

# Site Blocking Case Handed Down:

## Roadshow Films Pty Ltd v Telstra Corporation Ltd [2016] FCA 1503

Simone Blackadder and Andrew Stewart report on the recent site blocking decision of the Federal Court of Australia in *Roadshow Films v Telstra*.

In a landmark decision for media content owners in Australia, on 15 December 2016 the Federal Court of Australia ruled that Internet Service Providers (ISPs) must take reasonable steps to disable access to a number of overseas websites that infringe or facilitate the infringement of copyright.

The decision is the first successful application of s 115A of the Copyright Act (Act). The application made by Village Roadshow and the US movie studios was heard together with a similar application by Foxtel. Baker McKenzie acted for Village Roadshow and the US movie studios.

This decision follows a number of other site blocking decisions in overseas jurisdictions, including the UK, Singapore and Italy and signifies how s 115A will operate in future site blocking applications.

### Summary

- The Court ordered ISPs to take reasonable steps to disable access to a number of online locations within 15 business days of the orders. Village Roadshow and the US movie studios were successful against the online location, SolarMovie. Foxtel was successful against the online locations, The Pirate Bay, IsoHunt and Torrentz.
- While the orders indicate a number of methods of blocking that the ISPs may apply, the ISPs have indicated that they will use Domain Name System (DNS) blocking.
- If any of the online locations are accessible from different domain names, IP addresses or URLs,

content owners may follow a streamlined process to extend the blocking orders to those new access paths.

- Content owners must contribute \$50 per domain name to the ISPs' costs of implementing the blocks.
- In April 2016, music rights holders filed a further s 115A application to disable access to the online location, KickAss Torrents. The hearing was heard in October and is currently awaiting judgment.

### Site blocking legislation in Australia

On 27 June 2015, the *Copyright Amendment (Online Infringement) Act 2015* (Cth) commenced, introducing s 115A of the Act. Section 115A allows a copyright owner or exclusive licensee to apply to the Federal Court of Australia for an injunction requiring a carriage service provider (i.e. ISP) to "take reasonable steps to disable access to an online location".

An injunction will only be granted where:

- a carriage service provider provides access to an online location **outside Australia**;
- the online location **infringes**, or **facilitates the infringement** of, copyright; and
- the **primary purpose** of the online location is to infringe, or to facilitate the infringement of, copyright (whether or not that infringement occurs in Australia).

In granting the injunction the Court may take a number of matters into account, including the flagrancy of

infringement and whether the online location has been disabled by orders of a court in another country.

### The Proceedings

On 18 February 2016, Village Roadshow and the US movie studios filed an application under section 115A of the Act, seeking orders to disable access to SolarMovie. That same day, Foxtel commenced similar proceedings. Both applications were heard together and dealt with in the same judgment.

At the hearing, conducted in June 2016, the ISPs did not contend whether the content owners were entitled to the orders. They took the position that it was a matter for the Court to be satisfied that the content owners had satisfied the elements of s 115A(1). Accordingly, the arguments focused on the form of the ancillary orders.

The target online locations in the proceedings were SolarMovie in the Village Roadshow/ US movie studios application and The Pirate Bay, Torrentz, TorrentHound and IsoHunt in the case of the Foxtel application (**Target Online Locations**).

On 15 December 2016, the Court granted the applications and held that the content owners had established that:

- the Target Online Locations were outside Australia; and
- the primary purpose of the Target Online Locations was to infringe, or facilitate the infringement, of copyright (e.g. the Court was satisfied that SolarMovie "was designed and operated to facilitate easy and free access to cinematograph films made available online").

While the orders indicate a number of methods of blocking that the ISPs may apply, including DNS blocking, IP Address blocking, or URL blocking, the ISPs have indicated that they will use DNS blocking. In determining whether to grant the injunction, the Court considered the discretionary factors set out in s 115A(5). In particular it noted that SolarMovie encouraged copyright infringement on a “widespread scale”, showed a flagrant disregard for copyright, and that blocking orders had already been made in other jurisdictions (including Singapore, UK and Italy).

The fact that at the time of judgment SolarMovie and a number of sites subject to Foxtel’s application were, or appeared to be offline, was held to be relevant in the exercise of discretion, but the Court was satisfied that there is a substantial risk that the inactivity was merely temporary and did not warrant refusing the content owners relief. The Court stated that the granting of the orders would guard against the possibility that the currently inactive sites may be re-activated at some time in the near future.

### Variations to existing injunctions

A key issue in the proceedings surrounded what would happen if a new domain name, IP address or URL provided access to a Target Online Location in the future.

The Court heard evidence from the content owners that Target Online Locations are not always stable, and have previously changed domain names, IP addresses and URLs in an attempt to circumvent siteblocking orders in other jurisdictions. Accordingly, the content owners sought a simple notification regime, similar to that in the UK, whereby a Target Online Location would include domain names, IP addresses or URLs as notified in writing by the content owners to the ISPs. For example in *Twentieth Century Fox and others v British Telecommunication plc* [2011] EWHC 2714 (Ch), site blocking orders

included “any other IP address or URL whose sole or predominant purpose is to enable or facilitate access to the Newzbin website”.

However, the Court disagreed with this approach and held that any variation to existing injunctions to include new domain names, IP addresses or URLs must be considered by the Court. The Court implemented a streamlined notification process requiring the content owners to file and serve an affidavit identifying the different domain name, IP address or URL and propose orders to add the new access point(s) to the definition of a Target Online Location. ISPs will then have seven business days to notify the content owners if they object to the proposed orders, otherwise the orders will be made (unless the Court relists the matter).

### Implementation of the Orders

The effect of the implementation of the orders will be that users attempting to access the Target Online Locations will not be served the relevant webpage. Usually the user would receive an error message. The content owners sought an order that the ISPs must redirect such users to another webpage, which the Court granted.

Accordingly, any ISP user attempting to access one of the Target Online Locations will be redirected to a landing page informing them that “access to the website has been disabled because this Court has determined that it infringes or facilitates the infringement of copyright”.

### Compliance Costs

All of the ISPs sought an order that the content owners pay their costs of complying with the blocking orders. In the case of two of the ISPs, the costs sought extended to the costs of configuring the system to implement the orders (i.e. set-up costs). The Court rejected this argument and held that set-up costs had already been incurred by the ISPs and were simply a “cost of carrying on business” that the ISPs

would have had to incur at some point, irrespective of the content owners’ applications.

Further, each ISP sought “compliance costs” that they estimated reflected the amount spent on ensuring the Target Online Locations were blocked. The ISPs argued they were to be “treated as innocent parties against whom relief is sought not by reason of any wrongdoing on their part”. While the content owners argued the ISPs received a commercial benefit from the use of their services by users accessing those infringing websites, the Court agreed with the ISPs. Noting that the ISPs were all undertaking DNS blocking, the Court decided that a uniform figure of \$50 per domain name was appropriate. The Court held that while this figure was below some of the ISPs’ estimates for compliance costs, all parties will know precisely how much they are required to pay or receive in any future applications.

### What’s next?

Following this initial decision, copyright owners and exclusive licensees have a workable mechanism to obtain site blocking orders against overseas websites and other online locations laid out by the Courts. In our view, future applications that follow the blueprint of this decision will likely proceed largely unopposed.

When the legislation originally passed through parliament, the then Minister for Communications, now Prime Minister Turnbull, noted that a review of the legislation would occur 18 months after its introduction. We understand that the review is currently set for June 2017, by which the decision in the application by the music industry will likely have been handed down.

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