protection*

Copyright protects defined classes of subject matter. In Australia, these recognised classes extend to 'works' and 'other subject matter', which are contained in pts III and IV of the *Copyright Act*, respectively. Works are primarily the result of creative effort — literary, dramatic, artistic and musical works. Part IV subject matter, on the other hand, reflect 'entrepreneurial' or technical undertakings — cinematograph films, sound recordings, television and sound broadcasts and published editions of works. Protection for pt IV subject matter commenced in 1968, pursuant to Australia's international treaty obligations.

If material does not fall within a recognised category of copyright, it will not receive protection. This was confirmed, in the context of computer programs, by the High Court of Australia in *Computer Edge Pty Ltd v Apple Computer Inc*. In that case, a majority of the Court held that computer programs could not be treated as analogous to a relevant work or subject matter then recognised by the *Copyright Act*. In refusing to bring computer programs within the known taxonomy of copyright works, this decision effectively excluded those programs from protection. To remedy this unfortunate result, Parliament hastily enacted legislation that grouped computer programs under the heading of 'literary works' (a kind of 'work' under the *Copyright Act*). Since then, Courts — including the High Court — have been willing to recognise copyright in computer programs (see, eg, *Data Access Corp v Powerflex Services Pty Ltd*). Ironically, however, these 'temporary' amendments remained in force for over a decade.

## C      *The Idea–Expression Dichotomy*

The primary axiom of copyright law is that, while it may protect the form of certain expressions, it never protects the ideas underlying those expressions. This cardinal principle operates to limit the monopoly rights afforded by copyright protection, enabling the same ideas to be reproduced independently by another author without infringing the copyright of the primary author.

Copyright, insofar as it protects works, attaches only to the expression of ideas and not ideas themselves. This principle is reflected in art 2 of the Agreement on TRIPS, which provides that:

Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.

In practice, the idea–expression dichotomy operates in the following manner. Suppose I were to author and publish a textbook on computer programming. That textbook would receive copyright protection as a literary work (an expression) but its constituent ideas — the concepts, practices and methods in which it instructs its readers — would not be so protected. Thus, you would be free to elucidate those same ideas in a competing textbook. So long as your textbook was independently authored, it would not infringe copyright in mine. Similarly, any reader of either textbook would be free to put into practice the methods of programming there imparted.

### 1      *The general principle*

*Bauman v Fussell* provides the archetypal statement of this axiom of copyright law.

#### ***Bauman v Fussell (1978) UK CA:***

##### Facts

- Bauman is a professional photographer
- On a visit to Cuba, he takes a photograph of two cocks fighting, which is subsequently published (with his permission) in a photographic magazine
- This magazine is read by the first defendant, Fussell, who is an artist
- Fussell is struck by the photograph, and pins it to his wall
- He proceeds to paint a picture of the cock fight, which is exhibited in a gallery owned by the second defendant, and sold by them to the third defendant
- Bauman brings an action claiming that the picture is a breach of his copyright in the photograph and seeking delivery up of the picture from its owner

##### Issues

- Clearly, the photographer has copyright in his photograph as an artistic work
- Similarly, the painter has copyright in his painting
- Fussell concedes that the painting was based on the photograph, but denies that it infringes copyright
- Does Fussell's painting reproduce a 'substantial part' of Bauman's photograph in a material form?
- The underlying issue: has the painter copied the photograph's expression or has the painter merely made use of the idea inherent in the photograph?

##### Reasoning

- Trial judge (Dale J): there is no infringement —
  - 'Nobody denies picture was inspired by photograph. There mere taking of an idea would not be infringement'

- ‘The birds are interlocked in a way very similar to the photo — but any birds fighting would get similarly interlocked. ... Although the photograph is a brilliant one there is not the life in it. In the painting the bird’s heads show a vigour and life which has nothing to do with the photograph.’
- ‘In the photograph there is sunlight and shadow. ... There are no shadows really in the picture. ... There is no sun and no shadow in the painting. ... Having jettisoned the shadow the artist has adopted bright red to show blood and fury. The left-hand cock has almost dissolved in flame.’
- ‘In my view the effect is entirely different from the photograph. There are some similarities such as the positions of the birds. ... I think these factors bring in the art of the artist here and show that he has used the plaintiff’s work as an inspiration; that he has not copied it, but has made a new work of art of his own.’
- Somervell LJ:
  - The issue of infringement is an question of fact, so the judgment of Dale J should not be upset in the absence of legal error
  - The photograph ‘shows two cocks fighting in bright sunlight on light coloured ground’
  - The painting ‘is an original work painted in a vigorous style which no one could describe as photographic. The two cocks are portrayed against a red fiery background.’
  - As between the two images:
    - ‘[487] The general effect is quite different. On the other hand, the actual position of the two birds, the position caught by the photographer, is the same as the position of the birds in the picture.’
  - Whether the position of the birds comprises a ‘substantial part’ of Bauman’s photograph must depend on how important that position is to the work; this includes an assessment of whether that position was intentional:
    - ‘[487] I do not think that a painter who was minded to make a picture of the procession, in his own style, would be committing a breach of copyright if he used the photograph to enable him to get accurately the relative positions of those taking part. What he would be taking would not be a substantial portion of the plaintiff’s work.’
    - ‘At the other end of the photographic scale one can imagine a case whether the photographer has made an original arrangement of the objects animate and inanimate which he photographs in order to create a harmonious design. ... Here the design would be his work. The position of the birds here is betwixt and between. It is, I think, nearer to the former than the latter category.’
    - Because the position of the birds was happenstance and not artificially contrived by Bauman, it is not as central as it might otherwise have been
  - The trial judge was correct to reason as his Honour did; the conclusion is also correct on the facts
- Birkett LJ:
  - If the defendant had not seen the photograph, the picture would never have been painted
  - That this is so was not denied
  - The chief similarity between the two images was the position of the birds
  - However, the plaintiff did not arrange their position, but merely waited until the right moment
  - The question to be asked is whether a substantial part of the photograph was taken by Fussell
  - No error of law is disclosed by the judgment of the trial judge, which should be

upheld

- Romer LJ (dissenting):
  - The question is whether a ‘substantial part’ of the photograph is reproduced
  - This question is ‘one of considerable difficulty’
  - The position of the birds was the primary feature of the photograph; this is the main similarity between the two images
  - ‘Does, then, the form of the birds, separately and relatively to one another, constitute a substantial part of the photograph?’
    - Yes, it is a substantial part of the photograph
    - **[492]** A cock-fight is neither a static nor a leisurely affair but a combat of rapid movement, involving, one may suppose, attack and counter-attack in which the birds deploy to their greatest advantage such armament of wing and claw as each possesses. It is true that in the passage from the judgment to which I have already referred the learned judge said, “the birds are interlocked in a way very similar to the photo — but any birds fighting would get similar interlocked” but I have been unable to find anything in the evidence which supports that statement.’
    - ‘The plaintiff’s photograph appears to me to have captured a very striking attitude, more especially perhaps with regard to the bird on the right which, with outspread wings and thrusting claws, is leaping to the attack whilst his adversary, with pinions raised, is apparently bracing himself to meet the assault. I cannot bring myself to think that these respective attitudes of the two antagonists are a relatively unimportant feature of the photograph. The photograph is of two birds engaged in the one activity for which they were reared and trained; and I cannot but think that the positions in which the camera caught them are of the essence of the plaintiff’s skilful presentation of that activity.’
  - The painter reproduced that feature
    - ‘The spectacle of a cock-fight in a particular phase has certainly been reproduced, but the judge rightly held that such a reproduction does not constitute an infringement, for it is nothing more than the presentation of an idea or conception’
    - However, here the particular positions of the cocks vis-à-vis each other have been reproduced
    - This feature is ‘of the essence’ of the photograph (and therefore an essential part)
  - Therefore, the painter reproduced a substantial part of the work
  - General principle:
    - Simply reproducing a spectacle will not infringe copyright in itself; that spectacle is the idea; what must be taken is a substantial part of the particular expression for which infringement of copyright is claimed
    - Where one person reproduces the forms of participants in some incident ‘which had rarely, if ever, been caught by a camera before’, this will amount to reproducing a substantial part of the work
      - For example, ‘a battle between a tiger and an elephant’
      - In this circumstance, the forms of those animals should not be available to any painter who wants to paint a similar incident but is ‘reluctant to visit the jungle for his material’
      - To reproduce them would amount to taking a substantial part of the original
  - Romer LJ’s disagreement with the majority is over a matter of fact and degree
    - The judges are united on the principle that is to be applied
    - Their Lordships’ disagreement illustrates the difficulty of assessing just

what will amount to a substantial part of a work

Decision

- (2:1) No substantial part of the work was reproduced
- The appeal is dismissed; Fussell’s painting does not infringe copyright

At its heart, *Bauman v Fussell* illustrates a factual comparison between source and alleged infringement to determine if a substantial part was taken. This relates to the issue of infringement, discussed below. For present purposes, however, the essence of *Bauman v Fussell* lies in its portrayal of the distinction between idea and expression as surmised by Romer LJ. His Lordship stated:

The spectacle of a cock-fight in a particular phase has certainly been reproduced, but the judge rightly held that such a reproduction does not constitute an infringement, for it is nothing more than the presentation of an idea or conception.

The idea–expression dichotomy means, in this context, that anyone is free separately to photograph or paint a cock-fight in progress; the fact that Mr Bauman once did this does not confer an exclusive right to reproduce the idea of that scene — only its particular expression in the form of his photograph.

## 2 Further examples

The distinction between idea and expression can be difficult to discern. At what point can it be said that a work goes beyond mere embodiment of the idea underlying a work and begins to take elements of its expression? The source work may inspire another work which, although falling into the same genre, exhibits sufficient differences in execution to prevent infringement. On the other hand, the derivative work may take so much of the source work as to make them substantially identical. In yet another case, the source work may, by its very nature or genre, entail certain plot or other elements of expression that will always be reproduced by a derivative work (but which would hardly be considered essential or substantial).

*Zeccola v Universal City Studios Inc* considered this issue in the context of two films. Both films were of the same genre and so might be expected to contain similar ideas. The Supreme Court of Victoria affirmed that copyright does not protect those ideas, but only their specific expression in the film. However, the Court held that, having regard to the extent of the plot similarities between the two films, infringement of that expression was demonstrated. The reproduction in *Zeccola* concerned the film’s expression — its plot, characters, events and portrayal — rather than the underlying genre or ideas underlying those elements.

### ***Zeccola v Universal City Studios Inc (1982) Vic SC:***

Facts

- In 1974, *Jaws* is written and published in the United States
- In 1975, *Jaws* is subsequently turned into a film, and a sequel, *Jaws II*, is made in 1977
- In 1980, Zeccola and some other Italian film makers creates a film entitled *The Last Jaws*
- Universal obtains injunctions by virtue of its trade mark rights in the mark ‘JAWS’
- Zeccola rebrands the movie as *Great White*, and screens it in Victoria
- Universal seeks an interlocutory injunction to prevent further screening



Issues

- Is there a prima facie case that copyright in *Jaws* has been infringed by *Great White*?
- Does the balance of convenience favour granting an interlocutory injunction?

Reasoning (Gray J)

- Copyright in *Jaws* is recognised in Australia by virtue of the *Copyright (International Protection) Regulations 1969* (Cth)
  - These provide that the *Copyright Act* shall apply to works and films first published in a country listed in pts I or II of sch 1 to the Regulations
  - Part II of sch 1 includes the United States of America
  - The author of *Jaws*, Carl Gottlieb, is a qualified person under s 32(4), since that section must be read as applying to United States citizens
  - Copyright subsists after publication (s 35(2)), which has occurred here
- The infringement here alleged concerns two acts:
  - Reproducing or producing an adaptation of the *Jaws* novel without permission
    - Producing an adaptation of the *Jaws* book without permission: s 31(1)(a)(vi)
    - Reproduction of the literary or dramatic work comprised by *Jaws* by making a film of it: s 21
  - Importing and publishing the *Great White* film in public
    - Importing into Australia the *Great White* film for the purpose of exhibiting: s 37
    - Exhibiting *Great White* in a place of public entertainment: s 39
- An objective comparison of the two films is performed, which enables two determinations to be made:
  - First, whether a substantial part has been taken; and
  - Second, whether there is a 'subjective causal connection' between the two films (at [38,298])
    - Are the two films merely similar or is one a copy of the other?
    - This is a matter of subjective impression
- The question whether the plaintiff's copyright has been infringed by the making and showing of *Great White* comes down to a question of whether the film is a substantial adaptation or reproduction of the book, or screenplay, or a substantial copy of *Jaws*'
  - The basic question is whether *Great White* is a substantial copy of *Jaws*
  - '[38,297] I have seen the two films shown one after the other. I could hardly be placed in a better position to form a judgment.'
  - No part of the *Jaws* movie was directly spliced into the *Great White* film, so there is no literal copying
  - The defendants argue that there can be no copyright in the genre of film in which each partakes
    - The genre is 'savage monster menacing a community'
    - More specifically, 'a killer shark menacing human beings'
    - 'It was put, correctly, that there is no copyright in that general idea'
    - It is a matter of degree at what point the idea of this genre begins to shade into its expression, viz, plot elements, characters and the like
  - Eighteen points of similarity are identified
    - (i) Practically all of the situations and characters in *Jaws* are faithfully reproduced;
    - (ii) The order of scenes is the same, and serve the same effects;
    - (iii) The basic characters in each film are the same;

- (iv) Both films include a local politician eager to suppress the shark's presence for fear of impacting upon tourism;
  - (v) Each politician has a blonde wife who is eventually attacked;
  - (vi) In both films, the shark is hunted and eventually killed by a professional fisherman, who dies in the course of the battle;
  - (vii) A number of singular events appear in each film;
  - (viii) *Et cetera...*
- Although individual incidents appeared in *Great White* which do not appear in *Jaws*, all major characters have been copied
  - 'I cannot accept that the limitations imposed upon the makers of a genre film compel the degree of conformity which emerges from the evidence in this case'
  - In exhibiting such a high degree of similarity, *Great White* has copied a substantial part of *Jaws*
- Although there is no evidence of copying, the inference can be made that *Great White* was causally derived from *Jaws*
    - This combination of events and characters 'reaches a degree of complexity where it can be fairly inferred that the film could not have been made independently of *Jaws*'
    - 'It is an inescapable inference that the promoters of [*Great White*] were anxious to derive an advantage from the popularity and financial success of *Jaws*'
    - Zeccola setup a holding company without any assets in order to own the rights in the film, because he was advised by his solicitors to do so
    - In these circumstances, the presence of the similarities permits an inference of copying
  - A prima facie case is made out
- Decision
- Interlocutory relief is granted to Universal
  - There is a *prima facie* case that Zeccola has taken a substantial part of *Jaws*' expression, and that such taking was copied from *Jaws* itself rather than produced independently
  - The plot and structural elements that were taken — even in their abstracted form — comprise a substantial part
  - This does not mean that the plaintiff has rights in the genre, as the defendant argued; the degree of similarity must be greater; however, it is a matter of degree, and the similarities are sufficient here for a finding of copying

*Zeccola* also confirms that the 'substantial part' test involves considering the importance to the source work of an element embodied by the derivative work. It is not the importance of the taking to the defendant's transformative work, but whether the defendant has taken what amounts to a substantial part of the original work, that is important.

The reader should note that although *Zeccola* was appealed to the Full Court of the Federal Court of Australia, the appeal was unsuccessful. The Full Court upheld Gray J's decision.<sup>23</sup>

A further example of the idea-expression dichotomy in the context of films is provided by the television format cases. Most recently, in *Nine Films & Television Pty Ltd v Ninox Television Ltd*, the Federal Court of Australia held that generic elements common to all reality television programmes amount to ideas and not expressions. For this reason, among others, the

<sup>23</sup> See *Zeccola v Universal City Studios Inc* (1982) 46 ALR 189, 193 (Lockhart and Fitzgerald JJ).

applicant's home renovation reality television programme was held not to infringe the respondent's copyright in an earlier programme of a similar nature.

### ***Nine Films & Television Pty Ltd v Ninox Television Ltd (2005) FCA:***

#### Facts

- In 1999, Ninox produces a television show entitled *Dream Home*, a home renovation reality television programme
- In 2000, Ninox licenses to Nine the rights to an Australian version of *Dream Home*
- In 2002, Nine produces *The Block*, another home renovation reality programme
- Ninox threatens to sue Nine for copyright infringement
- Nine pre-emptively commences proceedings against Ninox for making what it argues are groundless threats of copyright infringement
- Ninox cross-claims, arguing that *The Block* substantially reproduces the format of *Dream Home*, in which it owns copyright, and that Nine's licence did not permit it to do so

#### Issues

- Are Ninox's threats of copyright infringement groundless?
- Would *The Block* be held to take a substantial part of *Dream Home* in proceedings for infringement?

#### Reasoning (Tamberlin J)

- Ninox clearly owns copyright in *Dream Home*, it being a dramatic work
- To determine whether Nine's *The Block* infringes Ninox's *Dream Home*, an objective comparison of the two programmes must be made
  - Tamberlin J watches two series of *The Block* six series of *Dream Home*
- The action for copyright infringement must fail because there is no causal derivation
  - Nine's working documents show that *The Block* was inspired by many other reality television programmes
  - Those documents do not mention *Dream Home*
  - Therefore, those documents permit an inference of independent production, rather than derivative copying
- In any case, it is unlikely whether there has been a taking of a substantial part of the Ninox programme
  - Dialogue is unscripted dialogue and unplanned, so it could not be copied literally
  - The general features of each programme are generic 'to all renovation reality television shows'
  - These comprise the ideas of the works, rather than their expression, and are not protected by copyright
  - Examining the programmes more closely reveals various points of distinction between them
  - In *The Block*, for example, there are present 'elements of human drama, anger, sadness, joy, betrayal, triumph and despair'
  - By contrast, such elements were not present in *The Block*

#### Decision

- There is no copyright infringement by Nine, both because there was no factual copying and because there could be no substantial reproduction
- Ninox's cross-claim is dismissed and an injunction granted to stop it further threatening Channel Nine

A final example of the idea–expression dichotomy is provided by *The Da Vinci Code* case. In this case, the High Court of England and Wales denied a claim of copyright infringement against the publishers of *The Da Vinci Code*, holding that a historical hypothesis present in the source book amounted to an idea in that work, but was not so integral to the story’s plot or structure as to form a part of its expression. Consequently, although that hypothesis was copied by *The Da Vinci Code*, there could be no infringement. Were it otherwise, copyright law would be protecting ideas in a book. The case confirms that plot elements are normally characterised as ideas, unless they form an integral part of the work’s expression.

### ***Baigent v Random House Ltd (2006) UK HC:***

#### Facts

- In 1982, Michael Baigent and Richard Leigh coauthor *The Holy Blood and The Holy Grail*, a fictitious work concerning, among other things, the descendants of Jesus Christ
- In 2002, Dan Brown authors *The Da Vinci Code*, another fictitious work concerning, among other things, such matters
- Brown’s novel becomes successful, leading Baigent and Leigh to commence proceedings for copyright infringement against his publisher, Random House
- Baigent argues that Brown reproduced the ‘central theme’ of his novel; 15 points of similarity are identified relating to the lineage of Jesus Christ

#### Issues

- Does Brown’s derivative work reproduce a substantial part of Baigent’s original work?

#### Reasoning (Smith J)

- The material concerning Jesus Christ’s lineage and descendants is capable of receiving copyright protection as a literary work of ‘historical conjecture’
- However, in order to be infringed by Brown, a substantial part of that expression must have been reproduced in *The Da Vinci Code*
- An early draft of *The Da Vinci Code* reveals derivation from *The Holy Blood and The Holy Grail*
- The final edition of *The Da Vinci Code* does indeed rely upon the hypothesis comprised by those 15 elements
- However, the 15 points of similarity do not amount to a substantial part of *The Holy Blood*, so that — even though they are embodied in *The Da Vinci Code* — there is no infringement of the source novel
  - The central theme of *The Holy Blood* relates to the French royalty and Mary Magdalene, not Jesus Christ
  - This theme is too general — an idea — to be capable of copyright protection as an expression in material form

#### Decision

- *The Da Vinci Code* does not reproduce a substantial part of Baigent’s novel
- The mere idea of the hypothesis presented by Baigent’s work is not protected by copyright unless it is such a substantial part of that work that it can be said to form a part of its expression
- Even in such a case, derivative works must exhibit a substantial part of that expression

### 3 *Positive and negative operation*

The preceding examples illustrate how the idea–expression dichotomy can operate negatively; that is, to narrow the scope of protected subject matter. The concept does so by excluding from

copyright subject matter anything besides the form of an expression. Underlying ideas, concepts, plot elements and generic themes are not protected — unless those themes or ideas are so central to the work that they can be said to form a part of its expression.

However, the idea–expression dichotomy also operates positively — to broaden the scope of copyright by affording protection to ideas notwithstanding that they lack originality. Ideas may be *publici juris* (in the public domain) yet still be set down into a material form and so receive copyright protection. Those ideas may be entirely mundane, yet copyright protection will still attach.

This aspect of the dichotomy was applied in *Walter v Lane* (see further below Part II), where Lord Davey stated:

[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.

In this case, copyright subsisted in the transcription of the speech notwithstanding that it was wholly copied from information available to be heard by anyone. This is an example of the idea–expression dichotomy operating positively.

Further examples are provided by the fact that copyright subsists in a translation even where the translation adds no new ideas to the original (*MacMillan v Khan Bahadur Shamsul Ulama Zaka*), and the fact that copyright subsists in a photograph of a scene notwithstanding that the scene is well known and hence not novel (*Bauman v Fussell*).

However, despite this potential to broaden the scope of copyright, the concept predominantly operates negatively, with the effect of excluding underlying concepts and information from copyright protection.

#### 4 Criticism

The preceding decisions illustrate how the notion of an expression has been progressively enlarged. It may now be seen to encompass not merely the ‘form of a work’ (as once it did), but non-literal takings, such as plot elements, characters, scenes and other conceptual arrangements. To even the most resolved copyright enthusiast, such an expansion must be troubling.

Zechariah Chafee has framed the issue succinctly: ‘if we protect more than precise words, where shall we stop?’<sup>24</sup> Doubtless, copyright must protect more than ‘precise words’, as Learned Hand J observed:

It is of course essential to any protection of literary property ... that the right cannot be limited literally to the text, else a plagiarist would escape by immaterial variations. That has never been the law, but, as soon as literal appropriation ceases to be the test, the whole matter is necessarily at large ...<sup>25</sup>

The idea–expression dichotomy represents an attempt by copyright lawyers and judges to articulately precisely the boundaries of non-literal appropriation that will be remedied at law. Copying a substantial part of the ‘expression’, it is said, will sound in damages, but ‘mere ideas’ can legitimately be taken. Clearly, this false dichotomy will not withstand close scrutiny. It does,

<sup>24</sup> Zechariah Chafee, ‘Reflections on the Law of Copyright: I’ (1945) 45 *Columbia Law Review* 503, 513.

<sup>25</sup> *Nichols v Universal Pictures Corporation*, 45 F 2d 119, 121 (2nd Cir, 1930).

however, provide what must be a comforting measure of conceptual security to those faced with the task of adjudicating fine differences between two works — a task calling for close engagement with the substance of those works.

Unsurprising, then, is the fact that the idea–expression dichotomy has been hailed as ‘probably the most difficult concept in the law of copyright’.<sup>26</sup> (Some small measure of comfort this must provide to the scholar of copyright law.) Others have criticised the conceptual distinction for its ‘essential indeterminacy and underlying irrationality’.<sup>27</sup>

The dichotomy begins to break down entirely when it is applied to informational goods, such as computer programs and databases. In the former category of cases, the implementation (expression) of a program may be inseparable from its function (idea): there may be only one way of doing something, such that protecting that one expression amounts to protecting the idea itself (see, eg, *Data Access*).

In the latter category, what is being protected is not so much the form of expression (which may be transmuted quite freely depending upon the context in which information is used) as the effort that went into compiling it (see, eg, *Desktop Marketing Systems Pty Ltd v Telstra Corp Ltd*). Such compilations’ only value lies in their informational content; the particular form that that content takes is often ignored, leading to the inescapable inference that what is in fact being protected is that information, rather than its expression.

The arena of literary works and plot elements, in particular, has been the subject of extensive criticism. Various scholars have echoed the century-old warning of Augustine Birrell that:

Plots, situations, and scenes have been the common property, both of novelists and dramatists, for so long a time that to attempt to set them out now by metes and bounds ... would tax even the lettered intellect of a judge of the Chancery Division.<sup>28</sup>

Others have pointed out the ‘absurdity in the spectacle of a court sagely embarking upon [an] exercise in literary demarcation’.<sup>29</sup> Certainly, the comments of Birrell stand in marked contrast to those of Gray J in *Zeccola*, that: ‘Ultimately the matter comes down to the subjective impression of the Judge who makes the comparison’: at [38,298].

The notion that *any* abstract plot element is capable of protection may be thought to contradict the normative justification for copyright that authors are entitled to reap the fruits of their labour. As Benjamin Kaplan has written, for example, ‘if man has any “natural” rights, not the least must be a right to imitate his fellows, and thus to reap where he has not sown’.<sup>30</sup>

More generally, the comparison of two texts for similarity is a problem whose difficulty has been brought into stark relief by recent developments in literary theory. As Rebikoff surmises:

since the beginning of the 20th century, literary theory has attempted to develop systematic and ‘scientific’ mechanisms for the analysis of narrative. Under the rubric of ‘structuralism’, critics such as Ferdinand de Saussure, Claude Lévi-Strauss and Vladimir Propp have elaborated theories which involve analysing the underlying structure of language and language systems such as myth and narrative. In the 1920s, the critical school known as the ‘Russian formalists’ utilised

---

<sup>26</sup> *Plix Products Ltd v Frank M Winstone (Merchants) Ltd* (1984) 3 IPR 390, 418.

<sup>27</sup> Patricia Loughlan, ‘The Marketplace of Ideas and the Idea/Expression Distinction of Copyright Law’ (2002) 23 *Adelaide Law Review* 29, 43.

<sup>28</sup> Augustine Birrell, *Seven Lectures on the Law and History of Copyright in Books* (1899) 157.

<sup>29</sup> Stephen Rebikoff, ‘Restructuring The Test For Copyright Infringement In Relation To Literary And Dramatic Plots’ (2001) 25 *Melbourne University Law Review* 12, 13.

<sup>30</sup> Benjamin Kaplan, *An Unhurried View of Copyright* (1967) 2.



structuralist theories to develop a methodology and terminology for the analysis of narrative which lend themselves readily to the comparison of plots. This method, it is argued, is ideally suited to adaptation for the purpose of analysing the plot of a literary or dramatic work in the context of an action for breach of copyright.<sup>31</sup>

Perhaps in light of these revelations, Rebikoff goes on to criticise attempts to isolate the plot of a work from its other elements:

Some courts in the United States have attempted to dismiss actions for breach of copyright founded on the plot of a literary or dramatic work on the basis that a plot is a 'mere idea' and cannot be the subject of copyright.[http://www.austlii.edu.au/au/journals/MULR/2001/12.html - fn45](http://www.austlii.edu.au/au/journals/MULR/2001/12.html-fn45) This is to misconstrue both the nature of narrative and the proper application of one of copyright's central tenets, the idea-expression distinction.[http://www.austlii.edu.au/au/journals/MULR/2001/12.html - fn46](http://www.austlii.edu.au/au/journals/MULR/2001/12.html-fn46) While this principle is not expressly set out in the Act, it is a mantra often recited by courts, particularly in cases involving the protection of abstract subjects such as literary and dramatic plots. However, it is a fallacy to suggest that the plot of a literary work is somehow independent of the text and capable (or incapable) of protection apart from in the words by which it is expressed. Plot is an element of the work, embedded within and inseparable from the text itself; to copy the plot is to infringe the work.

It is clear, moreover, that the plot of a novel or play can constitute a 'substantial part' of the work as a whole, and can found an action for infringement of the work if it is copied. This is a consequence of the broadening scope of copyright protection in the 18<sup>th</sup> and 19<sup>th</sup> centuries, and the recognition in cases such as *Rees v Melville* that scenes and incidents can constitute a 'material portion' of a literary or dramatic work.<sup>32</sup>

Whatever the proper boundary by which the notion of 'expression' should be delimited, it seems clear that the idea-expression dichotomy is an unhelpful tool in finding it. For this reason, if nothing else, it should be discarded as an unsightly oversimplification. The focus should be on whether the two expressions are similar according to a known, flexible, normative standard — a standard sufficiently nuanced to resist the varied efforts of infringers while sufficiently precise to afford guidance as to the permissible limits upon any judicial analysis of *ideas*.

## D Duality of Property Rights

Copyright is separate to other property rights. It exists independently of other property rights in the subject matter that it protects. Thus, although the physical objects that form the subject matter of protection may also create 'traditional' physical property rights — they may be possessed, rented, bought and sold, and so on — copyright continues to exist separately as a chose in action. The physical object and the copyright may be owned by separate people, and can be assigned or devolved separately. The rights of the physical owner are always subject to those of the copyright owner: thus, the physical owner of a compact disc cannot make copies of that disc without permission of the copyright owner.

Suppose, for example, that a book is protected by copyright. This book — that is, the physical entity printed on paper — has an owner, who may exercise rights of possession (eg, by reading it) or may effect a voluntary transfer of title (eg, giving the book away). The book also comprises several copyright works and subject matter: a literary work and a published edition. These copyrights are not held by the book's physical owner. Rather, they are held by the book's author (or more commonly its publisher). The physical owner cannot deal with their property in the book

<sup>31</sup> Rebikoff, above n 29.

<sup>32</sup> *Ibid.*

in a way that infringes these intellectual property rights; thus, for example, she cannot scan the book into a computer and upload it to the internet without permission.

It is possible for the owner of the chattel to deal with that chattel in a way that will not be a trespass upon it notwithstanding that it may infringe the intangible rights of the copyright owner — photocopying a chattel is within the rights of its possessor, though this may give rise to a cause of action in the copyright owner. Other conduct, such as stealing and then photocopying the book, may infringe both owners' rights.

The distinction between rights in a chattel and rights in the underlying works was first considered in Australia in *Victoria Park Racing Co v Taylor*. In *Victoria Park*, Dixon J observed that property rights are proprietary because they fall into distinct and recognised categories. Incorporeal property in the form of copyright is distinct from rights with respect to goods or spectacles:

But courts of equity have not in British jurisdictions thrown the protection of an injunction around all the intangible elements of value, ... which may flow from the exercise by an individual of his powers or resources whether in the organization of a business or undertaking or the use of ingenuity, knowledge, skill or labour. This is sufficiently evidenced by the history of the law of copyright and by the fact that the exclusive right to invention, trade marks, designs, trade name and reputation are dealt with in English law as special heads of protected interests and not under a wide generalization. ...

[I]t is not because the individual has by his efforts put himself in a position to obtain value for what he can give that his right to give it becomes protected by law and so assumes the exclusiveness of property, but *because the intangible or incorporeal right he claims falls within a recognized category to which legal or equitable protection attaches.*<sup>33</sup>

The operation of the distinction is illustrated by *Pacific Film Laboratories Pty Ltd v Commissioner of Taxation* ('*Pacific Film*').

### ***Pacific Film Laboratories Pty Ltd v Commissioner of Taxation* (1970) HCA:**

#### Facts

- Pacific Film trades, among other things, in the business of photographic development
- It processes rolls of analogue film exposed by its customers and returns printed photographs, along with negatives from the original film
- Pacific Film does not take an assignment of copyright in the negatives; instead, customers grant it permission to reproduce the prints from the negatives
- Subsequently, the Commissioner of Taxation exacts sales tax from Pacific Film for those photographs developed for its customers
- Pacific Film argues that the prints should not be taxed, because it never had any property rights in their content

#### Issue

- Does Pacific Film acquire any property right in the prints prior to their sale that could render it liable to pay taxation?

#### Reasoning

- Pacific Film's argument is rejected: it confuses rights in the chattel (the prints) and copyright in the negatives
- Although customers granted a licence to Pacific Film to utilise the negatives, each sale ultimately concerned the printed photographs, which, as chattels in its possession, were

<sup>33</sup> (1937) 38 CLR 479, 509 (Dixon J).

## Pacific Film's property

- Barwick CJ:
  - Property in a chattel 'may be in one person and the copyright in another'
  - '[164] [T]he agreement was an agreement for the sale of the print or duplicate by the appellant to the owner of the copyright'; this means that 'not only was there no property in the owner of the copyright in the print viewed as a chattel at any time before delivery of the print ... but that it was intended that property in the print or duplicate should pass on [its] delivery [to the customer]'
  - '[164] 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 ... though possibly it might have become so if sold to some person other than the owner of the copyright ... As I have said, the appellant, ... 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 ...'

Decision

- Yes, Pacific Film is liable to pay taxation; it was selling property rights in the chattel (the paper and ink) comprising each print

The distinction between chattels and their constituent copyrights becomes particularly important in the context of wills, where dispositions may refer only to chattels themselves.

In this setting, the common law rule is that, unless the copyright is specifically referred to, a named legatee will be entitled only to the chattel itself (*Re Dickens*).

***In re Dickens; Dickens v Hawksley (1935) UK CA:***Facts

- Charles Dickens dies testate, leaving to his sister-in-law 'all papers', including an unpublished manuscript entitled *The Life of Christ*
- The residuary estate is left to a charitable purpose trust
- When the manuscript is discovered, the sister-in-law purports to sell it to Associated Press
- The residuary legatee commences proceedings, seeking a declaration that it held the copyright in the papers, including the manuscript

Issue

- Does copyright in the testator's papers pass with property in those chattels themselves, or does it fall to the residuary legatee?

Reasoning

- Copyright is separate to property rights in a chattel
- Therefore, a provision in a will leaving the physical object to a legatee will not be effective to pass the copyrights in that object to that person
- The sister-in-law here owns the manuscript itself, but not the copyright in it
- The residuary legatee owns the copyright in the manuscript

Decision

- No, copyright passes to the charitable trust; the sale to Associated Press is ineffective

Section 198 of the *Copyright Act* operates to reverse the decision in *Re Dickens* in particular circumstances. It provides that where an unpublished manuscript is devised in a will, that disposition will be read as including any copyright in the manuscript that the testator had at the time of his death.

However, in cases where the manuscript was published, the rule in *Re Dickens* applies, with the effect that separate dispositions must be made of physical chattels and their attendant copyrights.

## E *Derivation, Infringement and Causation*

Infringement requires derivation. If an author independently creates a work of their own creativity, they will not infringe copyright — regardless of how similar it is to a copyright work. In this sense, copyright does not afford an absolute monopoly: it only restrains derivational copying. Unless such an author relies upon the original work to produce their derivative creation, no infringement can be said to occur.

This is unlike strict systems of intellectual property, such as trade marks, designs and patents. In those systems, a causal link between the allegedly infringing copy and its alleged original is not required. The mere fact that, for example, a mark is used, or an invention is exploited, is sufficient to give rise to a remedy. The monopolies upon use and exploitation, in the cases of trade marks and patents, respectively, are less qualified than that conferred by copyright.

### 1 *Relationship to test of substantial reproduction*

The requirement of derivation exists in parallel with the requirement of substantial reproduction. That is, those requirements are conjunctive. Substantial reproduction is often treated as a requirement of 'objective similarity', and raises its associated issues of idea and expression, and a rather difficult question of degree; namely, what constitutes a 'substantial' part of a work. By contrast, the requirement of derivation is a simple factual enquiry: is there a causal link between the defendant's work and the plaintiff's work? If not, the plaintiff's action must fail, since independent creation of the work does not infringe. If there is, then subject to any defences, and a finding of objective similarity, the plaintiff may be entitled to a remedy for infringement.

### 2 *Indirect copying*

Proving a causal link between two works generally means proving that it was possible for the author of the allegedly infringing work to access the source material from which it must have been derived. Importantly, however, copying does not need to be direct: it is sufficient that the defendant's work can be traced through a chain of copying back to the plaintiff's work. For example, the defendant, Z, may copy a three-dimensional model produced by Y, which in turn may have been an infringing copy of the two-dimensional drawing made by X. In this situation, X would be entitled to maintain an action against Z for infringement (see, eg, *Burke & Margot Burke Ltd v Spicers Dress Designs*, in the context of dressmaking).

### 3 *Presumption of copying*

In some cases (such as *Bauman v Fussell*), copying will be conceded by the defendant and hence not in issue. However, the copyright owner bears the onus of proving derivation. *Anton Piller* orders have sometimes been made to procure it or prevent its destruction. However, in the absence of such orders, or an admission, evidence of derivation can be difficult to adduce.

Fortunately for plaintiffs, courts have adopted a practice of inferring copying where there are a large number of similarities between the allegedly infringing materials and the previously published material (*Zeccola v Universal Studios*). Indeed, close similarity is increasingly treated as conclusive evidence of copying.

For such an inference to be made, the similarities must be 'so striking as to preclude the possibility of the defendant having arrived at the same result independently' (*Clarendon Homes (Aust) Pty Ltd v Henley Arch Pty Ltd*). In these circumstances, it does not matter that the plaintiff is unable to prove that the defendant had access to its work.

In *Corelli v Gray*, for example, the House of Lords drew an inference of subjective (causal) copying on the basis of several objective similarities between the works.

#### **Corelli v Gray (1913) UK HL:**

##### Facts

- The plaintiff is the author of a novel; she alleges that copyright is infringed by the defendant's sketch drawing

##### Issue

- Does the drawing reproduce a substantial part of the novel?

Reasoning

- Cozens-Hardy MR:
  - The effect of the new *Copyright Act 1911* (UK) is to ‘give protection not merely to the form of the words in a novel but to the situations contained in it.’ (at 34)
- Sargant J:
  - There are several similarities between the sketch and the novel
  - Although the novel’s content is not distinctive or original, the presence of these similarities still permits an inference of copying to be made
  - **[571]** [T]he combination of those ordinary materials may nevertheless be original, and when such a combination has arrived at a certain degree of complexity it becomes practically impossible that it should have been arrived at independently by a second individual’

Decision

- An inference of causal copying can be made on the basis of objective similarity between the works

Essentially, what the House of Lords is doing is using the mathematical improbability that certain, statistically independent variables exhibit co-occurrence to infer that their recombination in an allegedly infringing work is not random, but instead related to their co-occurrence in the original. This is entirely consistent with the standard of proof in a civil context.

Shortly after the decision in *Corelli v Gray*, the English Court of Appeal held, in *Rees v Melville*, that copying was able to be inferred even where the precise form of the two expressions differ:

In order to constitute an infringement it was not necessary that the words of the dialogue should be the same, the situations and incidents, the mode in which the ideas were worked out and presented might constitute a material portion of the whole play, and the Court must have regard to the dramatic value and importance of what if anything was taken, even though the portion might in fact be small and the actual language not copied.<sup>34</sup>

Differences between those expressions ultimately bear on the issue of objective similarity.

#### 4 *Indirect copying in Australia*

In *Muscat v Le* the copyright owner could not point to evidence that the defendant’s work was derived from the copyright work. However, Le was still held to have infringed copyright: a presumption of copying arose because of close similarities between the two works, and the defendant could not rebut this presumption.

### ***Muscat v Le* (19) UK CA:**

Facts

- Muscat designs the Mytiko, a model of ‘tight fitting pants’, sketching various design drawings for the purposes of production
- Muscat then commissions the preparation of dressmaking patterns based on those drawings

<sup>34</sup> *Rees v Melville* (1914) MacG Cop Cas 168, 174 (Swinfen Eady LJ).



- The drawings and patterns are artistic works ('drawings') in which Muscat owns the copyright
- Le subsequently manufactures and sells the 'Dolly Girl' and 'Le Girl' pants, which exhibit many similarities to the Mytiko pants
- Muscat commences proceedings, arguing that Le's products infringe copyright by reproducing the drawings
- However, Muscat has no proof of how Dolly Girl was produced or how Le Girl was developed
- In light of this, Le argues that he simply had not seen the Mytiko pants before being contacted by Muscat
  - According to Le, Dolly Girl was an independent creation of his own
  - Le also says he imported the Le Girl pants from Hong Kong

#### Issue

- Can an inference of derivative copying be drawn from the evidence of similarity?

#### Reasoning (Finkelstein J)

- There are many similarities between the clothing designed by Muscat and Le
- The 'existence of similarities can lead to the inference that the defendant is a copyist'
- This inference may be rebutted by the defendant, but is not here
- Rejects Le's evidence:
  - The evidence led concerning importation from Hong Kong was a perjury
  - This perjury tainted the overall evidence, which was found to be unreliable
  - This evidence is therefore incapable of displacing the *prima facie* inference of copying

#### Decision

- In the absence of (reliable) evidence to the contrary from Le, the inference of copying is adopted and Muscat is successful

The 'striking' similarity required in *Clarendon Homes* is not always necessary for an inference of copying to be drawn. For example, in *Eagle Homes Pty Ltd v Austec Homes Pty Ltd*, it was noted that

where subjective [that is, derivational] copying occurs there can be expected to be found an infringement, unless it transpires that the [defendant's] product is so dissimilar to the copyright work that the copyright work can no longer be seen in the work produced.<sup>35</sup>

This statement suggests that where evidence *is* available of derivational copying, that will be sufficient. Naturally, the plaintiff must still establish objective similarity (that is, a substantial reproduction).

The primary ambit of the presumption therefore seems to lie in clearing a forensic hurdle for plaintiffs that is otherwise difficult to surmount. The effect of the presumption of copying is largely limited to placing the onus on the defendant to show the legitimate provenance of their similar work. The rationale for so requiring seems to have been well articulated by Starke J, when his Honour noted that 'it is not for the court to make the way of the taker of copyright matter easy'.<sup>36</sup>

Although this arguably converts a non-strict intellectual property regime into a strict regime, this is not undesirable. The requirement of derivation, it is alleged, is being eroded by inference.

<sup>35</sup> (1999) 43 IPR 1, 20 (Lindgren J).

<sup>36</sup> *Blackie & Sons Ltd v Lothian Book Publishing Co Pty Ltd* (1921) 29 CLR 396, 404.

However, this criticism ignores the fact that the issue is forensic only: it is a rebuttable presumption of copying; it simply reverses the onus. Although it may sometimes be difficult for a defendant to rebut such an inference, it is rebuttable, and — in an age of computer storage, draft files, recording devices and electronic forensics — legitimate, independent creations will rarely be unaccompanied by some evidence of the circumstances of their creation. For this reason, such concerns are, it is respectfully submitted, overstated.

### III Copyright Law in Australia

#### A Constitutional Foundation

Section 51(xviii) of the *Australian Constitution* provides that Parliament may make laws with respect to 'copyrights, patents of inventions and designs, and trade marks'. Plenum (xvii) provides the primary footing for Commonwealth intellectual property legislation, and issues of constitutional validity rarely arise within these categories.

However, because the plenum sets out exhaustively the areas with respect to which Parliament may legislate, intellectual property legislation — and, hence, intellectual property — is effectively limited to those areas that had been conceived at the time of federation. Performers' rights, for example, do not necessarily fall within any of the enumerated categories of legislative power.

One example may be given of the constitutional invalidity of intellectual property legislation. The case is *Attorney-General (NSW) v Brewery Employees Union of New South Wales* (1908) 6 CLR 469 ('*Union Label Case*'), in which the High Court struck down legislation providing for rights in 'workers' marks'.

##### 1 Interpretation of s 51(xviii)

Subsequent decisions have interpreted s 51(xviii) liberally. For example, in *Nintendo Co Ltd v Centronics Systems Pty Ltd*, the High Court held that circuit layout legislation in the form of the *Circuit Layouts Act 1984* (Cth) was an exercise of legislative power under s 51(xvii), so that it could not be said that the adjustments there made to property rights were an acquisition of property requiring compensation on just terms. The majority observed that s 51(xvii)

authorises the making of laws which create, confer, and provide for the enforcement of, intellectual property rights in original compositions, inventions, designs, trade marks and other products of intellectual effort.<sup>37</sup>

It is interesting to observe that the High Court has described the essence of intellectual property as protecting 'products of intellectual effort'.

Further comments about s 51(xviii) were made by the High Court in *Grain Pool of Western Australia v Commonwealth*. The majority recognised that it should make

Allowance for the dynamism which, even in 1900, was inherent in any understanding of the terms used in s 51(xviii). ... [I]t would be expected that what might answer the description of an invention ... would change to reflect developments in technology. ... [It should not be thought that] the boundaries of the power conferred by s 51(xviii) are to be ascertained solely by identifying what in 1900 would have been treated as a copyright, patent, design or trade mark.<sup>38</sup>

By focussing on the connotations of the terms used in s 51(xviii), the majority held that the *Plant Breeder's Rights Act 1994* was valid as a new kind of 'invention'. Their Honours confirmed that s 51(xviii) seeks to protect 'intellectual effort'; however, this is 'a variable rather than a fixed constitutional criterion', and must adapt beyond current denotations.

<sup>37</sup> *Nintendo Co Ltd v Centronics Systems Pty Ltd* (1994) 181 CLR 134, 160–1 (Mason CJ, Brennan, Deane, Toohey, Gaudron and McHugh JJ).

<sup>38</sup> *Grain Pool of Western Australia v Commonwealth* (2000) 202 CLR 479, 496, 493, 495–6 (Gleeson CJ, Gaudron, McHugh, Gummow, Hayne and Callinan JJ).

The minority, Kirby J, also interpreted the plenum from its connotative aspects, rather than its specific denotations. However, his Honour preferred an even broader interpretation, observing that legislation supported by s 51(xviii) need not reflect popular understanding of the nature of those regimes in 1900. Instead, the plenum contemplates that Parliament

is to enjoy a most ample lawmaking power in respect of 'products of intellectual effort' as that notion may itself expand.<sup>39</sup>

On this reasoning, it would be sufficient if modern legislation simply exhibited certain 'essential characteristics'.<sup>40</sup>

## 2 Other heads of power

At least since *Grain Pool of Western Australia v Commonwealth*, s 51(xviii) has been accorded a broad and adaptive interpretation. Whether the majority 'connotation' view is adopted — so that an Act must fall within one of the enumerated categories of intellectual effort, as presently understood — or Kirby J's 'essential characteristics' are sought — so that an Act need only embody the core aspect of an enumerated category as then understood — the plenum seems of ample scope to accommodate all current and contemplated intellectual property legislation within these categories.

However, an issue arises as to whether legislation protecting entirely novel forms of intellectual property may find constitutional support. That is, can an Act designed to protect some form of 'intellectual effort' in a manner other than 'copyrights, patents of inventions and designs, and trade marks' be valid? Even under Kirby J's view of the power, such an Act may well fall outside the scope of s 51(xviii). For this reason, the Commonwealth increasingly relies upon other heads of power to support novel amendments to intellectual property legislation.

Chief among these fallback sources of constitutional support is the external affairs power, contained in s 51(xxix). Because new protective regimes are often the result of international obligations under the *Agreement on TRIPS* or another multilateral treaty, use of s 51(xxix) proves uncontroversial.

## 3 Constitutional reform

The copyright reform debate runs as deep as constitutional amendment. In particular, the Constitutional Commission has noted that the piecemeal definition of intellectual property in s 51(xviii) is unsatisfactory and warrants reform. There are two options for reform.

First, s 51(xviii) could be amended to confer broad power to legislate with respect to 'intellectual property'. The Commission has considered this phrase too ambiguous and as capable of narrow interpretation. For this reason, it has recommended a second, more specific expansion. This approach involves appending the phrase 'and other like protection for the products of intellectual activity in industry, science, literature and the arts' to the current plenum (xviii).

The effect of this reform would be to 'fill the gaps' between the current categories of intellectual effort with respect to which Parliament may legislate, and so encompass any legislation that might otherwise fail to fit within any of those enumerated headings. Having regard to Australia's apparent aversion to constitutional change — as reflected in previous reform failures — this proposal, while sensible, is ultimately unlikely to be implemented.

<sup>39</sup> Ibid 527 (Kirby J).

<sup>40</sup> Ibid 532 (Kirby J).

## B Legislative Framework

### 1 The Copyright Act 1968 (Cth)

The principal source of copyright protection in Australia is provided by the *Copyright Act 1968* (Cth) (*Copyright Act*). The *Copyright Act* protects the expression in recognised forms of skill, labour or expertise.<sup>41</sup> Protection is automatic upon the exercise of original authorship in a format recognised as a 'work' or 'other subject matter' by the Act.

In general, these recognised categories of protection encompass:

- Literary works;
- Dramatic works;
- Musical works;
- Artistic works;
- Sound recordings;
- Cinematograph films;
- Television broadcasts;
- Sound broadcasts; and
- Published editions.

When copyright subsists in such an expression, several exclusive rights vest in its author. These rights include reproduction and sale, communication to the public, publication and the like. These rights subsist for as long as copyright, which is typically the life of the author plus 70 years, but varies depending on the kind of work.

Copyright infringement occurs when one of these rights is exercised by another person without authorisation. This will occur when that right is exercised with respect to at least a substantial part of the work. However, independent creation of the same or similar work will never infringe.

### 2 Origins of the Copyright Act

Australian copyright legislation owes much to its United Kingdom forebears. The first Commonwealth copyright enactment, for example, was a direct copy of the *Copyright Act 1911* (UK) — the Australian Act simply declared the United Kingdom provisions to be in force. Strangely, those provisions remained in force until the 1968 Act took effect on 1 January 1969, even though the United Kingdom Act had been repealed some 13 years earlier.

Although the two regimes have recently diverged in their particularities — largely due to the United Kingdom's compliance with regulatory directives issued by the European Community — the general principles of protection remain largely the same.

### 3 Features of the Copyright Act

As a result of the *Copyright Act*, copyright protection in Australia is solely statutory. This has several advantages, both from the perspectives of Parliament, creators and the public:

- Copyright law is (at least in theory) explicitly designed to balance competing public interests, viz, incentives to create cultural goods and incentives to consume them;

---

<sup>41</sup> McKeogh, Stewart and Griffith, *Intellectual Property in Australia* (3<sup>rd</sup> ed, 2004) 8.

- Law reform proceeds (again, in theory) after widespread consultation with law reform bodies, parliamentary committees, interested parties and the public;
- Enforcement is possible through ancillary administrative bodies and the executive;
- Rapid and systematic change is possible, at least relative to the common law;
- That change is generally more likely to be coherent and internally consistent when made by way of legislative amendment; and
- Legislation is often more capable of providing certainty and clarity to users of copyright as to the precise extents of rights and the scope of any applicable exceptions.

The statutory approach to protection of intellectual property rights may be contrasted with the primarily common law protection of real property. Such rights exist at common law (and in equity), and are supplemented and regulated by the state *Property Law Acts* and *Real Property Acts*. By contrast, copyright and other intellectual property rights exist only because the Commonwealth legislation provides for them explicitly.

### C Common Law

Since statutory abrogation of copyright, there have been no common law copyrights. However, informal common law and equitable rights continue to play a role in other areas of intellectual property. For example, unregistered trade mark rights can give rise to a cause of action in passing off, while confidential information can, when imparted in certain circumstances, give rise to an equitable obligation of confidence, breach of which may give rise to a cause of action in breach of confidence.

Perhaps most importantly, however, the common law of contract is of central importance in modifying and dealing with the *prima facie* rights accorded by statute. Increasingly, the default copyright positions of public statutes are being modified by private agreements between content distributors and consumers. Thus, 'shrink wrap' agreements, end user licence agreements, digital rights management conditions, and terms of use serve to practically and legally vary (and often to expand) the effective scope of copyright protection. Similarly, assignments and licences may be granted by authors to distributors and publishers by way of contract, typically deed.

### D Competition Environment

Superimposed across the *Copyright Act* and applicable rules of the common law are the *Trade Practices Act 1974* (Cth) ('*Trade Practices Act*') and related competition and consumer protection legislation.

Part IV of the *Trade Practices Act*, in particular, prohibits and renders void any agreement or trade practice that is anti-competitive, such as exclusive dealing or price-fixing. Exclusive intellectual property licensing arrangements can often fall afoul of these provisions. Similarly, s 52 of the Act, and its equivalents in state fair trading legislation, can be used to support an action for copyright infringement, since the public may be being misled or deceived as to the source or authorship of a work.



## E Pecuniary and Non-Pecuniary Rights

### 1 The nature of moral rights

Authors of material in which copyright subsists receive certain exclusive and other rights in that material. These rights may be grouped into pecuniary and non-pecuniary rights.

Pecuniary rights refer to the economic exploitation of copyright. These rights are alienable and most commonly associated with copyright protection: reproduction, sale, publication, communication, and so on. They have finite duration and can be lost by assignment.

Non-pecuniary or ‘moral’ rights, on the other hand, are independent and distinct. They continue to subsist even after the loss or transfer of economic rights. They are inalienable and personal to authors. Thus, moral rights cannot be possessed by corporate producers — only individuals.

### 2 The content of moral rights

Non-pecuniary rights developed out of the notion, popular in continental Europe, that authors should have certain controls over their materials by virtue of their special position as creators.

These non-pecuniary, authorial controls are said to include:

- **Paternity (attribution)**  
The right to be identified as author of a work;
- **Integrity**  
The right to prevent distortion or mutilation of the work;
- **First publication**  
The right to choose whether to publish the work;
- **Withdrawal**  
The right to withdraw a work from publication;
- **Fair treatment**  
The right to prevent excessive criticism or derogatory treatment of the work; and
- **Personality**  
The right to prevent violations of the author’s personality rights, if any.

The commoditisation of intellectual property is reflected in the use of property rights to create an incentive to produce useful works. To strengthen this incentive, such rights are capable of assignment and other consensual dealings. In a sense, non-pecuniary rights are an attempt to mollify the cold touch of economics with the notion of moral rights affording protection specifically to an artist or author.

In the European Union, moral rights currently encompass rights of integrity (the prevention of derogatory treatment), attribution and withdrawal. The *Berne Convention* does not recognise a right of withdrawal — only those of integrity and attribution.

### 3 Moral rights in Australia

As a result of the *Copyright Amendment (Moral Rights) Act 2000* (Cth), Australian authors now possess non-economic rights to their works of authorship. These moral rights provisions are contained in pt IX of the *Copyright Act*. However, the provisions have not yet been the subject of litigation, so little is known about how they will be construed.

Several aspects of the regime are apparent from the legislation itself. First, the provisions create very broad defences to infringement of moral rights. For example, if it is 'reasonable' to disregard moral rights, having regard to the relevant industry context, then such derogation will be permitted. Any alleged infringement of moral rights is subject to this exception.

Second, it also appears possible to agree not to exercise moral rights (though not to contract out of them entirely). These factors alone create what is arguably a weak regime.

### F The Nature of Protection

The *Berne Convention* requires that copyright protection be conferred automatically — that is, without formality requirements such as registration. Consequently, all jurisdictions that are signatories to this Convention, or to the *Agreement on TRIPS*, confer copyrights in an automatic manner.

In Australia, copyright is conferred automatically. Authors need not register their works or subject matter, and can rely on their copyrights from the moment of their subsistence. Subsistence will normally occur once an expression has been reduced to a material form, where the expression is original and where the author has some connection to Australia.

This system of automatic protection may be contrasted with the patent, trade mark and design regimes, which require registration before any protected interests can arise.