IAJ THIRD STUDY COMMISSION QUESTIONNAIRE

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The infringement of copyright and other intellectual property rights, especially through the use of the internet

In today’s world the internet is an indispensable source of information to mankind. It is simply unimaginable how the world existed without it. The internet has been an important force in creating the global village and without it we would surely be at a loss.

In 1987 and 2003 the Third Study Commission discussed several aspects of organized crime, such as new methods of investigation and the gathering of evidence, safeguarding of human rights and the protection of witnesses. At the annual meeting in 2011 the Third Study Commission looked into another aspect of organized crime under the title “Organizations: Identification, Seizure and Forfeiture”. The Third Study Commission explored different legislative responses to what is considered to be a serious issue that transcends national borders.

This year the US Patent and Trade Office will host the IAJ annual conference. The questionnaire will enable the Third Study Commission - in cooperation with the US Patent and Trade Office - to examine whether, and how, legal systems of member countries cope with cybercrime relating to copyright and other intellectual property rights. The purpose of the questionnaire is to explore the extent to which member countries have implemented legislation that deals with this subject, and whether such legislation is effective in addressing these offences.

QUESTIONNAIRE

Question 1

- Does your country have specific legislation dealing with:

1.1. The violation of copyrights?

Yes. The Copyright Act 1968 (Cth), Part III, Division 2 governs infringement of copyright in literary, dramatic, musical and artistic works, and Part IV, Division 6 governs infringement of copyright in sound recordings, cinematograph films, television and sound broadcasts, and published editions of works.

1.2. Other intellectual property rights?

Yes. Provision is also made for the protection of:

- Patent rights under the Patents Act 1990 (Cth);
- Trademarks under the Trade Marks Act 1995 (Cth);
- The moral rights (including the right to attribution, the right to avoid false attribution, and the right of integrity in works) in Part IX of the Copyright Act;
- Performers’ rights in Part IV, Division 5, Subdivision B (ss 100AA-AH) of the Copyright Act;
- Circuit layout under the Circuit Layouts Act 1989 (Cth);
• Designs, under the *Designs Act 2003* (Cth);
• Plant growers’ rights under the *Plant Breeder’s Rights Act 1994* (Cth); and
• Geographic locators under the *Australian Wine Corporation Act 1980* (Cth).

1.3. If so, could you specify to what extent?

Specific exclusive rights are provided in respect of different types of intellectual property, which cannot be exercised by persons other than the holder of that right without the grant of a licence. For example, the exclusive rights for copyright are—

- for literary, dramatic and musical works (s 31(1)(a)):
  - (i) to reproduce the work in a material form;
  - (ii) to publish the work;
  - (iii) to perform the work in public;
  - (iv) to communicate the work to the public;
  - (v) [repealed];
  - (vi) to make an adaptation of the work.
- for an artistic work (s 31(1)(b)):
  - (i) to reproduce the work in a material form;
  - (ii) to publish the work;
  - (iii) to communicate the work to the public.
- for sound recordings & computer programs (ss 85(1)(d) s 31(c)&(d))
  - entry into a commercial rental relationship
- for Sound recordings (s 85(1))—
  - (a) make a copy of the recording;
  - (b) cause the recording to be heard in public;
  - (c) communicate the record to the public;
  - (d) enter into commercial rental agreements.
- For Cinematographic films (s 86)—
  - (a) make a copy of the film;
  - (b) cause the film to be seen/heard in public;
  - (c) communicate the film to the public
- Television and sound broadcasts (s 87)—
  - (a) make a film of a television broadcast;
  - (b) make a sound recording of a broadcast;
  - (c) re-broadcast or communicate to the public.
- Published editions of works
  - Exclusive right to make a fax copy of a published edition of one or more literary, dramatic, musical, or artistic works (s 88).

Copyright is infringed if any of these rights are exercised in relation to a substantial part of the work.

1.4. Do specific rules exist for criminal investigation?

Yes, Part V, Division 5 criminalises certain breaches of copyright, including:

- Commercial-scale infringement prejudicing copyright owner
- Making infringing copy commercially
- Selling or hiring out infringing copy
- Offering infringing copy for sale or hire
- Exhibiting infringing copy in public commercially
• Importing infringing copy commercially
• Distributing infringing copy
• Possessing infringing copy for commerce
• Aggravated offence--work etc. converted to digital form
• Making or possessing device for making infringing copy
• Advertising supply of infringing copy
• Causing work to be performed publicly
• Causing recording or film to be heard or seen in public
• Circumventing an access control technological protection measure
• Manufacturing etc. a circumvention device for a technological protection measure
• Providing etc. a circumvention service for a technological protection measure
• Removing or altering electronic rights management information
• Distributing, importing or communicating copies after removal or alteration of electronic rights management information
• Distributing or importing electronic rights management information

1.5. If not, is any such legislation under consideration?

Not applicable

Question 2

- Does your country have specific legislation dealing with:

2.1. Trademark

Yes, the *Trade Marks Act 1995* (Cth).

2.2. Patent

Yes, the *Patents Act 1990* (Cth).

2.3 If so, do these laws include specific punitive measures?

Yes.

The *Trade Marks Act 1995* (Cth), Part 14, criminalises certain actions including:
• Falsifying a registered trade mark
• Falsely applying a registered trade mark
• Manufacture and possession of die etc. for use in commission of offence
• Selling goods with false marks
• False representations regarding trade marks
• False entries in Register
• Disobeying summons
• Refusing to give evidence

The *Patents Act 1990* (Cth), Chapter 18 criminalises certain actions, including making false representations about the Patent Office or about patent or patented articles, or failing to
comply with summons or requirements to give evidence. Chapter 20, Part 2 provides offences in relation to registration, privileges and professional conduct.

**Question 3**

- **Does your country have specific legislation dealing with:**

  **3.1. The protection of copyrights based on the use of internet?**

  No. Copyright on the internet is protected in the same way as all other copyright.

  There is also provision for some exceptions to liability for copyright infringement arising out of the use of the internet.

  In a test case for copyright infringement, the Australian Federation Against Copyright Theft (AFACT) filed a lawsuit against iiNet, an Internet Service Provider (ISP), seeking to attribute liability for copyright infringement conducted over the internet to the ISP providing the connection to the internet, on the basis that the ISP should have given a warning and then suspended the infringing user’s internet access. AFACT was unsuccessful. After two appeals, earlier this year the High Court of Australia unanimously affirmed that the ISP is not responsible for copyright infringement and cannot be required to terminate internet services to a user on that basis: *Roadshow Films Pty Ltd & Ors v iiNet Limited* [2012] HCA 16. French CJ, Crennan and Kiefel JJ held at [78]:

  The extent of iiNet's power was limited to an indirect power to prevent a customer's primary infringement of the appellants' films by terminating the contractual relationship between them. The information contained in the AFACT notices, as and when they were served, did not provide iiNet with a reasonable basis for sending warning notices to individual customers containing threats to suspend or terminate those customers' accounts. For these reasons, iiNet's inactivity after receipt of the AFACT notices did not give rise to an inference of authorisation (by "countenancing" or otherwise) of any act of primary infringement by its customers.

  Gummow and Hayne JJ noted at [139] that

  In truth, the only indisputably practical course of action would be an exercise of contractual power to switch off and terminate further activity on suspect accounts. But this would not merely avoid further infringement; it would deny to the iiNet customers non-infringing uses of the iiNet facilities. And, in any event, in the absence of an effective protocol binding ISPs (and there is no such protocol) the iiNet subscribers whose agreements were cancelled by iiNet would be free to take their business to another ISP.

  **3.2. If so, could you specify and give a concrete example?**

  In relation to infringement—communication for the purposes of infringement, for example, includes the broadcasting or transmission of copyrighted materials over the internet: *Copyright Act 1968* (Cth), s 10(1).

  In relation to exemptions for infringement using the internet—temporary reproductions of audio-visual items to facilitate the operation of technology, for example, is exempted from copyright infringement: *Copyright Act 1968* (Cth), ss 43A(1), 111A. These provisions were
enacted with browsing and caching of internet material in mind: Explanatory Memorandum to the Copyright Amendment (Digital Agenda) Bill 2000 (Cth) at [68]-[69].

**Question 4**

- Does your country have specialized agencies to investigate and identify the violation of copyrights and other intellectual property rights, especially through the use of the internet?

There is no agency to investigate, identify and pursue breach of copyright as such. However, the Australasian Performing Right Association (APRA) is a public company limited by guarantee which manages licence fees. Members of APRA assign performance and communication rights to APRA, with the option to opt-out of the arrangement. APRA then collects and distributes licence fees for works communicated by radio, television, internet, etc.

There are also independent organisations such as the Australian Copyright Council, which provides information to authors and copyright owners and free legal advice to assist them in enforcing their rights.

**Question 5**

5.1. To what extent does your country have jurisdiction over issues of, for instance, intellectual property theft?

Jurisdiction over intellectual property theft is determined in the same way as other disputes. Order 8, rule 2, item 19 of the Federal Court Rules and the equivalent State provisions allow for the service of originating processes outside of Australia in respect of proceedings “in which the subject matter, so far as it concerns the person to be served, is property in Australia”. It has been held, for example, that intellectual property rights are ‘property within the jurisdiction’ of one Australian State and a plaintiff was therefore allowed to proceed in that state even though the breach occurred in another State, where the defendant also resided: *Lyndsay Edmonds & Associates Pty Ltd v Quest Sales Pty Ltd* (1979) 60 FLR 349. It is unclear whether the same principle would operate to allow suits for infringement of copyright owned by an Australian which occurs in other countries.

In addition, section 184(1) of the *Copyright Act 1968* (Cth) allows for the creation of regulations to apply the act to protect the copyright of authors from countries other than Australia. Subsection 184(4) further provides that in a situation where the identity of the author is unknown but there are reasonable grounds to believe that they resided in a foreign country, regulations may allow a third party authorised to represent the author under the laws of that foreign country to be treated as the author and entitled to enforce copyright in Australia. The *Copyright (International Protection) Regulations 1969* (Cth) creates such protection of foreign works. The regulations essentially provide that:

- a work which is first published in a country specified in the Regulations is protected in Australia in the same way as a work first published in Australia;
- an artistic work which is a building situated in a country specified in the Regulations or that is attached to or forms part of such a building is protected in the same way as if the building was situated in Australia; and
a work the author of which was at the material time a citizen or national, or was a resident of a country specified in the Regulations is protected as if the author was an Australian citizen or resident.

These provisions are required to give effect to Australia’s obligations under the Berne Convention, the Universal Copyright Convention, and TRIPS.

5.2 Should the principle of universality apply for specific types of cybercrime relating to the infringement of copyright and other intellectual property rights?

That has not been the solution followed in Australia. It is not considered that infringement of intellectual property is not sufficiently serious to justify the creation of specific international criminal laws, or to allow such laws to be administered by an international body or by foreign jurisdictions via the principle of universality.

There is support for the application of the principle of universality in international criminal law for war crimes. In Polyukovich v The Commonwealth (1991) 172 CLR 501 at [33], Brennan J (as his Honour then was) noted that “international law recognizes a State to have universal jurisdiction to try suspected war criminals whether or not that State is under an obligation to do so and whether or not there is any international concern that the State should do so”. Justice Toohey stated that “[i]f such conduct amounted, then, to customary international crimes, their very nature leads to the conclusion that they were the subject of universal jurisdiction”. Legislation in many States vest jurisdiction in their Courts for war crimes, although the extent to which a link is required to the prosecuting state varies. The Four Geneva Conventions require states parties to exercise universal jurisdiction over serious breaches of those conventions in substantially identical terms—article 49 of the First Convention, for example, provides that “[e]ach High Contracting Party shall be under the obligation to search for persons alleged to have committed, or to have ordered to be committed, such persons, regardless of their nationality, before its own courts”.

Such crimes substantially more serious than even the more egregious sectors of cybercrime which encompass breaches of national security, unauthorised access to personal information, or tortious sabotage of corporate affairs. In any case, substantial uniformity of intellectual property protection—whether desirable or otherwise—has been established through a number of multilateral treaties (such as TRIPS) and bilateral investment treaties, primarily with the United States.

5.3. Is there a need to establish rules of international criminal law to regulate these aspects of cybercrime?

No. Infringement of copyright and other intellectual property rights are not nearly of such gravity that they require the establishment of international criminal laws. The International Criminal Court has jurisdiction only over “the most serious crimes of international concern”

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1 Including Australia (War Crimes Act 1945 (Cth) ss 6, 7, 11 (Australian citizens only)), Azerbaijan, Bangladesh, Belarus, Belgium, Canada, Colombia, Costa Rica, Ecuador, El Salvador, Ethiopia, France, Germany, Luxembourg, New Zealand, Niger, Slovenia, Sweden, Switzerland, Tajikistan, United Kingdom, and the United States; cf. Prosecution v. Maksim Sokolović, Case No. 2 StE 6/97, Judgement of 29 November 1999 (Higher Regional Court of Düsseldorf), Court of Appeals, John Demjanjuk v. Joseph Petrovsky et al., Judgement of 31 October 1985, published in Federal Reporter, Vol. 776, p. 571, Case No. 85-3435 (United States)
(Rome Statute, Article 1), and has a mechanism to make cases inadmissible if they are “not of sufficient gravity to justify further action by the Court”. The grave breaches to which the Geneva Conventions relate include, for example, those set out in article 147 of the Fourth Geneva Convention:

wilful killing, torture or inhuman treatment, including biological experiments, wilfully causing great suffering or serious injury to body or health, unlawful deportation or transfer or unlawful confinement of a protected person, compelling a protected person to serve in the forces of a hostile Power, or wilfully depriving a protected person of the rights of fair and regular trial prescribed in the present Convention, taking of hostages and extensive destruction and appropriation of property, not justified by military necessity and carried out unlawfully and wantonly.

Infringement of copyright, patent or trademark, by comparison, simply represent an interference with the right to exclusively exercise intellectual property rights. In particular, in relation to copyright and patent infringement, it must always be borne in mind that the object of such laws is not simply to prevent an evil as with most other criminal sanctions, but to strike a balance between authors’ interest in the protection of their works and the public’s interest in access to them. As stated by Kirby J of the Australian High Court in Stevens v Kabushiki Kaisha Sony Computer Entertainment (2005) 224 CLR 193 at [169]:

Copyright, it has been rightly declared, is one of the great balancing acts of the law. Many balls are in play and many interests are in conflict. To the traditional problems of resolving such conflicts must be added, in the present age, the difficulties of applying the conventional model of copyright law to subject matters for which that model is not wholly appropriate; adjusting it to the implications of the online environment; and adapting it to international pressures that may reflect economic and legal interests that do not fit comfortably into the local constitutional and legal environment.

Infringement of intellectual property rights is not so serious that it cannot be adequately dealt with by domestic courts under domestic law. It would be especially premature to create international criminal laws in relation to the infringement of intellectual property when many countries, including the United States, have not ratified the Rome Statute to facilitate the prosecution at the ICC of crimes which are clearly more serious.

5.4. Should there be an international authority to handle the violation of copyright and other intellectual property rights through the use of the internet?

There does not appear to be a need for such an authority. Intellectual property infringement at an international level should be handled as between states rather than as between copyright owners and individuals. It is important that implementation of international treaties be monitored and that there be appropriate mechanisms to settle disputes between states about noncompliance with international obligations under those treaties. The World Trade Organisation has in place dispute resolution mechanisms between states; a list of disputes on foot can be found at http://www.wto.org/english/tratop_e/dispu_e/dispu_subjects_index_e.htm#selected_subject. So long as there is room for States to settle disputes as between themselves regarding compliance with consensual treaty arrangements, individual questions of infringement of intellectual property may be appropriate resolved at a domestic level.

Question 6
6.1. Did your country sign and/or ratify international agreements or treaties relating to the violation of copyright and other intellectual property rights through the use of the internet?

Australia is a party to—

- Paris Convention for the Protection of Industrial Property, and Final Protocol 1883;
- Berne Convention for the Protection of Literary and Artistic Works 1886;
- The Hague Agreement Concerning the International Deposit of Industrial Designs 1925;
- Universal Copyright Convention (Geneva, 6 September 1952);
- International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 (Rome);
- Locarno Agreement establishing an International Classification for Industrial Designs (8 October 1968);
- Patent Cooperation Treaty 1970;
- Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms 1971;
- Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS);

6.2 Does your country participate in any other form of international cooperation relating to this subject?

Australia has also agreed to stronger intellectual property protection as a result of its free trade agreement with the United States, including:

- Increasing the period of copyright from 50 to 70 years after the death of the author;
- legal enforcement of digital rights management systems;
- administration of a process for copyright owners to engage with Internet Service Providers to detect and prevent infringement;
- Criminal penalties for unlawful decoding of encrypted Pay-TV signals;
- Higher criminal sanctions for copyright infringement

Question 7

7.1. Is it your opinion that your country could and/or should be more active in dealing with this issue?

No. Australia is a party to every major intellectual property treaty and has legislation which provides ample means for enforcement of intellectual property rights by civil suit and criminal sanctions which are more than sufficient. In addition, the authorities have taken a moderated approach to enforcement of such criminal sanctions rather than the heavy-handed alternative.

Question 8

2 As seen for example in some of the proceedings instituted by the RIAA in the United States: see for example John Tehranian, “Infringement Nation: Copyright Reform and The Law/Norm Gap” (2007) 3 Utah Law Review 538 (recounting his personal experience acting in a suit against a terminally ill Mexican who could not speak English after his son downloaded copyrighted songs in Arista Records LLC v Haro, No CV 05-5350 (CD Cal, 2006)); see further Sag M, “Twelve Year-Olds, Grandmothers, and Other Good Targets for the Record Industry’s File Sharing Litigation” (2006) 4(2) Northwestern Journal of Technology and Intellectual Property 133.
8.1. Is it your opinion that you could and/or should be more active in dealing with this issue as a judge?

No. Intellectual property is adequately enforced in Australia, and in any event the role of the judiciary in common law countries is to hear cases which are brought before it, not to be active in seeking the enforcement of any particular right.

8.2. Do you have sufficient means – instruments and qualifications – to address the violation of copyright and other intellectual property rights through the use of the internet?

This question is, as already explained, not directly applicable to judges of State courts in Australia. However, the law in Australia provides for sufficient means to address the violation of intellectual property rights through the use of internet and a variety of ways of compensating such breaches, including by awarding:

- The licence fee that might have been charged for the use of the copyrighted material: *A'asian Performing Right Assn Ltd v Grebo Trading Co Pty Ltd* (1978) 23 ACTR 30; *Ludlow Music Inc v Williams* [2002] FSR 868 at 890;
- Estimation of such a fee in the absence of any evidence: *Manfal Pty Ltd v Longuet* (1986) 8 IPR 410 at 421-422;
- Damages to the extent of the profit forfeited as a result of the infringement: *Bailey v Namol* (1994) 53 FCR 102;
- Damages to the extent of lost sales: *Prior v Lansdowne* [1977] VR 65;
- Damages to the extent of the erosion of the exclusiveness of a work: *Kiama Constructions v MC Casella Building Co Pty Ltd* (1980) 10 IPR 345 at 348;
- Where an infringing article is of an inferior quality, damages for debasing the original: *Sutherland Publishing Co Ltd v Caxton Publishing Co Ltd* [1936] 1 All ER 177 at 181; See also *Hanfstaengl v WH Smith & Sons* [1905] 1 Ch 519;
- Damage to reputation, or to loss of opportunity to enhance reputation: *Prior v Sheldon* (2000) 48 IPR 301 at 320;
- Damages for consequential loss, eg for loss of sale of non-copyright items sold with the copyrighted matter: *TS & B Retail Systems Pty Ltd v 3fold Resources Pty Ltd* (No 3) (2007) 158 FCR 444; 72 IPR 492 at 541 (IPR);
- Account of profits: *Copyright Act 1968* (Cth), s 115(3); *Aristocrat Technologies Australia Pty Ltd v Vidtech Gaming Services Pty Ltd* (2006) 68 IPR 229 at 249;
- Damages for other ‘likely’ but unproven infringements: *Copyright Act 1968* (Cth), s 115(6);
- Where any of the above is difficult to calculate, estimates, or even “guesswork or speculation”: *Callaghan v William C Lynch Pty Ltd* [1962] NSWR 871 at 877.

8.3. Is addressing this issue in Court considered to be a specialisation?

Most intellectual property disputes are heard in the Federal Court of Australia. Therefore, the large majority of judges do not hear intellectual property disputes.

Question 9

Is there any other comment on the subject that you would like to make?

No.