

## Review of the Copyright Act 1994

Submission by JAMES WILLIAM PIPER

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I am a patent attorney in private practice in Auckland, currently trading as Pipers Intellectual Property. I commenced in the IP field as a NZ Patent Examiner in 1970, and subsequently worked as a patent attorney in Australia and then New Zealand. Since commencing practice on my own account in 1982 I have set up offices in Auckland, Wellington, Hamilton, Melbourne, Brisbane, Singapore and the UK, though currently my focus is on Auckland, Wellington and Melbourne.

Our practice represents a wide range of NZ based SME's. We have over 3000 design application/registrations in our database. Mainly filed overseas for NZ based clients.

We believe that the NZ system of Registered Designs provides an effective means of protection for our clients and as the starting point for design registrations overseas.

The combination of Design Registrations and the 3D copyright protection available to NZ clients in NZ (and in the UK under our reciprocal arrangement under their Unregistered Design Rights legislation) provides an effective means of protection for product innovators. Our clients are continually frustrated by the lack of comparable 3D Copyright protection in other countries (except for the UK).

We believe that NZ's membership of the "The **Hague Agreement** Concerning the International Deposit of Industrial **Designs**", would greatly benefit NZ innovators, especially as Australia appears unlikely to join this agreement. Membership of the Hague Agreement would allow NZ companies to more readily protect their designs overseas and facilitate exports.

Many of our clients need to file multiple designs in a single application and we believe that this should be an allowable option and not bound by the strict rules applying to a "set of articles" in the current legislation. Other jurisdictions allow for multipole designs in one registration. Please consider amending the Designs Act to bring it into line with the multiple design provisions available in Europe.

Consideration should be given to reviewing the Design Term and the economic consequences of a longer or short term. The difficulty here is that product life cycles vary considerably from industry to industry. Design term also varies considerably from county to country.

We favour the extension of Border Control Notices to include Registered Designs as easier for Customs officers to police than the complexities arising from copyright in production drawings. Design protection is the overlooked orphan of Intellectual Property Protection. Including it in the ambit of Border Control Notices would reinforce its importance and usefulness.

A large part of our practice involves Copyright, with Border Control Notices and litigation – typically involving alleged 3D copies of artistic works.

For the most part, the Copyright Act 1994 and its predecessor have provided a useful framework for innovators to prevent direct copies of their products, both via primary infringements and secondary infringements. The latter having a greater importance in recent years with the shift to manufacturing overseas, especially in countries where there is a culture of imitating existing products.

There is one area I need to bring to your attention and that is the surprising interpretation of the word “object” in the Court of Appeal Decision in *ORTMANN v USA* 2018 NZCA 233.

This is the subject of an Appeal to the Supreme Court to be heard in the week commencing 10 June 2019.

I have applied to Intervene in this Appeal solely on the point of the interpretation of S.131 and the meaning of the word “object” in this context.

If the Supreme Court upholds the strained interpretation of this term – then it will be for Parliament to consider whether it is their intention to criminalise the activities of Internet Service Providers in S.131.

The Definitions set out in S.2 does not include the word “object” but does define:

[“*Communication work* means a transmission of sounds, visual images, or other information, or a combination of any of those, for reception by members of the public, and includes a broadcast or a cable programme]

**If the legislature intended to capture a communication work in S.131, they would have used the term “communication work” and not the more tangible word “object”.**

S.131 says:

#### **Offences**

**131. Criminal liability for making or dealing with infringing objects**---(1) Every person commits an offence against this section who, other than pursuant to a copyright licence,---

(a) Makes for sale or hire; or

- (b) Imports into New Zealand otherwise than for that person's private and domestic use; or
- (c) Possesses in the course of a business with a view to committing any act infringing the copyright; or
- (d) In the course of a business,---
  - (i) Offers or exposes for sale or hire; or
  - (ii) Exhibits in public; or
  - (iii) Distributes; or
- (e) In the course of a business or otherwise, sells or lets for hire; or
- (f) Distributes otherwise than in the course of a business to such an extent as to affect prejudicially the copyright owner---

**an object that is, and that the person knows is, an infringing copy of a copyright work.**

(2) Every person commits an offence against this section who---

- (a) **Makes an object** specifically designed or adapted for making copies of a particular copyright work; or
- (b) **Has such an object** in that person's possession,---

**knowing that the object** is to be used to make infringing copies for sale or hire or for use in the course of a business.

(3) Subject to subsection (4) of this section, every person commits an offence against this section who---

- (a) Causes a literary, dramatic, or musical work to be performed, where that performance infringes copyright in that work; or
- (b) Causes a sound recording or film to be played in public or shown in public, where that playing or showing infringes copyright in that sound recording or film,---

knowing that copyright in the work or, as the case requires, the sound recording or film would be infringed by that performance or, as the case requires, that playing or that showing.

(4) Nothing in subsection (3) of this section applies in respect of infringement of copyright by the reception of a [communication work].

[(5) Every person who commits an offence against this section is liable on ... conviction---

- (a) In the case of an offence against subsection (1), to a fine not exceeding \$10,000 for every infringing copy to which the offence relates, but not exceeding \$150,000 in respect of the same transaction, or to imprisonment for a term not exceeding [[5-years]]:
- (b) In the case of an offence against subsection (2) or subsection (3), to a fine not exceeding \$150,000 or to imprisonment for a term not exceeding [[5-years]].]

(6) Where any person is convicted of an offence against this section in circumstances where that offence involves the making of profit or gain, that offence shall be deemed to have caused a loss of property for the purposes of [section 32(1)(a) of the Sentencing Act 2002], and the provisions of that Act relating to the imposition of the sentence of reparation shall apply accordingly.

(7) Sections 126 to 129 of this Act (which relate to presumptions) do not apply to proceedings for an offence against this section.

(8) Repealed.

Cf. Copyright, Designs and Patents Act 1988, s. 107 (U.K.); 1962, No. 33, s. 28 (1)-(3), (5); 1990, No. 71, s. 3

Section 131 deals with criminal liability for making or dealing with infringing objects. The section in my opinion deals with physical objects, or more correctly “tangible objects”.

The primary definition of the noun “object” is:

1.

A material thing that can be seen and touched.

"He was dragging a large object"

*synonyms:* [thing](#), [article](#), [item](#), [piece](#), [device](#), [gadget](#), [entity](#), [body](#); [More](#)

Gilbert J in the original High Court decision 2017 NZHC 189, considered that Parliament had plenty of opportunity to extend the scope of section 131 to include downloading copyright works stored in some digital form, but chose to do that only in respect of civil liability, and did not intend to provide for criminal liability in respect of downloads [SEE PARA 183]. If they had it would have been easy to make use of the terminology of copying (see the definitions in section 2) rather than limit section 131 to dealing only with tangible objects.

Copying is broad enough to include the storing of a work in digital format in any medium. It is interesting that the Copyright Act seems to focus far more on the recording or storing of works and for the most part is more concerned with material form rather than the information itself. If you look at the Copyright Acts over the years, you will see that they have always dealt with tangible objects whether they be books or paintings.

The Copyright Act 1994 (as amended to deal with digital works) even today, it is concerned with recordings and the mediums on which the recording is stored (apart from performance works or transmissions which are separately defined). **To paraphrase Marshall McLuhan the Copyright Act deals with the medium not the message.**

The word "object" is used throughout the Copyright Act 1994 (and replaced the previous use of the term "article" – which is still widely used in equivalent copyright legislation in other jurisdictions. The word "object" is used in the Border Control provisions – since Customs Officers deal with physical goods.

The Crimes Act deals with real objects or real people and in the case of tangible objects, theft requires the taking of that tangible object. The police can deal with such tangible crimes.

The word "object" is used in different senses in section 131 and 132 but always in relation to something that is tangible. I think the draughtsman decided to use this term to encompass tangible objects such as plates or moulds, see for example the distinction between an infringing copy in section 132 (a) and the term "an object specifically designed or adapted for making copies of a particular copyright work" which occurs in section 132 (b).

The word object appears in section 12 " meaning of infringing copy" see for example section 12 (3):

**12. Meaning of "infringing copy"**---(1) In this Act, the term "infringing copy", in relation to a copyright work, shall be construed in accordance with this section.

(2) An object is an infringing copy if its making constitutes an infringement of the copyright in the work in question.

[(3) **An object that a person imports, or proposes to import,** into New Zealand is an infringing copy if---

(a) The making of the object constituted an infringement of the copyright in the work in question in the country in which the object was made; or

(b) The importer would have infringed the copyright in the work in question in New Zealand had the importer made the object in New Zealand, unless the object is one to which subsection (5A) or subsection (6) applies.]

This is clearly a reference to the importation of a tangible object.

If needed, I can supply a document showing the numerous occurrences of the word object in the Copyright act 1994, by my count it appears over 90 times (ignoring the usage of “to object”).

**Please give serious consideration to including a definition of the word “object” to remove the anomalous interpretation provided by the Court of Appeal.**

Sincerely

Jim Piper | Patent Attorney



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