Are You With Us or What? The Use of Personal Images Online

Pam Foo considers whether Australian law protects against the unauthorised use of personal images on the internet.

The popularity of sites dedicated to user generated content such as YouTube, Flickr and MySpace has resulted in a vast proliferation of unmonitored material being uploaded online. Conversely, the limitless boundaries to transmitting information facilitate the ability for users internationally to be informed of material uploaded, particularly where material is personal. The Virgin Mobile case, discussed below, is a prime example. Jurisdictional issues aside, this article considers the relevant legal areas pertaining to this case in the context of Australian law and considers the applicability of privacy, defamation, trade practices and copyright law. In addition, options for creating a relationship of responsibility between downloaders and the repositories of user generated material will be discussed. The increased visibility of online content exacerbates the need for legal reform to provide protection to internet users and the public against unauthorised use of their personal images. In lieu of reform, repositories should contemplate what responsibility they have towards persons featured on their sites.

The 'Are you with us or what?' campaign

The Australian team of the multinational company Virgin Mobile attracted considerable controversy recently for using Flickr photographs in an extensive advertising campaign without obtaining permission from the photographer or the person featured in the photographs. The 'areyouwithusorwhat' campaign appeared online and was advertised across billboards throughout Australia. The campaign used royalty-free photographs from the online repository Flickr accompanied with disparaging comments, often about the subject of the photograph. In one, the photograph of a minor appeared with the tagline 'Dump your pen friend'. Internet users alerted the minor's family to the situation on various online forums. A lawsuit has since been filed on behalf of the minor in a Texas court where the plaintiff resides. Consequently the action will be determined under US law. It is also worth considering the applicable law from an Australian perspective.

Privacy

Federal privacy law protects 'personal information', defined under the *Privacy Act 1988* (Cth) (***Privacy Act***) as any information from which a person's identity is reasonably ascertainable, such as a photograph. The Privacy Act requires businesses with over 50 employees to comply with the National Privacy Principles (***NPPs***). The NPPs outline policies that businesses must follow when collecting and disclosing personal information. For instance, when collecting personal information, an organisation must obtain a person's consent to disclosure for certain stated purposes. However the NPPs are designed mainly for entities collecting personal information and envisage the situation where the agency collecting personal information is responsible for the disclosure.

Presuming Virgin Mobile is subject to the NPPs, they would have been obliged to take reasonable steps to inform the individual that they were in possession of their personal information and obtain the consent of the individual concerned before making any disclosure. In this case the photograph was already public. Any cause of action would be for the lack of consent to the use of the photograph in a derogatory advertising campaign. In this situation privacy law provides little protection. The remedies available to complainants are also limited. Complainants must initially address their complaint to the disclosing entity. Only after no satisfactory outcome has been reached between these two parties, can a complaint to the federal Privacy Commissioner be made to assist in conciliation.

The law in Australia does not provide an absolute right to privacy. However, the case of *ABC v Lenah Game Meats* left open the possibility for the development of a common law privacy tort. The relevant test expressed in this case for whether an action under tort would exist was where 'disclosure or observation of information or conduct would be highly offensive to a reasonable person of ordinary sensibilities'. Essentially, the tort would apply where the information disclosed is of a private nature. As the Virgin Mobile case concerned a publicly available photograph it is difficult to argue that the mere fact of disclosure caused harm to the plaintiff. The action would be more likely to concern the unauthorised use made of the photograph which would not necessarily be protected under privacy law.

The Australian Law Reform Commission (***ALRC***) is currently conducting a review of privacy law and has put forward various proposals, including whether a right to privacy should exist under Australian law.[1] In particular, the ALRC notes the issues associated with privacy in the electronic environment. One mechanism proposed is a take-down notice scheme, such as that under the *Broadcasting Services Act 1992* (Cth). This would operate for instance where the personal information is displayed on a website hosted by an Australian internet service provider. A complainant could issue a notice for the removal of such information. Even if enacted, such a mechanism would only be available where the offensive disclosure has already occurred and not necessarily prevent an organisation from using an individual's personal information.

A separate review conducted by the Standing Committee of Attorneys-General (***SCAG***) in 2005 considered: 'Unauthorised photographs on the internet and ancillary privacy issues'. A major issue noted in the discussion paper was balancing the ability of people to take photographs in public places with prohibiting offensive uses of such photographs. While this review acknowledged that the main concern was the consequential use to be made of photographs rather than the initial capturing of the image, the main focus was on indecent uses of images, particularly in relation to minors. Although still an ongoing issue on the SCAG agenda, Victoria's response to the review and the tacit view taken by other states was that existing state and commonwealth criminal law was adequate to cover improper use. Criminal offences protecting persons against inappropriate use of their photographs in sexual contexts would not apply to the innocuous use of the photographs in the Virgin Mobile case.

Despite the limitations of domestic privacy law, as a party to the International Covenant on Civil and Political Rights, under Article 17 Australia should provide protection against unlawful interference with privacy. Substantial reform of privacy law in Australia is consequently forthcoming. The lack of a right against invasion of privacy distinguishes any action under Australian law from that of US law. The plaintiff in the Virgin Mobile case relies heavily on the implied right in the US Constitution of a right to privacy as determined under a number of cases. As an absolute privacy right does not exist under Australian law, plaintiffs in situations similar to that in the Virgin Mobile case may have to rely on common law tort doctrines.

Defamation

Defamation law in Australia has been the subject of national reform to achieve general consistency across the states and territories. Under the common law a plaintiff must show that the publication of defamatory matter by the defendant is likely to:

- injure the personal reputation of the plaintiff by exposing them to ridicule;
- tend to cause the plaintiff to be shunned or avoided; or
- lower the regard of the plaintiff in the estimation of others.

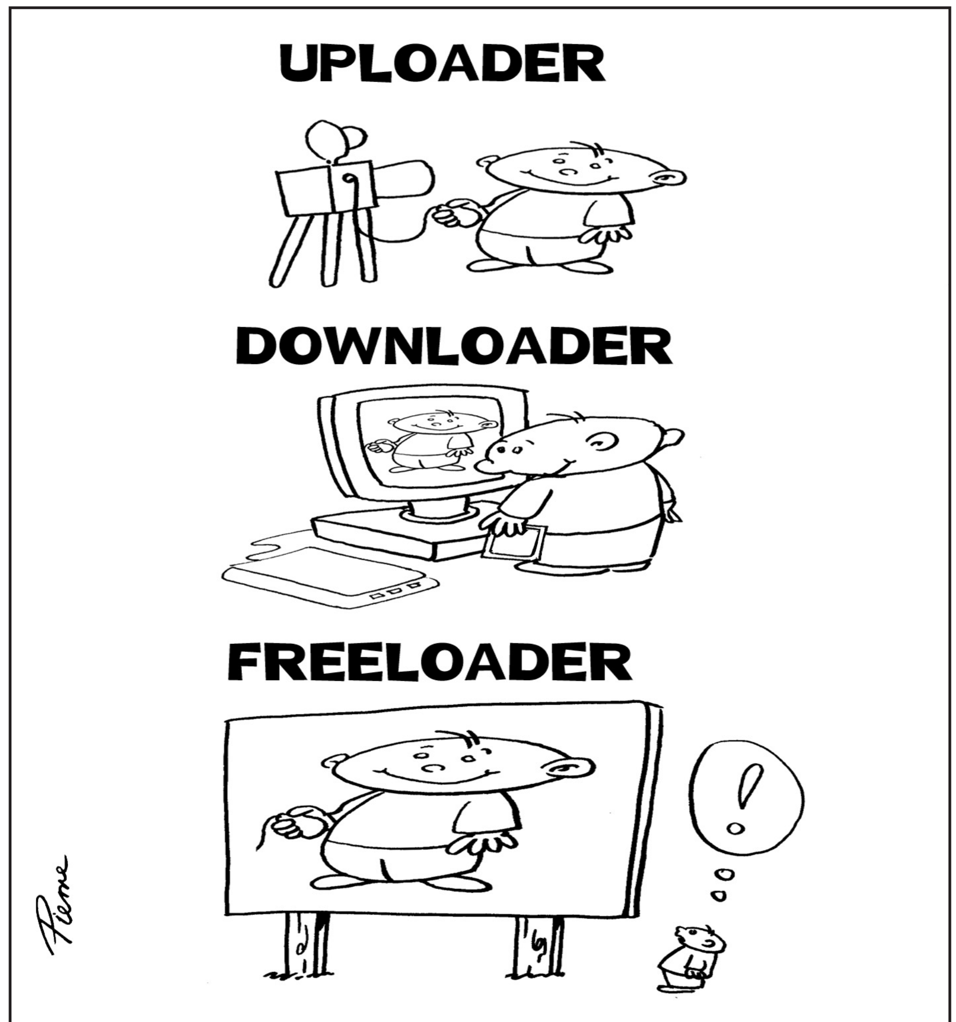
Where publication occurs online, an action can be taken in any jurisdiction where the material can be fully downloaded. Depending on where the action is brought, relevant state or territory legislation applies.

As Virgin Mobile advertised the campaign on their website, an action could be brought against them in any forum where the material had been accessed. The plaintiff must show that the publication contained an innuendo from which a defamatory imputation may be inferred or implied. For instance, it can be argued that the photograph together with the derogatory slogan 'Dump your pen friend' suggests that the plaintiff was a geeky teenager far below the social status of Virgin Mobile users. Arguments could be made that this imputation is defamatory and damages the plaintiff's esteem in the mind of the ordinary person. Although mere words that cause the plaintiff annoyance will not necessarily be defamatory, it is arguable that being a minor the plaintiff is of a sensitive age and more susceptible to embarrassment. The plaintiff's petition in the Virgin Mobile case states that the minor suffers daily humiliation from her classmates and youth group members. The extent of the publication's audience will also be considered. Although the campaign was advertised in Australia, the highly visible nature of the internet and the Flickr community gave the publication widespread exposure.

The Plaintiff may not have actually been defamed, however. The statement in the advertisement was not necessarily made about the plaintiff, being more a general slogan designed to promote the product. This does not necessarily lower the plaintiff's reputation. It would be difficult for the plaintiff to satisfy the test for defamation. Defamation actions are also notoriously complex and procedurally burdensome. Ordinary people would generally not have the resources to proceed with a defamation action, particularly against an organisation as large as Virgin Mobile. The ability for the plaintiff to succeed against Virgin Mobile under defamation law is highly questionable.

Trade practices

Certain provisions of the *Trade Practices Act 1974* (Cth) (***TPA***) are designed to provide protection against unethical commercial practices by corporations. For instance, section 52 provides that a corporation must not engage in misleading or deceptive conduct. In *Talmax Pty Ltd v Telstra Corporation Limited* Kieran Perkins successfully claimed that by using his name and photograph in an advertisement, Telstra had misrepresented to the public that he endorsed their company. Consequently the false use of a person's image to signify endorsement is misleading conduct. The plaintiff might make the argument that by using her photograph, Virgin Mobile were representing that she had been engaged by them to appear in the advertisements when in fact she was unaware that her photograph was being used. However such a case would need to demonstrate that this erroneous assumption is likely in the mind of the ordinary consumer. A misleading and deceptive conduct argument is difficult where the defendant has not represented that the plaintiff is associated with their products.



Alternatively false representations are prohibited under section 53(c) of the TPA which provides that a corporation must not 'represent that goods or services have sponsorship, approval, performance characteristics, accessories uses or benefits they do not have'. The photograph does not picture the plaintiff endorsing Virgin Mobile. In fact, to the contrary, the advertisement distinguishes the plaintiff from the image being created by Virgin Mobile. While actions under the TPA do not necessarily require that the plaintiff have a certain reputation, the protection provided envisages a situation where deceptive conduct by the defendant regarding plaintiff endorsement deceives the consumer. Trade practices law would be unhelpful to the Plaintiff in the Virgin Mobile case.

Copyright

The photograph database Flickr allows users to apply a Creative Commons (***CC***) licence to their material should they choose. The plaintiff's photograph was provided under a CC 'attribution' only licence effectively allowing Virgin Mobile to use the photograph commercially. By applying this licence, the copyright owner, being the photographer, had assigned their rights under copyright law, requiring only that anyone reproducing the photograph attribute it under the terms of the licence. The petition in the Virgin Mobile case joins the photographer as a plaintiff and alleges that Virgin Mobile breached the terms of the Attribution 2.0 licence by failing to attribute the photograph to him. The advertisements featured only a link to the Flickr page where the photographs were hosted and did not personally acknowledge the photographer. The photographer is also taking action against CC (the organisation) by alleging that CC failed to properly educate him about the legal effect of the licence, in particular, the meaning of commercial use and ramifications and effects of entering into a licence allowing such use.

Under the *Copyright Act 1968* (Cth) a copyright owner has certain exclusive rights in relation to their material, including the right of reproduction and communication to the public. Copyright is infringed where another

person performs those exclusive rights in relation to protected material without the permission of the copyright owner. Virgin Mobile was able to use the photograph without infringing copyright law due to the application of the CC licence on the photograph. This licence represented the copyright owner's permission for users to exploit the material in any manner, providing the copyright owner was attributed. No action is available against Virgin Mobile under copyright law. Whether the photographer has grounds for arguing that Virgin Mobile breached the terms of the licence by failing to attribute it is a separate contractual matter.

If a CC licence had not been applied to the material, the photographer would have been able to assert that Virgin Mobile should have obtained permission to reproduce their material, particularly commercially in an advertising campaign. Asserting copyright is an effective method of ensuring that permission is granted to use material. To protect against unauthorised use, reserving such a right in the digital age is crucial due to the ease with which technology allows such material to be reproduced. In a similar case involving Flickr photographs, a copyright claim allowed Rebekka Guðleifsdóttir to take action against print-selling company OnlyDreemin for misappropriating and commercially benefiting from her photographs. The absence of a CC licence on the photographs meant that the owner retained their rights. However, the right to deny reproduction belongs to the copyright owner, not the subject of the photograph. While the copyright owner may take action in protest on behalf of the subject, the subject of the photograph has no rights under copyright law. Copyright law is consequently an ineffectual mechanism by which to prevent unauthorised use of a person's image.

Other options

Discussions on the relevant law above demonstrate that it is unlikely an action will be successful against Virgin Mobile in an Australian court. The legal areas of privacy, defamation, trade practices and copyright are not necessarily appropriate for a situation such as this, which has great potential to occur more frequently due to the convenient accessibility of online material. It appears that where use of personal images is not blatantly obscene or defamatory its use is not necessarily unlawful, despite its commercial application. Unless impending privacy law reforms address this issue, everyday internet users face the risk of having their personal information misappropriated.

An alternative to legal reform would be to consider what responsibility internet archives should have towards protecting the public's personal images. Online repositories benefit greatly from online traffic on their sites, generating goodwill and advertising revenue. Most digital repositories have terms and conditions that must be accepted by account holders before uploading material. For instance, the Flickr Terms of Service impose contractual obligations on account holders not to upload material that would be unlawful. Users downloading material are not subject to stringent obligations towards either the repository or the account holder. Imposing equally compelling conditions on users extracting material from online repositories will create a contractual relationship between the user and the repository and also possibly the account holder. Such conditions do not necessarily need to exclude all use of the content but may require that the account holder's consent is obtained for any commercial use. Asserting a right under contract provides a firmer basis under which a claim against unauthorised use of material can be made, providing that conditions of use are clearly specified. This avoids resorting to nebulous areas of law in favour of relying on contractual terms which dictate a clearly defined legal relationship.

Where a person featured does not necessarily have a relationship with the account holder placing their material online, they may be unaware that their image has been uploaded. This places even greater importance on repositories to act on behalf of these people. Although user-generated repositories would be disinclined to place themselves in a position of legal responsibility, lack of action may potentially give rise to an action in negligence. Arguably user-generated repositories have a duty towards persons featured on their sites. While proximity would certainly exist between repositories and account-holders, it is possible this would extend to persons who appear in content. In a situation such as the Virgin Mobile case, the argument is possible that unauthorised use of Flickr photographs is reasonably foreseeable. The possibility of a negligence argument entails that repositories should ensure they take all reasonable care to prevent use that could result in damage. The creation of a contractual relationship with downloaders can assist in avoiding a negligence claim against repositories by ensuring that steps were taken to define authorised uses of content.

Such legal developments should parallel growing awareness of how technological advances can assist to protect against unauthorised use of material. Applying digital rights management or technological protection measures to content can physically prevent unauthorised reproduction of material. Until a definitive legal basis is settled, wary internet users may have to utilise technological measures to prevent subsequent use of their material.

Conclusion

The lack of an authoritative basis in Australian law upon which a person can prevent unauthorised use of their personal information is disconcerting due to the increasing prevalence of communications technology. Current Australian law does not ensure adequate protection against unauthorised use of personal images. Despite whatever reforms are made, legal action is costly for the average person. User-generated repositories can substitute legal reform by instituting clearly defined terms and conditions between uploaders and downloaders. Ensuring contractual agreement to such obligations will place the onus on repositories to assist against unauthorised use of personal images.

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(Endnotes)

1 The ALRC issued *ALRC Discussion Paper 72: Review of Australian Privacy Law* in September 2007. A copy of the discussion paper is available at www.austlii.edu.au./au/other/abc/publications/dp/72/dp72.pdf

Endnotes for page 1 article: "User Generated Content and Copyright"

1 See Tim O'Reilly, *'What Is Web 2.0'*, O'Reilly, 30 May 2005 <http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html> *at 24 February 2008*

2 Julie E Cohen, 'The Place of the User in Copyright Law' (2005) 74 *Fordham Law Review* 347 < http://papers.ssrn.com/sol3/papers.cfm?abstract_id=814664>

3 'Recut, Reframe, Recycle', *American University Center for Social Media,* December 2007, 1 <http://www.centerforsocialmedia.org/files/pdf/CSM_Recut_Reframe_Recycle_report.pdf>

4 See, for example, 'Create news at smh.com.au', Sydney Morning Herald, <http://www.smh.com.au/participate/> which states '[w]hen you witness news breaking send us your photos and video and we'll publish the best online - and maybe in *The Sydney Morning Herald* newspaper.'

5 KPMG 'The Impact of Digitalization – A Generation Apart' (2007), 4 <http://www.kpmg.com.au/Default.aspx?TabID=70&KPMGArticleItemID=2400>

6 Yochai Benkler, *Wealth of Networks* (2006), 91

7 Lev Grossman 'Time's Person of the Year: You', *Time* (13 December 2006) <http://www.time.com/time/magazine/article/0,9171,1569514,00.html>

8 See, for example, Steve Homes and Paul Ganley, 'User-generated content and the law' (2007) 2(5) *Journal of Intellectual Property Law & Practice* 338; Jeremy Miles, 'Distributing User-Generated Content: Risks and Rewards', (2007) 18(1) *Entertainment Law Review* 28; Steven James 'Social Networking Sites: Regulating the Online 'Wild West' of Web 2.0', (2008) 19(2) *Entertainment Law Review* 47; Urs Gasser and Silke Ernst, 'From Shakespeare to DJ Danger Mouse: A Quick Look at Copyright and User Creativity in the Digital Age' (Research Publication No. 2006-05, Berkman Centre, Stanford University, 2006) <http://ssrn.com/abstract=909223>; Greg Lastowka, 'User-Generated Content & Virtual Worlds' (forthcoming) *Vanderbilt Journal of Entertainment and Technology Law* <http://ssrn.com/abstract=1094048>; Damien O'Brien and Brian Fitzgerald 'Digital copyright law in a YouTube world' (2006) 9(6/7) *Internet Law Bulletin* 71 <http://eprints.qut.edu.au/archive/00007505/01/7505.pdf> (**O'Brien and Fitzgerald**)

9 See further, Susanna Dunkerly 'Copyright laws need update for web,' *Australian IT* (May 2, 2007) <http://www.australianit.news.com.au/story/0,24897,21659732-15306,00.html>

10 *Participative Web: User-Created Content, Working Party on the Information Economy,*

Organisation for Economic Co-operation and Development, DSTI/ICCP/IE7/FINAL (2006) (Directorate for Science, Technology and Industry, Committee for Information, Computer and Communications Policy, Working Party on the Information Economy) <http://www.oecd.org/dataoecd/57/14/38393115.pdf?contentId=38393116> (**OECD Report**); note 'UGC' is referred to as 'User *Created* Content' in the OECD Report

11 OECD Report, 4

12 Jeremy Miles, 'Distributing User-Generated Content: Risks and Rewards', 18(1)(2007) *Entertainment Law Review* 28

13 OECD Report, 15-16

14 'News Corp in $580 m internet buy' *BBC News* (19 July 2005) <http://news.bbc.co.uk/2/hi/business/4695495.stm>

15 Michael Arrington, 'AOL Buys Bebo for $580 million', *Techcrunch* (13 March, 2008) <http://www.techcrunch.com/2008/03/13/aol-buys-bebo-for-750-million/>

16 *UMG Recordings, Inc. v. MySpace, Inc.*, No. 2:06-07361 (C.D.Cal. filed Nov. 17, 2006); and *The Football Assoc. Premier League Ltd. and Bourne v. YouTube, Inc. et al.*, No. 07:3593 (S.D.N.Y. filed May 24, 2007)

17 *Viacom v YouTube, Inc. et al.*, No. 1:07:02103 (S.D.N.Y. filed March 13, 2007) < http://ngdaly.googlepages.com/ViacomvYouTube.pdf; see further Branwen Buckley 'Suetube: Web 2.0 And Copyright Infringement' (2008) 31 *Columbia Journal Of Law & The Arts* 235 (**Buckely**); Russ VerSteeg 'Viacom V. Youtube: Preliminary Observations' (2007) 9 *North Carolina Journal of Law & Technology* 43 (**VerSteeg**)

18 Defendants' Answer and Demand for Jury Trial, *Viacom Int'l, Inc. v. YouTube, Inc.*, No. 1:07-CV-2103 (S.D.N.Y. Apr. 30, 2007) < http://news.com.com//pdf/ne/2007/070430_Google_Viacom.pdf> (**Viacom v YouTube Defendants' Answer**)

19 *Federal Rules of Civil Procedure*, Rule 8(c) <http://www.law.cornell.edu/rules/frcp/Rule8.htm>

20 see *Berne Convention for the Protection of Literary and Artistic Works 1886*, Article 9(2), '[c]ertain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author (**Berne Convention**)

21 Lyman Ray Patterson, *Copyright in Historical Perspectives* (1968), 8

22 Sam Ricketson and Chris Creswell, *The Law of Intellectual Property: Copyright Designs and Intellectual Property* (Lawbook Co., looseleaf *Copyright Act 1968* (Cth) service) [7.105] (**Ricketson and Creswell)**

23 *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 All ER 465 (HL)

24 s 32(1); *Donohue v Allied Newspapers Ltd* [1938] Ch 106

25 Sam Ricketson, *WIPO Study On Exceptions & Limitations To Copyright In The Digital Environment* (WIPO Document Number SCCR/9/7, April 5, 2003), 78 (**WIPO Study**)

26 *WIPO Copyright Treaty 1996* (**WCT**); *WIPO Performances and Phonograms Treaty 1996* (**WPPT**)

27 See, for example, Sir Hugh Laddie, 'Copyright: Over-strength, Over Regulated, Over Rated?' [1996] 5 EIPR 253, 253; Julie E Cohen, 'The Place of the User in Copyright Law' (2005) 74 *Fordham Law Review* 347 <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=814664>; Brian Fitzgerald, 'Copyright 2010: The Future of Copyright' (2008) 30(2) *European Intellectual Property Review* 43; Yochai Benkler, 'From Consumers to Users: Shifting the Deeper Structures of Regulation Toward Sustainable Commons and User Access' (2000) 52 *Federal Communications Law Journal* 561 <http://www.law.indiana.edu/fclj/pubs/v52/no3/benkler1.pdf>; Niva Elkin-Koren, 'Making Room for Consumers Under the DMCA' (2007) 22(3) *Berkley Technology Law Journal* <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1024566>; Jessica Litman, 'Sharing and Stealing' (2004) 27 *Hastings Communications and Entertainment Law Journal* <http://ssrn.com/abstract=621261>.

28 James Boyle, 'The Second Enclosure Movement and the Construction of the Public Domain' (2003) 66 *Law & Contemporary Problems* 33, 40 <http://www.law.duke.edu/pd/papers/boyle.pdf>

29 Sam Ricketson, *WIPO Study On Exceptions & Limitations To Copyright In The Digital Environment* (WIPO Document Number SCCR/9/7, April 5, 2003), 78 (**WIPO Study**) who believes that a proposed exception on the basis of their now existing a new 'digital environment' (or even a less precise 'public interest') would not withstand scrutiny against each of the three steps.

30 See Andrew F. Christie and Emma Caine 'Intellectual Property Law and Policy-Making in Australia: A Review and a Proposal for Action,' Intellectual Property Research Institute of Australia (Occasional Paper No. 205, 2005), 11, that faced with IP law and policy-making 'of increasing volume and complexity,... we need to actively choose another approach….: 'IP reform' should itself be reformed.'

31 See, Australian Attorney General's Department, 'Fair Use and Other Copyright Exceptions: An examination of fair use, fair dealing and other exceptions in the Digital Age' (Issues Paper, May 2005) < http://www.ag.gov.au/www/agd/rwpattach.nsf/VAP/(CFD7369FCAE9B8F32F341DBE097801FF)~FairUseIssuesPaper050505.pdf/$file/FairUseIssuesPaper050505.pdf>

32 Melissa de Zwart, 'A Historical Analysis Of The Birth Of Fair Dealing And Fair Use: Lessons For The Digital Age' (2007) 1 *Intellectual Property Quarterly* 60, 167 (**de Zwart, Digital Age**)

33 Copinger and Skone-James, [9-19]

34 17 U.S.C. § 107 <http://www.copyright.gov/title17/>

35 *Copyright Act 1968* (Cth) ss 40, 41, 41A, 42, 43, 103, 103A, 103AA, 103B, 103C, 104, 104A; de Zwart, Digital Age, 90; Mary Wong, 'User-Generated Content & The Open Source/Creative Commons Movements: Has The Time Come For Users' Rights?' (Fordham-IPA 4th Annual Asian IP Law & Policy Day, April 2007).

36 Justice Michael Kirby AC CMG, 'Computers & Law: The First Quarter Century', (Speech delivered at the New South Wales Society for Computers and the Law, Sydney, Tuesday, 9 October 2007), 12 <http://www.highcourt.gov.au/speeches/kirbyj/kirbyj_9oct07.pdf> (**Computers and the Law**)

37 Kim Weatherall, 'On Technology Locks and the Proper Scope of Digital Copyright Laws - *Sony* in the High Court,'(2004) 26 *Sydney Law Review* 613, 637

38 See, for example, ***Stevens v Kabushiki Kaisha Sony Computer Entertainment*** [2005] HCA 58, [125] Gleeson CJ, Gummow, Hayne and Heydon JJ who said, with regard to copyright law, that 'what emerges from the legislative process is frequently not a law motivated solely by the public interest. It reflects wholly or partly a compromise that is the product of intensive lobbying'; [168] – [169], [213], [216] Kirby J; see also ***The Grain Pool of WA v The Commonwealth*** [2000] HCA 14, [133] – [134] Kirby J, who said, with regard to Parliament's power to enact laws in respect of copyright under the ***Australian Constitution*** s 51(xviii), that 'whether in particular contexts special and even new forms of … protection are desirable is a matter for argument and dispute'; see also B Fitzgerald et al ***Internet and E-Commerce Law*** (2007) 213-214 (Internet and E-Commerce Law)

39 *Perfect 10 v Google* 487 F.3d 701 (9th Cir. 2007) (**Perfect 10**) where the Court noted 'the importance of analyzing fair use flexibly in light of new circumstances. *Sony*, 464 U.S. at 431-32.'

40 HM Treasury, *Gowers Review of Intellectual Property*, (December 2006), [4.88], Recommendation 11: Propose that Directive 2001/29/EC be amended to allow for an exception for creative, transformative or derivative works, within the parameters of the Berne Three-Step Test (**Gowers Review**); Nick Rose 'An Overview Of The Proposed Introduction Of A Private Copying Exception Into UK Copyright Law' (2008) 19(4) *Entertainment Law Review* 75.

41 See, for example, Sydney Morning Herald, *Fairfax Digital Conditions of Use* <http://www.fairfax.com.au/conditions.ac;jsessionid=a62PEIDvKc0e#Usersubmissions>; CNN International.com, *CNN Interactive Service Agreement* (2005) <http://edition.cnn.com/interactive_legal.html>; Walt Disney Internet Group, *Terms of Use* (November 2006) <http://disney.go.com/corporate/legal/terms.html>

42 *Universal Music Australia Pty Ltd v Sharman Licence Holdings Ltd* [2005] FCA 1242 Wilcox J (**Sharman**)

43 *Universal Music Australia Pty Ltd v Cooper* [2005] FCA 972 Tamberlin J (**Cooper**)

44 *Cooper v Universal Music Australia Pty Ltd* [2006] FCAFC 187 French, Branson and Kenny JJ (**Cooper Appeal**)

45 *Copyright Act 1968* (Cth) s 14(1)(a)

46 Kevin Garnett et al, *Copinger and Skone James on Copyright* (14th ed, 1999) [7-27] (**Copinger and Skone-James**)

47 Sam Ricketson, 'The Boundaries Of Copyright: Proper Limitations And Exceptions: International Conventions And Treaties', (1999) 1 *Intellectual Property Quarterly* 56 (**Boundaries Of Copyright**); in the United States a *de minimis* 'transformative' use of a copyright work for purposes of parody is likely to be a fair use: *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994) (**Campbell**); see further William Landes and Richard Posner, *The Economic Structure of Intellectual Property Law* (2003), 153, who characterise *de minimis* usage as fair use on the basis that it 'is more likely to increase than to reduce demand for the original; it is a teaser, a come on – a form of free advertising.' (**Landes and Posner**).

48 *Network Ten Pty Ltd v TCN Channel Nine* [2004] HCA 14 [29] McHugh ACJ, Gummow and Hayne JJ (**Panel**) where their Honours concluded 'there is no indication, as Nine would have it, that, with respect to television broadcasting, the interest for which legislative protection was to be provided was that in **each and every image** discernible by the viewer of such programmes.' (emphasis added)

49 Fitzgerald., 46

50 Miki Perkins 'Satirist mashes US icons', *Sydney Morning Herald* (Sydney), 17 February 2008 <http://www.smh.com.au/news/us-election/satirist-mashes-us-icons/2008/02/16/1202760662839.html>

51 See 'Mash-Up (Digital)', Wikipedia, <http://en.wikipedia.org/wiki/Mashup_%28digital%29> 'a digital media file containing any or all of text, graphics, audio, video and animation drawn from pre-existing sources, to create a new derivative work.'

52 Hugh Atkin 'Clinton and Cruise - On the campaign trail', YouTube (26 January 2008) <http://www.youtube.com/watch?v=I3enFIPvnFg>

53 Hugh Atkin 'Changes - Presidential Candidates feat. Bowie', YouTube (17 January 2008) <http://www.youtube.com/watch?v=gEaS-K3j3M8>

54 *Copyright Act 1968* (Cth) s 13(2)

55 *Cooper Appeal* [134] Kenny J; see also Jane Ginsburg and Sam Ricketson 'Inducers and Authorisers: A Comparison of the US Supreme Court's Grokster Decision and the Australian Federal Court's KaZaa Ruling' (2006) 11 *Media & Arts Law Review* 1, 10-11 (**Ginsburg and Ricketson**)

56 Interestingly, the question of whether *direct* acts of infringement need *first* be proven for authorisation to be found was a question in *Sharman* that Justice Wilcox did not 'not [find] it necessary to reach a conclusion about:' [365]. The issue thus appears to remain at large.

57 Although unfortunately beyond the scope of this article, consideration should be given to the degree to which the new fair dealing exceptions for the purposes of parody and satire (ss 41A and 103AA) might assist persons similarly disposed as Mr Atkin – especially given the sections are not drafted so as preclude reliance thereon merely because a commercial again is effected by the taking, although it could be that its 'commercial' nature sufficiently colours the taking as pima facie not 'fair': *Hubbard v Vosper* [1972] 2 QB 84 (CA) (Denning LJ); see further Melissa de Zwart 'Australia's Fair Dealing Exceptions' in Andrew T Kenyon (ed), *TV Futures: Digital Television Policy in Australia* (2007) 166 (**de Zwart, Fair Dealing**); note, also, that questions of infringement notwithstanding, as a consequence of Atkin's publicity he has since been retained by the ABC to produce further satirical 'mash-ups' for its own Unleashed website <http://www.abc.net.au/unleashed/>

58 *Copyright Act 1968* (Cth) s 86(c)

59 *Copyright Act 1968* (Cth) s 87(c); *TCN Channel Nine Pty Ltd v Network Ten Pty Ltd* [2002] FCAFC 146 [10] – [13]

60 *Copyright Act 1968* (Cth) s 85(1)(a)

61 *Copyright Act 1968* (Cth) s 85(1)(c)

62 *Copyright Act 1968* (Cth) s 31(1)(a)(i)

63 *Copyright Act 1968* (Cth) s 31(1)(a)(iv)

64 See, for example, the Fan Fiction website <http://www.fanfiction.net/> where fans of popular authors, their stories and characters reinterpret them into new and novel plots and adventures. A popular source of fan faction has been, unsurprisingly, the tales and characters in J.K. Rowling's Harry Potter novels: see <www.fictionalley.org>.

65 see text surrounding note clxxvi

66 17 U.S.C. § 107 (2000)

67 *Campbell*, 577-78, the doctrine of fair use 'is not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis.'

68 William F. Patry and Richard A. Posner, '*Fair Use and Statutory Reform in the Wake of* Eldred' (2004) 92 *California Law Review* 1639, 1649 (**Patry and Posner**)

69 (i) the purpose and character of the use (ie whether the use is 'transformative'), (ii) the nature of the original copyright work, (iii) the amount and substantiality of the portion used, and (iv) effect of the taking on the market for the original work: 17 U.S.C. § 107 (2000)

70 *Campbell*, 579, the more 'transformative' the new work is, 'the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.'

71 Laura Holson, 'Hollywood Asks YouTube: Friend or Foe?,' *New York Times* (New York), 15 January 2007 < http://www.nytimes.com/2007/01/15/technology/15youtube.html?ei=5088&en=cf8bfb13b379a286&ex=1326517200&partner=rssnyt&emc=rss&pagewanted=all**>**

72 see, for example, *EC Directive on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society* (2001)

73 de Zwart, Digital Age, 91

74 *Copyright Act 1968* (Cth.), s 22(6), 'a communication other than a broadcast is taken to have been made by the person responsible for determining the content of the communication.'

75 *Cooper* [74] who said it is 'artificial in the extreme to suggest that the person or body who facilitates access from the website to a remote site and provides a trigger which enables sound recordings to be downloaded from that remote site is responsible for the content of the communication from the remote website.'

76 *Sharman* [362]

77 *Cooper* [49], [56]; see *Copyright Act 1968* (Cth) s 85(1)

78 *Copyright Act 1968* (Cth.), s 10(1) (emphasis added); see also, *Kabushiki Kaisha Sony Computer Entertainment v Stevens* [2002] FCA 906, [137] Sackville J

79 *Field v. Google, Inc.,* 412 F. Supp 2d. 1106 (D. Nev. 2006)

80 Internet and E-Commerce Law, 194-195

81 *Perfect 10* affirming *Kelly v Arriba Soft Corp.* 336 F.3d 811 (9th Cir. 2003)

82 *Perfect 10*, 15462, that 'a computer owner does not display a copy of an image when it communicates only the HTML address'.

83 *Perfect 10,* 15468 [11]

84 *Perfect 10,* 15471 [12]

85 Asher Moses, 'Music industry opens new front on piracy,' *Sydney Morning Herald* (25 April 2008) who quotes Telstra BigPond as saying 'we are a mere conduit and are protected as such under the Copyright Act.'

86 *Digital Millennium Copyright Act 1998* Pub. L. No. 105-304, 112 Stat. 2860 (1998) (DMCA) inserted § 512 'Limitations on liability relating to material online' into the *United States Copyright Act* <http://www.law.cornell.edu/uscode/17/512.html>;

87 Enacted by the *US Free Trade Agreement Implementation Act 2004* (Cth) to harmonise with DMCA § 512 and requires that CSPs have effective 'notice and take-down' procedures and also abide by certain other qualifying conduct

88 *Electronic Commerce (EC Directive) Regulations 2002*, Regulation 19 and 22 < http://www.opsi.gov.uk/si/si2002/20022013.htm>

89 *Electronic Commerce (EC Directive) Regulations 2002*, Regulation 2(1) defines a 'service' as 'any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of services.'

90 Copinger and Skone-James, [2-104]

91 A CSP is defined by reference to the meaning prescribed by *Telecommunications Act 1997* (Cth.) s 87 as being a person who 'supplies a carriage service to the public'. A UGC website would not ordinarily answer this definition.

92 *Perfect 10, Inc. v. CCBill* 481 F.3d 751 (9th Cir. 2007), [56] that 'Service providers are immune for transmitting all digital online communications, not just those that directly infringe.'

93 O'Brien and Fitzgerald, 5

94 See Matthew Rimmer, 'Copyright laws caught in the web Viacom International v. YouTube', ABC News Opinion (Friday, May 4, 2007) < http://papers.ssrn.com/sol3/papers.cfm?abstract_id=998706> who says that 'there is a pressing urgency revise Australia's anachronistic copyright laws. At present, the safe harbours regime is limited to telecommunications carriers and Internet service providers; search engines and Web 2.0 sites cannot benefit from such immunities.'

95 Lexis-Nexis, *Communications Law and Policy in Australia*, (2007) [46,890] and [46,700]; *Foxtel Management Pty Ltd v ACCC* [2000] FCA 589 held that a 'service' may simultaneously be a 'listed carriage service' and a 'content service' for the purposes of regulation under the *Telecommunications Act*.

96 *Broadcasting Services Act,* Schedule 5, Cl 91 provides certain 'safe-harbour' indemnities against liability under state or territory laws on the basis of their being 'mere conduits'. ISPs and 'internet content hosts' are not required to 'monitor, make inquiries about, or keep records of' internet content to the extent they are unaware of the content transmitted; *Broadcasting Services Act,* Schedule 7, Cl 5 provides a 'safe-harbour' in the following terms: 'a person does not provide a content service merely because the person supplies a carriage service that enables content to be delivered or accessed;' see also ss 85ZE(b) *Crimes Act 1914* (Cth) which removes any obligation on ISPs and ICHs to proactively screen for criminally 'offensive' uses.

97 OECD Report, 50

98 *Cubby, Inc. v. Compuserve, Inc.,* 776 F. Supp. 135, 138-41 (S.D.N.Y. 1991); *Religious Tech. Ctr. v. Netcom On-line Communication Services*, Inc., 907 F. Supp. 1361, 1372 (N.D. Cal. 1995) where it was held that an ISP was not a direct infringer because it 'did not take any affirmative action that directly resulted in copying plaintiff's works other than by installing and maintaining a system whereby software automatically forwards messages received from subscribers . . . and temporarily store copies on its system.'

99 907 F. Supp. 1361, 1372 (N.D. Cal. 1995)

100 § 47 U. S C. passed as part of the *Communication Decency Act 1996* which provides that 'no provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.'

101 *Costar Group, Inc. v. Loopnet, Inc.* 373 F.3d 544 (4th Cir. 2004) (**Loopnet**)

102 *Bunt v Tilley* [2006] EWHC 407 (QB) Eady J (**Bunt**)< http://www.bailii.org/ew/cases/EWHC/QB/2006/407.html>

103 *CBS Songs Ltd* v *Amstrad Consumer Electronics plc* [1988] 1 AC 1013, 1058

104 *Bunt* [35]

105 *Frawley v State of New South Wales* [2006] NSWSC 248 where it was held that the liability of an ISP 'could be inferred from the fact … that the [ISP] has control over the matter complained of but fails to take any steps to prevent the publication;' Peter Bartlett 'Differing Trends Towards Internet Defamation Liability: Australia and the United States', (2007) 3(1) *Convergence* 49, 50-51

106 See, for example, *Uniform Defamation Act 2005* (NSW), s 32 affords a statutory defence of 'innocent dissemination' for 'subordinate distributors' who provide a 'communications system that transmits the material of another person and the operator or provider has no effective control;' UK *Defamation Act 1996* s 1 - defence of 'innocent dissemination'.

107 *Copyright Act 1968* (Cth) s 116 AF - Category D activity; s 116AH(1), Item 5, Condition 2A, which states that 'the carriage service provider does *not*, in an action relating to this Division, bear any onus of proving' that copyright material is infringing (emphasis added); 17 U.S. C. § 512(c)(1); as to position in the UK see Copinger and Skone-James, [2-114]

108 See Viacom v YouTube Defendant's Answer, where YouTube claims that 'Google and YouTube respect the importance of intellectual property rights, and not only comply with their safe harbor obligations under the DMCA, but go well above and beyond what the law requires.'

109 *Loopnet*, 550, where it was held that to establish direct liability 'something more must be shown than mere ownership of a machine used by others to make illegal copies. There must be actual infringing conduct with a nexus sufficiently close and causal to the illegal copying that one could conclude that the machine owner himself trespassed on the exclusive domain of the copyright owner.'

110 *Twentieth Century Fox Film Corp. v. Cablevision Sys. Corp.,* 478 F. Supp. 2d 607 (S.D.N.Y. 2007) which distinguished the defendant from the role played by a 'mere conduit' ISP when it held that the permanent storage of copies of unauthorized copyrighted work on the defendant's server constituted direct infringement.

111 *Sharman* [401]

112 *Copyright Act 1968* (Cth) s 101

113 *WEA International Inc v Hanimex Corporation Ltd* (1987) 17 FCR 274, 281 (Gummow J) (**Hanimex**)

114 Copinger and Skone-James, [7-132]

115 *University of New South Wales v Moorhouse* (1975) 133 CLR 1, 12 (Gibbs J) (**Moorehouse**)

116 Ginsburg and Ricketson, 11

117 *City of Adelaide v Australasian Performing Right Association Ltd* (1928) 40 CLR 481, 490-491 (Isaacs J) (**Adelaide**)

118 *Moorehouse*, 12 (Gibbs J)

119 *Australasian Performing Right Association Ltd v Jain* (1990) 18 IPR 663, 667 (**Jain**) noting 'it could not be inferred that a person had, by mere inactivity, authorised something to be done if he neither knew nor had reason to suspect that the act might be done.'

120 *Copyright Design and Patent Act 1988,* s 97A and 191JA allow the UK High Court to grant an injunction against a service provider which has 'actual knowledge' of copyright infringement; see Tania Aplin, 'Copyright Law in the Digital Society: The Challenges of Multimedia,' (2005) 156; Copinger and Skone-James, [2-109]

121 *Cooper Appeal* [41] Branson J

122 *Adelaide*, 487

123 Ricketson and Creswell, [9.605]

124 Explanatory Memorandum to *Copyright Amendment (Digital Agenda) Act 2000*, Item 39

125 *Copyright Act 1968* (Cth.) s101(1A): (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.

126 *Cooper* [81]

127 545 US 913 (**Grokster**)

128 *Sharman* [395]; *Cooper Appeal* [19]

129 *Sharman* [416]

130 Explanatory Memorandum, *Digital Agenda Act* explained that the 'new clause 112E has the effect of expressly limiting the authorisation liability of persons who provide facilities for the making of, or facilitating the making of, communications.'

131 *Sharman* [394]

132 *Sharman* [418]; *Cooper* [99] ; *Cooper Appeal* [31] and [152]

133 *Sharman* [399]

134 *Shaman* [399]; *Cooper* [403] where his Honour explained *that* 'although s 112E provides that the provision of facilities is not enough to constitute authorisation, such provision is a matter relevant to 'the nature of [the] relationship';' the phrase 'nature of [the] relationship' referring to paragraph (b) in s 101(1A).

135 *Cooper* [99]

136 *Shaman* [401]

137 *Sharman* [194]

138 *Sony Corp. v Universal City Studios* 464 U.S. 417, 418

139 Jeffrey Lee 'The ongoing design duty in Universal Music Australia Pty Ltd v Sharman License Holdings Ltd – Casting the scope of copyright infringement even wider' (2007) 15(3) *International Journal of Law and Information Technology* 275, 284

140 Ginsburg and Ricketson, 23

141 *Grokster* 934-5

142 Ginsburg and Ricketson, 23

143 Ginsburg and Ricketson, 15

144 *A&M Records, Inc. v. Napster, Inc.,* 239 F.3d 1004, 1020 (9th Cir. 2001)

145 Buckley, 258

146 *Sharman* [405]; *Cooper Appeal* [152] Kenny J

147 *Sharman* [406]

148 *Sharman* [411] and [414]

149 *Sharman* [404]; *Cooper Appeal* [48] Branson J; [170] Kenny J

150 *Sharman* [407]; *Cooper Appeal* [51] Branson J; [151] Kenny J

151 *Cooper* [107] Tamberlin J said that even if the 'safe harbour' scheme had been in force at the time, the respondent CSP would not have been be entitled to its protection because 'despite the respondents' awareness that copyright material was likely to be infringed, they [had] not taken any steps to implement … a policy' that provides for termination, in appropriate circumstances, of the accounts of repeated infringers.

152 *Copyright Act* s 116AH(1), Category C, Condition 1, which provides that protection under Division 2AA only arises if a CSP does 'not receive a financial benefit that is directly attributable to the infringing activity.'

153 *Grokster*, 937-940

154 OECD Report, 25

155 Buckley, 240; Kelly Tickle, 'The Vicarious Liability of Electronic Bulletin Board Operators for the Copyright Infringement Occurring on Their Bulletin Boards,' (1995) 80 *Iowa Law Review* 391, 393-98

156 Alan Friel 'Harnessing Creativity Or Creating Liability?' (2007) 5(11) Internet Law & Strategy

157 Buckley, 259

158 for example, the terms and conditions of a new *Sydney Morning Herald* website – the Vine < http://www.thevine.com.au/> - makes explicit reference to the holding in *Sharman* and *Cooper* with regard to 'communication' when it states, *inter alia*, 'we will not be taken to have uploaded, posted, transmitted or otherwise made Material available on the Site simply by facilitating others to post, transmit or other make Material available.' Such contractual agreement notwithstanding, the extent to which such language is able, as a matter of law, to exculpate the website from the authorisation claims of third parties is a matter of conjecture.

159 See, for example: CNN International.com*, CNN Interactive Service Agreement* (2005) <http://edition.cnn.com/interactive_legal.html> [7] Monitoring: 'CNN shall have the right in its sole discretion to edit, refuse to post or remove any material submitted to or posted on CNN Interactive'; Walt Disney Internet Group, Terms of Use (November 2006) <http://disney.go.com/corporate/legal/terms.html> [6] Public Forums and Communications: 'we reserve the right to screen, refuse to post, remove or edit User-Generated Content at any time and for any or no reason in our absolute and sole discretion without prior notice, although we have no duty to do so or to monitor any Public Forum.'

160 Justice Kirby, Computers and the Law, 12

161 see Julius Stone, *Precedent and Law: Dynamics of Common Law Growth* (1985)

162 Internet and E-Commerce Law, 214

163 *Cooper*, [80] citing Gummow J in *Hanimex,* [48]

164 *Cooper Appeal* [40] Branson J

165 Submission to Senate Legal and Constitutional Affairs Committee, *Provisions of the Copyright Amendment Bill 2006,* Parliament of Australia, Canberra, 30 October 2006 (Google), 7, in which Google submitted that 'given the vast size of the Internet it is impossible for a search engine to contact personally each owner of a web page to determine whether the owner desires its web page to be searched, indexed or cached.' Furthermore, 'If such advanced permission was required, the Internet would promptly grind to a halt.'<http://www.aph.gov.au/senate/committee/legcon_ctte/copyright06/submissions/sub12.pdf>

166 See generally, Yochai Benkler, *Wealth of Networks* (2006)

167 OECD Report, 12, which states that YouTube is now ranked the number four web site in the world. A study by Nielsen NetRating shows that in the UK UGC platforms for photo sharing, video sharing and blogging are among the fastest growing Web sites. In the US, UGC sites comprised five out of the top 10 fastest growing Web sites in July 2006 to 46 million unique visitors in July 2006

168 British Broadcasting Corporation, 'Creative Future - BBC addresses creative challenges of on-demand' (Press Release, 25 May 2006) < http://www.bbc.co.uk/pressoffice/pressreleases/stories/2006/04_april/25/creative.shtml>

169 William Fisher, 'The Growth of Intellectual Property: A History of the Ownership of Ideas in the United States, in *Eigentum im internationalen Vergleich* (1999), 17; Landes and Posner, 64

170 See text surrounding note xxv; see also Lawrence Lessig 'Is Google Book Search 'Fair Use'?,' YouTube (January 15, 2006) <http://www.youtube.com/watch?v=5l2nrbmBQXg>

171 Kimberly Weatherall, 'Fudging the question: the FTA and the future of digital copyright in Australia' (Paper presented at the 18th Annual IPSANZ Conference, Noosa, Australia, 10-12 September 2004)

172 Ricketson, Boundaries Of Copyright, 94

173 'The Deal with Warner', YouTube Blog, Press Release, (18 September 2006) <http://www.youtube.com/blog?entry=3xDEdJmPDI0>

174 'EMI Music, Google and YouTube Strike Milestone Partnership', YouTube, Press Release (31 May 2007) <http://youtube.com/press_room_entry?entry=InX2vpoSGOM>

175 CBS Corp., Dailymotion, Fox Entertainment Group, Microsoft Corp., MySpace, NBC Universal, Veoh Networks Inc., Viacom Inc. and The Walt Disney Company, 'Principles for User Generated Content Services', (Press Release, 18 October 2007) <http://www.ugcprinciples.com/>

176 Tim Wu, 'Does YouTube Really Have Legal Problems?' *Slate* (October 26, 2006) < http://www.slate.com/id/2152264 >