

# Intellectual Property

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## Copyright Law and the Internet – Liability of Commercial Providers of Remote-Storage Digital Video Recording Services

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In the recent case of *RecordTV Pte Ltd v Mediacorp TV Singapore Pte Ltd*, [2009] SGHC 287, the High Court of Singapore ruled that the provider of remote-storage digital video recording (“RS-DVR”) services for commercial gain, while not liable for copyright infringement for making copies of copyrighted subject-matter, was nonetheless liable for authorising copyright infringement as well as for unauthorised communication of copyrighted subject-matter to the public.

The Plaintiff in the action, RecordTV Pte Ltd, is the creator, owner and operator of a website with the domain name [www.recordtv.com](http://www.recordtv.com) (the “Website”). The Website permitted members of the public (upon logging in to their account) to request that free-to-air broadcast be recorded for viewing. Upon receipt of such a request, a copy of that broadcast is made by the Plaintiff’s service, and the member of the public is then able to view that broadcast at his convenience.

The Defendants were the copyright owners of various broadcasts and films (the “Copyrighted Materials”) copies of which were made pursuant to the services provided by the Plaintiff.

The defendant issued cease and desist letters to the Plaintiff regarding their provision of the RS-DVR services with respect to the Copyrighted Materials.

In response, the Plaintiff commenced legal action against the defendant for; *inter alia*, groundless threats of legal proceedings.

In the defendant’s Defence and Counterclaim filed in respect of the action, the defendant alleged that the Plaintiff had in fact infringed the defendant’s copyright in the Copyrighted Materials.

The Court identified three main issues that were relevant in determining whether there had been copyright infringement by the Plaintiff:

- Whether the Plaintiff had made copies of the Copyrighted Materials;
- Whether the Plaintiff had communicated the Copyrighted Materials to the public; and
- Whether any safe harbour or fair dealing provisions applied to the Plaintiff.

It was not in dispute that the Plaintiff had not been authorised by the defendant to do any of the acts complained of.

### Primary Infringement – Whether the Plaintiff had Made Copies of the Copyrighted Materials

The Court agreed with the US case of *Cartoon Network LP v CSC Holdings Inc*, 536 F 3d 121 (2nd Cir 2008) in holding that the end-user of a RS-DVR service is the maker of the time-shifted recording and found that the Plaintiff was not liable for primary infringement.

On the other hand, the Court was quick to point out that it disagreed with the holding of *Cartoon Network insofar* as it stood for the proposition that only “volitional conduct” by a human will trigger direct liability for copyright infringement such that there would not be direct liability for copyright infringement if the functions of the human were replaced by computers or robots.

The High Court then went on to consider the issue of contributory infringement and authorisation of infringement.

### **Contributory Infringement and Authorisation of Infringement**

On this issue, the Court held the Plaintiff liable for authorisation of infringement.

The formulation for authorisation as put forward in the case of *CBS Songs Ltd v Amstrad Consumer Electronics Plc* [1988] 1 AC 1013 was approved, i.e., that “an authorization means a grant or purported grant, which may be express or implied, of the right to do the act complained of...”

In that case, Amstrad conferred upon the purchaser the power to copy, but did not grant or purport to grant the right to copy.

In another local case *Ong Seow Pheng v Lotus Development Corp* [1997] 3 SLR 137, it was held that there was no authorisation of infringement because the defendant in that case had no control over what the other party would do. The Court in that case also observed that the other party in that case was a software pirate and he well knew that the defendant was in no position to grant any right to make infringing copies.

In the instant case however, a key distinguishing factor was the fact that the Plaintiff, in the FAQ section of his website expressly represented to end-users that it had obtained “all necessary regulatory licenses from the Government of Singapore”.

By claiming to have such approval, the Plaintiff effectively represented that it had the actual authority to provide its service to end-users and purported to authorise the copies of the Copyright Materials that were subsequently made at the behest of its customers.

Other factors pertinent to the issue of contributory infringement taken into account by the judge were:

- The “continuing relationship” between the Plaintiff and its end-users;
- The Plaintiff’s control over the recordable content, in that it *chose* to provide recording functionality with respect to the Copyrighted Materials; and
- That the “instrumentality” of the Plaintiff’s services consisted solely of the use to record the Copyrighted Material and was therefore not a “commercially significant non-infringing uses”.

The concept of authorising infringement however is premised on there being an existing act of primary infringement.

Accordingly, the judge then went on to consider if the end-user was guilty of infringement.

Section 114 of the Copyright Act provides *inter alia* that the copyright in a television broadcast or cable programme or in works included in the broadcast or cable programme is not infringed by the making of a cinematograph film or sound recording of the broadcast or cable programme for the private and domestic use of the person by whom the film or recording is made.

It is also provided that “broadcasting the film or recording or including it in a cable programme” or “causing the film or recording to be seen or heard in public” would fall outside the definition of “private and domestic use”.

The Court then considered whether the internet would fall within the definition of “cable programme” so as to fall within the purview of S. 114.

The Court held that the internet did indeed fall within the definition of “cable programme” (per *Shetland Times* [1977] FSR 604).

The Court then went on to consider whether the making of these copies by the end user for his own consumption via the internet would also be considered an “inclusion [of the copy] in a cable programme” by the end user so as to fall outside the scope of the “private and domestic use” defence.

The Court held that in this regard, by making the film or recording, the end user did not “include it in a cable program”. Instead, he was using the internet as a means of accessing his personal copy of the copyrighted material.

Accordingly, the “private and domestic use” defences were available to the end user.

### **Whether the Plaintiff had Communicated the Copyrighted Materials to the Public**

The Court further held that the Plaintiff was liable for unauthorised communication of the Copyrighted Materials to the public.

On the question of whether the Plaintiff’s communication to its subscribers constituted communication to the public, the Court found in the affirmative.

From the facts, it was clear that any member of the public was able to register with the Plaintiff (and hence receive such communication). The Court further noted that during the relevant time period, each copy of the Copyrighted Materials was communicated not only to a single user but to multiple users.

With regard to the final question as to whether the Plaintiff was responsible for the communication, the Court also held in the affirmative. To this end, the Court drew a distinction between the “making” and the “transmission” of copies of copyrighted material.

While the Court accepted that it was the end-user who made the copies, it held that it was the Plaintiff who determined the content of the communication *at the time* the communication was made and who governed the actual transmission of the said content to the end-users.

### **Whether any Safe Harbour or Fair Dealing Provisions Applied to the Plaintiff**

The Court rejected the Plaintiff’s defence raised, based on s.193B (defences for network service providers) of the Copyright Act.

The Court took the view that the very nature of the service offered by the Plaintiff (copying of copyrighted materials) went against any definition of it as a network service provider. Further, even if the Plaintiff could be considered a network service provider, this defence did not avail the Plaintiff because it clearly *did* select the electronic copy of the copyrighted materials transmitted by way of providing end-users with a pre-selected list of films and broadcasts which were recordable via its service.

The Court then considered whether the fair dealing defences under s.109 of the Copyright Act was available to the Plaintiff.

The Court held that while the end-users were able to rely on the fair dealing defence, this defence did not avail the Plaintiff. Relevant facts considered were:

- The “purpose and character” of the Plaintiff’s service – it was significant that this was essentially for commercial gain and in the nature of commercial exploitation and its public benefit / social utility was minimal; and
- A substantial amount and proportion of the Copyrighted Materials was copied.

Accordingly, there was no fair dealing by the Plaintiff.

The Court further held that while the end user may have a fair dealing defence, the Plaintiff was not entitled to rely on its customer's fair dealing defence to exculpate its own culpable behaviour.

### **The Scope and Significance of the Case**

This case highlights the Court's approach to dealing with cases involving technology that has outpaced existing legislation.

The judge took the view that manipulating outpaced legislation would not be the correct way forward. Instead, the appropriate approach would be for the Court to focus on established legal principles – this would give interested parties a good idea on how to conduct themselves and provide a just and efficient outcome.

Nevertheless, while admirable, the case does have its limitations.

First, it is important to note that the Court's holding of liability on the part of the Plaintiff was expressly limited to the fact situation where a recording product or service was provided for commercial gain. The Court left open the question of whether the provision of a recording product or service *without* any commercial gain would entitle one to rely on the fair dealing defence.

Second, the Court itself pointed out an anomaly regarding its decision. In short, the Court noted that it appeared inconsistent that a provider of set-box VCRs would be entitled to receive payment for sale of the same and yet rely on the fair dealing defence, while a provider of RS-DVR services for commercial gain would not be entitled to rely on the fair dealing defence. However, the Court declined to make any pronouncement on this incongruity "until the occasion requires".

It is hoped that such an opportunity will arise in the near future for the Courts to make a determination on the outstanding issues that remain.

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