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*By email - CopyrightActReview@mbie.govt.nz*

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Re: COPYRIGHT ACT REVIEW—AJ PARK SUBMISSIONS

1. AJ Park is a full service intellectual property law firm and patent attorney firm, which provides services to a range of clients in the copyright space. Our submissions below are based on our experience with advising our clients, and our knowledge of copyright laws both in New Zealand and overseas. Because of client confidentiality, and our professional obligations, we have been unable to give detailed examples.

Question 18: What are the problems (or advantages) with the way the right of communication to the public operates? What changes, if any, might be needed?

Our position:

2. Any amendments to section 16(1)(f) based on technology would be in breach of WIPO Copyright Treaty 1996 (WCT) which MBIE says New Zealand is finally and comprehensively ratifying. However, an amendment to the definition of **'communication' in line with the WCT** definition would be beneficial.

Our commentary:

3. This right was incorporated into the Act in the 2008 amendments and is expressed in section 16 in a technology-**neutral manner: 'the owner of the copyright in a work has the exclusive right ... to communicate the work to the public'. This was derived from the WCT.** Any interpretation of the meaning of what technologies it might encompass (and those it might exclude) can be informed by the text of WCT Article 8:

**'authors ... shall enjoy the exclusive right of authorising 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**

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*that members of the public may access these works from a place and time individually chosen by them*'. [emphasis added]

4. MBIE queries whether a technology-neutral definition should have been used because it believes that the actual technologies of broadcasting and streaming **'are very different'**. **The point of the emphasised language used in WCT Article 8** indicated above was to specifically ensure that the same consequences would accrue for communication by broadcasts and communication by streaming, at least for non-live streaming.
5. The Sky set top box cases discussed in our commentary on Q35 below reveal **there is a misconception of what constitutes 'communication'**. **In view of the WCT and New Zealand's wish to ratify it, it should be made clear that the provision of a programmed set top box does not amount to communication, irrespective of what any decision of the Court of Justice of the European Union (CJEU) may suggest. The section 2 definition of 'communication' should be elaborated by** including the substance of the WCT agreed statement on Article 8 **which says: 'It is understood that the mere provision of physical facilities for enabling or making a communication does not itself amount to communication within the meaning of the Treaty ...'**.

Question 19: What problems (or benefits) are there with communication works as a category of copyright work?

Our position:

6. **The definition of 'communication work' in section 2 should expressly include data streams as well as broadcasts and cable programmes.**

Our commentary:

7. **'Communication works' were introduced by the 2008 Amendment Act and the main purpose of this Act was to update copyright law to accommodate new internet technologies. Unlike many other jurisdictions New Zealand, as well as introducing a new restricted act of communicating works to the public, introduced a new technology-neutral transmission work called a 'communication work' to replace the existing technology specific broadcast and cable programme works. It is clear the exclusive right to communicate a work to the public introduced in section 16(1)(f) must be interpreted to include communication by means of streaming. As a matter of consistency, a data stream should also be a copyright work just as are the older broadcast and cable programme technologies, or 'signal' works as they were sometimes called.**
8. From a functional view, streaming is simply a digital analogy of broadcasting. Live streaming is a direct analogy, while on-demand streaming is merely a sophistication of traditional broadcasting listener requests.
9. The other benefit of clarifying the status of streams is that it makes it clear that live sports streams (which have no copyright in content) will receive protection.
10. The definition in section 2 should therefore be amended to conclude: **'... and**

includes a broadcast, a cable programme or a data stream.'

**Question 20: What are the problems (or benefits) with using 'object' in the Copyright Act? What changes (if any) should be considered?**

Our position:

A new criminal offence should be introduced in section 131 to expressly make communicating a copyright work to the public in the course of business an offence, directly equivalent to the civil restricted act in section 16(1)(f).

Our commentary:

11. The Court of Appeal held in *Ortmann, Dotcom v USA* that the word 'object' in section 131 included intangible data files (contrary to the dictionary definition of 'object' being limited to tangible things) should be put to one side in the current reform of the Act.<sup>1</sup>
12. Even apart from the possibility that the Court of Appeal interpretation might not be accepted by the Supreme Court on appeal, for utmost clarity a new criminal offence should be introduced in section 131 to expressly make communicating a copyright work to the public in the course of business an offence, directly equivalent to the civil restricted act in section 16(1)(f).
13. It is surprising this was not included in the 2008 Amendment Act as the prior UK amendments in relation to communicating works to the public had included a parallel criminal offence in their offences section 107.

**Question 21: Do you have any concerns about the implications of the Supreme Court's decision in *Dixon v R*? Please explain.**

Our position:

14. *Dixon v R* can be ignored for the purposes of the current review of the Copyright Act because it is only relevant to the definition of the property in the Crimes Act.

Our commentary:

15. In *Dixon v R* the Supreme Court held digital files were property when considering digitised camera footage.<sup>2</sup>
16. Dixon was charged under section 249(1)(a) of the Crimes Act, one of the 'computer misuse' crimes, for accessing a computer system dishonestly to obtain property. The issue was whether digital footage stored on a computer system was 'property' as defined in the Crimes Act. The Court of Appeal had decided that it was not, after referring to *Oxford v Moss* (1979) 68 Cr. App. R. 183 which had held that information, even confidential information, was not property.<sup>3</sup> The

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<sup>1</sup> *Ortmann, Dotcom v USA* [2018] NZCA 233.

<sup>2</sup> *Dixon v R* [2015] NZSC 147.

<sup>3</sup> *Dixon v R* [2014] NZCA 329.

Court of Appeal also noted this was consistent with the general approach taken in civil cases. In analysing whether digital footage might be distinguished from confidential information, the Court of Appeal concluded it could not: **'bytes cannot meaningfully be distinguished from pure information'**.

17. The Supreme Court disagreed, taking the view digital files were more than pure information and that it could put aside the criminal and civil authorities which had held information was not property.
18. In view of the conflict with prior case law this decision must not only be confined to the property status of digital data files, but also only to what may constitute property for the purposes of the Crimes Act.
19. Thus in the context of non-criminal law there will be no property subsisting in digital data files apart from copyright. *Dixon v R* can be ignored for the purposes of the current review of the Copyright Act.

Question 23: What are the advantages and disadvantages of not being able to renounce copyright? What changes (if any) should be considered?

Our position:

20. We support an ability to formally renounce copyright, as we think it would add clarity for users of copyright works.

Our commentary:

21. The advantage of this approach is that when a person wants to make a work generally available, with no terms attached, they would be able to do so clearly. This would make it easier for users to rely on their ability to use material without any terms attached, and promote innovation.
22. The current alternative is using one of the open source licences or other licences that allow general use of the material, such as the creative commons licences. However, these licences create uncertainty for the users of material. For example, can the copyright owner cease to offer the licence in the future? What does that mean for material already incorporated into another work?

Question 27: Will there be other **problems (or benefits) with the performers' rights regime** once the CPTPP changes come into effect? What changes to the **performers' rights regime (if any) should be considered after those changes** come into effect?

Our position:

23. Performers will suffer a detriment unless the WIPO Performers and Phonograms Treaty provisions for remuneration for performers when their recordings are communicated are incorporated into our statutory amendments.

Our commentary:

24. Performers rights need to be enhanced beyond those changes made to allow New Zealand to ratify the CCTPP. We refer to remuneration for performers when their recordings are broadcast or streamed. This is a provision in the WIPO Performers and Phonograms Treaty (WPPT)
25. The WPPT, improving on the Rome Convention, not only better protected recording companies against piracy, but also provided new rights for performers. **WPPT provides that performers (as well as 'producers of phonograms') shall have the right to receive remuneration for the broadcasting or communication of their recordings to the public. This includes session musicians as well as 'featured artists'.**
26. Amending the Act to include the currently omitted WPPT provisions for the benefit of performers is an issue that must be considered. If the review recommends **that performers' remuneration rights should be addressed, the old-fashioned approach of simply adopting UK law would be inadequate in today's digital world.** Section 182D(1) of the UK *Copyright Designs and Patents Act 1988* is limited to providing performers with equitable remuneration for recordings **'communicated to the public'** otherwise than by internet transmissions comprising online downloads and streaming. While the exclusion of online downloads (being equivalent to the purchase of a physical record or disk) is understandable, the exclusion of reception by online streaming is not. Streaming is directly analogous to a radio broadcast, albeit a more sophisticated version delivered via the internet.

Question 31: What are the problems (or benefits) with how any of the criticism, review, news reporting and research or study exceptions operate in practice? Under what circumstances, if any, should someone be able to use these exceptions for a commercial outcome? What changes (if any) should be considered?

Our position:

27. We do not support the adoption of a broad fair use exception. Fair use considered **by many US courts as 'the most troublesome in the whole law of copyright'**. The current fair dealing exceptions should be retained and expanded on as discussed throughout these submissions.

Question 35: What are the problems (or benefits) with the exception for transient reproduction of works? What changes (if any) should be considered?

Our position:

28. Section 43A limb (b)(ii) should be clarified to ensure the courts in future cases do not misinterpret it against viewers.

Our commentary:

29. **New Zealand's** section 43A provides an exception to infringement for transient copying of a work in certain circumstances, namely when it is for (i) a technological process for receiving a non-infringing communication, or (ii) enabling the lawful use of the work. The exception was derived from the UK Act section 28A, but is a little clearer and broader in scope. Broader, in that **circumstance (i) above is not limited to 'transmission between third parties by an intermediary' as it is in UK section 28A.**
30. Section 43A has been considered by the High Court in *Munhwa Broadcasting Corporation v Young International*<sup>4</sup> in relation to Korean broadcasts being digitised and made available online to NZ viewers to watch on their screens. The defendants argued that the copying that occurred in digitising and in appearing **on a viewer's** screen was transient and part of an essential technological process. However, Potter J decided that what she called the third requirement of section 43A had not been met and section 43A was not a defence.
31. It is submitted with respect that section 43A(b)(i) and (ii) offer alternative defence components, and if one is satisfied then section 43A provides a defence to copying. It was lawful to use the work as provided in section 43A(b)(ii) because this use was displaying a changing picture on a screen. It is not infringement of copyright to show a video on a screen when that is done in private, only when it is shown in public. Unfortunately, this judgment was interlocutory and the case did not proceed to trial. However, the UK Supreme Court in *Public Relations Consultants Association v The Newspaper Licensing Agency* (the Meltwater case) held that the UK equivalent of limb (b)(ii) of their section 28A was a defence for private viewers.<sup>5</sup>
32. Unfortunately, we have had a further court decision which adopted the *Munhwa* approach to section 43A and made no reference to the decision of the UK Supreme Court. This was *Sky Network Television v My Box NZ* and concerned the provision and use of a Kodi set top box pre-programmed to receive internet streams coming from overseas sources who had no licence to supply the stream contents to New Zealand viewers.<sup>6</sup>
33. In not applying section 43A correctly the New Zealand courts have treated not only the transient storage in the set top box memory of internet packets making up each video frame as copying, but also the transient display of each frame on **the viewer's screen as copyright infringement. Even apart from s43A, the latter was never an infringement of copyright unless it was a showing in public.**
34. Section 43A (b)(ii) should be clarified to ensure the courts in future cases do not misinterpret it against viewers. The rights of New Zealand licensees for the content at issue should of course be protected, but this will be accomplished by ensuring the acts committed by the suppliers of the contentious streams

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<sup>4</sup> *Munhwa Broadcasting Corporation v Young International* HC Auckland CIV2010-404-00203, 17 December 2010.

<sup>5</sup> *Public Relations Consultants Association v The Newspaper Licensing Agency* [2013] UKSC 18.

<sup>6</sup> *Sky Network Television v My Box NZ* [2018] NZHC 2768.

constitute infringement. Provided it is made clear that streams are works (see above), New Zealand licensees of even live sports streams (with no copyright in content) will be protected.

35. As an aside, we note that the Issues Paper cites a proposition that section 43A may not cover the temporary copying which takes place in the caches of ISPs. We think it is clear from even the strongly pro-copyright EU InfoSoc Directive 2001 that it does. Recital 33 expressly says caching falls within the transient copying Article 5.1 which is equivalent to our section 43A.

Question 39: What do problems (or benefits) arising from the Copyright Act not having an express exception for parody and satire? What about the absence of an exception for caricature and pastiche?

Our position:

36. We support a stand-alone parody, satire, pastiche exception.

Our commentary:

37. Stand-alone exceptions exist in Australia, Singapore and the United Kingdom. The United States also recognises parody/satire as permissible under its doctrine of fair use.

Question 58: What problems (or benefits) are there in allowing copyright owners to limit or modify a **person's ability to use the existing exceptions** through contract? What changes (if any) should be considered?

Our position:

38. We support making it clear whether you can or cannot contract out of the various exceptions.

Our commentary:

39. Except for the few that expressly cannot be contracted out of, the position around contracting out of the exceptions to copyright infringement is not clear. This makes it hard for businesses who use copyright to determine whether they can provide that the exceptions do not apply in their contracts.

Question 76: How difficult is it for copyright owners to establish before the courts that copyright exists in a work and they are the copyright owners? What changes (if any) should be considered to help copyright owners take legal action to enforce their copyright?

Our position:

40. New Zealand should establish an optional register for copyright ownership.

Our commentary:

41. Proving ownership of copyright is often difficult for our clients. Clients often only confront this question when they come to enforce copyright, and that is often many years after the works have been created. Locating the documentation showing who created the work, and when, can be difficult. We support the creation of a voluntary register of copyright for the purpose of prima facie identifying ownership of copyright. If nothing else, the ability to register might prompt the creators of copyright work to collate and retain the evidence of their copyright ownership from the beginning.

Question 74: What were the problems or benefits of the system of using an overseas regime for orphan works?

Our position:

42. We support a limitation of liability in respect of orphan works.

Our commentary:

43. With our experience in New Zealand and overseas, we recommend considering the regime recently adopted in United Kingdom. That regime allows users to apply for a licence to use orphan works for both commercial and non-commercial purposes within the United Kingdom, and an orphan works exception allows certain uses of works by UK cultural heritage institutions.

Question 77: What are the problems (or advantages) with reserving legal action to copyright owners and their exclusive licensees? What changes (if any) should be considered?

Our position:

44. We think New Zealand should adopt a similar process to that set out in the Trade Marks Act where non-exclusive licensee can ask owner to take action and if they **don't they can take action and owner is joined.**

Question 79: Does the cost of enforcement have an impact on copyright **owners' enforcement decisions? Please be specific about how decisions are** affected and the impact of those decisions. What changes (if any) should be considered?

Our position:

45. We recommend considering establishing a small claims court or tribunal for copyright and trade mark disputes.

Our commentary:

46. We find in our practice that copyright owners regularly do not take action, or take only limited action (ie, sending a letter), to enforce their copyright because of the cost of legal proceedings.



47. Access to justice is a growing issue in New Zealand. Consideration should be given to developing a small claims court or tribunal for copyright and trade mark disputes. The **scope of Copyright Tribunal's jurisdiction** could be expanded to deal with claims of copyright infringement relating to misuse of literary works, photos and videos in print and online, and possibly other copyright works, up to a certain damages threshold. Currently the Disputes Tribunal has no jurisdiction (or sufficient expertise) to deal with intellectual property disputes. The UK has successfully implemented the Intellectual Property Enterprise Court, which has a small claims track for dealing with claims under £10,000. Expanding the scope of the little-used Copyright Tribunal could assist with providing access to a cost-effective means of dealing with some IP claims.

Question 89: Do you think there are any problems with (or benefits from) having an overlap between copyright and industrial design protection. What changes (if any) should be considered?

Our position:

48. We do not see a fundamental problem with the overlap, and do not recommend any changes.

Our commentary:

49. We do not see a fundamental problem with the overlap between copyright protection for industrial designs and the ability to obtain registered design protection. In practice, these forms of protection are quite different:
- Copyright protection is automatic, and provides the limited exclusive rights set out in the Copyright Act. Copyright protects against someone copying a copyright work.
  - Registered design protection requires the preparation and registration of the design, and provides more extensive exclusive rights. This includes the right to stop someone using the design, even if they have not copied it.
50. We do not see the overlap between copyright and registered designs as being different from the overlap between copyright and patent protection, registered design protection and patent protection, or copyright protection and trade mark protection for logos. Each provides its own form of protection, even though multiple rights can apply to one article.
51. We do think that there could be better understanding in industry about the differences between copyright protection and registered design protection. This is not unique to copyright and registered designs—in our experience industry could have a better understanding of all intellectual property rights.
52. We appreciate that in Australia stringent efforts have always been made to ensure that copyright does not protect designs of industrial products. Protection for industrial product design must be obtained, solely, by registration under the Designs Act. It has been considered that commercialisation of innovation is best promoted by ensuring that a commercial enterprise should only need to search

the designs register to ascertain if they can legally manufacture a product having a particular visual appearance.

53. However, the provisions in the Australian Copyright which supposedly prevent overlap with the Designs Act are somewhat convoluted and confusing. Should a two-dimensional pattern for a carpet be protected by copyright when patterns for functional objects can be protected under the Designs Act?
54. **New Zealand's system of allowing copyright in a two-dimensional artistic work created in the process of product design to protect three-dimensional reproductions of that work made by a competitor has been in existence since the 1962 Copyright Act. There has been no serious evidence that indicates that that law has stifled innovation. Indeed, copying a competitor's product design is the opposite of innovation.**

Question 90: Have you experienced any problems when seeking protection for an industrial design, especially overseas?

Our position:

55. **We don't** see this as a problem in the industry.

Our commentary:

56. We advise our clients that if they choose to rely on copyright in New Zealand, **they likely won't have protection overseas. We think that this is an aspect of a larger problem, which is industry members not understanding the different forms of intellectual property protection available.**

Question 93: **Have we accurately characterised the Waitangi Tribunal's analysis of the problems with the current protections provided for taonga works and mātauranga Māori? If not, please explain the inaccuracies.**

Our position:

57. We agree you have correctly summarised the analysis from the WAI 262 report on the problems with the current protections provided for taonga works and mātauranga Māori.

Question 94: **Do you agree with the Waitangi Tribunal's use of the concepts 'taonga works' and 'taonga-derived works'? If not, why not?**

Our position:

58. **Providing definitions for concepts such as 'taonga works' and 'taonga-derived works' will be critical to ensure clarity and certainty**

Our commentary:

59. **If the government is planning a work stream that seeks to introduce new protections for taonga works and mātauranga Māori, then providing definitions**

for concepts such as 'taonga works' and 'taonga-derived works' will be critical to ensure clarity and certainty in the law.

60. We do not have one position on the use of the concepts of 'taonga works' and 'taonga-derived works', but we suggest that the scope and definitions of these terms should be determined in consultation with Māori and the broader community.

Question 95: The Waitangi Tribunal did not recommend any changes to the copyright regime, and instead recommended a new legal regime for taonga **works and mātauranga Māori. Are there ways in which the copyright regime might conflict with any new protection of taonga works and mātauranga Māori?**

Our position:

61. We have no single position on whether the copyright regime will conflict with any **new protection of taonga works and mātauranga Māori, as any conflict will be determined by the new protection regime developed.**

Question 96: Do you agree with our proposed process to launch a new work stream on taonga works alongside the Copyright Act review? Are there any other Treaty of Waitangi considerations we should be aware of in the Copyright Act review?

Our position:

62. We have no single position on whether MBIE should launch a new work stream on taonga works alongside the Copyright Act review, except to suggest that it is time for the government to respond to the issues raised in the WAI 262 claim and report, and in particular, address the issues raised in relation to the intellectual property regime to enable authors and creators to operate within an intellectual property framework that is clear and certain.

Question 97: How should MBIE engage with Treaty partners and the broader community on the proposed work stream on taonga works?

Our position:

63. We would like to be engaged as part of the broader community on any proposed work stream on taonga works.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Kate McHaffie', written in a cursive style.

Kate McHaffie  
Principal