Submission by Dr Anne Fitzgerald[1] to

The House of Representatives Standing Committee on Legal and Constitutional Affairs

INQUIRY INTO TECHNOLOGICAL PROTECTION MEAURES (TPM) EXCEPTIONS

Introduction

It is submitted that:

(1) the Standing Committee on Legal and Constitutional Affairs should support the enactment of provisions in the *Copyright Act* 1968 which enable definable categories of copyright material to be exempted from the prohibition on circumvention of technological protection measures that control access to copyright material, as envisaged by Article 17.4.7(e)(viii) of the Australia-United States Free Trade Agreement; and

(2) such provisions should set out:

  (a) the criteria to be applied in determining which classes of copyright material are to be exempted; and
  (b) the process by which exempted classes of copyright material are to be determined from time to time.

Treaty obligations relating to circumvention of technological protection measures and dealings with circumvention devices and services

Australia has obligations regarding technological protection measures used in relation to copyright materials under the World Intellectual Property Organisation's ("WIPO") 1996 Copyright Treaty ("WCT") and Phonograms and Performances Treaty (WPPT). Further obligations have been accepted under the Australia-United States Free Trade Agreement ("AUSFTA"), the implementation of a specific provision of which is now being considered by the Standing Committee on Legal and Constitutional Affairs.

Article 17.4.7 AUSFTA imposes obligations on Australia and the United States in relation to the prohibition of circumvention of effective technological protection measures ("TPMs") and dealings in devices and services used to circumvent TPMs. Both countries are required to prohibit, under their respective domestic copyright laws:

[1] JSD(Col, NY), LLM(Col, NY), LLM(Lond), LLB(Hons)(Tas)

(1) the unauthorised circumvention of any effective TPM that controls access to copyright material[2]; and
(2) the provision or offering of circumvention devices or services.[3]

An effective TPM is defined as "any technology, device or component that, in the normal course of its operation, controls access to a protected work, performance, phonogram, or other protected sugbject matter, or protects any copyright."[4]

Contravention of these prohibitions is to give rise to civil and/or criminal liability. Article 17.4.7 of the AUSFTA requires criminal infringement procedures and penalties to apply where a person has engaged wilfully and for the purposes of commercial advantage or financial gain in any of the prohibited activities (subject to a limited range of exceptions, for acts done by non-profit libraries, archives, educational institutions and public non-commercial broadcasters).

The *Copyright Act* 1968 already contains civil and criminal prohibitions relating to TPMs. These provisions were inserted into the *Copyright Act* 1968 – as 116A(1), 132(5A) and 132(5B) - by the *Copyright Amendment (Digital Agenda) Act* 2000 ("Digital Agenda Act") which came into force in 2001. The Digital Agenda amendments gave effect to Australia's obligations regarding technological measures used in the protection of copyright materials under the World Intellectual Property Organisation's ("WIPO") 1996 Copyright Treaty ("WCT") and Phonograms and Performances Treaty (WPPT). Article 11 of the WCT requires Contracting Parties to provide "adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorised by the authors concerned or permitted by law." Article 18 of the WPPT is in similar terms.[5]

The current prohibitions in the *Copyright Act* 1968 relate to dealings with circumvention devices and circumvention services capable of circumventing or faciliatating the circumvention of TPMs. In the case of circumvention devices, a wide range of acts falls within the scope of the prohibition, including: manufacture, sale, hire, promotion, advertising, marketing, commercial distribution, public exhibition for trade purposes, importation and making the device available online to the prejudice of the copyright owner.[6] For circumvention services, the category of prohibited acts

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[2] Article 17.4.7(a)(i)

[3] Article 17.4.7(a)(ii). The prohibition in relation to circumvention devices relates to manufacturing, importation, distributing, offering to the public, providing or otherwise trafficking in circumvention devices, products or components. The prohibition in relation to circumvention services relates to offering to the public or providing circumvention services.

[4] Article 17.4.7(b)

[5] Article 18 of the WIPO Phonograms and Performances Treaty 1996 requires Contracting Parties to provide "adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by performers or producers of phonograms in connection with the exercise of their rights under this Treaty and that restrict acts, in respect of their performances or phonograms, which are not authorised by the performers or the producers of phonograms concerned or permitted by law."

[6] *Copyright Act* 1968, ss 116A(1)(b)(i)-(vi) and 132(5B). The civil infringement provisions under s 116A(1)(b)(i)-(vi) require that the person knew or ought reasonably to have known that the device or service would be used to circumvent or facilitate the circumvention of a TPM; the criminal offence

includes providing and commercially promoting, advertising or marketing such a service.[7]

Importantly, unlike the *Digital Millennium Copyright Act* 1998 that amended the United States Copyright Act 1976 to give effect to the WCT, the prohibitions introduced into the Australian *Copyright Act* 1968 by the Digital Agenda Act were drafted so that they did not apply to the mere act of circumvention of a TPM. The provisions in the *Copyright Act* 1968 as they currently stand do not cover the kind of activity which Article 17.4.7(a)(i) of the AUSFTA requires to be proscribed, namely, the unauthorized circumvention of a TPM controlling access to copyright material. Rather, ss 116A(1), 132(5A) and 132(5B) are limited in their application to dealings with circumvention devices and services (by way of manufacture, supply, advertising or other commercial dealings).

In this respect there was an important – and deliberate – divergence between the approaches taken by the United States' and Australian legislatures towards the implementation of the Article 11 of the WCT. Whereas the emphasis in the US legislation is on the protection of devices controlling access to copyright material, the emphasis in the Australian legislation is on measures designed to prevent or inhibit copyright infringement. In the translation of Art 11 of the WCT into Australian copyright law, the drafters of the Digital Agenda Act considered that prohibiting the use by individuals of circumvention devices or services would be an unnecessarily heavy-handed intrusion into the private sphere. Since such a proscription would have rendered ineffective the application of the fair dealing and other statutory limitations or exceptions to copyright infringement, it was considered that it would not have achieved an appropriate balance between the rights of copyright owners and users. This point about the operation of s 116A was made by Justice Lindgren in *Kabushiki Kaisha Sony Computer Entertainment v Stevens* [2003] FCAFC 157 (at para [41]), where his Honour observed:

> "It is noteworthy that the **use** of a circumvention device is not referred to in par 116A(1)(b), and that apart from the making of a circumvention device, that paragraph refers to trading activity only (and the making of a circumvention device can be expected often to be a trading activity). Accordingly, s 116A does not apply to enable the copyright owner to bring an action against the ordinary user of a circumvention device and, ... a user does not infringe copyright any more than the reader of a book infringes the copyright in a literary work embodied in it."

However, Article 17.4.7(a) of the AUSFTA now requires Australia to implement prohibitions not only on dealings with circumvention devices and services but also on unauthorised acts of circumvention of TPMs that control access to copyright

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under s 132(5B) requires the person to know or be reckless as to whether the device will be used to circumvent or facilitate the circumvention of a TPM.

[7] *Copyright Act* 1968, ss 116A(1)(b)(vii) and 132(5A). The civil infringement provisions under s 116A(1)(b)(vii) require that the person knew or ought reasonably to have known that the device or service would be used to circumvent or facilitate the circumvention of a TPM; the criminal offence under s 132(5A) requires the person to know or be reckless as to whether the service will be used to circumvent or facilitate the circumvention of a TPM.

materials.[8] An infringing act occurs when, without authorisation, a person knowingly, or with reasonable grounds to know, circumvents an effective TPM that controls access to copyright material.[9]

In order to give effect to the obligations imposed by Article 17.4.7(a) of the AUSFTA in relation to unauthorized circumvention of access-control TPMs, further amendments to the *Copyright Act* 1968 are now required to make the changes which were rejected as inappropriate by the drafters of the Digital Agenda Act.

Permitted exceptions – Article 17.4.7(e)(i) – (viii)

The AUSFTA permits Australia and the United States to provide in their copyright laws for the eight classes of exceptions to the prohibition on circumvention of TPMs that are set out in Article 17.4.7(e)(i) to (viii). The implementation of the first seven of these classes of exceptions (Article 17.4.7(e)(i) - (vii)) is under consideration by the Commonwealth Attorney General's Department. It is the eighth class of permitted exceptions (as described in Article 17.4.7(e)(viii)) that is the focus of the current inquiry being undertaken by the House of Representatives Standing Committee on Legal and Constitutional Affairs ("the LACA Committee").

The unspecified "additional" exceptions – Article 17.4.7(e)(viii)

The AUSFTA permits the introduction of unspecified limited exceptions to infringement liability under Article 17.4.7(e)(viii), provided they comply with the criteria set out in Article 17.4.7(e)(viii) and (f).

Under its Terms of Reference, the House of Representatives Standing Committee on Legal and Constitutional Affairs "LACA Committee") is to consider and report to the Commonwealth Parliament on whether Australian copyright law should provide for any further exceptions to liability for TPM circumvention, based on 17.4.7(e)(viii), in addition to the seven specific classes of exceptions described in Article 17.4.7(e)(i) to (vii).

Article 17.4.7(e)(viii) of the AUSFTA, which must be read subject to Article 17.4.7(f)), permits the creation of *ad hoc* exceptions to TPM liability for:

> non-infringing uses of a work, performance or phonogram in a particular class of works, performances, or phonograms, when an actual or likely adverse impact on those non-infringing uses is credibly demonstrated in a legislative or administrative review or proceeding; provided that any such review or proceeding is conducted at least once every four years from the date of conclusion of such review or proceeding.

Both the specific[10] and *ad hoc* exceptions may apply "only to the extent that they do not impair the adequacy of legal protection or the effectiveness of legal remedies against the circumvention of effective technological protection

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[8] Article 17.4.7(a)(i)
[9] Article 17.4.7(a)(i)
[10] That is, those specifically provided for in Article 17.4.7(e)(i) to (vii).

measures": Article 17.4.7(f). Importantly, the category of exceptions permitted under Article 17.4.7(e)(viii) can only apply to acts of circumvention of TPMs that control access to copyright material: Article 17.4.7(f)(i). The exceptions permitted under Article 17.4.7(e)(viii) are not applicable to the prohibiton on dealings (eg by manufacture, importation, sale or distribution) with devices or services that circumvent TPMs: Article 17.4.7(f)(ii).

Reading Article 17.4.7(e)(viii) and (f) together, the *ad hoc* exceptions which are currently being considered by the LACA Committee must:

- relate only to "a particular class" of copyright material;
- apply only to non-infringing uses of the copyright material; and
- apply only where it is credibly demonstrated (in a legislative or administrative review proceeding conducted at least every four years) that the prohibition on circumvention has an actual or likely adverse impact on non-infringing uses of the particular class of copyright material.

The LACA Committee's terms of reference permit it to examine certain activities for this purpose. Among the activities listed in the terms of reference, those relevant for present purposes are:

a. the activities of libraries, archives and other cultural institutions
b. the activities of educational and research institutions
c. the use of databases by researchers (in particular those contemplated by recommendation 28.3 of the Australian Law Reform Commission Report on Gene Patenting).[11]

Relevance of US experience under the DMCA

Article 17.4.7(e)(viii) of the AUSFTA broadly replicates §1201(a)(1)(B) of the US Copyright Act 1976, which was introduced by the *Digital Millennium Copyright Act* 1998, Public Law 105-304 ("DMCA").[12] The DMCA amended Title 17 of the US Code by adding a new Chapter 12. §1201 is headed "Circumvention of copyright protection systems". The DMCA prohibits circumvention of access control technologies employed by copyright owners to protect their works. §1201(a)(1) applies when a person who is not authorized by the copyright owner to gain access to a work does so by circumventing a technological measure applied by the copyright owner to control access to the work.

While Article 17.4.7(e)(viii) broadly approximates §1201(a)(1)(B), it is important to note that the AUSFTA does not contain any equivalent to §1201(a)(1)(C) which describes the rule-making process to be applied to determine which classes of

[11] The Australian Law Reform Commission's report, *Genes and Ingenuity: Gene Patenting and Human Health* (Report No. 99, available online at http://www.austlii.edu.au/au/other/alrc/publications/reports/99/ , was tabled in the federal Parliament on 31 August 2004. In recommendation 28.3, the ALRC recommended that, prior to the implementation of Article 17.4.7 of the AUSFTA, the Australian Government should assess the need for an exception for researchers engaging in fair dealing for the purpose of research or study in relation to databases protected by copyright.

[12] The prohibition on circumvention under the DMCA became effective on 28 October 2000.

copyright material are to be exempted from the prohibition against circumvention. Further, it is necessary to bear in mind that there are substantive differences between Australian and US copyright law (eg protection is available for factual compilations in Australia following the Full Federal Court's decision in *Desktop Marketing Systems v Telstra* [2002] FCAFC 112) which mean that the exempted classes of copyright material will also differ.

Nevertheless, in view of the similarity between Article 17.4.7(e)(viii) of the AUSFTA and §1201(a)(1)(B), it is instructive to consider the reviews conducted by the US Register of Copyrights (Marybeth Peters) in 2000 and 2003 to establish classes of works to be exempted from the DMCA's prohibition on circumvention of access-control TPMs. These rulemaking processes addressed only the prohibition on the conduct of circumvention measures that control access to copyright material, eg prohibiting unauthorised decryption of an encrypted work or bypassing passwords used to restrict access to copyright works.

The first rulemaking process in 2000 resulted in the recognition of two time-limited exceptions to the statutory prohibition on circumvention of access controls. The second rulemaking process in 2003 resulted in the recognition of four exceptions. Each of the exceptions applied only to a narrowly defined class of materials. Persons who engage in non-infringing uses of copyright materials within the defined classes are exempted from complying with the statutory prohibition against circumvention of access controls for the following three-year period.

The complete record of both the 2000[13] and 2003[14] rounds of anti-circumvention rulemakings (including all comments, testimony and notices published) has been published on the US Copyright Office's website.[15] On 27 September 2005, the Register of Copyrights issued notice of a third round of anti-circumvention rulemaking under §1201(a)(1)(A) of the Copyright Act 1976.[16] Written comments from interested parties are to be submitted by 1 December 2005, with reply comments due by 2 February 2006.

On October 27, 2000, the Librarian of Congress, on the recommendation of the Register of Copyrights, announced two classes of works that would be exempted from the prohibition on circumvention of technological measures that control access to copyrighted works until 28 October 2003. The two classes of works were:

- compilations consisting of lists of websites blocked by filtering software applications; and

- literary works, including computer programs and databases, protected by access control mechanisms that fail to permit access because of malfunction, damage, or obsoleteness.

On October 28, 2003, the Librarian of Congress, on the recommendation of the Register of Copyrights, announced the classes of works subject to the exemption from

[13] See http://www.copyright.gov/1201/anticirc.html
[14] See http://www.copyright.gov/1201/2003/index.html
[15] See http://www.copyright.gov/1201/
[16] See http://www.copyright.gov/fedreg/2005/70fr57526.html

the prohibition against circumvention of technological measures that control access to copyrighted works. The four classes of works exempted from circumvention liability until 27 October 2006 are:

- Compilations consisting of lists of Internet locations[17] blocked by commercially marketed filtering software applications that are intended to prevent access to domains, websites or portions of websites, but not including lists of Internet locations blocked by software applications that operate exclusively to protect against damage to a computer or computer network or lists of Internet locations blocked by software applications that operate exclusively to prevent receipt of email.

- Computer programs protected by dongles that prevent access due to malfunction or damage and which are obsolete[18].

- Computer programs and video games distributed in formats that have become obsolete and which require the original media or hardware as a condition of access.

- Literary works distributed in ebook format when all existing ebook editions of the work (including digital text editions made available by authorized entities) contain access controls that prevent the enabling of the ebook's read-aloud function and that prevent the enabling of screen readers to render the text into a specialized format.[19]

In both of the rulemaking proceedings under the DMCA, the US Copyright Office has devoted considerable effort to defining the key concept of "particular class of works," which also appears in Article 17.4.7(e)(viii) of the AUSFTA. As is the case with Article 17.4.7(e)(viii), §1201 does not define "class of works." In the 2000 rulemaking, the Register reached certain conclusions on the scope of this term and requested further Congressional guidance.[20] The Register found[21] that the statutory language requires the Librarian to identify a "class of works" which is defined initially by reference to the attributes of the works themselves, and not by reference to some external criteria such as the intended use or users of the works. The Registrar found that the legislative history left no alternative but to interpret the statute as requiring a "class" to be defined primarily, if not exclusively, by reference to the attributes of the works themselves. A "class of works" was intended to be a "narrow and focused subset of the broad categories of works of authorship .... identified in section 102 of the Copyright Act".[22] Since the term "category" of works has a well-

[17] "Internet locations" are defined to include domains, uniform resource locators (URLs), numeric IP addresses or any combination thereof.

[18] "Obsolete" shall mean "no longer manufactured or reasonably available in the commercial marketplace."

[19] "Specialized format," "digital text" and "authorized entities" shall have the same meaning as in 17 U.S.C. §121.

[20] See Federal Register, Vol. 65, No. 209, 27 October 2000, at 64559 - 65561.

[21] Note: the following material is taken from the *Recommendation of the Register of Copyrights,* 27 October 2003 at pp 11 - 13

[22] Commerce Committee Report, at 38

understood meaning, ie as referring to the categories set out in section 102[23], the Register concluded that the starting point for any definition of a "particular class" of works must be one of the section 102 categories. A "class" will generally be some subset of a section 102 category of works. The scope of any "class of works" recommended for exemption will be determined by the evidence of the present or likely adverse effects on noninfringing uses and will take into account the adverse effects an exemption may have on the market for or value of copyright works.

In the 2003 rulemaking, the Register stated[24]:

> While starting with a section 102 category of works, or a subcategory thereof, the description of a "particular class" of works ordinarily should be further refined by reference to other factors that assist in ensuring that the scope of the class addresses the scope of the harm to noninfringing uses. For example, the class might be defined in part by reference to the medium on which the works are distributed, or even to the access control measures applied to them. But classifying a work solely by reference to the medium on which the work appears, or the access control measures applied to the work, would be beyond the scope of what "a particular class of work" is intended to be. And it is not permissible to classify a work by reference to the type of user or use (eg libraries or scholarly research).

A "use-based" or "user-based" classification is inconsistent with the narrowly tailored authority given to the Librarian of Congress to exempt particular classes of adversely affected works in the rulemaking process.[25]

Many applications to the US Register of Copyrights for an exemption from liability for circumventing an access-control measure to make a fair use were rejected in 2000 and in 2003. This was largely because an exemption must relate to a "class of works", and the class must be defined by subject matter rather than by the type of use or the type of user. In both 2000 and 2003, the US Copyright Office rejected proposals for broad exceptions that would have allowed libraries to circumvent access controls routinely. Applications for exemptions for classes of works likely to be subject to fair use in educational institutions and libraries were also rejected.

Scope of exceptions required for government use of TPM-protected copyright material

Governments receive and deal with a vast amount of copyright material, including material in which copyright is owned by non-government entities. Copyright materials may be obtained by government by means of contractual arrangements under which the government obtains an assignment or licence of the rights.

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[23] The categories set out in section 102 of the US *Copyright Act* are: literary works; musical works; dramatic works; pantomimes and choreographic works; pictorial, graphic and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works.

[24] Copyright Office, Library of Congress, *Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies*; available at http://www.copyright.gov/1201/docs/registers-recommendation.pdf Federal Register, Vol. 68, No. 241, 31 October 2003, pp 62011 - 62018

[25] *Recommendation of the Register of Copyrights,* 27 October 2003 at p 84

Governments also obtain copyright materials which are produced by non-government entities and lodged with government in compliance with legislative requirements contained in a range of statutes. Such provisions are commonplace in statutes dealing with allocation of rights in land and the management of the State's natural resources, eg *Land Title Act* 1994 (Qld), *Mineral Resources Act* 1989 (Qld) and *Environmental Protection Act* 1994 (Qld), and are typically required to enable the performance of governmental functions, including the administration the land titling system, granting of mining tenements and protection of the environment. Copyright materials provided to government pursuant to statutory requirements are typically made available for public access by inclusion in an official register or database.

Increasingly, copyright materials are lodged with governments in digital form and are protected by technological measures, eg in encrypted or password-protected form, to ensure the integrity and security of the material. Such technological measures applied to copyright materials with the intention of preventing unauthorised access to or use of the copyright material fall within the concept of TPM.

With the introduction of the extended scope of protection for TPMs as required by Article 17.4.7 of AUSFTA, any unauthorised acts of circumvention of access-control TPMs or dealings in circumvention devices or services will attract civil and/or criminal liability irrespective of whether the infringing acts are done by public or private sector entities. The need for an exception to enable governments to be able to deal with TPM-protected copyright materials so they are not impeded in the performance of governmental functions was recognised when the current TPM provisions were introduced into the *Copyright Act* 1968 by the Digital Agenda amendments.

In order to strike "a fair balance between the rights of copyright owners and the rights of copyright users", ss 116A(2) and 132(5E) provide for an exclusion from infringement where dealings in circumvention devices or services are done for purposes of "law enforcement or national security". Sections 116A(3), (4), (4A) and 132(5F) – (5H) exempt from infringement dealings in circumvention devices or services for use for one of the specified "permitted purposes". The infringement provisions in ss 116A(1), 132(5A) and 132(5B) do not apply to acts which are lawfully done for law enforcement or national security purposes, by or on behalf of the Commonwealth, a State or Territory or a governmental authority: ss 116A(2) and 132(5E). They are also excluded where a circumvention device or service is supplied to a "qualified person" for a "permitted purpose": ss 116A(3), (4), (4A) and 132(5F) – (5H).

A circumvention device or service is regarded as being used for a permitted purpose only where it is used to do an act which is exempted from infringement under the *Copyright Act* 1968: s 116A(7). One such exception is that provided in s 183 of the *Copyright Act* 1968 which excludes from infringement acts done "for the services of" the Crown.[26] Importantly, not all exemptions or exclusions from infringement provided for under the *Copyright Act* 1968 are "permitted purposes". In particular,

[26] Section 183(1) is subject to s 183(4) and (5) which require the copyright owner to be notified and an agreement entered into regarding the terms of use or, in default of agreement, for terms of use to be determined by the Copyright Tribunal. Sections 183(4) and (5) are, in turn, subject to s 183A where a collecting society has been declared.

the permitted purposes do not include the general fair dealing exemptions in ss 40 – 42 of the Act.

Under the terms of AUSFTA, the current exclusion from infringement of dealings in circumvention devices and services where the relevant acts are done "for the services of" the State in reliance on s 183 of the *Copyright Act* 1968 will not be permitted to continue because it does not comply with the requirement in Article 17.4.7(e)(viii) that the exclusion relate only to "a particular class" of copyright material.

It should be noted that Article 17.4.7(e)(vi) of AUSFTA provides for an exception to TPM liability to apply to "lawfully authorised activities carried out by government employees, agents, or contractors for law enforcement, intelligence, essential security or similar governmental purposes".[27] It is unclear whether the concept of "law enforcement" in this exception is broad enough to include activities relating to civil as well as criminal law administration and enforcement. In any case, this exception is outside the scope of the LACA Committee's terms of reference and is among the specific exceptions being considered separately by the Commonwealth Attorney General's department.

To ensure that governments are not prevented from accessing and using materials that they have required external parties to prepare and lodge and which are essential to the performance of governmental functions, governments need to be exempted from liability for circumvention of access-control TPMs used on such materials.

AUSFTA requires any additional exclusion of governmental acts from TPM liability to fall within the scope permitted by Article 17.4.7(e)(viii) and (f). Since Article 17.4.7(e)(viii) requires any exception to liability for circumvention to relate only to a "particular class" of copyright material, it will be necessary to ascertain and define the particular category of materials to which the exception applies. The particular class of materials to which the exception applies should include copyright materials received from parties external to government, where the materials have been produced and lodged pursuant to statutory or regulatory obligations and are required by for the performance of governmental functions.

As the prohibition on the circumvention of access-control TPMs applies only to unauthorised acts of circumvention, it needs to be considered whether it is feasible for governments to obtain authorisation to circumvent TPMs by other means than a statutory exception based on Article 17.4.7(e)(viii).

Where copyright materials are commissioned under contract, the terms of the contract can be drafted to expressly address the application of TPMs to the contract material by the contractor and their circumvention by the government. However, materials which have been produced under a commission contract are not within the particular class of materials in respect of which it is submitted that the exception is warranted.

Where copyright materials are required to be produced and lodged pursuant to statutory requirements governments could, by legislative amendment or regulation, introduce requirements specifying the technical requirements for TPMs attached to

[27] Note the current ss 116A(2) and 132(5E) of the *Copyright Act* 1968.

submitted materials and consequences of failure to comply with such requirements.[28] However, there are considerable disadvantages in such an approach. Not only would it require technical requirements for submitted copyright materials to be specified (when Australian governments have strongly preferred a technologically neutral approach) but it would also require the amendment of numerous separate pieces of legislation on a State-by-State basis, which would create complexity and lack of uniformity.

Enactment by the Commonwealth of legislation prohibiting the circumvention of access-control TPMs, will leave little, if any scope, for the States and Territories to legislate in respect of activities involving circumvention of access-control TPMs by their departments or agencies. The case for a specific exception is strengthened if it is intended, as is the case with s 116A of the *Copyright Act* 1968, to reverse the onus of proof. Under s 116A, it is presumed that the defendant knew or ought reasonably to have known that a circumvention device would be used for a prohibited purpose and the defendant bears the onus of rebutting the presumption (s 116(5)).

In view of the fact that the need for an exclusion from liability will apply across the broad range of materials produced and submitted pursuant to statutory provisions, the simplest and most effective way of ensuring that the performance of government functions is not impeded by the implementation of the TPM provisions in AUSFTA is by the enactment of a technology-neutral exception to cover the defined class of material, as envisaged by Article 17.4.7(e)(viii) and (f).

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[28] Note the *Electronic Trading Terms and Conditions – Courts and Tribunals* used by the WA Department of Justice for its e-lodgement system (http://www.justice.wa.gov.au/portal/server.pt/gateway/PTARGS_0_2_323_201_0_43/http%3B/justicecontent.extranet.justice.wa.gov.au/displayPage.aspx/Online+Registered+Services/Online+Registered+Services/eLodgment/structureID=50596398/resourceID=95000001#). The *Electronic Trading Terms and Conditions – Courts and Tribunals* are available at http://www.justice.wa.gov.au/portal/server.pt/gateway/PTARGS_0_2_323_201_0_43/http%3B/justicecontent.extranet.justice.wa.gov.au/content/files/eta.pdf . In the System Login Request Form which must be completed by external users of the External Portal Community Access, the user agrees to Conditions of Use which include the following clause: "I will abide by the Department's Electronic business Conditions of Use policy and any other system specific policies, such as the 'Electronic Trading Terms and Conditions, Courts and Tribunals', which I have read and understood (the most up to date version of the policies are available on the Department's website at www.justice.wa.gov.au)".
Clause 4 – Systems Operation, of the *Electronic Trading Terms and Conditions – Courts and Tribunals* provides:

> DOJ shall advise the User of the minimum equipment and software requirements necessary to access any Application.
> DOJ may at its discretion upon not less than 7 days notice alter any minimum equipment and software requirements to access any Application.
> DOJ shall not be responsible for the provision or supply of any equipment or software necessary for the User to access and operate any Application, nor for any maintenance, training or support in respect of the User's equipment or software.

Note also clause 6 – Liability of the *Electronic Trading Terms and Conditions – Courts and Tribunals* , which provides:

> The User releases DOJ, its officers, agents and employees for any and all loss, damage, claim, cost or expense which may be sustained from:
> (i) any delay, omission or error in the electronic transmission or receipt of data pursuant to this agreement;
> (ii) any error or omission of data in paper format as a result of electronic transmission.
> The User indemnifies and must keep DOJ, its officers, agents and employees indemnified from and against:
> (i) all damages, costs, expenses, loss and damage which DOJ, its officers, agents and employees may sustain; and
> (ii) all actions, proceedings, claims and demands whatsoever which may be brought or made against DOJ, its agents and employees by any persons in respect of or arising out of the circumstances set out in the preceding paragraph.
> This clause (6) shall survive the termination of this agreement.

Relevance of Copyright Law Review Committee's recommendations on Crown copyright

The need to create an appropriate exclusion from liability for circumvention of a TPM will become even more important if the recommendations of the Copyright Law Review Committee ("CLRC") in its Crown Copyright report (2005) were to be accepted by the Commonwealth government and implemented by amendment of the *Copyright Act* 1968. A consequence of implementation of the CLRC's recommendations would be that, for many documents (eg literary and artistic works) which are produced and lodged by non-government parties under statutory requirements, and which are required for the performance of governmental functions, copyright would be owned by a party other that the Crown. This category of documents could, in practice, be quite extensive and would include documents such as survey plans, mining exploration reports and environmental management plans.

Currently, the Crown copyright provisions of the *Copyright Act* 1968 vest the State with ownership of a range of materials produced and lodged, in accordance with statutory requirements, by persons other than government employees or contractors. Sections 176 – 179 of the *Copyright Act* 1968 provide that the Crown owns copyright in materials produced or first published by or under the direction or control of the State, subject to any agreement to the contrary.

The CLRC has recommended that the range of materials in which the Crown is vested with copyright by virtue of ss 176 – 179 should be significantly reduced. It has proposed the deletion of ss 176 – 179 from the *Copyright Act* 1968, so that the only materials in which the Crown would automatically own copyright would be those materials produced by government employees, in the course of their employment. If these recommendations are given effect, copyright in a broad range of materials which are created by persons outside government, under express and often detailed statutory requirements and which are required by government for the performance of its functions (eg survey plans, environmental reports, mining reports) would no longer be vested in the State. Amendment of the *Copyright Act* 1968 as recommended by the CLRC would lead to the situation where not only would the State no longer own copyright in a broad range of documents required for the performance of governmental functions but, where copyright owners have applied access control TPMs (eg encryption) to such documents, governments would be prevented from even using them without the express permission of the copyright owner.

It follows that, if the CLRC's recommendations for a substantial reduction in the range of materials in which the Crown owns copyright were to be implemented, the introduction of the prohibition on unauthorised acts of circumvention of TPMs would have a significant impact on the government's activities in dealing with documents lodged by members of the public. If the proposals to reduce the range of materials in which Crown copyright exists were to be given effect by amendment to the *Copyright Act* 1968, it would be essential to ensure that appropriate exceptions to liability for circumvention of TPMs were included in the Act to enable governments to perform their functions when dealing with copyright materials produced by external parties.

Approximating a definition of a "particular class of materials" to be exempted from infringement under Article 17.4.7(e)(viii)

An exemption should be created so that it is clear that governments do not infringe the prohibition on circumvention of access-control TPMs where they engage in circumvention to obtain access to and engage in noninfringing uses of copyright materials that have been created and/or provided for the purpose of enabling the performance of a governmental function. The justification for such an exemption is most forceful where the protected copyright material has been provided to the government under a statutory, regulatory or administrative direction.

It is submitted that there is justification for creating an exemption to permit circumvention of TPMs on a particular class of materials defined in the following terms:

- literary works (including computer programs and compilations) and artistic works;
- produced and lodged pursuant to a requirement imposed by statute[29], regulation or administrative instrument;
- which are in the lawful possession of a government department or agency;
- which are required for the performance of government functions; and
- which are protected by access control mechanisms that fail to permit access because of malfunction, damage, obsoleteness or incompatibility with the platform or platforms used by the government entity which received the literary or artistic work.

In this case, the circumvention of the access control TPM is carried out in order to make a noninfringing use of the copyright material, as permitted by s 183 of the *Copyright Act* 1968. Further, in the absence of this exemption, governments will be adversely affected if they are unable to make noninfringing uses of the copyright works in reliance on s 183.

As has been recognised by the US Register of Copyrights in the two rulemaking exercises that have been conducted to date, the definition of the particular class of materials to which the exemption applies can be difficult. Some assistance in the definition of the "particular class" of materials to which the exception should apply can be drawn from the United Kingdom's *Copyright, Design and Patents Act* 1988 ("CDPA"). Attention is drawn to s 48 of the CDPA which exempts the Crown from infringement of materials communicated to the Crown in the course of public business. The characteristics of the materials included within the exception created by s 48 are as follows:

- they are protected by copyright as literary, dramatic, musical or artistic works, ie the equivalent of Part III works in the *Copyright Act* 1968 (s 48(1));
- a document or other material thing recording or embodying the work is owned by or in the custody or control of the Crown (s 48(1));

[29] Note s 47(6) of the UK *Copyright, Design and Patents Act* 1988 which defines "statutory requirement" as "a requirement imposed by provision made by or under an enactment".

- the work has been communicated to the Crown in the course of "public business", ie any activity carried on by the Crown (s 48(1) and (3));
- the work has been communicated to the Crown for any purpose, by or with the licence of the copyright owner (s 48(1)); and
- the work has not previously been published (s 48(3)).

For works with these features, the Crown may make copies and issue copies to the public, for the purpose for which the work was communicated to it or any related purpose which could reasonably have been anticipated by the copyright owner, without infringing copyright (s 48(2)).

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- *Intellectual Property Law: In Principle,* Lawbook Co/Thomson, 2004;
- *Jurisdiction and the Internet,* Lawbook Co/Thomson, 2004;
- *Copyright,* chapter in Butler, D and Rodrick, S, *Australian Media Law*, 2nd ed, 2004;
- *Mining Agreements in the Regulation of the Australian Minerals Sector,* chapter in Bastida, E, Waelde, T and Warden, J (eds), *International and Comparative Mineral Law and Policy,* Kluwer Law International, The Netherlands, 2004;
- *Intellectual Property Law*, (Nutshell series) Lawbook Co/Thomson, 2nd ed, 2002;
- *Cyberlaw - Cases and Materials on the Internet, Digital Intellectual Property and Electronic Commerce,* LexisNexis/Butterworths, 2002;
- *Mining Agreements: Negotiated Frameworks in the Australian Minerals Sector,* Prospect Media (now LexisNexis/Butterworths), 2002;

- *International E-Commerce Regulation 2002*, Lawbook Co/Thomson, 2002; and
- *Going Digital 2000: legal issues for e-commerce, software and the internet*, Prospect Media (now LexisNexis/Butterworths), 2nd ed, 2000.