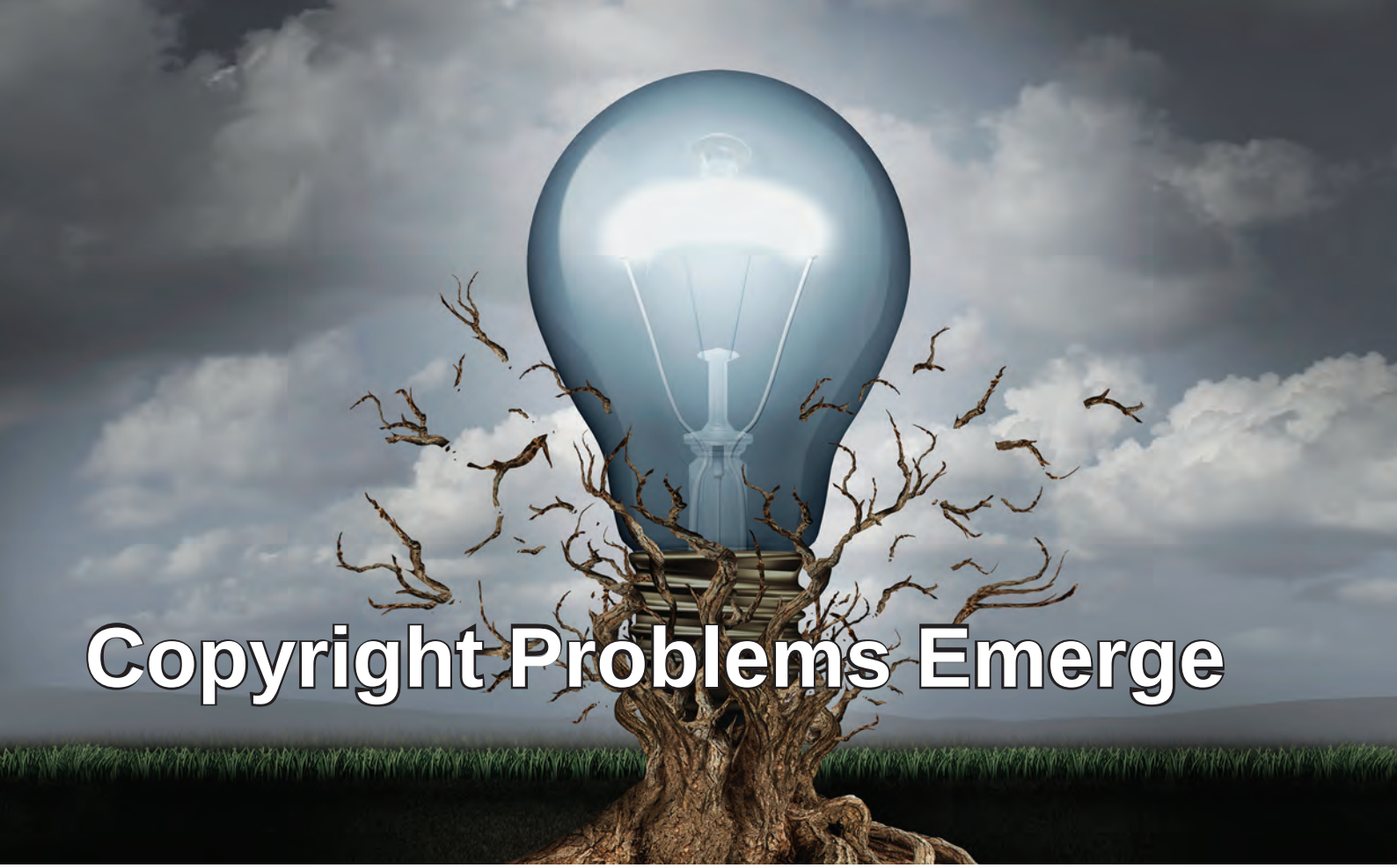

Copyright Problems Emerge

Hot new copyright issues have emerged in the last 12 months, and **Johnny Chan** has sought opinions and justifications from those in the field.

The European Commission has recently proposed allowing Europeans who have paid for digital content such as movies, music or e-books to access the material when they travel to a different European country. Companies which provide the digital content, however, will be able to decide how long people can view the content while outside their home markets and may charge extra.

Rather than relying on the providers to establish the guidelines by which digital content can travel, Doan Thi Dinh, an attorney at Ageless IP Attorneys & Consultants in Hanoi, says that the EU should "establish a management organization to represent the copyright owners in order to exploit royalty on behalf of the members in the EU." Doan notes that such as system also needs to set up a mechanism to classify users such as:

Group 1: temporary travellers such as tourists, those on family visits, patients or conference attendees, etc., who will be travelling for no more than two weeks. This group should pay a nominal fee corresponding to the European country which they will visit, Doan says.

Group 2: those people who fall outside Group 1, such as long-term travellers or permanent migrants, who Doan says should pay a higher charge, but one which remains smaller than the total charge to all European countries."

These classifications should then satisfy both users as well as copyright owners, adds Doan.

"Perhaps news aggregators and writers could work together on a collaborative revenue model that will enable both to profit."

- Wendy Low, partner,

Rajah & Tann, Singapore

Should Google Pay Royalties For Showing News Snippets?

The use of news snippets on an aggregator website such as Google is another important copyright issue coming out of the European Commission's proposal.

News aggregators compile snippets which often reproduce the key portions of the headers and essence of the articles. Such qualitative copying would likely result in copyright infringement unless the writers/owners of the copyright consent

to the reproduction. The transient copy exception, such as exists in the UK, may provide a convenient exception to such copyright infringement, since the searchable records are not reproduced in any permanent form. It is also a fair response to media owners and writers whose articles are freely accessible to internet users.

On the other hand, it is reasonably foreseeable that such news extracts can be reproduced by users as screenshots or saved onto their computers, says Wendy Low, a partner in the IP, sports and gaming practices at Rajah & Tann in Singapore. "This can be problematic for proprietors and writers who charge for access, particularly if the search extracts become substitutes for accessing the original articles," she says. "Perhaps news aggregators and writers could work together on a collaborative revenue model that will enable both to profit. For example, there can be a royalty payment scheme for limited access articles depending on the length of the snippets taken by the news aggregator, or where payment is prompted each time a user seeks to download or make a copy of the article extract without accessing the full article for a fee. The latter may be an equitable approach worth exploring since it is mostly the end user who benefits from both the news content produced by writers and the ease of search as facilitated by news aggregators."

"Publication of mere links which enable and facilitate access to the full text of the writer's work would appear not to involve breach of copyright law in Australia or trigger an obligation to pay any damages."

- Gregory Ross, partner, Eakin McCaffery Cox, Sydney

Whether or not news aggregators should pay writers royalties depends, in great part, on how much of the writer's work is replicated by the aggregators in the snippets and is somewhat complicated by the fact that often some writers prepare text with the aim of it being picked up and further disseminated by search engines, such as Google, says Gregory Ross, a partner at Eakin McCaffery Cox in Sydney. "Publication of mere links which enable and facilitate access to the full text of the writer's work would appear not to involve breach of copyright law in Australia or trigger an obligation to pay any damages. Nor would it appear to involve any breach of moral rights, where they exist under the law."

Where the snippet amounts to what copyright laws see as use of a substantial aspect of a work, the normal laws of copyright would appear relevant and should attract the usual remedies, says Christina Cavallaro, an associate at Eakin McCaffery Cox. "However, in the absence of agreement or legislative mandate, the idea of the so-called royalty in this question is problematic, as that would ordinarily require express agreement on a royalty rate and on what

"Section 2 provides that words in the singular include the plural and words in the plural include the singular unless there is something in the subject or context inconsistent with such construction or unless it is therein otherwise expressly provided."

- Dedar Singh Gill, managing director, Drew & Napier, Singapore

CHANDER LALL
SENIOR PARTNER

BITIKA SHARMA
PARTNER

SUDEEP CHATTERJEE
PARTNER

TEJVEER SINGH BHATIA
PARTNER

SSL&S
SINGH & SINGH LALL & SETHI

MEMBERS

100

Member Law Firm

COUNTRIES

In addition to India the firm has strong international presence in SAARC countries

COMPETITIVE EDGE

IP power house with IP Litigation and filing and prosecution capability

Represent almost 90% of the Patent Litigation cases and 30% of the IP Litigation cases of the country

In-house Litigation Capability is the USP.

In-house developed IP Management Software equipped to handle all aspects of IP management, relationship management, and transparent billing practices

PRACTICE AREAS

Prosecution & litigation of matters related to Trademark, Copyright, Patent, Geographical Indicators, Designs, Telecom Law and Policy Making

INDUSTRY SECTORS

Pharmaceuticals, FMCG, Entertainment, IT, Beverages, Banking, Telecommunication, Cosmetics, fashion & others

Widely appreciated for quality services. Recipient of several national and international accolades and recognition in last one decade

RAGHAV MALIK
PARTNER

JYOTIDEEP KAUR
PARTNER

SAYA CHOUDHARY
PARTNER

TIA MALIK
PARTNER

ANJU KHANNA
PARTNER

OFFICE: D – 17, SOUTH EXTENSION – II, NEW DELHI - 110 049 INDIA

P: +91 11 4289 9999 F: +91 11 4289 9900 E: Info@IndiaIP.com W: www.IndiaIP.com

sort of 'publication' triggers the royalty. It is a complicated area of policy, commercial and legal."

Freedom of Panorama

The term "freedom of panorama" refers to the public's ability to take pictures of external objects such as buildings and distribute them without the permission of the buildings' architects. While this sounds completely reasonable nowadays, media attention in some jurisdictions has recently touched upon whether posting pictures of, let's say, the Musée du Louvre, on Facebook can be seen as an act of copyright infringement.

"Under traditional unfair competition, an act of causing confusion with another's goods by using signs identical or similar to the sign of another which is widely known constitutes unfair competition."

- Hana Choi, attorney, Cho & Partners, Seoul

In Singapore, Section 64 of the Copyright Act (Cap. 63) provides that the copyright in a building (or a model of a building) is not infringed by the making of "a painting, drawing, engraving or photograph" of the building or by the inclusion of the building (or model) in a cinematograph film or in a television broadcast. "Section 64 is silent on whether it is permissible to distribute copies of the photograph to the public, though," says Gabriel Ong, a senior associate at Drew & Napier in Singapore. "This may be contrasted with, say, Section 62(3) of the UK Copyright Designs and Patents Act 1988, which expressly provides that copyright in buildings is not infringed by the issue to the public, or communication to the public, of copies of a photograph of the building."

"Given the use of the singular (a… photograph), it is possible to argue that Section 64 permits the making of one photograph only. However, Section 2 of the Interpretation Act (Cap. 1) provides that words in the singular include the plural and words in the plural include the singular unless there is something in the subject or context inconsistent with such construction or unless it is therein otherwise expressly provided," says Dedar Singh Gill, managing director of Drew & Napier's IP department. "Therefore, the better argument is that Section 64 allows for the making of multiple copies of a photograph of a building."

In any case, 'freedom of panorama' is not an issue (at least insofar as buildings are concerned), he adds.

Homemade Cookies Are Legal – What about Movie Props?

Superhero movies have seen a renewed popularity in recent years. Of the top 10 highest grossing movies worldwide, three are of the superhero genre released within the last few years with combined total gross revenues of more than US$4 billion. More than half a dozen more are scheduled to be released in 2016, featuring reiterations of Batman, Superman, Captain America and others.

"With this ongoing trend and the emerging 3D printers at more affordable prices, there has been a rise in the unlicensed sale of handmade superhero costumes, especially online, where full-body replicas of suits worn by Iron Man can be bought with only one click of a button," says Kathryn Lee, an attorney at Cho & Partners in Seoul. "Costumes may be protected under the Copyright Act as a work of applied art – meaning a functional article with an artistic element – if the artistic element is original and can exist separate from the article itself. As for replicas of the type at issue, a strong argument can be made for protection as a copyright. For example, the Batsuit is more than a mere article of clothing, and devices such as the bat ears and the Bat logo across the chest are original elements which may be reproduced on other goods as well."

Even if a costume is not considered sufficiently original for copyright protection, it may be protected based on the Unfair Competition and Prevention Act. "Under traditional unfair competition, an act of causing confusion with another's goods by using signs identical or similar to the sign of another which is widely known in Korea as an indication of source constitutes unfair competition," says Hana Choi, an attorney at Cho & Partners.

"Statutory damages often allow authors and artists whose work would otherwise have little economic value to vindicate their rights against infringers."

- Margaret Esquenet, partner, Finnegan, Henderson, Farabow, Garrett & Dunner, Washington

"The applicability of this provision would be subject to the rights holders having merchandised the costumes or goods bearing their images which are recognized as an indication of source for the right holders. This should not be an issue for

many of the superhero costumes from the large franchises given the active merchandising activities; for one, Iron Man is widely merchandised through a large number of goods ranging from miniature figurines and cell phone cases to pencils and key chains showing the character's armour, and it would be difficult to argue that they would not be recognized as an indication of source in Korea," she says.

"Increased statutory damages in Indonesian copyright law is a promising step in the right direction to protect not only MNCs but also local artists and the domestic creative economy."

- Prudence Jahja, senior associate, Januar Jahja & Partners, Jakarta

The catch-all provision of South Korea's Unfair Competition and Prevention Act is another ground available to the right holder. Under the catch-all provision, the sale of replica costumes may constitute unfair competition if it infringes on another's economic interest by using in business without permission that person's achievement, which was the result of significant investment or efforts, in a manner which goes against fair trade practice or competitive order," Choi says. "The catch-all provision took effect in 2014 and was codified based on two Supreme Court decisions. In one decision, the Supreme Court decided that the sale of Hello Kitty dolls sold dressed in costumes identical to the ones worn by the characters of a Korean drama constitute a tort under the Civil Code. As the language in the decision is essentially identical to that in the catch-all provision, it is highly likely that the sale of replica costumes would be found to constitute unfair competition under the catch-all provision. Especially of note is that the copyright and traditional

unfair competition claims were not recognized in the Hello Kitty case, suggesting a wider scope of protection based on the catch-all provision."

Yield

When users of copyrighted works misstep in exercising their right to remix music and tinker with cars, should copyright owners, especially multinational corporations, take a step back and not ask for statutory damages?

Statutory damages in copyright infringement have been questioned from time to time in the United States, says Naoki Yoshida, a partner at Finnegan, Henderson, Farabow, Garrett & Dunner in Tokyo. "Before criticizing the current state of the law, one needs to understand that there may be cases in which actual damages cannot adequately compensate for copyright infringing acts. Statutory damages in the US are there, in part, to compensate copyright holders when it is difficult to prove or determine the actual damages they suffered."

In fact, statutory damages amounts are appropriate. "As an initial matter, although statutory damages can be asserted by any copyright owner who has complied with the required formalities, they often allow authors and artists whose work would otherwise have little economic value to vindicate their rights against infringers," says Margaret Esquenet, a partner at Finnegan, Henderson, Farabow, Garrett & Dunner in Washington. "Even in cases where the rights owner is a large entity, it is unusual that suit is brought against the private use of a work by a single person; rather, cases are brought more often against public or commercial uses of the work. Moreover, while US statutory damages for copyright infringement can be as much as US$150,000 per work infringed, there are several safe guards that prevent the use of statutory damages to inflict financial ruin where no harm is suffered – the US$150,000 maximum can only be assessed against a willful infringer. A non-willful infringer's liability is at most US$30,000. And, innocent infringers can be assessed as little as US$750 in statutory damages."

Additionally, Esquenet says, courts routinely consider the actual damage suffered by the rights owner when determining the statutory damages award, so if a rights owner cannot establish any harm, the award will likely be low. "Accordingly, I do not believe that there is a need to reduce the available statutory damages amounts."

In jurisdictions with ineffective enforcement and poor awareness of IP rights, it is even more important to not only maintain but increase the statutory damages amounts.

Although the new Indonesian copyright law passed in 2014 has increased statutory damages, the amounts are still low compared to other jurisdictions, says Prudence Jahja, a senior associate at Januar Jahja & Partners in Jakarta. "Nevertheless, it is a promising step in the right direction to protect not only MNCs but also local artists and the domestic creative economy."

Rumour Has It – The Hong Kong Government Can Soon Bypass Copyright Owners To Sue

Many Hong Kong people are concerned that the city's latest Copyright Bill can allow the government to prosecute anybody for infringement even if the rights holder is not willing to do so, but is that worry legitimate?

In short, the answer is no, says Brenda Lui, a senior associate at Hogan Lovells in Hong Kong. "The Copyright (Amendment) Bill 2014 proposes to introduce a number of changes to the existing copyright law in Hong Kong, among them a new communication right and corresponding criminal sanctions. The bill does not however propose any change which would enable the government to prosecute for copyright infringement without the support of the relevant rights holder."

To establish an offence in relation to the making of or dealing in copyright infringing works under the current Copyright Ordinance (Cap. 528), the following must be proven by the prosecution beyond reasonable doubt, Lui says: (1) copyright subsists in the work in question; (2) who the copyright owner is; and (3) that the defendant has, without the licence/consent of the copyright owner, made or dealt in infringing copies of the copyright work in a way which is prohibited under the legislation.

Proof of the above matters requires the copyright owner's involvement, Lui adds. "Copyright subsistence and ownership is proven by way of an affidavit filed by or on behalf of the copyright owner (known as a Section 121 affidavit) or by testimony given at trial by the copyright owner or its representative. Likewise, proof that the intended defendant was not authorized to make or deal in infringing copies must be submitted by the copyright owner or its representative."

The Hong Kong Customs and Excise Department is responsible for the enforcement of the criminal offence provisions under the Copyright Ordinance. "In practice, the HKC&E will contact the relevant copyright owner before commencing its investigations into allegations of copyright infringement," says Cathy Yuen, trainee solicitor at Hogan Lovells in Hong Kong. "If the copyright owner is unwilling or unable to provide evidence on copyright subsistence and ownership and confirm that the intended defendant had acted without the requisite consent, the HKC&E will not investigate the matter further and will not refer the case to the Department of Justice to initiate the prosecution process. Without the relevant copyright owner's support, there would be no basis for prosecution of an infringement offence. This is the position under the current copyright legislation, and remains unchanged even if the bill is passed and comes into effect."

IP owners, both private individuals and corporations, cannot really afford the time or money for enforcement in civil proceedings, let alone doing so often, Ross says. "Meanwhile, governments of sovereign bodies would necessarily have to consider, from time to time, having a broader armoury of tools to handle IP breach, including the use of criminal sanctions in the interests of maintaining a degree of comity among nations and proper respect for the law, particularly in surveillance concerns the support of open and honest commerce which should not be prejudiced by 'counterfeiters' and the like."

In Australia, the government has, from time to time, in a commercial context used enforceable undertakings and civil penalties [where a lesser standard of proof is relevant than for criminal penalties] to reinforce compliance with the law, Cavallaro says. "In Australian parlance, hitting the hip pocket nerve can be seen as an effective enforcement mechanism. This is, of course, in addition to the existing criminal provisions, which are available in certain circumstances in addition to the ability of copyright owners to take their own actions." AIP

Will copyright restrictions stifle free speech?