

COPYRIGHT HOLDERS IN A STRONGER POSITION TO COMBAT ONLINE INFRINGEMENT

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Legal Briefings - By **Patrick Sands and Claire Agius**

Australian copyright holders are in a stronger position to block online infringement following recent amendments to the Australian Copyright Act.

KEY TAKEAWAY

- Australia has become the first jurisdiction to expand the reach of blocking injunctions to online search engine providers. These provisions are intended to function as a 'backstop' to existing voluntary regimes that sophisticated search providers have established for removing links to infringing webpages.
- Online content is now presumed to be located overseas, reducing copyright holders' evidentiary burden.
- 'Adaptive' injunctions, which are designed to combat the practice of using another domain name, URL or a new IP address for the same online content that is the subject of a blocking injunction, should reduce costs and will largely mirror measures adopted by the Federal Court in previous cases.

THE ORIGINAL BLOCKING INJUNCTION REGIME

Under the original blocking injunction regime in section 115A of the Australian Copyright Act, the Federal Court of Australia can, on the application of a copyright owner, grant an injunction requiring a carriage service provider (**CSP**) to take reasonable steps to disable access to an online location outside Australia.

Before granting a blocking injunction, the Court must be satisfied that:

- The CSP provides or provided access to an **online location** that is **outside Australia**. Copyright holders have generally established this requirement by reference to the characteristics of the URL, IP address and domain name of the online location.
- The online location **infringes or facilitates the infringement** of copyright. 'Facilitate' is intentionally broad and includes making it easier for users to ascertain the existence or whereabouts of online locations that infringe or facilitate infringement.
- The **primary purpose** of the online location is to infringe or facilitate the infringement of copyright (not limited to the copyright of the applicant), whether or not in Australia. 'Primary purpose' is intended to set a high bar; for example, it does not catch websites that have a legitimate purpose but contain a small percentage of infringing content.

In issuing the injunction, the Court may take into account a number of factors that are set out in section 115A(5) of the Copyright Act. These include whether:

- disabling access to an online location is in the public interest;
- the owner or operator of the online location demonstrates a disregard for copyright generally, for example as shown by the scale of the infringement; and
- blocking the website is a proportionate response in the circumstances. This factor has seen the Court consider whether the orders would be effective at preventing a meaningful proportion of Australian users from infringing copyright without giving rise to a danger of 'over blocking' legitimate websites.

EXPANDING THE BLOCKING REGIME

The original regime has been bolstered by additional provisions that look to place copyright holders in a stronger position to combat online infringement.

REDUCED EVIDENTIARY BURDEN

Under the new scheme the online location is now presumed to be outside Australia unless proven otherwise, removing a substantial evidentiary burden that was faced by copyright owners.

INJUNCTIONS CAN REQUIRE ONLINE SEARCH ENGINE PROVIDERS TO TAKE REASONABLE STEPS

Copyright owners can now request that a blocking injunction extends to online search engine providers, requiring such providers to take the steps that the Court considers reasonable so as to not provide a search result that refers users to the online location.

At least in the case of search providers, such as Google, that have sophisticated 'take-down' measures to remove infringing content, it is possible that copyright holders will continue to use existing voluntary regimes rather than make use of these new provisions. Indeed, the Government has acknowledged that these new provisions are designed as a 'backstop' in the event that existing voluntary measures are ineffective.¹

ADAPTIVE INJUNCTIONS

So called 'adaptive' injunctions have been introduced, recognising the fact that copyright infringers regularly host the same infringing content at multiple sites or may change the domain names, URLs and IP addresses. Under the new provisions, the Court may grant an injunction that requires a CSP (or online search engine provider) to take reasonable steps to block other domain names, URLs and IP addresses that the copyright owner and CSP (or online search engine provider) agree have started to provide access to the same online location targeted by the injunction.

Even before the introduction of this provision, the Court already demonstrated that it is able to respond to the need to provide for injunctions that can 'adapt' to changes in domain name, URL or IP address of targeted online locations. The orders of Justice Nicholas in *Roadshow Films Pty Ltd v Telstra Corporation Ltd* provided a mechanism for the copyright holder to approach the Court to have the terms of the existing injunction apply to a domain name, URL or IP address for the new location/s of the online location the subject of the injunction.² If the copyright holder did approach the Court in such a scenario 'very little in the way of further evidence' might be required before the 'adapted' injunction was granted.³

While the new provision in the Copyright Act bypasses the need for judicial oversight of the specific variation (instead leaving it to agreement between the parties), it will remain at the discretion of the Court as to whether an adaptive injunction is in fact an appropriate order in a given case.

PRIMARY EFFECT, NOT JUST PRIMARY PURPOSE

A blocking injunction can now be granted in respect of an online location not only if it has the primary purpose but also if it has **the primary effect** of infringing, or facilitating the infringement of, copyright.

While 'primary effect' is not defined in the Copyright Act, the Explanatory Memorandum accompanying the Bill makes clear that expanding the test to include 'primary effect' is intended to capture sites with large amounts of infringing content, such as 'cyberlockers'.⁴

As with the primary purpose test, the threshold is intended to be sufficiently high so as to exclude online locations that contain primarily legitimate content (the Explanatory Memorandum gives the example of Pinterest).^v

WHO WON'T THIS REGIME APPLY TO?

In consultations on the draft Bill, concern was raised that small search engine providers might be caught by the expanded regime and that the primary effect test might be so broad as to capture sites that provide legitimate services.

The Government sees the factors in section 115A(5) as an important mechanism to protect against the application of the regime to such providers and content that is not intended to be captured by the regime. In particular, the factors of proportionality and public interest are intended to provide appropriate checks and balances on the Federal Court's power to grant injunctions.⁴

In the case of small search engine providers, there are a number of other considerations that make it unlikely that the regime will apply to them. For example, as noted in the Explanatory Memorandum, if a small provider does 'not have the capability to not provide a search result that refers a user to an online location', the Federal Court is unlikely to find that there are any 'reasonable steps' that can be taken by the provider.⁵ Additionally, the costs and time associated with Federal Court litigation are likely to act as a further deterrent against using these new provisions against smaller providers.⁶

As a further measure to mitigate the possibility of action being taken against small search engine providers, new section 115A(8B) provides that the Minister may specifically exclude particular online search engine providers or a class of online search engine providers from the application of the blocking injunction.

WHAT NEXT?

The revised blocking injunction regime addresses many of the issues raised in submissions to the review of the original regime conducted by the Department of Communication and the Arts in March 2018. With the Bill received strong bipartisan support, there is every indication that both sides of Parliament are committed to strengthening the intellectual property rights of creators of creative content. The government and opposition have both agreed to a review of the effectiveness of the revised blocking injunction provisions in two years.

It remains to be seen whether Australian courts will follow the lead of UK courts in granting blocking injunctions that require CSPs to take down online locations that carry products that infringe trade mark owners' rights. While the Australian Trade Marks Act does not have a provision equivalent to section 115A of the Copyright Act, the broad general powers of the Federal Court arguably provide scope to adopt a similar approach to that taken in the *Cartier International AG v British Sky Broadcasting Limited* litigation.⁷

The amendments to the Copyright Act 1968 (Cth) were made by the Copyright Amendment (Online Infringement) Act 2018 (Cth). The new provisions came into force on 11 December 2018.

ENDNOTES

1. The Senate Environment and Communications Legislation Committee, *Copyright Amendment (Online Infringement) Bill 2018* (November 2018), [2.43].
2. *Roadshow Films Pty Ltd v Telstra Corporation Ltd* (2016) 343 ALR 428, Order 13.
3. *Roadshow Films Pty Ltd v Telstra Corporation Ltd* (2016) 343 ALR 428, [139].
4. The Senate Environment and Communications Legislation Committee, *Copyright Amendment (Online Infringement) Bill 2018* (November 2018), [2.17].
5. Explanatory Memorandum, *Copyright Amendment (Online Infringement) Bill 2018* (Cth).
6. Response from Senator Mitch Fifield to the Senate Scrutiny of Bills Committee (22 November 2018).
7. See the decision of the UK Court of Appeal in *Cartier International AG v British Sky Broadcasting Limited* [2016] EWCA Civ 658 and the decision of the UK Supreme Court in *Cartier International AG v British Telecommunications Plc* [2018] UKSC 28. HSF's article on the Supreme Court decision can be found here: <https://hsfnotes.com/ip/2018/06/13/uksc-judgment-in-uksc-judgment-in-cartier-who-pays-for-website-blocking-orders/>.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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