

## LIMITING OVERLAP OF COPYRIGHT EXCLUSIVE RIGHTS ONLINE: LESSONS FROM CANADA'S *SOCAN V ESA* CASE ON STREAMING AND DOWNLOADS

### ABSTRACT

Copyright owners' exclusive right to communicate to the public includes the 'making available' of a work, as set out in the *WIPO Internet Treaties* of 1996. The right has been implemented in countries such as Australia and Canada, however, the overlap between the 'making available' aspect of the communication right and the reproduction right remains unresolved. The Supreme Court of Canada has sought to limit overlaps between these rights. In *Society of Composers, Authors and Music Publishers of Canada v Entertainment Software Association of Canada* ('*SOCAN v ESA*'), the Court held that when a person makes a durable copy of a work available for download, this is not a communication of a work to the public, but merely an 'authorisation' of its reproduction, and therefore an exercise of the reproduction right. The Canadian approach and sentiment towards overlaps may be contrasted with that of Australian courts, which tend to take overlaps in protection as a given, and show limited concern about double dipping or doctrinal clarity. The *National Rugby League Investments Pty Ltd v Singtel Optus Pty Ltd* case and relatively recent cases involving Redbubble Ltd decided by the Federal Court of Australia are examples of this. In drawing out lessons from the groundbreaking *SOCAN v ESA* decision, this article prompts Australian courts to interpret the communication right in a careful and considered manner that limits overlaps in protection.

### I INTRODUCTION

The scope of copyright owners' right to communicate their work to the public by 'making available' remains uncertain, decades since it was established through the *WIPO Copyright Treaty* ('*WCT*')<sup>1</sup> and the *WIPO Performances*

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<sup>1</sup> *WIPO Copyright Treaty*, opened for signature 20 December 1996, 2186 UNTS 121 (entered into force 6 March 2002) ('*WCT*').

and *Phonograms Treaty* ('WPPT'),<sup>2</sup> collectively known as the *World Intellectual Property Organisation* ('WIPO') *Internet Treaties*. This is particularly so in the media streaming context, where the line between ephemeral streaming and downloads is not clear cut. Consider the example of a streaming service that allows downloads of content for offline use at users' leisure, when users are unable to access the internet.<sup>3</sup> Should this give rise to claims that the service provider has exercised both the reproduction right and the right to communicate to the public? One might think that content dissemination models providing downloads of content only (not streams) would be relatively straightforward, but this has nevertheless given rise to claims that both the reproduction right and right to communicate to the public should apply. The concern here is that overlapping rights apply to a single exploitative use of copyright content. This increases licensing complexity and transaction costs unnecessarily, as authorisation is needed from holders of different rights.

The Supreme Court of Canada in *Society of Composers, Authors and Music Publishers of Canada v Entertainment Software Association of Canada* ('SOCAN v ESA')<sup>4</sup> sought to avoid this problem by drawing a line between downloads of durable copies and ephemeral streaming. It held that if a person, who is not the copyright owner, makes a durable copy of a work available for download, this would infringe the right to *authorise* the making of reproductions,<sup>5</sup> but would not infringe the right to communicate a work to the public, by 'making available'.<sup>6</sup> The decision prompts closer consideration of Australian decisions that fail to engage with the question of whether overlapping rights may lead to undesirable policy outcomes. One angle is to consider the distinction between reproductions and communications, which was the primary concern in *SOCAN v ESA*. In addition, the Canadian Court's use of authorisation of reproduction as a distinct right of the copyright owner prompts consideration of overlap between primary and secondary liability for copyright infringement which constitutes a secondary and less obvious angle of this critique.

In contrast, Australian courts tend to take overlaps in protection as an inherent part of copyright law. For example, in *National Rugby League Investments Pty Ltd v Singtel Optus Pty Ltd* ('Optus TV'),<sup>7</sup> the Federal Court of Australia limited its analysis to the reproduction right when assessing the legality of a service permitting the streaming of content from the cloud (an activity which falls squarely within the copyright owners' interest in making content accessible to the public).<sup>8</sup> In these

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<sup>2</sup> *WIPO Performances and Phonograms Treaty*, opened for signature 20 December 1996, 2186 UNTS 203 (entered into force 20 May 2002) ('WPPT').

<sup>3</sup> See, eg, Spotify, 'How to Download and Listen to Music and Podcasts: Offline and on the Go', *For the Record* (Web Page, 24 May 2019) <<https://newsroom.spotify.com/2019-05-24/how-to-download-and-listen-to-music-and-podcasts-offline-and-on-the-go/>>.

<sup>4</sup> [2022] SCC 30 ('SOCAN v ESA').

<sup>5</sup> *Ibid* [107].

<sup>6</sup> *Ibid* [75].

<sup>7</sup> (2012) 201 FCR 147 ('Optus TV').

<sup>8</sup> See *ibid* 151–2 [1]–[9].

instances, Australian courts have not stopped to question the interplay between exclusive rights. In terms of the overlaps between primary and secondary liability, the Federal Court cases involving ‘print-on-demand’ website Redbubble Ltd show how factors of control and overall coordination of a platform or system (ordinarily more relevant to secondary liability) were sufficient to give rise to primary infringement of the communication right.<sup>9</sup>

Today, copyright interests are extensively divided. Rights may be held by different owners and administered by different collecting societies. When combined with overlapping rights, this necessitates licences from multiple rightsholders should a third party wish to exploit a work.<sup>10</sup> Each licence that partially permits the same activity is devalued in such instances, but the overall increase in transaction costs may discourage market entry and the initiation of certain content dissemination models.<sup>11</sup> Put simply, having more rightsholders collect fees for the same interest does not necessarily increase the size of the pie of profits for creators. This merely divides the pie into more slices and adds complexity. Therefore, on the whole, overlapping rights impede efficient dissemination of content and information without a commensurate increase in authorship and content production incentives.<sup>12</sup>

This article draws out lessons from the Canadian *SOCAN v ESA* case to highlight blind spots in our approach to overlapping rights in Australia.<sup>13</sup> These lessons relate to the policy perspective taken by the Canadian Supreme Court and its overall willingness to engage with the issue of overlapping rights, as opposed to doctrinal approaches for direct adoption. The article nevertheless highlights relevant doctrinal differences and the need to treat the Canadian legal solution to overlapping rights with caution.<sup>14</sup> Notably, the Canadian approach considers both the interests of the copyright owner in controlling access and the perspective of copyright consumers. Taking a copyright consumer’s perspective focuses our attention on what the consumer receives (perhaps a durable copy or mere ephemeral access to content), regardless of the process or underlying technology utilised to achieve this. Likewise,

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<sup>9</sup> *Hells Angels Motorcycle Corporation (Australia) Pty Ltd v Redbubble Ltd* (2019) 369 ALR 408 (*Hells Angels*); *Pokémon Company International Inc v Redbubble Ltd* (2017) 351 ALR 676 (*Pokémon*). These cases are discussed further in Part IV(B) of this article.

<sup>10</sup> Mark A Lemley, ‘Dealing with Overlapping Copyrights on the Internet’ (1997) 22(3) *University of Dayton Law Review* 547, 571.

<sup>11</sup> *Ibid.*

<sup>12</sup> For discussion of copyright’s dual authorship and dissemination functions, see Cheryl Foong, *The Making Available Right: Realizing the Potential of Copyright’s Dissemination Function in the Digital Age* (Edward Elgar, 2019) 37–8, 46–50.

<sup>13</sup> For discussion of how the reproduction right should be interpreted in instances involving background, technical copies, see Cheryl Foong, ‘Immaterial Copying in the Age of Access’ (2022) 44(9) *European Intellectual Property Review* 513.

<sup>14</sup> One caution relates to the distinct nature of Canada’s authorisation right and whether this in turn leads to duplication or overlap with the reproduction right, which is discussed in Part III(C) and Part V of this article.

the focus on owners' interests considers the key value being extracted from the content, not the underlying technological steps that could be counted for purposes of remuneration.

Overall, the Canadian approach urges a contextual interpretation of the law that aligns the scope of exclusive rights and authorisation of infringement with the relevant copyright interests in online dissemination markets. Australian lawmakers and courts should take inspiration from the Supreme Court of Canada's willingness to address overlaps in the context of online dissemination. However, this is a complex issue that requires in-depth analysis and potentially fundamental reforms. While the decision seems to mitigate the problem of overlapping rights in the immediate term for Canada, it may not bring the doctrinal clarity and consistency needed for the long-term sustainability of copyright law.

## II COMMUNICATION BY 'MAKING AVAILABLE'

The general right of copyright owners to reproduce their works is a longstanding staple of copyright law, set out in the *Berne Convention for the Protection of Literary and Artistic Works* ('*Berne Convention*'), first adopted in 1886.<sup>15</sup> Ancillary rights such as the right to broadcast were present in the *Berne Convention*,<sup>16</sup> but the technological capability to provide access to content via the internet raised uncertainty about the adequacy of existing rights. The *WIPO Internet Treaties* sought to resolve these ambiguities and gaps left by the *Berne Convention*.<sup>17</sup> The *WIPO Internet Treaties* were concluded in 1996 through a diplomatic conference involving over 130 countries, which followed a period of 'guided development' led by WIPO and preparations for a 'possible protocol' to the *Berne Convention*.<sup>18</sup> A key objective was to ensure that merely making content accessible to members of the public would be a protected activity under copyright law, requiring the authorisation of

<sup>15</sup> *Berne Convention for the Protection of Literary and Artistic Works*, opened for signature 9 September 1886, 331 UNTS 217 (entered into force 1 August 1951) art 9 ('*Berne Convention*').

<sup>16</sup> *Ibid* art 11*bis*.

<sup>17</sup> See Sam Ricketson and Jane C Ginsburg, *International Copyright and Neighbouring Rights: The Berne Convention and Beyond* (Oxford University Press, 2<sup>nd</sup> ed, 2005) vol 1, 741–2.

<sup>18</sup> See generally: Mihály Ficsor, *The Law of Copyright and the Internet: The 1996 WIPO Treaties, Their Interpretation and Implementation* (Oxford University Press, 2002) 414–15 ('*The Law of Copyright and the Internet*'); Mihály Ficsor, 'Towards a Global Solution: The Digital Agenda of the Berne Protocol and the New Instrument: The Rorschach Test of Digital Transmissions' in P Bernt Hugenholtz (ed), *The Future of Copyright in a Digital Environment* (Kluwer, 1996) 112–18 ('Towards a Global Solution'). See World Intellectual Property Organization, 'Diplomatic Conference on Certain Copyright and Neighboring Rights Questions', *Meeting Documents* (Web Page) <[http://www.wipo.int/meetings/en/details.jsp?meeting\\_id=3010](http://www.wipo.int/meetings/en/details.jsp?meeting_id=3010)>.

the copyright owner.<sup>19</sup> This technology-neutral access right, unconnected to copies, was stated in art 8 of the *WCT* and art 14 of the *WPPT*. The *WCT* provided that a communication to the public includes ‘the making available to the public ... in such a way that members of the public may access these works from a place and at a time individually chosen by them’.<sup>20</sup>

Under the so-called ‘umbrella solution’, the *WIPO Internet Treaties* did not prescribe the particular form of implementation.<sup>21</sup> The *WIPO Internet Treaties* were acceded to by most countries, but the form of implementation has varied.<sup>22</sup> In Australia, the *Copyright Amendment (Digital Agenda) Act 2000* (Cth) amended the *Copyright Act 1968* (Cth) to define ‘communicate’ to mean ‘make available online or electronically transmit’ (that is, it did not follow the wording of the *WCT*).<sup>23</sup> Canada’s legislative amendment to recognise this broadened communication right was implemented

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<sup>19</sup> World Intellectual Property Organization, *Diplomatic Conference on Certain Copyright and Neighboring Rights Questions* (CRNR/DC/4, 30 August 1996) 44 <[http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=2481](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=2481)>. Note that the *WCT* is considered a special agreement under the *Berne Convention*: Jörg Reinbothe and Silke von Lewinski, *The WIPO Treaties on Copyright: A Commentary on the WCT, the WPPT, and the BTAP* (Oxford University Press, 2<sup>nd</sup> ed, 2015) 7. Ficsor notes that the legal nature of the so-called ‘protocol’ was not precisely or conclusively determined in the terms of reference issued in 1989, but was later established by increasing agreement on the ‘special-agreement’ approach: Ficsor, *The Law of Copyright and the Internet* (n 18) 18–19. See also Ricketson and Ginsburg (n 17) 145.

<sup>20</sup> *WCT* (n 1) art 8 (entered into force for Australia 26 July 2007; entered into force for Canada 13 August 2014). The *WPPT* expresses the making available right of performers and phonogram producers as a standalone right in relation to their respective fixed performances/phonograms: *WPPT* (n 2) arts 10, 14 (entered into force for Australia 26 July 2007; entered into force for Canada 13 August 2014).

<sup>21</sup> See Ficsor, *The Law of Copyright and the Internet* (n 18) 204–6. The act of digital transmission would be described in a neutral way, free from specific legal characterisation, and the actual choice of the right or rights to be applied would be left to national legislation.

<sup>22</sup> For example, the European Union explicitly introduced a right to communicate to the public in terms similar to the *WIPO Internet Treaties* via art 3(1) of the *Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society* [2001] OJ L 167/10 (known as the ‘InfoSoc Directive’), while the United States (‘US’) has relied on its existing suite of rights to give effect to the right: *Copyright Act of 1976*, 17 USC § 106 (2016). See also: US Department of Commerce Internet Policy Task Force, *Copyright Policy, Creativity, and Innovation in the Digital Economy* (Green Paper, July 2013) <<http://www.uspto.gov/sites/default/files/news/publications/copyrightgreenpaper.pdf>>; US Copyright Office, *The Making Available Right in the United States: A Report of the Register of Copyrights* (Report, February 2016) <[http://copyright.gov/docs/making\\_available/](http://copyright.gov/docs/making_available/)>.

<sup>23</sup> *Copyright Amendment (Digital Agenda) Act 2000* (Cth) s 6; *Copyright Act 1968* (Cth) s 10(1) (definition of ‘communicate’) (‘*Copyright Act* (Cth)’).

relatively late, in 2012.<sup>24</sup> Section 2.4(1.1) of the Canadian *Copyright Act*, RSC 1985, c C-42 (*Copyright Act 1985 (Can)*) provides in its interpretation segment that communication to the public by telecommunication includes making it available to the public ‘in a way that allows a member of the public to have access to it from a place and at a time individually chosen by [them]’ (that is, in terms almost mirroring the *WCT*).

The introduction of the right to ‘make available’ as a part of the communication right in the *WIPO Internet Treaties* marked the first time that a right crossed the traditional borders between ‘copy-related rights’ and ‘non-copy-related rights’ through which works are made available to the public.<sup>25</sup> The umbrella solution solved a threshold issue in providing that making works accessible (whether via downloads or streams) must be protected acts within the exclusive rights of the copyright owner.<sup>26</sup> This is how it is mandated at the international level, but it is still up to countries as to how this obligation is implemented. In accordance with the umbrella solution, the *WIPO Internet Treaties* would not dictate which rights or what form the rights should take to protect the accessibility of copyright works. It was a compromise to address what was seen as an urgent task that had to be settled at the international level.<sup>27</sup> The choice was between a right of communi-

<sup>24</sup> *Copyright Act*, RSC 1985, c C-42, s 2.4(1.1) (*Copyright Act (Can)*), as amended by *Copyright Modernization Act*, SC 2012, c 20, s 3 (*CMA*). See also ss 15(1.1)(d) regarding sound recordings of performers’ performances, 18(1.1)(a) regarding sound recordings. Note that a number of reform bills were produced from 2005 to 2012, but only Bill C-11, also known as the *CMA*, made it through and took effect on 7 November 2012: Yaxi Wang, ‘Filling the Gap: How Should *ESA vs SOCAN* Interact with the New Making Available Right’ (LLM Thesis, University of Toronto, 2013) 18–19.

<sup>25</sup> Ficsor, *The Law of Copyright and the Internet* (n 18) 498–9 [C8.08]. Note that Ficsor, former Assistant Director General of WIPO, is recognised as having played a decisive role in the preparation, negotiation, completion and adoption of the *WCT* and the *WPPT*: see vii (Foreword by Kamil Idris, then Director General of WIPO). Ficsor further explains that copy-related rights (such as public distribution or right of rental) cover ‘acts by means of which copies are made available to the public, typically for ‘deferred’ use’, since ... the perception (studying, watching, listening to) of the signs, images and sounds in which the work is expressed ... (that is, the actual ‘use’) by the members of the public differ in time. Non-copy-related rights (such as the right of public performance, the right of broadcasting, the right of communication to the public by wire), on the other hand, cover acts through which works and objects of related rights are made available for direct — that is not ‘deferred’ — use (perceiving, studying, watching, listening to) by the members of the public’.

<sup>26</sup> Ginsburg observes that it is not entirely clear whether the making available right may be considered a substantive enlargement of *Berne Convention* rights or a mere affirmation of the existing scope of rights, and prefers to describe it as ‘clarification’: Jane C Ginsburg, ‘The (New?) Right of Making Available to the Public’ in D Vaver and L Bently (eds), *Intellectual Property in the New Millennium: Essays in Honour of William R Cornish* (Cambridge University Press, 2004) 234, 246 (‘The (New?) Right of Making Available to the Public’).

<sup>27</sup> Ficsor, ‘Towards a Global Solution’ (n 18) 136. See also Mihály Ficsor, *Copyright in the Digital Environment: The WIPO Copyright Treaty (WCT) and the Wipo Performances and Phonograms Treaty (WPPT)* (Report, WIPO National Seminar

cation (a ‘non-copy-related right’) preferred by the European Communities and a right of distribution (a ‘copy-related right’) preferred by the United States (‘US’).<sup>28</sup> Overlaps between existing rights and this new making available right do not appear to have been at the forefront of delegates’ minds, and this is reflected in the mere acceptance in the *WCT* that the general reproduction right in the *Berne Convention* would continue to apply.<sup>29</sup>

In short, the umbrella solution was primarily concerned with providing effective coverage for the accessibility of copyright works and left the issue of overlap between the reproduction right and the communication right unresolved.<sup>30</sup> National implementation has raised the issue of overlap between the broadened right to communicate to the public by making available and the longstanding reproduction right, particularly in the digital age. The Supreme Court of Canada in particular has sought to address the issue head on in *SOCAN v ESA*, in the context of downloads.

### III THE CANADIAN APPROACH: *SOCAN v ESA*

The initial proceedings before the Copyright Board of Canada involved setting a tariff for online music services.<sup>31</sup> The Board held that when a work is distributed online, two royalties are payable for the separately protected and compensable activities that may occur at different times:

- (1) when the work is made available online; and
- (2) when the work is actually streamed or downloaded.<sup>32</sup>

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on Copyright, Related Rights and Collective Management, February 2005) 13–14 (*Copyright in the Digital Environment*’).

<sup>28</sup> Ficsor, *Copyright in the Digital Environment* (n 27) 12.

<sup>29</sup> *WCT* (n 1) art 1(4).

<sup>30</sup> As explained by Ficsor, the focus of the umbrella solution was to eliminate gaps in the *Berne Convention*: Ficsor, *Copyright in the Digital Environment* (n 27) 14. See also Ficsor, ‘Towards a Global Solution’ (n 18) 128, where Ficsor seems to accept that overlaps would be inevitable, and that they should be resolved via contract: ‘[i]f both communication to the public and reproduction take place, both the right of communication to the public and right of reproduction must be applied. It is up to appropriate contractual practice to take into account the close relationship of the two acts or the two aspects of the same complex act’.

<sup>31</sup> *SOCAN, CSI, SODRAC — Tariff for Online Music Services, 2010–2013 — Scope of Section 2.4(1.1) of the Copyright Act — Making Available* (2017) CB-CDA 2017-085 <<https://decisions.cb-cda.gc.ca/cb-cda/decisions/en/item/366772/index.do>> (*Scope of Section 2.4(1.1) of the Copyright Act — Making Available*’).

<sup>32</sup> The Federal Court interprets the Copyright Board decision as requiring payment of a separate fee for subsequent streams as these would constitute a transmission, although this is not made particularly clear on the face of the Copyright Board decision: see *Entertainment Software Association v Society of Composers, Authors and Music Publishers of Canada* [2021] 1 FCR 374, 400 [51] (*ESA v SOCAN*’).

According to the Copyright Board, the initial ‘making available’ to the public is ‘legally distinct’ from transmissions that may result, and therefore the subsequent stream or download must be ‘evaluated [in] their own right’.<sup>33</sup> Under this finding, making a work available for download would remain an exercise of the communication right, regardless of whether it is subsequently streamed or downloaded (with a download attracting separate royalties for exercise of the reproduction right).<sup>34</sup> However, the Copyright Board’s decision was overturned on appeal. The Federal Court of Appeal held that downloads and streams should not be subject to two royalties, and the Supreme Court agreed.<sup>35</sup>

Before proceeding further, key differences in terminology and the way that rights are structured in the Canadian legislation should be highlighted. How the rights are laid out has substantive implications for the interpretation of the Canadian ‘making available’ right, which will be elaborated upon. In Australia, the right of copyright owners to communicate to the public in relation to works is set out in s 31 of the *Copyright Act 1968* (Cth) as a standalone right, among a list of other rights such as reproduction and public performance.<sup>36</sup> The Canadian legislation, on the other hand, provides that copyright means the sole right to reproduce in material, perform in public or publish an unpublished work (or any substantial part of the work).<sup>37</sup> The right to communicate to the public is not listed as one of these three rights, but is stated in a separate, inclusive list that illustrates these three rights.<sup>38</sup> Therefore, in Canada, the right to communicate to the public is a type of ‘performance’, which in turn encompasses ‘making available’ to the public as established by the 2012 amendment to s 2.4(1.1) of the *Copyright Act 1985* (Can). It is worth noting this terminological difference at the outset, as Canadian courts may use the terms ‘communication’ and ‘performance’ interchangeably, which would not be appropriate in Australia.

#### *A Making Streams Available a ‘Performance’*

According to the Supreme Court of Canada, the making available right was not a new compensable right, but a mere clarification that the performance right covers making a performance accessible for on-demand streaming.<sup>39</sup> As Rowe J, writing for the majority, explained in summarising the respondent’s argument, ‘the stream is part of one continuous act of performance that began when the work was “made available” for streaming’.<sup>40</sup> The Court held that one cannot seek a royalty for the

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<sup>33</sup> *Scope of Section 2.4(1.1) of the Copyright Act — Making Available* (n 31) [203].

<sup>34</sup> *Ibid* [16].

<sup>35</sup> *ESA v SOCAN* (n 32), *affd SOCAN v ESA* (n 4).

<sup>36</sup> For subject matter other than works such as sound recordings or broadcasts, see *Copyright Act* (Cth) (n 23) ss 85–8.

<sup>37</sup> *Copyright Act* (Can) (n 24) s 3(1).

<sup>38</sup> *Ibid* s 3(1)(f).

<sup>39</sup> *SOCAN v ESA* (n 4) [17]–[20].

<sup>40</sup> *Ibid* [20].



initial act of making a work accessible, and then seek another separate royalty for when the work is actually streamed.<sup>41</sup>

Therefore, while the Canadian concept of performance by communication had been broadened to accord with the digital streaming environment, the Supreme Court found that this did not create multiple acts of performance requiring independent remuneration each time a stream occurred. Justice Rowe made this position clear, stating:

while I agree that the act of “making a work available” is a separate physical activity from a download or stream, I disagree with the view that the act of “making a work available” gives rise to distinct communications to the public (ie, distinct performances). The making available of a stream and a stream are both protected as a single communication to the public, while the making available of a download is protected as an authorization to reproduce, and the download is protected as a reproduction.<sup>42</sup>

The position on making a stream accessible and the eventual stream is relatively uncontroversial, ie both form part of a single remunerable ‘act’ of performance by communication. This is because the making available right, as articulated in the *WIPO Internet Treaties*,<sup>43</sup> and legislatively implemented in Canada,<sup>44</sup> is a sub-right of the right to communicate to the public. However, the position on the reproduction right is less clear.

### B *Making Downloads Available an ‘Authorisation’ of Reproduction*

According to the Canadian Supreme Court in *SOCAN v ESA*, a ‘person implicitly authorizes the work’s reproduction’ by making a work available for downloading.<sup>45</sup> A question arises as to how making a work accessible for download and its eventual download both fall within a singular interest of the copyright owner in controlling reproduction of the work that can only be remunerated once.

Unique to the Canadian context is the fact that copyright owners have three fundamental copyright interests under the *Copyright Act 1985* (Can). The opening paragraph of s 3(1) is said to exhaustively set out the three interests, which are: (1) to produce or reproduce a work in any material form; (2) to perform in public;

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<sup>41</sup> Ibid [110]–[113].

<sup>42</sup> Ibid [75].

<sup>43</sup> *WCT* (n 1) art 8; *WPPT* (n 2) arts 10, 14.

<sup>44</sup> See, eg, *Copyright Act* (Can) (n 24) s 2.4(1.1).

<sup>45</sup> *SOCAN v ESA* (n 4) [106], citing *Apple Computer Inc v Mackintosh Computers Ltd* [1988] 1 FC 673, 697, affd *Apple Computer Inc v Mackintosh Computers Ltd* [1990] 2 SCR 209. Note that this point is obiter dicta by Hugessen J, as the majority (including Hugessen J) had held that the reproduction right had been exercised.

and (3) to publish an unpublished work.<sup>46</sup> A further list of activities is set out in sub-paragraphs (a)–(j), and following this list of activities is a statement that the owner also has the right ‘to authorize any such acts’. According to the Canadian Supreme Court, the list of activities in ss 3(1)(a)–(j) are merely illustrative of the activities that fall within these three interests.<sup>47</sup> The Court explains that these three rights are distinct, and ‘[a] single activity can only engage one of the three copyright interests’.<sup>48</sup>

On first impression, this interpretation may seem at odds with the plain language of the statutory provision, which refers to the making available of ‘works’ and does not distinguish durable downloads from ephemeral access. If one reads s 2.4(1.1) in isolation from the rest of the statute and in light of its similarity to *WCT* art 8, one might summarily conclude that communication covers the accessibility of works, regardless of whether in the form of ephemeral streams or durable downloads. However, the section must be read in the context of the statute as a whole. Section 2.4(1.1) defines communications as part of the performance right. As Abraham Drassinower explains, ‘s.2.4(1.1) has, strictly speaking, nothing to do with the right of reproduction’, therefore ‘no viable reading of s.2.4(1.1) can capture making available for downloading’.<sup>49</sup>

Beyond the statutory structure, the Court identified control as a major factor in differentiating the two key interests of reproduction and performance (or communication as it would be referred to in Australia). With an impermanent performance, the work can be withdrawn from the user once the performance is over, but with a download or reproduction, the user is given a durable copy of the work.<sup>50</sup> The owner will ‘lose significantly more control’ as they can no longer ‘limit when, how, or the number of times a user experiences the work’.<sup>51</sup> In light of this, the Court concluded that a download, which gives users a durable copy of a work, engages the reproduction right.<sup>52</sup> Therefore the question of who has control seems to be a determinant — a consumer gaining control is associated with the exercise of the reproduction right, while the platform or service provider’s maintenance of control is associated with exercise of the performance right.

<sup>46</sup> *SOCAN v ESA* (n 4) [54]. The *Copyright Act* (Can) (n 24) provides that copyright ‘means the sole right to produce or reproduce the work ... to perform the work ... in public or, if the work is unpublished, to publish the work’, and goes on to list a series of activities, including the sole right ‘to communicate the work to the public by telecommunication’: at s 3(1)(f) (emphasis added).

<sup>47</sup> *SOCAN v ESA* (n 4) [54].

<sup>48</sup> *Ibid* [55].

<sup>49</sup> Abraham Drassinower, ‘Authorizing Two Royalties: A Comment on *Society of Composers, Authors and Music Publishers of Canada v Entertainment Software Association*’ (2023) 67(2) *Canadian Business Law Journal* 384 (‘Authorizing Two Royalties’).

<sup>50</sup> *SOCAN v ESA* (n 4) [56].

<sup>51</sup> *Ibid*.

<sup>52</sup> *Ibid*.

The Court also analogises a download with the purchase of a physical copy. In doing so, the Court emphasises that ‘[t]o determine which copyright interest is engaged by an activity, one must examine what that activity does to the copyrighted work’.<sup>53</sup> The Court asserts that, in adhering to the principle of technology neutrality, ‘purchasing an album online should engage the same copyright interests, and attract the same quantum of royalties, as purchasing an album in a bricks-and-mortar store’ since each of these activities are ‘functionally equivalent’.<sup>54</sup> Notably, the Court focuses on functional equivalence from the consumer’s point of view, stating that ‘[w]hat matters is *what* the user receives, not *how* the user receives’.<sup>55</sup>

The Court in this instance took a holistic approach to its interpretation of the rights, taking into account the intersection of the communication right and reproduction right and the coherence of the *Copyright Act 1985* (Can) as a whole.<sup>56</sup> It was seeking to align remuneration for the exercise of rights with the relevant interest of the copyright owner. However, the doctrinal approach taken warrants further analysis.

### C *A Merging Theory of Rights*

Over the years a range of cases in Canada have considered the scope of the communication right.<sup>57</sup> However, *SOCAN v ESA* presents the clearest attempt to distinguish the two rights. In the initial Copyright Board of Canada decision from 2017, the Board considered the ‘merging theory’ which was devised to address overlapping rights and raised some concerns. As articulated by the Copyright Board:

*merging theory* essentially means that once a work or other subject-matter is made available to the public and is then subsequently transmitted, that subsequent transmission merges with the initial act of making available to become a single protected act, and, arguably, subject to a single right.<sup>58</sup>

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<sup>53</sup> Ibid.

<sup>54</sup> Ibid [63].

<sup>55</sup> Ibid (emphasis in original). See also ibid [70].

<sup>56</sup> See ibid [51] explaining that its ‘interpretation is more consistent with the text, structure and purpose of the *Copyright Act*’.

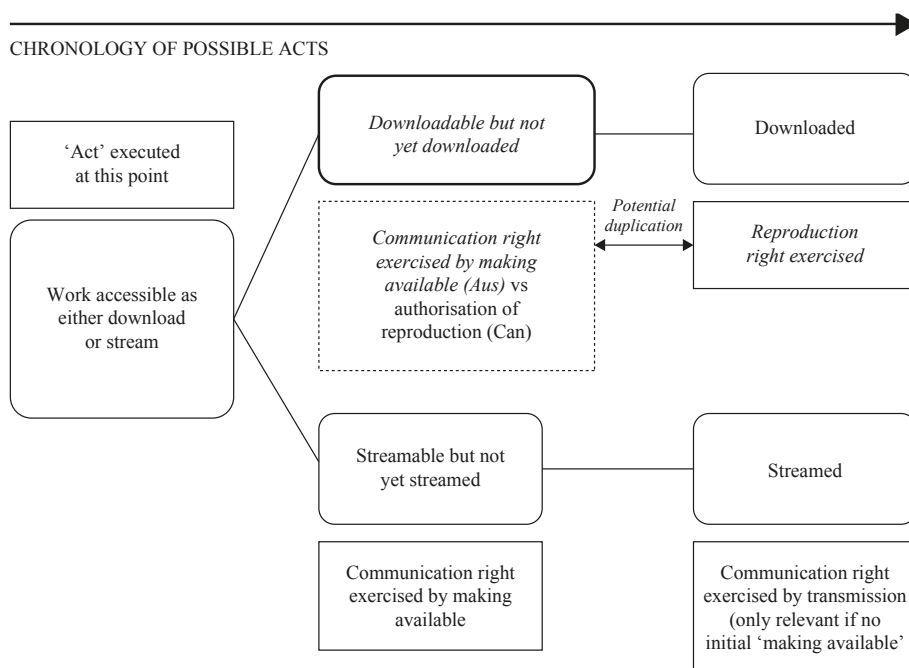
<sup>57</sup> See, eg: *Entertainment Software Association v Society of Composers, Authors and Music Publishers of Canada* [2012] 2 SCR 231 (*ESA v SOCAN* (2012)); *Rogers Communications v Society of Composers, Authors and Music Publishers of Canada* [2012] 2 SCR 283 (holding that individualised on-demand transmissions of music streams were communications ‘to the public’). In the *ESA v SOCAN* (2012) decision, the Supreme Court held that downloads, subsequent to the making available of copies for download, was not a communication. However, it did not address the question of the initial availability for download as a communication (the communication right had yet to come into force via the *CMA*). See also the legislative developments leading up to the *CMA* referred to in n 24 above.

<sup>58</sup> *Scope of Section 2.4(1.1) of the Copyright Act — Making Available* (n 31) [187].

The Copyright Board identified a temporal problem with this merging theory, that is liability ‘could be altered retroactively by the sole action of a third party’.<sup>59</sup> However, this position assumes that making a work available for download would constitute a communication, and that a subsequent download would subsume the initial making available of the download within the exercise of the reproduction right.<sup>60</sup> In other words, whether the initial making available of content for download constitutes exercise of the communication right depends on a subsequent action not occurring, ie the lack of a download.

This would not be feasible and creates uncertainty as to the legal characteristics of the initial act. Indeed, this would be the case if the initial act could still be considered a communication, but the Supreme Court removes that option. The Supreme Court’s interpretation is that making durable downloads available would not be a communication to the public at all and would merely be an authorisation of reproduction, therefore no retroactive change to the legal character of the initial act would take place. A diagrammatic representation of the Canadian approach, contrasted against an approach that could give rise to exercise of both the reproduction right and communication right (in italicised text), is illustrated by Figure 1 below.

**Figure 1**



<sup>59</sup> Ibid [193].

<sup>60</sup> As the Copyright Board explains, ‘[t]his would occur, for example, where a transmission subsequent to a making available changes the legal nature of the making available from an act of communication to the public by telecommunication into one of reproduction’: *ibid*.

The Canadian Supreme Court confirmed that authorisation under Canadian law is a right distinct from the primary act of infringement. It explained that '[a] user who unlawfully authorizes a reproduction or performance of a work may be held liable for infringement of that right, *regardless of whether the work is ultimately reproduced or performed*'.<sup>61</sup> Authorisation occurs when one grants or purports to grant, 'either expressly or by implication, the right to do the act complained of'.<sup>62</sup> The authoriser must also 'have some degree of actual or apparent right to control the actions' of the primary infringer.<sup>63</sup> The term 'authorise' has been interpreted by Canadian courts to mean 'sanction, approve, and countenance'.<sup>64</sup> Furthermore, '[c]ountenance' in the context of authorisation of copyright infringement is to 'be understood in its strongest dictionary meaning', that is to "give approval to; sanction, permit; favour, [or] encourage".<sup>65</sup>

Interestingly, the Supreme Court cites the Copyright Board's Tariff 22 Decision regarding the communication right from 1999 — which preceded Canada's legislative implementation of an explicit making available right — as support for the assertion that making a work available for download is an authorisation of reproduction.<sup>66</sup> In this decision, the Copyright Board held that 'it is the act of posting that constitutes authorization' of the communication right, as this is an invitation to 'anyone with Internet access to have the work communicated to them', and the person does this with the sole purpose, full knowledge and intention that such a communication would occur.<sup>67</sup> Despite the different characteristics of the acts encompassed by these rights, and the subsequent legislative amendment to explicitly

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<sup>61</sup> *SOCAN v ESA* (n 4) [105] (emphasis added), citing *CCH Canadian Ltd v Law Society of Upper Canada* [2002] 4 FC 213 [112]–[113]; *Society of Composers, Authors and Music Publishers of Canada v Canadian Association of Internet Providers* [2004] 2 SCR 427, 474 [120]; Barry B Sookman, Steven Mason and Carys Craig, *Copyright: Cases and Commentary on the Canadian and International Law* (Carswell, 2<sup>nd</sup> ed, 2013) 1001. The Court reiterates this point, stating that: '[i]f a person makes a work available for downloading without authorization, that person infringes the copyright owner's right to authorize reproductions. That is so regardless of whether the works are ultimately downloaded': *SOCAN v ESA* (n 4) [107].

<sup>62</sup> Sookman, Mason and Craig (n 61) 1001.

<sup>63</sup> *Ibid.*

<sup>64</sup> *CCH Canadian Ltd v Law Society of Upper Canada* [2004] 1 SCR 399, 361 [38].

<sup>65</sup> *Ibid.*; Sookman, Mason and Craig (n 61) 1001.

<sup>66</sup> *SOCAN v ESA* (n 4) [106], citing *Statement of Royalties to be Collected for the Performance or the Communication by Telecommunication, in Canada, of Musical or Dramatico-Musical Works*, (1999) Public Performance of Musical Works 1996, 1997, 1998 (Copyright Board of Canada) ('Tariff 22 Decision'). However, note that the Tariff 22 Decision also held that '[a] single activity may give rise to liability under more than one head of subsection 3(1) of the *Act*. Thus, a facsimile transmission results in a communication even though it involves a reproduction': at 16.

<sup>67</sup> *SOCAN v ESA* (n 4) [106], quoting Tariff 22 Decision (n 66).

include making available as part of the communication right, the Supreme Court concludes that this point is ‘similarly applicable to reproductions’.<sup>68</sup>

The *SOCAN v ESA* case attempts to carve the making available of downloads out of the communication right entirely by keeping streaming and downloads on two separate tracks with each corresponding to the exercise of the communication right and reproduction right respectively. The approach treats both making a stream available and making a download available as counterparts under different rights, with the former being a communication and the latter an authorisation of the reproduction right. A stream would be subsumed within the initial act of making available, as an exercise of the communication right. A download that eventuates, however, would implicate the reproduction right, which is separate from the right to authorise such reproductions.

In summary, the decision seeks to put the acts and rights into alignment in the manner represented in Table 1 below, even though these rights were not specifically designed to align in this manner.

**Table 1**

	<b>Act</b>	<b>Exclusive Right</b>	<b>Act</b>	<b>Exclusive Right</b>
Initial act	Making a stream available	Communicate to the public (by making available)	Making a download available	Authorise reproduction
Potential subsequent act	Streaming content	Communicate to the public (by transmission) but subsumed within initial act of making available	Downloading a copy	Reproduction

As Drassinower explains, ‘the right of authorization cannot do in respect of the right of reproduction what s 2.4(1.1) does in respect of the right of performance’.<sup>69</sup> Avoiding duplication between the reproduction right and the authorisation right ‘requires both that the right deployed for that purpose not be a standalone right, and that the act falling within the scope of the right be construable as part and parcel of a single act of reproduction’.<sup>70</sup> Drassinower describes making available and transmissions as possessing ‘juridical homogeneity’, that is they are ‘each and both juridically characterized as modes of performance’, which ‘permits the view that what we have is a single performance technologically divided into two temporally discrete, yet juridically indistinct, moments’.<sup>71</sup> This ‘juridical homogeneity’, while applicable to making available and transmissions, simply does not apply to authorisation and reproduction.<sup>72</sup>

<sup>68</sup> *SOCAN v ESA* (n 4) [107].

<sup>69</sup> Drassinower, ‘Authorizing Two Royalties’ (n 49) 387.

<sup>70</sup> *Ibid.*

<sup>71</sup> *Ibid* 388.

<sup>72</sup> *Ibid.*

Put simply, the Court is shoehorning the role of authorisation of reproduction and eventual reproductions into the same role occupied by the communication right's coverage of making available and eventual transmissions. Making a work available for streaming and the eventual stream itself may be distinct physical or technical acts, but doctrinally they are both part of the same exclusive right to communicate to the public. In contrast, exercise of the reproduction right refers to the making of copies, while authorisation of reproduction is the facilitation or encouragement of reproduction by third parties — these are distinct acts covered by different forms of protection. Indeed, there is an initial act and a subsequent act that could eventuate, but the copyright protection for these two sets of acts has different characteristics and different legal relationships with each other. Reproductions and authorisations are not unified acts under the law, but rather they are envisaged to be carried out by different parties.

#### IV AUSTRALIAN APPROACH TO THE COMMUNICATION RIGHT

There is no Australian decision comparable to *SOCAN v ESA* which unequivocally seeks to limit overlaps between the communication right and the reproduction right in the context of downloads. Furthermore, the Australian cases discussed here do not specifically address whether downloads should be considered reproductions or communications. Therefore, the analysis goes beyond legal doctrine to compare the general approaches or attitudes of the courts to overlaps. The following comparative exercise requires a degree of extrapolation from the reasoning and findings.

A consideration of *Optus TV* shows how Australian courts tend to ignore the underlying interest at stake. That is, in the course of the judgment, there is no identification of what the disseminators are fighting for control over — in this instance, streaming of content online as opposed to technical copying in the background to enable such access.<sup>73</sup> Rightsholders were seeking to control ephemeral access by consumers, not copying per se or access to copies of works (even if copying was undertaken to facilitate such access).

In terms of authorisation liability, the comparison is indirect as *SOCAN v ESA* involved authorisation and reproduction, while the Australian cases under critique relate to authorisation and communication. There is nevertheless a central thread tying these decisions together. A deficiency in the Canadian Court's reasoning is that it does not clearly recognise the potential overlaps between authorisation and other rights, despite its well-intentioned use of authorisation to eliminate gaps in protection. In Australia, the Federal Court has simply shown no signs of distinguishing authorisation of a primary act from the primary act itself, particularly where the primary act is a communication to the public of copyrighted content. Again, the distinction between the authorisation of a communication and the communication itself was not at issue in *SOCAN v ESA*, so this is not a direct doctrinal comparison. The critique is more so prompted by the Canadian approach, which through its

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<sup>73</sup> *Optus TV* (n 7) 151–2 [3].

own shortcoming shines a light on a blind spot in Australian case law. The cases highlight the ambiguity of authorisation as a legal doctrine in both jurisdictions.

*A Lack of Distinction between Communication and Reproduction*

In Australia, a case that exemplifies disregard of potential overlaps between the communication right and the reproduction right is *Optus TV*.<sup>74</sup> The Optus TV Now service offered by Singtel Optus allowed both time-shifting and ‘almost live’ viewing of free-to-air television programs.<sup>75</sup> Optus set up a TV antennae and digital format receiver in most capital cities and would capture a recording of a program if a subscriber requested that the program be recorded.<sup>76</sup> When a subscriber clicked the ‘play’ button for the recorded program, the system would then send the relevant recording to a subscriber’s device.<sup>77</sup>

Unlike the Canadian Supreme Court’s approach in *SOCAN v ESA*, here there was no clear attempt to distinguish the exclusive rights or to identify the key interest at stake in this case. If we focus on the nature of the technical tool being utilised, the Optus TV Now system replaced time-shifting of free-to-air broadcasts using video recording devices. This would tend to indicate that the relevant right in question was the reproduction right. However, the system also crossed the boundary of reproduction and communication, as it allowed both delayed and almost live access to the content. Furthermore, consumers would not actually be in control of the copies being made within the system.

If we overlook the technical steps taken by the system and focus more on the outcome — ie members of the public being able to access content from the cloud — it could be argued that this Optus TV Now system mainly related to interests in the communication of content to the public. This is further bolstered by the fact that the case was brought by the National Rugby League and the Australian Football League — parties whose lucrative licensing deals for the live online streaming of their sports events were disrupted by the availability of the Optus TV Now service.

Moreover, from the consumer’s perspective, the way in which copies of the content were being made or where they were located was of little concern. From the copyright owners’ perspective, the concern was a drop in value of the existing exclusive online streaming licences it had granted. The interest was to control access by the public and not to control the making of copies (which existed in the

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<sup>74</sup> Ibid.

<sup>75</sup> *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd [No 2]* (2012) 199 FCR 300, 312 [26]. Note that ‘almost live’ streaming with a two minute delay was only available to subscribers using Apple devices.

<sup>76</sup> Ibid 312–13 [27]–[30].

<sup>77</sup> Ibid 314 [35].



background).<sup>78</sup> The case was nevertheless resolved on the basis of primary infringement of the reproduction right — due to Optus’s overall involvement in the process of making reproductions on its system, even though each specific reproduction on the system was initiated by users.<sup>79</sup> As this was deemed sufficient to resolve the case in the copyright owners’ favour, the Full Court of the Federal Court did not consider whether Singtel Optus had exercised the communication right.<sup>80</sup>

A thorough experiment might be to consider the *Optus TV* case through the lens of the Canadian Supreme Court’s reasoning, particularly the approach articulated in *SOCAN v ESA*. If the Australian Court had been more conscious of the issue of overlaps and the interest of concern, would the decision have been different? Perhaps not in terms of the outcome, but the reasoning certainly would have been. The Court could have considered if the copies made in the background to enable time-shifting or streaming had independent value. It could also have considered the control factor highlighted by the Canadian Supreme Court, ie who had control of the copies. In this instance, users of the system did not have control of the copies even if they had initiated the making of those copies. The copies made did not have independent significance or value outside of the Optus system, unlike an instance where a consumer purchases a durable digital download of copyright content. Ultimately, the conclusion might still be that the principle of technology neutrality cannot override the plain language of the statute regarding copying and the limited exception for time-shifting.<sup>81</sup> However, rather than resolving the issue based on the reproduction right alone, the Court would have also considered if this cloud time-shifting nevertheless constituted a ‘making available’ of content.<sup>82</sup> That is, the Court could have closely analysed the degree of control exercised and the way it enables access through its system even if consumers exercise a form of limited

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<sup>78</sup> The author has argued that such background copies should be considered ‘immaterial’ under Australian copyright law. See Foong, ‘Immaterial Copying in the Age of Access’ (n 13) 530.

<sup>79</sup> *Optus TV* (n 7) 165 [67]. The Court considered that Optus’s role in the making of a copy (ie capturing the broadcast and then embodying it in a hard disk) was ‘so pervasive that, even though entirely automated, it cannot be disregarded’ in identifying who does the copying. This finding, in turn, disqualified Optus from taking advantage of the s 111 time-shifting exception. Optus, a commercial provider of the TV Now service, was not exempt from infringing copyright because it was not doing so ‘solely for private and domestic use’: at 168–9 [80]–[87], quoting *Copyright Act* (Cth) (n 23) s 111(1). It may also be noted that s 111 only exempts the making of copies of copyright material and does not apply to the communication right, therefore it would have been sensible to consider the application of the communication right as well: see generally Samsung Xiaoxiang Shi, ‘Time Shifting in a Networked Digital World: Optus TV Now and Copyright in the Cloud’ (2012) 34(8) *European Intellectual Property Review* 519, 12.

<sup>80</sup> *Optus TV* (n 7) 152 [7].

<sup>81</sup> *Ibid* 170 [96].

<sup>82</sup> For arguments to this effect, see Cheryl Foong, ‘Making Copyright Content Available in the Cloud vs The Making of Copies: Revisiting *Optus TV* and *Aereo*’ (2015) 41(3) *Monash University Law Review* 583.

choice or autonomy over what program is recorded or streamed back to them. A genuine attempt to engage with these factors in the context of *Optus TV* would have brought us closer to understanding the scope of the communication right in Australia and its intersection with the reproduction right.

It should be noted that the Supreme Court of Canada has not always been consistent in its approach to technical, background copies. A case on point is *Canadian Broadcasting Corporation v SODRAC 2003 Inc.*<sup>83</sup> The majority in this case held that background copies made in the course of digital systems for enabling broadcasts would infringe the reproduction right and required separate authorisation, even though authorisation to broadcast had already been obtained from the relevant rightsholders.<sup>84</sup> It is arguable that this 2015 decision would have been decided differently today — the approach and principles espoused in Abella J’s dissent aligns with the majority decision in *SOCAN v ESA*.<sup>85</sup> In dissent, Abella J emphasised the principle of technology neutrality and how analogue broadcasting systems did not require separate authorisation of the reproduction right.<sup>86</sup> An argument was that temporary copies created in the course of streaming music files were treated ‘as an exercise of the [communication] right, not as a separate exercise of the reproduction right’.<sup>87</sup> Furthermore, Abella J asserts that broadcasters should not be penalised for adopting more efficient digital technologies, as ‘[t]he essential character of the *broadcasting* activity does not change with the adoption of modern digital technologies that are dependent on the creation of incidental copies in order to accomplish the activity’.<sup>88</sup>

### B *Overlap between Primary and Secondary Infringement*

The Supreme Court of Canada utilised authorisation to fill a perceived gap in protection, that is for the availability of copies for download. While this has brought forth concerns about overfilling the gap,<sup>89</sup> what is more concerning is the way Australian courts tend to disregard distinctions between authorisation and primary

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<sup>83</sup> [2015] 3 SCR 615 (*Canadian Broadcasting Corporation v SODRAC 2003 Inc*).

<sup>84</sup> *Ibid* 646 [55].

<sup>85</sup> *Ibid* 669–97 (Abella J).

<sup>86</sup> *Ibid* 685 [164]. For further arguments regarding technology neutrality and how it relates to fundamental principles on the subject matter of copyright protection, ie works of original expression, see Abraham Drassinower, ‘Remarks on Technological Neutrality in Copyright Law as a Subject Matter Problem: Lessons from Canada’ (2022) 81(1) *Cambridge Law Journal* 50. In essence, Drassinower argues that we should distinguish material form from the work and that use for ‘merely technical purposes *independent of its expressive significance*’ is not a relevant use at all: at 62, 66 (emphasis in original).

<sup>87</sup> *Canadian Broadcasting Corporation v SODRAC 2003 Inc* (n 83) 683–4 [159]; *ESA v SOCAN* (2012) (n 57).

<sup>88</sup> *Canadian Broadcasting Corporation v SODRAC 2003 Inc* (n 83) 685 [164] (emphasis in original).

<sup>89</sup> See Drassinower, ‘Authorizing Two Royalties’ (n 49). This is discussed further in Part V of this article.

infringement of the communication right. While *SOCAN v ESA* involved a different exclusive right and context, the stark contrast in approaches to overlapping rights and interests is nevertheless apparent.

Secondary liability for the infringing acts of third parties arises in Australia through the notion of authorisation of infringement, similar to Canada. This is because infringement of copyright as set out in the *Copyright Act 1968* (Cth) covers both the doing of any act comprised in the copyright and authorising such an act.<sup>90</sup> However, unlike the Canadian position, this secondary form of liability requires proof that a primary act of infringement has taken place in order to be satisfied.<sup>91</sup>

Authorisation was initially explained according to its ordinary dictionary meaning as ‘sanction, approve, countenance’, in the 1975 High Court of Australia decision *University of New South Wales v Moorhouse*.<sup>92</sup> The common law principles were purportedly codified in the *Copyright Act 1968* (Cth) in 2000.<sup>93</sup> The legislation provides that the following inclusive list of factors are to be considered in determining whether authorisation of infringement has occurred:

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<sup>90</sup> *Copyright Act* (Cth) (n 23) ss 36(1), 101(1), 13(2). Note that authorisation liability in Australia is said to be distinct from general law principles of joint tortfeasorship and vicarious liability: Jane C Ginsburg and Sam Ricketson, ‘Inducers and Authorisers: A Comparison of the US Supreme Court’s *Grokster* Decision and the Australian Federal Court’s *KaZaa* Ruling’ (2006) 11(1) *Media and Arts Law Review* 1, 10.

<sup>91</sup> That is, authorisation of infringement ‘is not complete unless there is an act of infringement of the kind allegedly authorised (that is, the doing in Australia of any act comprised in the copyright)’: *Cooper v Universal Music Australia Pty Ltd* (2006) 156 FCR 380, 416 [175] (*Cooper*), citing *Nationwide News Pty Ltd v Copyright Agency Ltd* (1996) 65 FCR 399, 421. A court may ‘enjoin a defendant in an appropriate case in respect of an authorisation where the act of infringement that is the subject of the authorisation is apprehended *quia timet*’, but a clear basis for this must be shown for an injunction of that nature: *Cooper* (n 91) 416–17 [175], citing *WEA International Inc v Hanimex Corp Ltd* (1986) 17 FCR 274, 288 (*WEA International*).

<sup>92</sup> (1975) 133 CLR 1, 12 (Gibbs J), 20 (Jacobs J), citing *Falcon v Famous Players Film Co Ltd* [1926] 1 KB 393, affd *Corporation of the City of Adelaide v Australasian Performing Right Association Ltd* (1928) 40 CLR 481, 489–97. Justice Gibbs summarised the key factors relevant in this case as: (1) the control of the ‘means by which an infringement of copyright may be committed’; (2) ‘knowing, or having reason to suspect that it is likely to be used for the purpose of committing an infringement’; and (3) ‘omitting to take reasonable steps to limit its use to legitimate purposes’: at 13.

<sup>93</sup> The amendments were introduced by the *Copyright Amendment (Digital Agenda) Act 2000* (Cth). Note the criticism that, contrary to legislative intent, the reform introduced ‘further uncertainty to the already-muddled law on authorisation liability’: Richard G Kunkel, ‘Indifference and Secondary Liability for Copyright Infringement’ (2016) 33(1) *Santa Clara High Technology Law Journal* 1, 17, citing David Lindsay, ‘ISP Liability for End-User Copyright Infringements: The High Court Decision in *Roadshow Films v iiNet*’ (2012) 62(4) *Telecommunications Journal of Australia* 53.1, 53.22.

- (a) the extent (if any) of the person's power to prevent the doing of the act concerned;
- (b) the nature of any relationship existing between the person and the person who did the act concerned;
- (c) whether the person took any reasonable steps to prevent or avoid the doing of the act, including whether the person complied with any relevant industry codes of practice.<sup>94</sup>

While much of the debate has centred on the degree of control or knowledge that should give rise to authorisation of infringement (in a broader sense), a defendant may also be liable for approving conduct that is infringing, absent control or knowledge.<sup>95</sup>

Importantly, s 22(6) provides that a communication is 'made by the person *responsible* for *determining the content of the communication*'.<sup>96</sup> This is a key provision for determining whether one is a primary infringer of the communication right. If conduct falls outside of this provision, we would then have to resort to the authorisation factors set out in the legislation. An application of this is found in *Universal Music Australia v Cooper*, one of the early Australian decisions to consider on-demand access to music by the public.<sup>97</sup> A defendant, Mr Cooper, managed and owned 'mp3s4free.net', a 'highly structured and organised website' which allowed third party visitors to the website to post hyperlinks to sound recordings hosted on remote websites.<sup>98</sup> Justice Tamberlin of the Federal Court of Australia held that while Mr Cooper may have had capacity to prevent hyperlinks to the website, this was not the same as having an ability to determine the content of a communication from a remote website.<sup>99</sup> However, Mr Cooper's power to remove hyperlinks and capacity to prevent hyperlinks from being added to the website gave rise to liability for: (1) authorising infringement of the reproduction right by users in Australia who downloaded the files; and (2) authorising infringement of the right to communicate to the public by operators of the remote websites.<sup>100</sup>

Recent cases have failed to grasp this distinction between the primary infringing act and authorisation, particularly in the context of the communication right. The two cases discussed here involve Redbubble, a website which operates as a

<sup>94</sup> *Copyright Act* (Cth) (n 23) ss 36(1A), 101(1A).

<sup>95</sup> *WEA International* (n 91) 286–7; *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd* (2011) 191 FCR 444, 504 [243] (Jagot J). This would arguably cover the specific invitation to exercise the copyright owner's reproduction right, as envisioned by the Canadian courts in regard to the 'making available' of downloads.

<sup>96</sup> *Copyright Act* (Cth) (n 23) s 22(6) (emphasis added).

<sup>97</sup> *Universal Music Australia Pty Ltd v Cooper* (2005) 150 FCR 1 ('*Universal Music Australia v Cooper*'). The findings in regard to Mr Cooper were affirmed in *Cooper* (n 91).

<sup>98</sup> *Universal Music Australia v Cooper* (n 97) 5 [13].

<sup>99</sup> *Ibid* 75 [18].

<sup>100</sup> *Ibid* 20–2, *affd Cooper* (n 91) 390 [42] (Branson J), 411–12 [148]–[149] (Kenny J), French J agreeing at 382 [1].

‘print-on-demand’ internet marketplace that connects artists or designers with consumers.<sup>101</sup> Artists are able to upload images, drawings or photographs onto the website and can nominate the types of goods their works can be applied to (eg mugs, T-shirts or caps).<sup>102</sup> The *Hells Angels* case involved uploads of the infamous motorcycle club Hells Angels’ logo,<sup>103</sup> while the *Pokémon* case involved representations of Pokémon characters,<sup>104</sup> and in both instances content was uploaded by third party artists to the Redbubble website without prior permission.

The Federal Court justices in each case recognised that under s 22(6) of the *Copyright Act 1968* (Cth), a communication is ‘made by the person *responsible for determining the content of the communication*’ and purports to apply this standard.<sup>105</sup> However, their interpretation of responsibility broadly included operation of a website and an overall business model built upon the public being able to perceive content, regardless of the source of that content. In *Hells Angels*, Greenwood J of the Federal Court held that hosting a website and operating an overall business model that allows others to post material online is sufficient to constitute communication to the public, even if the website host is not the originator of the material.<sup>106</sup> Rather than focusing on the act of communication, Greenwood J focused on the nature of the business model, stating:

The entire focus of the business model is to enable works to be made available online so that consumers can pick and choose amongst the works so as to have them applied to goods. It would be difficult to imagine a more directly engaged participant than one deploying the business model adopted by Redbubble.<sup>107</sup>

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<sup>101</sup> *Hells Angels* (n 9); *Pokémon* (n 9).

<sup>102</sup> *Hells Angels* (n 9) 410 [2]; *Pokémon* (n 9) 679 [5].

<sup>103</sup> *Hells Angels* (n 9) 412 [17].

<sup>104</sup> *Pokémon* (n 9) 678 [3].

<sup>105</sup> *Hells Angels* (n 9) 486 [430]; *Pokémon* (n 9) 699 [47] (emphasis added).

<sup>106</sup> *Hells Angels* (n 9) 486–9. Justice Greenwood found that ‘it was Redbubble and Redbubble’s software ... which caused the *communication* to be made ... and it was Redbubble’s software that determined the content of the communication ... by causing the relevant images to be displayed on it in Australia’: at 487–8 [433] (emphasis in original).

<sup>107</sup> *Ibid* 488 [435]. Justice Greenwood’s consideration of Redbubble’s business model encompassed ‘the transactional engagement between an artist and a buyer’ and its facilitation of the payment, printing and delivery of the good to the buyer. See also the conclusion at 408 [436]. In very broad terms, Greenwood J stated that it was Redbubble ‘which *caused* the communication to be made’ to the user of the website: at 487–8 [433] (emphasis in original) and ‘but for the Redbubble website, the transactions would not occur’: at 488 [435]. The decision seems to mix up all aspects of the business with the communication to the public, which involved one aspect of the website’s functionalities, and this was arguably ancillary to the primary business which was to sell merchandise bearing the images of the copyright owners. The overall reproductions of the images on products, while relevant to a consideration of the reproduction right and whether its infringement had been authorised, is arguably less relevant to the issue of who communicated the content to the public.

Likewise, Pagone J in *Pokémon* held that Redbubble Ltd was the primary infringer of the right to communicate to the public, as it was ‘responsible for determining [the] content through its processes, protocols and arrangements with the artists’.<sup>108</sup>

Redbubble Ltd was held to be the primary infringer of the communication right in both cases despite recognition by the respective justices that the content originated from a third party — the artist — and did not originate from Redbubble Ltd.<sup>109</sup> Both Courts in *Hells Angels* and *Pokémon* relied on Tamberlin J’s explanation in *Cooper* that ‘[i]t is the entitlement and role of the designer, operator and owner of a remote website to determine what is placed on that website and therefore what is the “content” of that website’.<sup>110</sup> However, it should be recognised that this statement was made in the abstract, without consideration of the specific circumstances of those websites, as primary liability of the remote website hosts was not at issue in *Cooper*.<sup>111</sup>

Justice Greenwood in *Hells Angels* concluded that Redbubble Ltd was the primary infringer, but went on to find that, if in the alternative, primary infringement was found to be conducted by the artist who posted the work, then Redbubble would be held to have authorised infringement by the third party artists. The basis of this alternative finding was conduct and characteristics closely mirroring those in the reasons for finding Redbubble itself to be a primary infringer of the communication right.<sup>112</sup> In this context, Greenwood J found that ‘Redbubble conceived,

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<sup>108</sup> *Pokémon* (n 9) 701 [48].

<sup>109</sup> *Hells Angels* (n 9) 486. Justice Greenwood held that it is possible to have ‘more than one person’ responsible for determining the content of a communication: at 486 [430]. See also *Pokémon* (n 9) 701 [48]–[49].

<sup>110</sup> *Universal Music Australia v Cooper* (n 97) 18 [76], cited in *Hells Angels* (n 9) 487 [432]; *Pokémon* (n 9) 699 [47].

<sup>111</sup> Justice Pagone considered Redbubble Ltd’s position distinguishable from a website proprietor that allows others to post links on that website or an ISP that merely supplies an internet service to persons who post infringing content online. It was noted that: (1) Redbubble Ltd was the host of the website with the infringing material; and (2) Redbubble Ltd had user agreements with artists that recognised the possibility of infringing materials, an IP policy, and a team dedicated to dealing with impermissible content on the website: see *Pokémon* (n 9) 699–701, distinguishing *Roadshow Films Pty Ltd v iiNet Ltd* (2011) 194 FCR 285 (*Roadshow Films*) and *Universal Music Australia v Cooper* (n 97). Justice Pagone in *Pokémon* seems to find further support in Nicholas J’s explanation in *Roadshow Films* (n 111) that ‘[t]he content of the relevant communication is determined by the person who responds to the request, not the person who makes it, because it is the person who responds to the request who determines the content of the response’: at 440 [685], cited in *Pokémon* (n 9) 701 [48]. Again, this statement is made in the abstract to distinguish a website that allows the posting of links from a source website (without considering the circumstances of the source website). This broad finding is made despite Pagone J’s note that ‘[i]t may be necessary, in evaluating the facts, to consider in this context the technical, contractual and other practical matters that may bear upon an ability to determine the content of a communication’: *Pokémon* (n 9) 700 [48].

<sup>112</sup> *Hells Angels* (n 9) 489.

deployed, operates, manages and controls the means by which the artist makes the work available for application to relevant goods' and it had the 'power' and 'control' of the entire process.<sup>113</sup>

### C *Overlapping Interests Taken as a Given*

In Australia, courts have yet to carefully consider what rights or interests are at issue in a given dispute relating to copyright, nor have they recognised the need to disentangle overlapping interests. In *Optus TV* for example, the Federal Court did not consider it necessary to address infringement of the communication right, even though the main interest at stake in this dispute was the provision of on-demand content access to members of the public.

The *Hells Angels* case further shows how Australian courts have treated communication to the public and authorisation of communication as satisfied by the same conduct. Indeed, the broadly worded communication right *could* be interpreted to encompass such a process of authorisation, depending on the technology it is being applied to.<sup>114</sup> Furthermore, platforms providing the means to access content online, even if acting as an intermediary and not supplying that content, tend to exercise more overall control over the platform's functionalities. A reproduction, on the other hand, is a temporally discrete act. A third party user who downloads content is clearly initiating and effecting the reproduction of content on their storage device, at the moment the download occurs. This is not to say that that person or platform cannot be a primary infringer of the communication right because they are not the originator of the content. The point is that courts should be clear about what the act is, as opposed to deeming overall control of a business model to be the relevant 'act' of communication (which strays well into the territory of secondary liability for authorising infringement).<sup>115</sup>

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<sup>113</sup> Ibid 489 [439]–[440]. Authorisation of the communication right was not considered in *Pokémon*, although authorisation of the reproduction right for printing on merchandise was considered at length: see *Pokémon* (n 9) 704–14. Similar to Greenwood J's reasoning in *Hells Angels*, it was the development and operation of a system 'to achieve Redbubble's commercial objectives' that gave rise to authorisation liability for the reproduction right: *Pokémon* (n 9) 709 [58].

<sup>114</sup> See, eg, *Copyright Act* (Cth) (n 23) ss 10(1), 31(1), 85(1), 86, 87.

<sup>115</sup> In the US context, Scalia J of the US Supreme Court had, in dissent in a case involving technology somewhat similar to the Australian *Optus TV* case, highlighted the importance of the volition standard in maintaining the distinction between primary and secondary liability. The aim, Scalia J notes, is not to excuse the defendant from accountability, 'but to channel the claims against them into the correct analytical track': *American Broadcasting Companies Inc v Aereo Inc* 573 US 431, 455 (2014). Such an approach could help to focus our attention on a specific volitional act, but as argued elsewhere, it can also be used to broaden the scope of liability where fault factors are incorporated into this notion of volition: see Cheryl Foong, 'Volition and the "New Public": A Convergence of US and EU Judicial Approaches to Communications to the Public' (2020) 42(4) *European Intellectual Property Review* 230.

Again, viewing the *Hells Angels* case through the lens of the Supreme Court of Canada, one would more closely consider if a single course of conduct should give rise to two grounds of liability. It is arguably incongruous to conclude that one could, through the same course of conduct, be both the primary infringer and secondary infringer of an exclusive right. This is apparent when we consider the rationale for having a secondary form of liability. Secondary liability serves to compel the defendant, who exercises more control or oversight over a third party, to inhibit or stop the infringements executed by the third party. As Gummow and Hayne JJ of the High Court in *Roadshow Films v iiNet [No 2]* explained, secondary liability in copyright has ‘an economic rationale similar to that of the tort of inducing breach of contract, namely a lower cost of prevention of breach of the primary obligation’.<sup>116</sup> It would be inconsistent to conclude that one has communicated content to the public, but at the same time authorised themselves through the control they are exercising.<sup>117</sup> Indeed, a finding of authorisation is only relevant to communications by third parties and may serve as an alternative finding (as was the case in *Hells Angels*).<sup>118</sup>

## V LESSONS (AND CAUTIONS) FROM CANADA

Can Australia adopt the seemingly clean division of downloads as reproductions and streams as communications, in the manner conceived by the Canadian Supreme Court? A transplant into Australian law is not feasible because, unlike Canada, authorisation of infringement in Australia is dependent on proof of a primary act of infringement. Nevertheless, having contrasted *SOCAN v ESA* with a number of Australian cases, this article distils two key lessons for Australian courts.

First, where infringement of both the communication right and the reproduction right is alleged, courts should fully consider and apply the relevant right in the circumstances. Determining which right is relevant may depend on what interest is being affected by the system. No doubt, this will become increasingly challenging as advanced systems for communication give rise to hybrid models of dissemination that do not fit within neat categories of conduct, for example providing access to content but also granting consumers a degree of control akin to the possession of durable copies. The Canadian Supreme Court has sought to focus on what ‘copyright

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<sup>116</sup> *Roadshow Films Pty Ltd v iiNet Ltd [No 2]* (2012) 248 CLR 42, 79–80 [110] (Gummow and Hayne JJ), citing William M Landes and Richard A Posner, *The Economic Structure of Intellectual Property Law* (Harvard University Press, 2003) 118–19.

<sup>117</sup> This point is made by Roger Hughes in regard to the Canadian Copyright Board’s Tariff 22 Decision, which held that the act of posting content constituted authorisation of the communication right. Hughes asks, as the Board did not make clear who is authorised in this instance, ‘[d]oes that person authorize themselves?’: Neal Armstrong, Roger T Hughes and Susan J Peacock, *Hughes on Copyright and Industrial Design* (LexisNexis Butterworths, 2<sup>nd</sup> ed, 2005) 506 n 16; Tariff 22 Decision (n 66) 455–7.

<sup>118</sup> See *Hells Angels* (n 9) 489.



interest' is engaged by the activity. This then raises the question as to how such interests should be determined.<sup>119</sup> As a preliminary observation, two perspectives are relevant to this identification of a relevant 'copyright interest': (1) the interests of the copyright owner, in the sense of what they are seeking to control; and (2) the interest of the copyright consumer, in what they receive, regardless of the process or underlying technology utilised.<sup>120</sup>

Second, Australian courts should distinguish more clearly the authorisation of infringement from the primary infringing act. This is particularly important due to the broadly worded nature of the communication right. The use of authorisation of reproductions to distinguish the two streams of activities or rights in *SOCAN v ESA* indirectly prompts us to consider the role of authorisation more carefully in this context. Even if we take a different approach from Canada (ie authorisation is not a distinct right, but dependent on proof of primary infringement), judgments should make clear which party is the primary infringer and which is the authoriser. The primary infringing act should be distinguished from an overall course of conduct construed as authorisation of that infringing act.

The preceding two points could guide interpretation and application of exclusive rights and infringement in a direction that minimises overlap. Consider the making available of durable downloads, for example. Unlike the Canadian Supreme Court, an Australian court is likely to consider making content available for download to be an exercise of the right to communicate to the public.<sup>121</sup> Australian courts may also conclude that in the course of making the initial copy available for download,

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<sup>119</sup> While this separation of three interests — identified above at Part III(B) — is said to be found in the text and structure of the *Copyright Act (Can)* (n 24) (see *SOCAN v ESA* (n 4) [54]), this is not apparent in the Australian legislative context.

<sup>120</sup> Taking an approach that focuses on substantive interests may assist us in gaining clarity on the communication right. With interests in mind, courts may take a more targeted approach to exclusive rights and be more mindful of unnecessary overlaps between exclusive rights. However, it should be noted that while the Canadian court's attempt to limit overlaps and double dipping in the online environment is commendable, it is unclear whether the approach is truly technology neutral. The durable copy/ephemeral access distinction that is a centrepiece of the *SOCAN v ESA* distinction arguably relies on prominent copyright industries of the past, eg publishing and performing.

<sup>121</sup> The practice of Australian collecting societies, which does not appear to have been contested, is to collect fees for both rights in the context of downloads and streaming. Australian collecting societies apply a 50:50 split, which may be contrasted with German collecting societies that, in the case of downloads, collect 66.67% share of royalties for holders of mechanical rights, with the remainder for holders of performing rights, and vice versa in the case of streaming: Mihály Ficsor, 'Expert Opinion on the International Norms on the Right of Making Available to the Public and on Its Application in Countries Where It Has Been Implemented' (Expert Opinion, 6 March 2013) 23 ('Expert Opinion'), citing email from Richard Mallet to Mihály Ficsor, 27 February 2013. See also GEMA, *Verteilungsplan Der GEMA* [Distribution Plan of GEMA] (Report, 18–19 May 2022) <[https://www.gema.de/documents/d/guest/009\\_vertelungsplan](https://www.gema.de/documents/d/guest/009_vertelungsplan)>.

a person also exercises the reproduction right. Furthermore, multiple reproductions may take place when downloads are initiated by users of the service or platform, subsequent to that initial reproduction. However, the initial act of reproduction is not the core copyright interest of concern in this context. The main interest of the copyright owner is in controlling access to their content by members of the public. The initial reproduction is ancillary to this main interest. The subsequent downloads by users may be of concern to the owner, but these downloads are initiated by users taking advantage of the access provided by the platform proprietor.<sup>122</sup>

Making content available for download could also be seen as an authorisation of the reproduction right in regard to subsequent downloads (as is the case in Canada). However, if primary infringement of the communication right is likely to be found, analysis and application should be focused on this key right. Again, if we consider the rationale for secondary liability, there is no need to resort to authorisation of the reproduction right to address this act of making downloads available.<sup>123</sup> These points would be relevant to both the question of infringement and also an assessment of value. When assessing royalties for the purpose of licensing, focus should be on the primary act that relates to the key interest of the copyright owner, ie access to content.<sup>124</sup>

A caution regarding the Canadian approach is that the treatment of authorisation as a distinct right could itself lead to overlapping rights. If authorisation warrants separate treatment for infringement or remuneration as a distinct right, then this

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<sup>122</sup> As noted in n 130 below, copyright should regulate the conduct of commercial enterprises, not that of copyright consumers or users.

<sup>123</sup> It may be argued that this conclusion is inconsistent with the point made earlier, ie the consumer interest in receiving a durable copy means that the reproduction right should be exercised. However, as noted below in n 127, this may be based more in analogies with historical publishing and performing industries and is less relevant to models for dissemination going forward. Furthermore, reliance on the communication right refocuses our analysis on the conduct of the commercial provider of the service, as opposed to on the conduct of consumers. Historically the reproduction right would have been exercised by intermediaries that would disseminate the resulting copies to the public, but in the digital age reproductions are easily made by members of the public. Therefore, shifting our focus to the communication right ensures that copyright directly regulates commercial actors, as opposed to copyright consumers: see Daniel J Gervais, 'The Purpose of Copyright Law in Canada' (2005) 2(2) *University of Ottawa Law and Technology Journal* 315 (arguing that copyright should regulate commercial entities and not encroach upon the private sphere of individuals).

<sup>124</sup> Collecting societies already do this, but to varying degrees, where rights are jointly licensed by performing rights societies and mechanical rights societies. Mihaly Ficsor explains that under these joint licences, '[t]he nature/purpose of the interactive use (whether streaming or downloading) ... is taken into account in the shares due to the owners of the respective rights; usually in a way that, in the case of streaming, a bigger share goes to "performing rights," [sic] while in the case of downloading, a bigger share goes to "mechanical rights" (on the understanding that the making available right is applicable in all these cases)': Ficsor, 'Expert Opinion' (n 121) 4.

could create duplication between making a download available and the eventual download (if we say that the latter results in a distinct right being infringed). As discussed, distinct rights to authorise reproduction and to make reproductions do not operate in the same way as the communication right, with the initial making available and the eventual transmission both falling within the same communication right.<sup>125</sup> Some degree of duplication occurs, ie two rights arise for a single act of exploitation, even though these rights apply to two different parties (authorisation by the disseminator making downloads available and reproduction by users initiating the downloads).

A further question raised by *SOCAN v ESA* is whether secondary infringement of a right is sufficient to give effect to art 8 of the *WCT*. The Canadian Supreme Court finds that ‘there is nothing novel about relying on a combination of rights to give effect to the obligations under art 8’, citing US law as an example.<sup>126</sup> Relying on a combination of primary acts of infringement is arguably different from relying on the right to authorise reproductions, although one’s conclusion on this may depend on how broadly the umbrella solution is construed.<sup>127</sup>

In Australia, whether the making of copies available for download can be fully carved out from the communication right remains an open question. Until we are able to develop a clearer approach to the communication right that limits overlap with other rights such as the reproduction right, it is likely to fall upon sensible licensing practices and remuneration structures to minimise double dipping by rightsholders. As posited in the Canadian Copyright Board’s Various Tariffs 1996 decision, the royalty should be set for ‘principal use’ of the work, irrespective of any

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<sup>125</sup> This point was discussed in Part III(C) of this article, on the ‘merging theory’ of rights.

<sup>126</sup> *SOCAN v ESA* (n 4) [109].

<sup>127</sup> On the face of it, the *WIPO Internet Treaties* do not carve the provision of a downloadable copy of a work out from the notion of ‘making available’. However, if we consider Canada’s treatment of authorisation as a distinct right of the owner, irrespective of whether a reproduction occurs, one could also argue that this in substance means that the right to communication to the public by making available is sufficiently protected: see Cheryl Foong, ‘Copyright’s Making Available Right: Distinguishing Downloads and Streams under the WIPO Internet Treaties’ [2023] (September) *Singapore Journal of Legal Studies* (forthcoming). Note that *SOCAN* also argued that authorisation was insufficient as the *WCT* requires strict liability, and although the Copyright Board did not express a view on this point, the Supreme Court quoted the explanatory text accompanying art 8, which emphasised that the ‘extent of liability’ shall be matters for ‘national legislation and case law according to the legal traditions of each Contracting Party’: *Scope of Section 2.4(1.1) of the Copyright Act — Making Available* (n 31) [171]; *SOCAN v ESA* (n 4) [88]. Support for this view is found in the respective expert opinions of Sam Ricketson and Jeremy de Beer, cited in *Scope of Section 2.4(1.1) of the Copyright Act — Making Available* (n 31) [151]–[154].

incidental use involved in the process.<sup>128</sup> However, private ordering or regulatory processes should not be seen as *the* solution to an issue as central to copyright as overlapping reproduction and communication rights.

## VI CONCLUSION

An objective of the *WIPO Internet Treaties* was to ensure that on-demand, interactive means of disseminating content online would be subject to copyright protection. The right to make works available to the public, regardless of whether via downloads of copies or ephemeral streams, held potential to encroach upon means of exploiting works already covered by the reproduction right. However, overlap between the communication right and the reproduction right was not a major concern then, so long as ‘making available works and objects of related rights to the public in an interactive electronic network’ would effectively be covered by a finding of infringement.<sup>129</sup> Overlap between the ‘making available’ right and secondary forms of infringement, such as authorisation liability, was considered but effectively sidestepped using an agreed statement to art 8 that the mere provision of physical facilities for enabling or making a communication would not itself amount to communication.<sup>130</sup>

The ‘making available’ sub-right and the umbrella solution for implementation was devised at a time when content industries were beginning to explore business models for making their content accessible online.<sup>131</sup> As dissemination models that permit streaming and downloads of content develop and mature, the issue of overlapping rights has come before the courts. The approach of the Supreme Court of Canada in *SOCAN v ESA* prompts closer consideration of Australian law and highlights blind spots in our treatment of overlapping rights and interests. Broadly speaking, two lessons may be distilled from the decision. First, more effort needs to be invested by our courts in distinguishing exercise of the reproduction right from the communication right. Second, a distinction should be made between acts that give rise to authorisation of the communication right and those giving rise to primary infringement of the communication right.

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<sup>128</sup> *Statement of Royalties to Be Collected for the Performance or Communication by Telecommunication, in Canada, of Musical or Dramatico-Musical Works in 1994, 1995, 1996 and 1997* (1996), 71 CPR (3d) 196, 20 (Copyright Board of Canada).

<sup>129</sup> Ficsor, *Copyright in the Digital Environment* (n 27) 11.

<sup>130</sup> The inclusion of this agreed statement was the result of intense lobbying by non-governmental organisations representing internet service providers and telecommunication companies: Ficsor, *The Law of Copyright and the Internet* (n 18) 509. Far from clarifying the issue, it has led to speculation about its overlap with secondary liability involving non-physical forms of enabling communications: see, eg, Ginsburg, ‘The (New?) Right of Making Available to the Public’ (n 26) 243.

<sup>131</sup> Ficsor, *Copyright in the Digital Environment* (n 27) 4.

In terms of the first lesson, *SOCAN v ESA* indicates that the interests of copyright owners in what they seek to control and the perspectives of copyright consumers in terms of what they receive should be considered when identifying the relevant right in the circumstances. How such interests and perspectives ought to shape the scope of exclusive rights remains unclear, and much more discussion and analysis is needed in this space. In the immediate term, royalty rates and payment structures should be realistically aligned with the copyright interest being exercised, to minimise double dipping by rightsholders.

However, this does not solve the transaction costs and efficiency concerns raised by overlapping rights. In the longer term, conscious and concerted efforts to address overlapping copyright rights and interests are needed if copyright is to remain relevant to online dissemination models that transcend traditional boundaries. This article does not purport to solve all the issues raised by *SOCAN v ESA*, but sets out key points for consideration by Australian courts tasked with interpreting and applying overlapping rights in the online context. Given the opportunity, law and policymakers should critically consider the intersection of key exclusive rights of copyright owners and whether these rights need reframing in the digital environment.