

COPYRIGHT AND THE INFORMATION SOCIETY

Copyright Liability in an Interconnected World

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SPECIAL INTERNET ISSUES IN PRIVATE INTERNATIONAL LAW

- The “making available right”
- On-line liability
- P2P file sharing
- Protection of technological measures
- Digital Rights Management
- Copyright, ISPs and Data Protection

INTERNET AND COPYRIGHT

WIPO Treaties (1996):

- Copyright Treaty (WCT) Article 8
- Performances and Phonograms Treaty (WPPT) Articles 10 & 14
- “Infosoc” Copyright Directive - Directive 2001/29 EC on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society
- USA - Digital Millennium Copyright Act (1998)
- WPPT Article 10
- Exclusive right of making available to performers and phonogram producers
- WPPT Articles 7-9 & 15
- Equitable remuneration, not exclusive rights, to performers and phonogram producers
- Directive 2001/29 EC
- Article 1 - Legal protection of copyright and related rights in the framework of the internal market

- Article 2 – Reproduction right

Exclusive right to authorise or prohibit

- direct or indirect reproduction
 - temporary or permanent reproduction
- by any means and in any form

- Article 3.1 - Right of communication to the public of works

Exclusive right to authorise or prohibit any communication to the public of works by wire or wireless means

Including making available to the public of works in such a way that members of the public may access them from a place and time individually chosen by them

- Article 3.2 – Right to make available to the public of other subject matter

Exclusive right to authorise or prohibit the making available to the public by wire or wireless means in such a way that members of the public may access them from a place and time individually chosen by them

Fixation of performances (performers)

Phonograms (phonogram producers)

Original and copies of film (producers of the first fixation of films)

Fixation of broadcasts, whether transmitted by wire, over the air, including cable or satellite

- Article 3.3 – Exhaustion of rights

The rights in article 3.1 and 3.2. shall not be exhausted by any act of:

- communication of the public
- making available to the public

- Issues not covered by WCT or WPPT:

- Adaptation
- Moral rights
- Display
- *Sui generis* database rights (extraction, re-utilisation)

– Who makes available?

(i) Direct infringement - the party itself

– “Napster” *A&M Records Inc. et al. v Napster Inc.* 54 U.S.P.Q. 2d 1746 (N.D. Cal 2000); 284 3d. 1091; 57 U.S.P.Q. 2d 1729 (9th Cir. 2001)

- Users who make content available (i.e. content provider)
- Napster carried out a “primary role of facilitating unauthorised copying and distribution by its control ... maintaining and supervising an integrated system....” (i.e. website operator)
- Consider also providers of access, hosting, communications

(ii) Contributory infringement (knowledge of, and contributing to, infringement by another) – under US law

(iii) Vicarious infringement (supervision of, and financial interest in, infringement) – under US law

(iv) Authorisation of infringement - under UK law

(v) Complicity in/preparation for copyright infringement - e.g. under Swedish law

• Who are the possible actors - who “makes available” in Internet transmission?

– i.e. who could be liable to license content, or for infringement?

- Content provider
- Communication provider (“mere conduit”)
- Service provider
- Hosting provider
- Website operator
- End user

Comparing various jurisdictions where decisions have been made - mixed answers to the questions: “Who is responsible for making available?” and “What degree of involvement/proximity is needed?”

Sweden

- Stockholms tingsrätt mål B 13301-06 Dom B 13301-06 2009-04-17 (“Pirate Bay”) Appeal set down for appeal court in Stockholm on 28 September 2010.

- Svea hovrätt mål B 9303-05, 2006-04-03. (*Den tredje vågen*)

USA

– “Aimster” *Re Aimster Copyright Litigation* 252 F. Supp. 2d 634 (N.D. Ill., Eastern Division, 2002) (affd. 7th Cir., June 30, 2003)

– *Metro-Goldwyn-Mayer Studios Inc. v Grokster Ltd* 125 S.Ct. 2764 (2005) (Sup Ct (US))

– *Virgin Records America v Jammie Thomas* Unreported, No.06-cv-1497-MJD/RLE, United States District Court for the District of Minnesota, Oct 4, 2007

Netherlands – “KaZaa” *KaZaa Bv v BUMA/STEMRA* CA Amsterdam, March 29 2002 [2002] E.I.P.R. N-130 (upheld by Netherlands Supreme Court, 19 December 2003)

Norway - *Bonnier Amigo Music Norway AS v Telenor Telecom Solutions AS* Herredsrett (Norway) 06 November 2009 [2010] E.C.D.R. 2

Spain - *La SGAE v “elrincondejesus.com”* la [sentencia nº 67/10](#) del Juzgado mercantil nº 7 de Barcelona (Spain March 2010)

UK - *Twentieth Century Fox Film Corp v Newzbin Ltd* [2010] EWHC 608 (Ch) (29 March 2010) citing *C.B.S. Songs Ltd and others v Amstrad Consumer Electronics Plc* [1988] 1 A.C. 1013 and Case C-306/05 *Sociedad General de Autores v Editores de España (SGAE) v Rafael Hoteles SA*.

Germany - *On-Demand Music Service, Re* (2 WS 328/07) Oberlandesgericht (Stuttgart) 21 January 2008 [2009] E.C.C. 14

Denmark - *SONOFON A/S (formerly DMT2 A/S) v IFPI Danmark*, Ostre Landsret

(Denmark), 26 November 2008 [2009] E.C.D.R. 10

China - *Baidu Co v Music Recording Companies* one case: Haidian District Court of Beijing Municipality (District Court) March 2005, seven cases: First Intermediate Court of Beijing Municipality (Intermediate Court) July 2006

Hong Kong - *Chan Nai Ming v HKSAR* Hong Kong Court of Final Appeal 2008

• In which country does "making available" take place, in the international context?

Possibilities:

(i) "Emission theory" (cf satellite transmission in the EU - COUNCIL DIRECTIVE 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission)

cf German case *Felsberg Transmitter*, BGH, November 7, 2002, (2004) 35 IIC 977 and ECJ case *Lagadère Active Broadcasting v SPRE and GVL*, Case C192/04, July 14, 2005

(ii) In the country of reception? (Music copyright collecting societies)

Decision in COMP/M.4404-*Universal/BMG Music Publishing* Unreported May 22, 2007 (CEC)

CISAC Agreement, Re (COMP/C2/38.698) [2009] 4 C.M.L.R. 12 (CEC)

Santiago Agreement (COMP/C2/38.126) (2001) OJ C145/2 (CEC)

(iii) "Communication theory"

USA

• *National Football League v TV Radio Now Corp. d/b/a iCraveTV* No. 00-121 (W.D. Pa. filed Jan. 20, 2000) settled Jan. 28, 2000 53 U.S.P.Q. 2d 1831 (long arm statute)

Canada

- *Society of Composers, Authors and Music Publishers of Canada v. Canadian Association of Internet Providers* 2004 SCC 45 ("Tariff 22")

("Everywhere" - Australian libel judgment *Gutnick v Dow Jones & Co Inc* [2002] H.C.A. 56)

CROSS-BORDER ISSUES

- (1) jurisdiction**
- (2) choice of law**
- (3) enforcement of foreign judgments.**

Jurisdiction

Common law jurisdictions

UK & Commonwealth Courts

- *Forum non conveniens*
- Moçambique rule
- Brussels Convention
- The Brussels Regulation (Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters)
- *Gareth Pearce v Ove Arup Partnership Ltd* [1999] 1 All ER 769

US Courts

- General jurisdiction
- Specific jurisdiction

Zippo Manufacturing Company v Zippo Dot Com Inc., 952 F. Supp. 1119; 42 USPQ 2D 1062 (District Court for the Western District of Pennsylvania).

- *Twentieth Century Fox Film Corp. v iCraveTV* No 00-121 (W.D. Pa. filed Jan. 20, 2000); *National Football League v TV Radio Now Corp. d/b/a iCraveTV* No. 00-121 (W.D. Pa. filed Jan. 20, 2000) settled Jan. 28, 2000 (iCraveTV)

- *Cannan Communications, Inc. v. Prime Time 24 Joint Venture* (N.D. Texas); *CBS, Inc. et al. v. Prime Time 24 Joint Venture* (S.D. Fla.); *ABC, Inc. v. Prime Time 24 Joint Venture* (M.D. N.C.); *National Football*

League v. Prime Time 24 Joint Venture 24 211 F.3d 10 (2d Cir. 2000) (Prime Time 24)

- *E360Insight v Spamhaus* (Illinois District Court, September 2006)

Other jurisdictions

- Brussels Convention
- The Brussels Regulation (Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters)

• *UEJF and Licra v Yahoo! inc. and Yahoo France* Tribunal de Grand Instance Paris - 20 Nov 2000

• *Yahoo v La Ligue contre le Racisme et l'Antisemitisme*, 2d 1181 (N.D. Cal. 2001); 379 F 3d 1120 (9th Cir. 2004)

“From Afghanistan to Zimbabwe?”¹

Inclusion of intervening countries where the communication is merely present, e.g. in servers and mirror sites?²

“Strong reasons suggest that an offence which involves the making available of something via the Internet must be considered to have been committed in a country where the Internet user can get access to the information which has been made available, on condition that the making available has a legal effect in the country.... This suggests that all the principal offences, even those which were committed by persons who were outside Sweden, should be seen as having been committed in Sweden.”³

Choice of law

- *Berne Convention (Paris Text 1971)*

“...the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country

¹ *Gutnick v Dow Jones & Co Inc* [2002] H.C.A. 56 – this was about libel, though, not copyright.

² The “*Tariff 22*” case appeal judgment (2004 SCC 45).

³ “Starka skäl talar, enligt tingsrätten, för att ett brott som innebär att man tillgängliggör något via Internet ska anses ha begåtts i ett land där en Internetanvändare kan komma åt den information som tillgängliggörs, förutsatt att tillgängliggörandet har en rättighetsmässig effekt i landet Detta talar för att samtliga huvudbrott, även de som företagits av personer som befunnit sig utanför Sverige, ska anses ha begåtts i Sverige” (page 61 of the judgment in Stockholms tingsrätt mål B 13301-06 Dom B 13301-06 2009-04-17 (“Pirate Bay”).

where protection is claimed.”

- "In principle the law of copyright is strictly territorial" (Lord Hoffmann *Abkco Records Inc. v Music Collection International Ltd* [1995] RPC 657, 600)

- *Gareth Pearce v Ove Arup Partnership Ltd* [1999] 1 All ER 769

Recent application: *Lucasfilm Ltd v Ainsworth* Court of Appeal (Civil Division) 16 December 2009 [2009] EWCA Civ 1328; [2010] E.C.D.R. 6; [2010] E.M.L.R. 12; [2010] F.S.R. 10; (2010) 33(4) I.P.D. 33021; Times, January 4, 2010

Examples where courts have applied the law of foreign countries:

- **Subsistence of copyright**

- *Bridgeman Art Library Ltd v Corel Corp.* 25 F.Supp.2d 421 (S.D.N.Y. 1998), *recons'd* 36F. Supp. 2d 191 (S.D.N.Y. 1999)

- **Ownership of copyright**

- *Itar-Tass Russian News Agency v Russian Kurier* 153 F.3d 82 (2d Cir. 1998) Appeal, 2nd Circuit

- **Substantive rights**

- *Update Art v Modiin Publishing Ltd* 843 F.2d 67, 82 (2nd Cir. 1988)

- *Boosey & Hawkes v Disney* 934 F Supp. 119 (S.D.N.Y. 1996) *revd.* 145 F.3d 481 (2d Cir. 1998)

Examples where courts have applied their national law to activities which took place outside their jurisdiction:

- *Twentieth Century Fox Film Corp. v iCraveTV* No 00-121 (W.D. Pa. filed Jan. 20, 2000); *National Football League v TV Radio Now Corp. d/b/a iCraveTV* No. 00-121 (W.D. Pa. filed Jan. 20, 2000) settled Jan. 28, 2000 53 U.S.P.Q. 2d 1831

- *Cannan Communications, Inc. v. Prime Time 24 Joint Venture* (N.D. Texas); *CBS, Inc. et al. v. Prime Time 24 Joint Venture* (S.D. Fla.); *ABC, Inc. v. Prime Time 24 Joint Venture* (M.D. N.C.); *National Football League v. Prime Time 24 Joint Venture* 24 211 F.3d 10 (2d Cir. 2000)

- *United States of America v Elcom Ltd a/k/a ElcomSoft Co. Ltd and Dmitry Sklyarov* (Northern District of California, San Jose Division No. CR 01-20138 RMW)

Web activities involving copyright material raise issues outside copyright law:

Browsing, linking, file sharing -

- Browsing
- Linking (see *Universal Music Australia Pty Ltd v Cooper*, Federal Court of Australia, Sept 2005)
 - Out-line links (simple)
 - In-line links (deep)
 - Embedded links
- Framing
- File sharing

Relevant non-copyright legislation:

- *EEA*
- E-Commerce Directive - Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market
 - Conduit transmission ("mere caching") (Art. 12)
 - Caching (Art. 13)
 - Hosting (Art. 14)
 - Limitations on monitoring (Art. 15)
 - Member States' & Commission's Code of Conduct (Art. 16)

[cf Information Society Directive - copyright legislation:

- Art. 5(1) – mandatory exception for temporary acts of reproduction
 - ...which are transient or incidental [and] an integral and essential part of a technological process and whose sole purpose is to enable:
 - (a) a transmission in a network between third parties by an intermediary, or
 - (b) a lawful use of
 - a work or other subject-matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Article 2.
- Recital 33, Art 5.1

- such temporary acts of reproduction to include acts which enable browsing, caching, transmission systems to function efficiently... provided the intermediary does not modify the information and does not interfere with the lawful use of technology ... to obtain data on the use of the information.]

- *US law*

- *Perfect 10 Inc v CCBill LLC* (Unreported, March 29, 2007) (9th Cir (US))

"Safe Harbor" - takedown (included in US copyright law)

- "Service provider" in s 512(a) = "entity offering transmission, routing, or providing connections for digital on-line communications, between or among points specified by a user, of material of the user's choosing, without modification to the content of the material as sent or received"

- "Service provider" in ss 512 (b)(c)&(d) = "provider of on-line services or network access, or the operator of facilities therefore," and includes (a) above

- "Volitional conduct" of the ISP

- *Religious Technology Center v Netcom* 907 F. Supp. 1361 (N.D. Cal. 1995)

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- *Co-Star Group, Inc., et al. V LoopNet Inc.* No. 03-1911 (4th Cir. 21 June 2004)

- Misrepresenting that material is infringing (s512(f))

- *Universal (Prince) v Stephanie Lenz* (EFF, chilling effects, wrongly brought takedown notice, March 2010)

- Taking down by SP in good faith, reply to notifications (s512(g))

- *Stephanie Lenz V Universal Music Corp., a.o.* Case No. C 07-03783-jf United States District Court for the Northern District of California, San Jose Division

- Issuing of subpoena to SP to identify alleged infringer (s512(h))

- SP's limitation of liability when terminating repeat-infringing subscribers (s512(i))

- Rules governing injunctions (s512(j))

- Other defences for SPs (s512(l))

- *Elektra Entertainment Group v. Santangelo*, No. 06-11520, 2008

U.S. Dist. LEXIS 11845 (S.D.N.Y. Feb. 15, 2008)

- Protecting SP in monitoring operations (s512(m))

cf. Icelandic preliminary injunction (W.I.P.R. 2010, 24(4), 8) and Danish preliminary injunctions (*SONOFON A/S (formerly DMT2 A/S) v IFPI Danmark*, Ostre Landsret (Denmark), 26 November 2008 [2009] E.C.D.R. 10) upheld.

• **Comparison of EC and US provisions**

- Arts. 13 & 14 of E Commerce Directive – SP's "actual knowledge" of potential infringement – but what is "actual knowledge"? How does the SP get it?

- s512 US Copyright Act – legally defined rules

- limiting SP's liability (transitory communication, caching, storage, information location tools)
- notification to SP re potential infringement
- counter-notification by content provider

• **Challenge to SP's level of involvement**

Trend towards "three strikes and you're dead" - termination of Internet service - responsibility of SPs under challenge - France, UK (Digital Economy Act 2010).

What *is* a SP? The extent of its activities? The extent of its control over material?

- *Copiepresse v Google* (Belgian Court of Cassation September 25, 2003 C030026N)

Gordon Roy Parker v. Google, Inc., Civ. No. 04-CV-3918 (E.D. Pa., March 10, 2006), affirmed -- F.3d – (3rd Cir., July 10, 2007)

- *Perfect 10 Inc v Google Inc* (Unreported, May 16, 2007) (9th Cir (US))
Perfect 10, Inc. v. Amazon.com, Inc., et al., No. 06-55405 (9th Cir., May 16, 2007)

District Court of Hamburg (Case No. 308 O 449/03) (*Thumbnails*) 2003
District Court of Erfurt (Case No.: 3 O 1108/05) (*Thumbnails*) 2007

PROTECTION OF EFFECTIVE TECHNOLOGICAL MEASURES

- Access control, copy control
- WCT 1996, Article 11
 - obligation to provide "adequate legal protection and adequate legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights...."
- WPPT 1996, Article 18
- EC Information Society Directive, Article 6
 - protection against circumvention....
 - protection against manufacture, import, sale ... or possession for commercial purposes of devices, provision of services ... for the purpose of circumvention....
 - seven possible exceptions, under member states' laws
 - interactive on-demand services are excluded
- EC Conditional Access Directive
- US Copyright Act, s. 1201

Hardware/software making copying possible:

- *Sony Computer Entertainment, Inc. v Owen* [2002] E.M.L.R. 742, H.C.
- *Universal City Studios, Inc. v Reimerdes and ors.* 82F. Supp 2d 211; 55 U.S.P.Q. 1873 (SD NY 2000); *Universal City Studios, Inc. v Corley and anr.* 273F 3d 429 (2nd Cir. 2001)
- *Lexmark International, Inc. v Static Control Components, Inc.* 87 F.Supp. 2d 976 (N.D. Cal. 1999)
- *United States of America v Elcom Ltd a/k/a ElcomSoft Co. Ltd and Dmitry Sklyarov* (Northern District of California, San Jose Division No. CR 01-20138 RMW)
- *Kabushiki Kaisha Sony Computer Entertainment v Stevens* [2002] F.C.A. 906, [2003] F.C.A.F.C. 157 (Australia)
- *Public Prosecutor v. Johansen, Borgating Appellate Court*, December 22, 2003 [2004] ECDR 17 (Norway)

Could but didn't put filtering software:

- *Société Belge des Auteurs, Compositeurs et Editeurs (SABAM) v SA Scarlet Extended Ltd* (June 29, 2007) (RB (Brussels)) [2007] E.C.D.R. 19
- *Zadig Productions v Google Inc* (Unreported, October 19, 2007) (Trib Gde Inst (Paris))
- *Ticketmaster LLC v. RMG Technologies Inc et al* Case No.

Germany - *RapidShare* ordered to proactively filter book titles (the District Court in Hamburg preliminary ruling February 10th 2010) (compare with *Copiepresse*).

DIGITAL RIGHTS MANAGEMENT

- Unauthorised removal or altering of electronic rights management information
- Distributing, importing ...copies of works knowing ...that electronic rights management information has been removed or altered without authority
- WCT Article 12(1)
- WPPT Article 19
- EC Information Society Directive Article 19
- US Copyright Act s. 1202

DATA PROTECTION & PRIVACY

• *Productores de Música de España (Promusicae) v Telefónica de España SAU* Case C-275/06, Court of Justice of the European Communities (Grand Chamber)

Societe des Auteurs, Compositeurs et Editeurs de Musique (SACEM) v Cyrille X ...
Cour de Cassation (Supreme Court), (Criminal Chamber) 13 January 2009 [2009] E.C.C. 22

ENFORCING FOREIGN JUDGMENTS

- The TRIPS Agreement, Marrakesh, 5 April 1994
- “The provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems.”
- Directive 2001/29/EC Article 8 (1)
- “Member States shall provide appropriate sanctions and remedies in respect of infringements of the rights and obligations set out in this Directive and shall take all the measures necessary to ensure that those

sanctions and remedies are applied. The sanctions thus provided for shall be effective, proportionate and dissuasive.”

- *Brown v. Bandai America, Inc., et al.*, 2002 WL 1285265 (N.D. Tex. June 4, 2002)
- *Disney Enterprises Inc v Click Enterprises* (Court File No 05 CV 296252PD3, April 5 2006)
- Interpretation under provisions of Article 10(a) of the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commerce Matters (the "Hague Service Convention")
- Proposed Hague Convention on Jurisdiction, Recognition and Foreign Judgments in Civil and Commercial Matters
- Latest draft 21 to 27 April 2004, published May 2004
<http://www.hcch.net/e/workprog/jdgm.html>
- Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters (Dreyfuss/Ginsburg)
http://www.kentlaw.edu/depts/ipp/intl-courts/docs/treaty10_10.pdf
<http://www.wipo.int/pil-forum/en/documents>
- Draft International Copyright Code (Sterling)
<http://www.ccls.edu/iplaw/icc.html>
- WIPO Arbitration and Mediation Centre <http://arbitrator.wipo.int>
- Uniform Domain-name Dispute Resolution Policy
<http://www.icann.org/udrp/udrp.htm>

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