

***Roadshow Films Pty Ltd v. iiNet Limited: An Indian standpoint on
secondary liability of copyright infringement on the internet***

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Abstract

Secondary liability of internet intermediaries for copyright infringement by their users is one of the most debated issues in global copyright circles today. Despite specific provisions in their copyright legislation by countries like the USA and Australia, their judicial precedents teach that the finding of secondary liability on intermediaries is subjective and fact oriented. Though the Indian Copyright Act, 1957 is technology neutral, it suffers from lack of guidelines on such issues. India is yet to amend its copyright law to provide for secondary liability for copyright infringement by intermediaries. Further, the same is still an untested issue before the Indian judiciary. In that backdrop, this article examines the decision of the Federal Court of Australia in Roadshow Films Pty Ltd v. iiNet Limited and attempts to reach a finding of the issues raised therein in the Indian context. In conclusion, the article finds that the provisions of the Indian Copyright Act, 1957 as they exist are inadequate in arriving at a fair and balanced finding on such issues and that absent a specific provision in the said Act, the courts must look not only at judicial precedents elsewhere and but also take guidance from the WIPO Internet Treaties.

Introduction

In the good old days, writers, artists and musicians created works to purely satisfy their passion and were contented with the fame and recognition that followed. This situation began to change with the arrival of the printing press in the 15th century following which the British Parliament was constrained to enact the Statute of Anne in 1709 as “*An Act for the Encouragement of Learning, by vesting the Copies of Printed Books in the Authors or purchasers of such Copies, during the Times therein mentioned*”¹. The preamble of the Act bore testimony of the circumstances that attended its enactment²:

Whereas Printers, Booksellers, and other Persons, have of late frequently taken the liberty of Printing, Reprinting, and Publishing, or causing to be Printed, Reprinted, and Published Books, and other Writings, without the Consent of the Authors or Proprietors of such Books and Writings, to their very great Detriment, and too often to the Ruin of them and their Families: For Preventing therefore such Practices for the future, and for the Encouragement of Learned Men to Compose and Write useful Books;

Not surprisingly, it was the increasing incidents of infringement of copyrighted works that led to the enactment of this statute in an effort to protect the authors thereof. It is, however, interesting to note that, while enacting the statute, the legislators of the first copyright statute in the world took into consideration both direct and indirect acts of

¹ See http://en.wikipedia.org/wiki/Statute_of_Anne

² See <http://www.copyrighthistory.com/anne.html>

copyright infringement caused through the printing press which replicated or copied the works. Indeed, the journey from the printing press to the ubiquitous internet was a long one, interspersed with numerous technological developments. Copyright law, in general, also has been making efforts to keep up with the developments in this journey. However, the advent of the internet in the 1990s and the unparalleled ease of replication and dissemination of works that followed without the need for human intervention necessitated some additional legal standards globally for the determination of liability of copyright infringement on the internet. The WIPO Copyright Treaty (WCT) and the WIPO Phonograms and Performances Treaty (WPPT), popularly referred to as the 'WIPO Internet Treaties' were born out of this necessity.

Although the jurisprudence on many aspects of intellectual property infringement on the internet around the world has been evolving over the last two decades, there are still differing judicial views on the various challenges posed by the internet. Of particular interest is the evolving jurisprudence on the aspect of copyright infringement liability on social networking sites arising out of user generated content (UGC). While Facebook and Twitter are examples of social networking sites where people put up their profiles and network with other people and share content, UGC is simply put content generated on the internet by users of a particular internet service and may consist of both copyrighted and non-copyrighted works. Though most social networking sites prohibit uploading of copyrighted works, UGC that infringe copyright has in the recent times become the bane for many a copyright owner around the globe and has raised the issue as

to the extent of liability of copyright infringement on the part of the social networking sites which act as intermediary on the internet.

In this context, two cases, one in Australia and another in the United States of America, garnered keen attention by copyright owners, social networking sites, intermediaries, media, academicians and copyrights enthusiasts alike. These cases were, *Roadshow Films Pty Ltd v. iiNet Limited*³ (hereinafter, ‘*the Roadshow case*’) and *Viacom International Inc v. Youtube Inc*⁴ (hereinafter ‘*the Viacom case*’) respectively. While the Federal Court of Australia rendered its judgement on February 4, 2010 in the Roadshow case, the United States District Court of Southern District of New York issued the judgement in the Viacom case on June 23, 2010.

This article attempts to study the findings in the Roadshow case regarding secondary copyright infringement liability on the internet and to apply it in the context of the extent of liability for secondary copyright infringement of social networking sites under the Indian Copyright Act, 1957 (hereinafter, ‘the Indian Act’). Prior to coming to a conclusion of secondary copyright infringement in a given case, primary copyright infringement would have to be established. At the time of writing this article, Indian courts have not had an occasion to decide a case involving secondary copyright liability arising out of an infringement occurring on the internet.

³ Roadshow Films Pty Ltd v. iiNet Limited (No.3) [2010] FCA 24

⁴ Viacom International Inc., Comedy Partners, Country Music Television Inc, Paramount Pictures Corporation and Black Entertainment Television LLC [07 Civ. 2103 (LLS)] United States District Court, Southern District of New York

Roadshow case: Facts, issues and findings regarding authorisation leading to secondary liability

In the 200 plus pages judgement in the much tweeted or twittered Roadshow case, Justice Cowdroy of the Federal Court of Australia provided a five page summary of the same in which he stated as follows:

*“The result of this proceeding will disappoint the applicants. The evidence establishes that copyright infringement of the applicants’ films is occurring on a large scale, and I infer that such infringements are occurring worldwide. However, such fact does not necessitate or compel, and can never necessitate or compel, a finding of authorisation, merely because it is felt that ‘something must be done’ to stop the infringements.”*⁵

The said quote is perhaps a reflection of the judicial predicament not merely in Australia, but globally, while deciding issues of secondary copyright infringement liability of internet intermediaries where there is overwhelming evidence of primary copyright infringement by users of the intermediary’s services.

⁵ Paragraph 19 of the summary in supra note 3 by Justice Cowdroy dated February 4, 2010.

Facts

The facts leading to the Roadshow case involved 34 plaintiffs representing major motion picture studios both in Australia and the United States of America who sued iiNet, the third largest ISP in Australia. Besides the 34 plaintiffs, the Australian Federation Against Copyright Theft (AFACT), who was not a party to the proceedings, played a central role in the case in the collection of evidence on behalf of the plaintiffs, most of whom were members of AFACT. While the exact nature of the relationship between the plaintiffs and AFACT was not clear, it was established that its members provide its budget and decide on its business plan as to what investigations and activities AFACT would undertake.

AFACT employed a company known as DetecNet to investigate copyright infringement occurring by means of a peer to peer (p2p) system known as the BitTorrent protocol used by subscribers and users of iiNet's services. The information regarding infringement obtained from these investigations was then forwarded to iiNet with a demand that iiNet take action to stop the infringements occurring. While the measures that AFACT wanted iiNet to take in respect of these demands were never precise or elucidated in the demand letters, the evidence during the trial indicated that AFACT wished iiNet to send a warning to the subscriber who was allegedly infringing and if such warning was not heeded to, AFACT intended that iiNet suspend the internet service of that subscriber. Even after that if the subscriber remained uncooperative, termination of the internet

service was sought as the ultimate sanction. Further, the plaintiffs also suggested that iiNet should block certain websites.

BitTorrent Protocol

In order to appreciate the issue of authorization leading to secondary liability for copyright infringement, it is essential to understand how the BitTorrent protocol works. The BitTorrent protocol is essentially a scheme for a highly efficient and decentralized means of distributing data across the internet. Unlike the traditional model of data distribution wherein the computer that has the data sends it to the computer that requested it, the BitTorrent protocol works on a p2p basis whereby all the computers seeking the data participate in the distribution of it. The BitTorrent protocol has three parts to it namely, the BitTorrent client, the .torrent file and the tracker.

The BitTorrent client is a computer program or software which allows a person to access groups of computers sharing a particular .torrent file. These groups of computers are known as 'swarms' and each computer in a swarm is known as a 'peer'. The BitTorrent client can have no operation by itself as it needs to be provided with information in order to fulfill its role, which comes from a .torrent file.

The .torrent file contains only the information necessary for the BitTorrent client to contact and participate in a swarm. In other words, while the .torrent file contains the name of the file sought, the size of the file, the hash value of the file, the hash value of

the pieces of the file and location of the tracker, it has no underlying data of a film or television program. The BitTorrent protocol operates by breaking up large files into smaller parts and in order to ensure that each piece is received correctly and that the data is not corrupted, the BitTorrent client consults the hash values for each piece. A hash value is a means of converting a large amount of data into smaller value. In other words, a hash functions as an identifier of data. Hence when a BitTorrent client receives a piece of the file from another peer in the swarm, it checks that the piece hash of the piece is identical to the piece hash for that piece in the .torrent file. If it is, the BitTorrent client knows that the piece is the correct piece and was correctly received. If it is not, it is discarded and the requested piece is sought again.

Tracker is a computer program on a server made available for contact by BitTorrent clients by means of a Universal Resource Locator (URL) or a website. Tracker monitors the particular swarm to which it is attached and monitors the IP addresses of peers in the swarm.

Justice Cowdroy poetically described the file being shared in the swarm as the treasure, the BitTorrent client as the ship, the .torrent file as the treasure map and the tracker as the wise old man that needs to be consulted to understand the treasure map.

Issues

The plaintiffs sought declarations that iiNet had infringed the copyright in the films in question by authorizing the making in Australia of copies of, and by authorizing the communication in Australia to the public of, the whole or a substantial part of those films without the license of the plaintiffs. The main issues that arose for consideration were, (a) whether there was primary infringement of copyright by iiNet users and (b) whether the primary infringements were authorised by the defendant, iiNet. While examining the issues, it is important to bear in mind that the BitTorrent protocol is not owned by or controlled by iiNet, the defendant herein. Nor did the plaintiffs make the owner of BitTorrent protocol a party to these proceedings.

Case law and findings

As for the first issue, namely whether there was primary copyright infringement, the Court examined several witnesses of AFACT and DetectNet as well as those of the defendant, iiNet. Having examined the witnesses, the Court accepted that copyright subsisted in 86 identified films and that the plaintiffs had the right to bring the action for copyright infringement against the defendant. Court also noted the fact that iiNet conceded that there have been primary infringements committed by iiNet users. It is significant to state here that the evidence adduced in the case pointed to only those infringements occurring by way of use of BitTorrent system by iiNet users.

Based on the evidence adduced by both the parties, the Court found that iiNet users have made available online, electronically transmitted and made copies of the plaintiffs' 86 identified films without license of the plaintiffs. Having found that the plaintiffs have proven primary infringement on the part of iiNet users, the next task of the Court was to examine if iiNet, the defendant, could be said to have authorised the acts of infringement by its users. In that inquiry, the Court relied upon some of the Australian precedents that dealt with 'authorisation'. Of particular significance was the *Moorhouse* case⁶ which dealt with the issue of 'means of infringement'. In addition to *Moorhouse*, the Court also dealt with the cases of *Kazaa*⁷ and *Cooper*⁸.

Moorhouse is an oft-referred to judgement in cases involving secondary copyright infringement liability. Decided in the year 1975, it considered the factual circumstance relating to coin-operated photocopiers provided by the University of New South Wales in its library and secondary liability for copyright infringement by the University. One Mr. Brennan copied a short story out of a specific copyrighted work and, at first instance, it was found that although Mr. Brennan infringed copyright in the work, the University had not authorised the same. On appeal, the appellate court reversed the said finding. The main points of reasoning by the appellate court in *Moorhouse* are summarised as follows:

- One could not be said to authorise the infringement of copyright unless one had some power to prevent it;

⁶ University of New South Wales v. Moorhouse & Another (1975) 133 CLR 1

⁷ Universal Music Australia Pty Ltd and Others v. Sharman License Holdings Ltd & Others (2005) 65 IPR 289

⁸ Universal Music Australia Pty Ltd and Others v. Cooper & Others (2005) 150 FCR 1

- While indifference could lead to authorisation, authorisation required a mental element such that it would not be found where one was inactive and did not know or have reason to know that infringements were occurring;
- A person who had under his control the means by which an infringement may be committed and who made it available to other persons knowing, or having reason to suspect, that it was likely to be used for the purpose of committing an infringement, and omitting to take reasonable steps to limit its use to legitimate purposes, would authorise any infringement which resulted from its use;
- Hence, means, knowledge and control were all that were necessary to constitute a finding of authorisation;
- The role of ‘reasonable steps’ was to take authorizing conduct, or a situation which could be authorizing infringement, out of that context, and thereby render what would otherwise be infringing conduct non-infringing;
- Authorisation could be found in situations where an express permission or invitation was extended to do the act comprised in the copyright or where such a permission or invitation may be implied.

Unlike *Moorhouse* which was decided in the context of infringements occurring in brick and mortar environment, the decisions in *Kazaa* and *Cooper* concerned infringements occurring on the internet and these decisions were issued in the year 2005, much subsequent to the decision in *Moorhouse*.

Kazaa dealt with the issue of copyright infringement liability arising out of a p2p file sharing software which allowed users to search for and obtain files contained in the computers of others on the system. The Court found that the defendants, who were responsible for the creation and maintenance of the *Kazaa* system had authorised the infringement because the evidence showed that they had the technical means to prevent or at least substantially reduce the number of infringements which were occurring by the use of the *Kazaa* system but did not prevent the infringements to protect their financial interests.

Cooper concerned the operation of a highly structured and user-friendly website created by Mr. Cooper which contained hyper links to other websites or remote servers containing music files. A person who visited Mr. Cooper's website, therefore, was provided with the means to quickly and easily download copyright infringing music files. The Court in *Cooper*, found that the website was intended and designed for copyright infringement and was the means for infringement. Further, the Court found the Internet Service Provider (ISP) which hosted the website in *Cooper* had the power to prevent infringements occurring by Mr. Cooper's website by refusing to continue to host it, but did not do so.

In the light of *Moorhouse*, *Kazaa* and *Cooper*, the Court analysed the concept of authorisation and found that the findings of authorisation in all these cases were predicated on a finding that the particular authoriser was the person who provided the 'means' of infringement, and that the analysis of considerations relevant to authorization

such as knowledge and power to prevent were predicated upon the initial finding that the ‘means’ of infringement had been provided by the authoriser. Considering *Moorhouse* to be the foundation of the contemporary law of authorization in Australia, the Court divided the cases that followed *Moorhouse* into ‘technology cases’ and ‘APRA cases’. Technology cases were *Kazaa*, *Cooper* and the Roadshow case and APRA cases were *Metro*⁹ and *Jain*¹⁰. Court observed that while both technology cases and APRA cases followed the *Moorhouse* principles, they were factually distinct.

In *Metro* and *Jain* the plaintiff, APRA or the Australasian Performing rights Association Limited, which owned the performance rights to a vast majority of music sued the respective defendants, Metro on George Pty Limited and Mr. Jain, who had owned or controlled the premises in which live music was performed in public. The context of these two cases went beyond *Moorhouse* because it would have been far easier to use a copier in a library in a way that did not infringe copyright than it would be to use a live music venue in a way that did not infringe APRA’s performance rights. In both the cases, secondary copyright liability on the defendants was established. In *Jain*, it was held by the Court that Mr. Jain had the power to control what music was played at the tavern and also to determine whether a license from APRA would be applied for. In *Metro*, it was found that the promoters had not obtained the licenses from APRA and Metro knew about it.

⁹ Australasian Performing Rights Association Ltd v. Metro on George Pty Limited & Others (2004) 61 IPR 57

¹⁰ Australasian Performing Rights Association Ltd v. Jain (1990) 26b FCR 53

The Court found that the decisions in the ‘technology cases’ displayed the requirement for the authoriser to have provided the means of infringement even more clearly. Court pointed out that it was important to distinguish between the provision of a necessary precondition to infringement occurring and the provision of the actual means of infringement. In the *Moorhouse* case, the mere provision of a photocopier was not the ‘means’ of infringement; rather it was only the ‘means’ of infringement in the particular context in which the infringements occurred. Other preconditions existed, such as the supply of power and the physical premises in which the infringements occurred and the presence of each of these factors was a precondition for the infringements to occur but, the Court found that, that did not necessarily lead to the conclusion that a person who individually provided each of those preconditions could equally be found to have authorised the infringements. While the provision of internet by iiNet was a necessary precondition for the infringements to occur, internet was not the means of infringement. The Court, then went on to hold that the use of the BitTorrent system as a whole was not just a precondition to infringement and that it was in a very real sense, the ‘means’ by which the plaintiffs’ copyright was being infringed because even the evidence filed in the case did not point to infringement occurring other than by way of the use of BitTorrent system. In short, the Court found that, absent the BitTorrent system, the infringements could not have occurred because the infringing iiNet users must seek out a BitTorrent client and must seek out .torrent files related to infringing materials themselves and in doing so, they were provided with no assistance from iiNet. Hence, it was not iiNet, but rather the BitTorrent system as a whole which is the ‘means’ by which the plaintiffs’ copyright was being infringed. While it was correct that absent the internet service of

iiNet, the infringements could not have taken place, it was equally true that more than an internet connection was required to effect the infringements, namely, the BitTorrent system over which iiNet had no control. In addition, the Court made the following observations on authorisation:

- One could not have said to have the power to prevent infringement if the step to be taken to prevent the infringement was not a reasonable step in the circumstances.
- Consequently, the only relevant power iiNet had to prevent infringement was to warn and then terminate/ suspend its subscribers' accounts based on the AFACT notices.
- The warning and termination of subscriber accounts on the basis of AFACT notices was not a reasonable step nor would it constitute relevant power on the part of iiNet to prevent the infringements from occurring.
- Further, though termination of accounts would stop infringement, it would do much more and in the circumstances it would not be reasonable. Consequently, warning and termination/ suspension did not relevantly constitute a power to prevent infringement on the part of iiNet.
- While there was a relationship between iiNet and its users who were infringing, such relationship itself did not persuade the Court that iiNet was authorizing the infringements of the iiNet users
- It would be very difficult to make a finding of authorisation at the level of knowledge alone. While iiNet had general knowledge of copyright infringement

committed by its users or knowledge that infringement was likely to occur on its facilities, at such a level of abstraction it was very difficult to act on such knowledge in any meaningful way. In other words, the mere knowledge or the power to prevent was not, ipso facto, authorisation.

- There was only a legal prohibition on doing an act comprised in the copyright without the license of the owner or exclusive licensee of that copyright or authorizing another to do that copyright infringing act. Consequently, merely being indifferent or inactive in the knowledge that copyright infringement was occurring cannot possibly constitute authorisation.
- Finally, the Court did not find that iiNet approved or sanctioned or even countenanced the copyright infringement by iiNet users as all those terms implied a sense of official approval or favour of the infringements which occur and such approval or favour could not be found.

An Indian standpoint

Secondary copyright liability for infringement occurring on the internet is still an untested position before the Indian judiciary. India has the largest movie industry in the world and also has a large number of its population, young and old, highly active on social networking sites and other similar platforms sharing UGC. Often such UGC consists of film music and audio visual clippings from films, uploaded and posted on such websites by these users. Like the plaintiffs in the Roadshow case, the first impression on seeing such rampant infringement by users of a particular social networking site would always be that the website owner must be held liable for

infringement of copyright as the same was happening on *his* site. However, the Roadshow case suggests that careful consideration has to be given while identifying a defendant in such cases. Justice Cowdroy stated in the judgement as follows:

It is unfortunate that the outcome of the Court's findings is that the applicants will continue to have their copyright infringed. However, the fault lies with the applicants for choosing the wrong respondent. The current respondent does not stand in the way of the applicants pursuing those who have directly infringed their copyright nor in the way of the applicants pursuing any of the constituent parts of the BitTorrent system for authorisation. This decision in no way forecloses the applicants pursuing those other avenues to obtain a suitable remedy. The existence of infringement of copyright, however regrettably extensive, can never compel a finding of authorisation¹¹.

One issue that arises in such cases is whether to sue the owner of the website or the users thereof. Or should all those who played a part in the chain of events that led to the infringement be sued? For instance, if a particular social networking site is found to have UGC that violates third party copyright, besides the owner of the social networking site, should liability be cast on the internet service provider who helped access the social networking site as well as the cyber café which provided the computers to the users with internet enabled terminals? What about the users of the site who uploaded the content? Casting liability on all the relevant players in the chain of events leading up to infringement in such a case would be akin to casting liability for copyright infringement

¹¹ Page 134 of the reference in supra note 3

caused by the lessee of a shop premises in a mega mall consisting of hundreds of other shops, on the owner of the mall as well as the owner of the shop in question who leased it to the infringer. What, therefore, are the principles of copyright that should apply in such situations under the Indian law to impose liability on the owner of the website in question?

It would be relevant in this context to quote from one of the earliest cases in the United States of America that paved the way for enactment of the Digital Millennium Copyright Act (DMCA) which deals with copyright infringement liability on the internet¹². The short question that came up for consideration in the case of *Religious Technology Center v. Netcom On-Line Services Inc*¹³, decided in 1995 by the Northern District Court of California was whether the operator of a bulletin board service (BBS) and an Internet access provider that allowed the BBS to reach the Internet, should be liable for copyright infringement committed by a subscriber of the BBS. The Court found as follows:

“..... Although the Internet consists of many different computers networked together, some of which may contain infringing files, it does not make sense to hold the operator of each computer liable as an infringer merely because his or her computer is linked to a computer with an infringing file. It would be especially inappropriate to hold liable a service that acts more like a conduit, in other words, one that does not itself keep an archive of files for more than a short duration. Finding such a service

¹² See <http://digital-law-online.info/misc/HRep105-551pt1.pdf> for the report of the US House Representatives being H. Rept. 105-551, Part 1 at pages 24-25

¹³ 907 F. Supp. 1361

liable would involve an unreasonably broad construction of public distribution and display rights. No purpose would be served by holding liable those who have no ability to control the information to which their subscribers have access, even though they might be in some sense helping to achieve the Internet's automatic "public distribution" and the users' "public" display of files."¹⁴

At the time the said case was decided by the District Court of the Northern District of California, there was no enabling legislation in the United States of America that dealt with copyright infringement liability issues on the internet. Indian courts, if faced with such issues, would be in a similar predicament to sit in judgement of such issues without any specific enabling provisions under the Indian Act regarding copyright infringement liability on the internet.

Provisions on secondary copyright infringement liability under the Indian and Australian laws

The Roadshow case sheds some light on the factors that would determine the liability of website owners in such situations. While attempting to apply the facts of the Roadshow case to the Indian legal scenario, it would be instructive to understand the Australian legal provisions governing secondary copyright infringement liability occurring on the

¹⁴ Paragraph 22 of the reference in supra note 13

internet under the Copyright Act, 1968 (hereinafter, 'the Australian Act') as well as the corresponding provisions under the Indian Act.

Section 101 of the Australian Act that deals with infringement and section 112E that deals with liability of carriage service providers are reproduced below:

101. Infringement by doing acts comprised in copyright

(1) Subject to this Act, a copyright subsisting by virtue of this Part is infringed by a person who, not being the owner of the copyright, and without the license of the owner of the copyright, does in Australia, or authorises the doing in Australia of, any act comprised in the copyright.

(1A) In determining, for the purposes of subsection (1), whether or not a person has authorised the doing in Australia of any act comprised in a copyright subsisting by virtue of this Part without the license of the owner of the copyright, the matters that must be taken into account include the following:

(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 other reasonable steps to prevent or avoid the doing of the act, including whether the person complied with any relevant industry codes of practice.

.....

112E -- A person (including a carrier or carriage service provider) who provides facilities for making, or facilitating the making of, a communication is not taken to have authorised any infringement of copyright in an audio-visual item merely because another person uses the facilities so provided to do something the right to do which is included in the copyright.

While the Indian Act has no provisions dealing with the liability of carriage service providers or internet service providers, Section 51 thereof provides for both primary and secondary liability for copyright infringement. Section 51 reads as follows:

“51. When copyright infringed – Copyright in a work shall be deemed to be infringed—

(a) when any person, without a license granted by the owner of the copyright or the Registrar of Copyrights under this Act or in contravention of the conditions of a license so granted or of any condition imposed by a competent authority under this Act—

- i. does anything, the exclusive right to do which is by this Act conferred upon the owner of the copyright, or*
- ii. permits for profit any place to be used for the communication of the work to the public where such communication constitutes an infringement of the copyright in the work, unless he was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright; or*

.....

[Provided that nothing in sub clause (iv) shall apply to the import of one copy of any work, for the private and domestic use of the importer]

Explanation – For the purposes of this section, the reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film shall be deemed to be an “infringing copy”.

A reading of Section 51(a) (i) unambiguously conveys that lack of knowledge (that infringement is being committed) plays no role in primary infringement cases. Liability for secondary copyright infringement is dealt with under Section 51(a)(ii) which uses the words, “*permits for profit any place to be used for the communication of the work*”. Even

though the Indian Act has no specific provisions dealing with the liability of internet service providers, it may be said to be technology neutral in its language¹⁵. The words, “*any place*” under this section could, therefore, be construed to include even the internet. Further, though section 14 of the Indian Act¹⁶ that explains the ‘meaning of copyright’ in respect of each category of the works protected therein uses the word, ‘authorise’, section 51(a)(ii) has left out the said word while defining copyright infringement and has instead used the word ‘permit’. Section 14 reads as follows:

Secondary liability for copyright infringement under Section 51(a)(ii), therefore, hinges on proof of three aspects, namely, (i) permission by a person to use the premises for communication of the work for a profit, (ii) knowledge on the part of such person that the communication of the work to the public constituted copyright infringement and (iii) presence of reasonable grounds for believing that such communication constituted infringement.

In comparison, the language on secondary copyright infringement liability under subsection (1A) of Section 101 of the Australian Act is strikingly clearer than those under

¹⁵ For instance, the definition of ‘communication to the public’ under Section 2(ff) reads as follows:

“(ff)— ‘communication to the public’ means making any work available for being seen or heard or otherwise enjoyed by the public directly or by any means of display or diffusion other than by issuing copies of such work regardless of whether any member of the public actually sees, hears or otherwise enjoys the work so made available.

Explanation – For the purposes of this clause, communication through satellite or cable or any other means of simultaneous communication to more than one household or place of residence including residential rooms of any hotel or hostel shall be deemed to be communication to the public.”

¹⁶ “**Meaning of copyright**—For the purposes of this Act, “copyright” means the exclusive right subject to the provisions of this Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely:--

Section 51(a)(ii) of the Indian Act. Apart from using the specific word ‘authorise’, Section 101(1A) of the Australian Act gives a non-exhaustive list of factors to be taken into account to determine whether there was authorisation in a given situation. Interestingly, despite such specific guidelines and scope for broader interpretation of authorization appearing in the language of Section 101(1A) of the Australian Act, it took the Court meticulous discussions of nearly 200 pages on the Australian copyright jurisprudence to arrive at its findings.

*Interpretation of Section 51(a)(ii) of the Indian Act in the factual matrix of the
Roadshow case*

If the secondary copyright infringement liability issue vis-à-vis iiNet were to be raised before an Indian court, the challenge would be to arrive at a finding against the lack of precedents, absence of provisions under the Indian Act regarding liability of internet intermediaries such as iiNet in such situations and the lack of details or guidelines for determination of secondary copyright infringement liability in the statute.

The three aspects of secondary copyright infringement liability under Section 51(a)(ii) discussed above would have to be considered in any such case by an Indian court. Applying the first of such aspects, it is to be examined if iiNet permitted its users to communicate the plaintiffs’ works for a profit. It is relevant to consider here that by merely permitting its users to access the internet using its services, iiNet could not be said to have permitted its users to communicate the plaintiffs’ works to the public. While it is

true that iiNet did receive money from its users for internet connections, the additional factor that enabled any communication on the internet of the plaintiffs' works by these users was the BitTorrent protocol. Absent the BitTorrent protocol (which was described by the Federal Court of Australia as the 'means' for committing infringement), the communication of the plaintiffs' works could not have taken place on the internet. In other words, what was granted by iiNet to its users was a mere permission to use the 'premises' (which in this case was the internet) as opposed to a permission to use the premises for communication of the work for a profit. It would, therefore, emerge that the first criterion that is to be satisfied for arriving at a finding of secondary copyright infringement under the Indian Act has not been satisfied.

As regards the second and the third aspects, namely, knowledge that the communication of the work to the public constituted copyright infringement and presence of reasonable grounds for believing that such communication constituted infringement, respectively, the language of Section 51(a)(ii) requires close consideration. The language used is, "*unless he was not aware and had no reasonable ground for believing*". While the first part of the sentence is about actual knowledge, the second part deals with constructive or implied knowledge that such communication would constitute infringement. The use of the word '*and*' instead of '*or*' raises the issue whether a plaintiff who proved actual knowledge should also establish constructive knowledge. Tracing the legislative history of the section, the language of the Indian Act was mostly borrowed from the Copyright Act, 1956 of the United Kingdom. A comparison of the language of Section 51(a)(ii) of the Indian Act with Section 5 of the UK Act of 1956 would reveal the substantial similarity between the two. Section 5 is reproduced below:

(5) The copyright in a literary, dramatic or musical work is also infringed by any person who permits a place of public entertainment to be used for a performance in public of the work, where the performance constitutes an infringement of the copyright in the work:

Provided that this subsection shall not apply in a case where the person permitting the place to be so used—

(a) was not aware, and had no reasonable grounds for suspecting, that the performance would be an infringement of the copyright, or

(b) gave the permission gratuitously, or for a consideration which was only nominal or (if more than nominal) did not exceed a reasonable estimate of the expenses to be incurred by him in consequence of the use of the place for the performance

Though in the 1988 amendment, the UK Act removed the ‘and’ and replaced it with ‘or’¹⁷, the language of the Indian Act remained the same over the years despite

¹⁷See Sections 25 and 26 of the amended UK Act of 1988

25 Secondary infringement: permitting use of premises for infringing performance

(1) Where the copyright in a literary, dramatic or musical work is infringed by a performance at a place of public entertainment, any person who gave permission for that place to be used for the performance is also liable for the infringement unless when he gave permission he believed on reasonable grounds that the performance would not infringe copyright.

(2) In this section “place of public entertainment” includes premises which are occupied mainly for other purposes but are from time to time made available for hire for the purposes of public entertainment.

26 Secondary infringement: provision of apparatus for infringing performance, etc

amendments to the copyright law in 1983, 1984, 1992, 1994 and 1999. However, it could not have been the intention of the legislators that a plaintiff must establish both actual and constructive knowledge for establishing secondary liability as it places an unduly heavy burden on a plaintiff and shows some sort of leniency towards a defendant. Further, such an interpretation would not be in alignment with the judicial interpretation of the requirement of knowledge in such cases.

Recently, the United States District Court, Southern District New York had the occasion to interpret the statutory phrases “actual knowledge that the material or an activity using the material on the system or network is infringing” and “facts or circumstances from which infringing activity is apparent” under the DMCA in the Viacom case¹⁸. While interpreting the same, the Court went into the legislative history that led to the enactment of the DMCA and observed that the legislative history suggested that by limiting the liability of internet service providers, the efficiency of the internet would continue to improve and the variety and quality of services on the internet would continue to

(1) Where copyright in a work is infringed by a public performance of the work, or by the playing or showing of the work in public, by means of apparatus for—

- (a) playing sound recordings,
 - (b) showing films, or
 - (c) receiving visual images or sounds conveyed by electronic means,
- the following persons are also liable for the infringement.

(2) A person who supplied the apparatus, or any substantial part of it, is liable for the infringement if when he supplied the apparatus or part—

- (a) he knew or had reason to believe that the apparatus was likely to be so used as to infringe copyright, or
- (b) in the case of apparatus whose normal use involves a public performance, playing or showing, he did not believe on reasonable grounds that it would not be so used as to infringe copyright.

(3) An occupier of premises who gave permission for the apparatus to be brought onto the premises is liable for the infringement if when he gave permission he knew or had reason to believe that the apparatus was likely to be so used as to infringe copyright.

¹⁸ Supra note 4

expand¹⁹. It is relevant to quote from the observations of the Court from the said ruling as follows:

*The tenor of the foregoing provisions is that the phrases “actual knowledge that the material or an activity” is infringing and “facts or circumstances” indicating infringing activity, describe knowledge of specific and identifiable infringements of particular individual items. Mere knowledge of prevalence of such activity in general is not enough. That is consistent with an area of the law devoted to protection of distinctive individual works, not of libraries. To let knowledge of a generalized practice of infringement in the industry, or of a proclivity of users to post infringing materials, impose responsibility on service providers to discover which of their users’ postings infringe a copyright (sic) would contravene the structure and operation of the DMCA.*²⁰

While deciding the Roadshow case, the Federal Court of Australia also held that it would be very difficult to make a finding of authorisation at the level of knowledge alone and pointed out that the general knowledge possessed by iiNet of the copyright infringement committed by its users or knowledge that infringement was likely to occur on its facilities was in the abstract and that it was very difficult to act on such knowledge in any meaningful way. The line of ‘Technology cases’ as classified by the Federal Court of Australia in that case displayed the requirement for the authoriser to have provided the means of infringement even more clearly.

¹⁹ Cited from the US Senate Committee on the Judiciary report, S. Rep. No. 105-190(1998) referred to in page 8 of supra note 4

²⁰ Page 15 of supra note 4

Clearly, there is no judicial guidance under the Indian Act for an interpretation of the degree of knowledge that is required in such cases. An Indian court addressing such issues must, therefore, not only look at the evolving global jurisprudence on the issue, but also look at the global standards laid down by the WIPO Internet treaties. It is relevant to quote from the Agreed Statement to Article 8²¹ of the WIPO Copyright Treaty in this context as follows:

“It is understood that the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Treaty or the Berne Convention.....”²².

While there is no obligation on India to amend its laws to conform to the WIPO Internet Treaties even before its accession to these treaties, Indian courts, as and when required to decide a law suit raising such issues could consider all the above aspects.

Lastly, the law relating to copyright in India is currently under consideration for amendment. Some provisions have been proposed in the Copyright Amendment Bill, 2010 as to amend Section 52 of the current Act to include certain acts not amounting to

²¹ Article 8 of the WCT - Right of Communication to the Public -Without prejudice to the provisions of Articles 11(1)(ii), 11*bis*(1)(i) and (ii), 11*ter*(1)(ii), 14(1)(ii) and 14*bis*(1) of the Berne Convention, authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.

²² See <http://www.wipo.int>

infringement so as to cover on-line copyright infringement liability. The sections are reproduced²³ as follows:

- (b) *The transient and incidental storage of a work or performance purely in the technical process of electronic transmission or communication to the public;*
- (c) *Transient and incidental storage of a work or performance for the purpose of providing electronic links, access or integration, where such links, access or integration has not been expressly prohibited by the right holder, unless the person responsible is aware or has reasonable grounds for believing that such storage is of an infringing copy.*

Provided that if the person responsible for the storage of a copy, on a complaint from which any person has been prevented, he may require such person to produce an order within fourteen days from the competent court for the continued prevention of such storage:

Sadly, the proposed amendments do not deal with the specific issue of liability of intermediaries in clearer language as found in the Australian Act. A review of the proposed amendments compels one to comment that the same are more oriented towards empowering authors though ostensibly the amendments are meant to conform to the WIPO Internet Treaties. Looking at nuances involved in on-line copyright infringement liability and the need to preserve the efficiency of the internet by limiting the liability of

²³ See <http://copyright.gov.in/Documents/CopyrightAmendmentBill2010.pdf>

the service providers, it is hoped that the amendments would incorporate detailed and unambiguous language to address such issues. This would also equip the Indian judiciary for a fair and balanced consideration of the issues involved.