Chapter- IV

NATURE OF AUTHOR’S RIGHTS PROTECTED UNDER COPYRIGHT LAW- ITS IMPLICATIONS IN DIGITAL MEDIA
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4.1 Nature of Rights Granted to the Copyright Owner

Copyright is a property right granted to an author of a work by the statute. The copyright law confers copyright owner with various rights which are referred to as exclusive rights. The nature of rights exercisable by the owner has expanded over the period of time involving development in technologies. The invention of press provided the right to print and reprint, which extended to copy in any other forms or dimension; musical and dramatic works in reproduction extending to communication to the public; the right to adaptation extended to right of translation and conversion of any literary and musical work into any other form. Broadcasting and communication rights to the public extended over period of time. Similarly, right of distribution, renting and lending copies has been additions to copyright owner's long list of rights. These exclusive rights, if exercisable by any third party must be with the consent of the copyright owner. However, there are certain rights which the copyright owner cannot have control over his work, e.g. a purchaser of a book cannot be restrained from reading or reselling the book (referred to as “First Sale Doctrine”). Similarly, in the internet, he has no control in browsing and reading the copyright material in question by any user.

Owner can use this right for his economic benefits, by either selling or licencing the work. Any of these rights granted to the owner can be carried out by a third person only with permission. Any person carries out or authorises any other person to carry out the activities in which the copyright owner has exclusive rights will be liable for infringement, if it is without authorisation. These rights are restricted rights for the third party. Unless, he can prove that permission has been taken or his work falls under any of the defences available under the statute, that person shall be liable for infringement. It is to be noted that, the rights granted to copyright owners vary depending on the nature of the work which is protected. Hence, there has to be an assignment or licencing right for a third person to utilise the work of the owner of copyright.

1 See Bentley and B. Sherman, Intellectual Property Law, 2nd ed. Oxford University Press, p 130
In India, Section 14 of Copyright Act, 1957 provides the exclusive right which are conferred on the owner of copyright. These exclusive rights as applicable to Indian context will be referred in detail in Chapter VII by the researcher. Section 106\(^2\) of the United States Copyright Act, 1976 (herein after referred as USCA) and in United Kingdom, Section 16 to 21 of United Kingdom Copyright Design and Patent Act, 1988 (hereinafter referred as CDPA) provides for the nature of rights entitling the author with the exclusive rights, which are put into tabular form for convenience which are as follows:\(^3\)

**Nature of Rights Protected in India, U.S and U.K**

<table>
<thead>
<tr>
<th>India</th>
<th>United States</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>To reproduce the work in any material form (Reproduction Right) (includes the storing of it in any medium by electronic means)</td>
<td>To reproduce</td>
<td>Right to Reproduction-Copy the work</td>
</tr>
<tr>
<td>To make any adaptation of the work (Adaptation Right)</td>
<td>To prepare derivative works (adaptation right)</td>
<td>Right to Adaptation-Make an adaptation of the work or do any of the above acts in relation to an adaptation</td>
</tr>
<tr>
<td>To issue copies of the work to the public (Distribution Right)</td>
<td>To distribute</td>
<td>Right to Distribution-Issue copies of the work to the public</td>
</tr>
</tbody>
</table>

\(^2\) USCA, Section 106- Exclusive rights in copyrighted works- Subject to Sections 107 through 122 (which deals with fair use), the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

1. to reproduce the copyrighted work in copies or phonorecords;
2. to prepare derivative works based upon the copyrighted work;
3. to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
4. in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
5. in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
6. in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

\(^3\) CDPA, Section 16
<table>
<thead>
<tr>
<th>To perform the work in public, (Public Performance Right)</th>
<th>To perform and</th>
<th>Right to Public Performance- Perform, show, or play the work in public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicate the work to the public (Communication Right)</td>
<td>To communicate</td>
<td>Right Communicate the work to the public</td>
</tr>
<tr>
<td>In the case of a computer program (Rental Rights)-sell or give on commercial rental or offer for sale or for commercial rental any copy</td>
<td>Rental Rights</td>
<td>Right to Rental and Lending to the Public</td>
</tr>
</tbody>
</table>

The above exclusive rights include authorising others to carry out any of the above activities.

4.2 Reproduction Right

Reproduction means copying. Courts have been treating the two words assigning similar meaning and used interchangeably. Copying and reproduction are interpreted by courts synonymously. Reproduction may mean:

- the action of repeating in a copy or a copy,
- a copy, “a representation in some form or by some means of the essential features of a thing” and
- the action of bringing into existence again

Reproduction can refer to, the action of making a copy or the copy itself and use of the copy to render the original perceptible. In copyright context the word copy may have two connotations (a) a transcription or duplicate of an initial manifestation or setting down and (b) an individual example of a printed edition, etc. Reproduction as an act may be straight literal as where the very words of the author are taken from a literary or dramatic work. Encoded literal where the very words are taken but are then encoded (e.g. by rendering into a digital sequence) or “non-literal” where the essential features of the work is taken (e.g. the elaborated

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4 Meaning and quotation from OED; a copyright holder’s exclusive right to make copies or phonorecords of the protected work, unauthorised copying constitutes infringement also termed as right of reproduction (Cases: Copyright and Intellectual Property C.J.S.,) cited at Black’s Law Dictionary; copy- an imitation or reproduction of an original.

5 cited at J.A.J. Sterling, World Copyright Law, 2nd ed. Sweet & Maxwell, 2003, p 179

6 Ibid p 181
plot of a play). The Rome Convention defines “reproduction” which means the making of a copy or copies of a fixation.7 International Conventions refer to “reproduction right” as making copies or duplicates of protected material.8 The Berne Convention for e.g. provides authors of literary and artistic works shall have the exclusive right of authorising the reproduction of these works, in any manner or form.

Reproduction includes any copying of the work which may be considered as an infringement of copyright. However, if the work was a result of independent creation from an author or compiler culminating in substantially similar work without copying will not amount to copying. A sufficient copying should occur in order to identify an infringement for reproduction.9 Any third person copying or reproducing a work of an author will be liable for infringement of copyright. The word reproduction however does not require exact or precise copying.10 In British Northrop v Texteam Blackburn11 it was held:

“Reproduction is not confined to a copy of complete precision; the word ‘reproduction’ in its normal use does not carry any necessary implication of exactitude of likeness between that which is reproduced and the reproduction itself. Not every reproduction is a perfect reproduction. It may well be that there must be a high degree of similarity before one thing can be said to be ‘reproduction’ of another; but minor or trivial differences will not prevent one work from being a ‘reproduction’ of another. It may be that ‘reproduction’ has much the same meaning as ‘copy’ and that it suffices for a reproduction’ if it makes a substantial use of the features of the original work in which copyright subsists.”

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7 Article 3 (e)
8 See Berne Convention, Article 9, Universal Copyright Convention IV bis, TRIPS Agreement Article 14, WIPO Copyright Treaty, Article 1(4) and WIPO Performances and Phonograms Treaty Article 7, 11, 15, cited at Supra n. 5, p 1017. Researcher will refer the exclusive rights granted under International context in Chapter VI
9 Ladbroke (Football) Ltd v William Hill (Football) Ltd (1964) 1 All E R 465
10 Copy in legal sense the transcript of an original writing; reproduction of something; a writing like another writing; that which comes so near to the original as to give to every person seeing it the idea created by the original; a reproduction or limitation, as of a writing, printing, drawing, painting or other work of art, so as to have reproduction, or one of a set or number of reproductions containing the same matter or having the same form or appearance; carbon copy of type written document; an individual book, as a copy of a Bible; a single book or sets of books, or a sheet or sets of books, containing a composition resembling the original. Webster Dictionary,” an imitation or reproduction of an original. An individual example of a manuscript or print; a transcript or reproduction of an original work; to make a copy or copies of; to write, print, engrave or paint after an original.
11 (1974) RPC 57 at p 72
A copyright owner is entitled to reproduction right which entitles him to restrict others from copying his work. Looking back to history, this right has been conferred throughout by the copyright statutes in all the countries. According to the Berne Convention authors of literary and artistic works shall have the exclusive right of authorising the reproduction of these works, in any manner or form. In the case of reproduction it involves the action of repeating in a copy, i.e. a representation in some form or by some means of the essential features of a thing and the action of bringing into existence again. Thus, a reproduction should be in a material form. Reproduction in hard copy, a tape, disc, chip etc, is the material form and in the electronic form whether transient or retained is said to be in the material form. Hence, when one is a mirror image of another where one has been used to produce another there is a presence of reproduction. For e.g. printed page being photocopied or a tape recorded work is transmitted into another tape are said to be reproduction of the original work. It will be copying in case of encoded literal reproduction of the text of the original, is transliterated into another or into a sign language according to a predetermined system which happens in a computer program. And the other is non-literal reproduction where there is a representation in some form or by some means of the essential features of a thing. Where such ‘essential feature’ representation is not literal it may be classed as non-literal, the so called “look and feel” of a computer program is said to be non-literal work.

One essential feature of this exclusive right is that, copyright will be said to be infringed only when there has been copying of the original work. Though, the word used in the statute is ‘copies’ or phonorecords’ it will include not only many of copies but even a single copy will suffice. So even making a single unauthorised copy is prohibited. If a work though substantially similar, minus copying, will have a copyright of its own if that work is independently created. In Sony Corporation v Universal City Studios Inc it was held, that copyright owner has never been accorded the complete protection or control over all possible uses

12 Article 9
13 Supra n. 5, p 179
14 Sony Corporation v City Studios Inc, 464 U.S. 417, 104 S. Ct. 774 (1984) (except where three copies or phonorecords of an unpublished work to be duplicated by the libraries use upon fulfilment of certain conditions)
15 Ibid
of his work. Hence, not every unauthorised use of a work will amount to an infringement even assuming that a work emanated from a copyright work. Hence, if the person alleged to have copied has taken such work from a common source rather than from the work of the first author, it will not amount to an infringement even if the alleged work may be similar. If both the work has been copied from a common source there is no infringement of the first author’s right. If it is copied not from the common source but from the work of the first author, then infringement occurs. Copying un-protectable elements of a copyright work, (the works copied are those elements that are not protected) will not constitute an infringement. However, de minimis copying will not amount to infringement. Nimmer says that de minimis copying represents simply the converse of substantial similarity. In Davis v The Gap Inc Judge Leval said that:

“Parents in Central Park photograph their children perched on Jose de Creeft’s Alice in Wonderland sculpture. We record programs aired while we are out, so as to watch them at a more convenient hour. Waiters at a restaurant sing “Happy Birthday” at a patron’s table. When we do such things, it is not that we breaking the law but unlikely to be sued given the cost of litigation. Because of the de minimis doctrine, in trivial instances of copying, we are in fact not breaking the law. If a copyright owner were to sue the makers of trivial copies, judgment would be for the defendants. The case would be dismissed because trivial copying is not infringement.

However, Copying from one medium to another medium will amount to an infringement. In Sheldon v Metro-Goldwyn Pictures Corp where a motion picture

16 Allegrini De Angelis, 59 F. Supp. 248 (E.D. Pa 1944)
18 Copyrightable, copyrighted- these terms of the U.S copyright system have as their background the registration procedures of that system. A work is “copyrightable” if the U.S Copyright Office will register it, and is “copyrighted” if it has been so registered. Formalities such as registration are not permitted as requisites for copyright protection under the Berne Convention. It is, therefore, unsurprising and to a certain extent misleading to use the terms “copyrightable” and Copyrighted in relation to protection under other national laws (including India) or the Convention. In general context, the use of “copyright” as an adjective “copyright work” or the terms “protectable” or “protected by copyright” is to be preferred. Supra n. 5, p 995
21 246 F.3d. 1267, 1275 (2nd Cir. 2001)
22 Cited at Supra n. 20, p 8-29
23 81 F.2d 49 (2nd Cir), Cert denied 298 U.S 669, 56 S. Ct. 835, 80 L. Ed 1390 (1936)
was copied from a play was held to be an infringement of copyright. So is the case where it is copied from a novel, sketch copied from a photograph or doll copied from a cartoon. Even in case, where the medium of copying is the same as that of the original work will in all possibility be an infringement, like it being a facsimile reproduction, or it is duplicated, transcribed, imitated or simulated.

The USCA provides that, a work is fixed only when its embodiment in a copy or phonorecord, by or under the authority of the author is sufficiently permanent or stable to permit it to be perceived reproduced or otherwise communicated for a period of more than transitory duration. National Commission on New Technological Uses of Copyrighted Works (hereinafter CONTU) clearly suggested that the placement of any copyright work into a computer is the preparation of a copy and therefore a potential infringement of copyright. Thus, it is applicable to machine readable versions of works within the computer context.

The U.S. later enacted Computer Software Copyright Act, 1980 implementing the CONTU Report. So loading of software into a computer implicates the copyright owner’s rights (exempted from liability under specified circumstances) and henceforth computer input constitutes the making of a copy.

In *Stenograph LLC v Bossard Associates Inc* the court quoting Nimmer held that “if someone loads validly copyright software onto his or her own computer without the owner’s permission and then uses the software for the principal purposes for which it was designed, there can be no real doubt that the protected elements of the software have been copied and the copyright infringement occurs.” Thus an input of a work into a computer results in the making of a copy and hence that such unauthorised input infringes the copyright owner’s reproduction right. The reproduction rights are said to be infringed even by simple loading of copyright material from a hard disk or other relatively

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24 Filmvideo Releasing Corp. v Hastings, 426 F. Supp 690 (S.D.N.Y 1976)
26 Fleischer Studios Inc v Freundlich Inc., 73 F.2d 276 (2nd Cir 1934)
28 CONTU Final Report pp-12-13
29 144 F. 3d 96
30 BellSouth Advertising & Publishing Corp. v Donnelley Info Pub Inc., 933 F. 2d 952, 958 (11th Cir, 1991)
permanent form in which the work may be stored into RAM for manipulation by its central processing unit (CPU).  

In *MAI Sys Corp v Peak Computer Inc.* it was held that a silicon chip upon which a copyright computer program is imprinted is itself a copy of that program and the direct duplication of the chip constitutes an infringement of the reproduction right. The 9th Circuit Court held, when there was more than momentary as to fixation and it sufficed to permit a user to view the system error log and diagnose the problem with the computer. RAM may be capable of being “left on for extended period of time, say months or years” and that loading a romantic novel into a stable RAM copy implicates the copyright owner’s rights. In another case involving MIA it was held that RAM copies are not simply transient and hence applies when RAM loaded for minutes or longer. However, in *Cartoon Network LLP v CSC Holdings Inc.* it was held that a data resident in buffer for no more than 1.2 seconds failed to satisfy the duration requirement.

In *Atari Games v Nintendo*, relating to reverse engineering in a computer program, it was contended that disassembling object code into source code for the purposes of analysing its content should be beyond infringement liability. However, it has been held, even if it is intermediate copy it will still amount to copying. Thus reverse engineering may satisfy the elements of a copyright infringement unless it is claimed under appropriate circumstances as a fair use of such work.

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31 *MAI Sys Corp v Peak Computer Inc.* 991 F.2d 511, 518-519 (9th Cir. 1993) The RAM should be distinguished from read-only memory (ROM) which more closely resembles a permanent form of storage than it does the volatile RAM.
32 991 F.2d 511, 518-519 (9th Cir. 1993)
35 536 F.3d 121 (2nd Cir. 2008)
36 975 F.2d 832 (Fed Cir. 1992)
37 see *Meridian Project Sys Inc v Hardin Const. Co.* 426 F. Supp. 2d 1101 (E. D. Cal. 2006) the case involved an email with thirty pages copied by defendant, the copying was claimed as fair use which was upheld by the court under affirmative defences
In Ticketmaster LLC v RMG Techs., Inc., it was complained that RMG entered its copyright website allowing RMG to purchase massive amounts of tickets for sale which was in violation of terms and conditions. It wanted a direction that RMG’s Ticket Broker Acquisition Tool (TBAT) a bot used to effectuate expedited ticket purchases which however did not have evidence that RMG had visited its website. The site in question formatted to showcase banner ads, logos and navigational choices, genre tabs and the option of refining user result by zip code, genre, or time-frame. Yet the majority of the screen was taken up by particular events arranged chronologically. Even though over eighty percent of a given screen may simply consist of non protectable ticket offerings the other refinements just described sufficed to attract copyright protection, given the low level of creativity requisite for these purposes. The facts argued could not support any inference that RMG lingered for a period of more than transitory duration on anything subject to copyright protection. Holding RMG were not liable for infringement said that RMG though indirectly responsible for acts of its own clients for direct infringement, but identical logic showed that it was deficient to prove that RMG had copied the expressive elements of its website also doomed its claims that RMG’s clients engaged in that same copying. The fact was that RMG discarded any protectable expression as soon as it could, given that its only interest was in purchasing tickets an activity that does not implicate its copyrights. The chronological listings which RMG sought to take were not protectable as alphabetical listings of names and phone numbers, labouriously compiled stand outside copyright protection. It seemed that RMG copied solely for the purpose of achieving interoperability between its TBAT browser and plaintiff’s website. Even if that was the case, the reverse engineering would make the use a fair use and a valid defence. At the most the court could have enjoined RMG from

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38 207 F. Supp 2d 1096 (C. D. Cal. 2007)
39 A program that performs some task on a network, especially a task that is repetitive or time consuming; On the internet, a program that performs a repetitive or time consuming task, such as searching Web sites and newsgroups for information and indexing them in a database or other record keeping system called spiders; automatically posting one or more articles to multiple newsgroups (often used in spamming and called spambots or keeping IRC channels open. Short for robot - Also called internet robot. Anil Madaan & Davinder Singh Minhas, Dreamland’s Illustrated Computer Encyclopedia (An ultimate Book on Computer Terminology), Dreamland Publications, New Delhi, 2001
40 Supra n. 20, p 8-133-134
41 Ibid P 8-134

194
engaging in future testing of its TBAT browser for that purpose. It would have been difficult to prove an essential ingredient of liability under MAI Systems Corp. v Peak Computer, Inc., that the RAM copy be present for more than a period of transitory duration. Therefore, even if RMG did momentarily copy expressive elements of ticketmaster.com, it would avoid copyright liability by immediately excising those elements.

Other than the issue of input of a work into a computer will be an act of infringement, the question of whether retrieval from RAM, i.e. an output is actionable or not has to be answered. Retrieval of the work from the computer in a tangible form in the form of printout would clearly constitute an infringement of copyright. Hence, if an input of a copyright work is copied to an extent onto a computer database licenced may not infringe, but allowing any other parties to call up or printout the subject material may derogate the copyright owner’s rights. However, it is suggested by Nimmer that, the extent the printout is of such a fragmented nature as not to be substantially similar to the work allegedly infringed and will not afford meaningful protection.

There are two exemptions which may be referred as under. First exemption is a direct result of the recommendations of CONTU on input of the computer program, which is stated in the following words:

"Because the placement of a work into a computer is the preparation of a copy, the law should provide that persons in rightful possession of copies of programs be able to use them freely without fear of exposure to copyright liability. Obviously, creators, lessors, licensors, and vendors of copies of programs intend that they be used by their customers, so that rightful users would but rarely need a legal shield against potential copyright problems. It is easy to imagine, however, a situation in which the copyright owner might desire, for good reason or none at all, to force a lawful owner or possessor of a copy to stop using a particular program. One who rightfully possesses a copy of a program, therefore, should be provided with a legal right to copy it to that extent which will permit its use by that possessor. This would include the right to load it into a computer and to prepare archival

42 To obtain a specific requested item or set of data by locating it and returning it to a program or to the user. Computers can retrieve information from any source of storage disks, or memory. Supra n. 39
43 Williams & Wilkins Co. v U.S, 420 U S 376
44 Brode v Tax Management Inc. 14 U.S.P.Q,2d 1195, 1199-1200 (N. D. Ill, 1990)
45 Supra n. 20, P 8-134.2
copies of it to guard against destruction or damage by mechanical or
electrical failure. But this permission would not extend to other copies
of the program."\textsuperscript{46}

Thus, the Computer Software Copyright Act, 1980 in the U.S made
provision that "it is not an infringement of copyright for the owner of a copy of a
computer program to make or authorise the making of another copy or adaptation
of that computer program provided that such a new copy or adaptation is created as
an essential step in the utilisation of the computer program in conjunction with a
machine and that it is used in no other manner..."\textsuperscript{47} This privilege is given to the
owner and user of a computer owning a rightful copy of a computer program
which is copyright and makes reproduction for use in his own computer for his
own personal or internal use and such privileged reproduction must be destroyed
when the purchased copy of the computer program is resold.\textsuperscript{48} In \textit{Apple Computer
v Formula Intl Inc}\textsuperscript{49} it was held that defendant had exceeded this privilege in
making a copy of Apple's program which copy was made from an authorised copy
(purchased by them) for use in their computer. The reasoning of the court in
coming to this conclusion was, such specially made copy and the computer for
which it was made were offered for sale to the public and were not for defendant's
internal use which constituted an infringement. The essential step in the utilisation
of the computer program in conjunction with a machine protects the owner-user
without incurring liability when he/she loads computer program onto the hard
drive marketed on floppies or on discs. Such copies can only be made incidental to
the rightful possessor's personal use of the software, not to infringe it.

\textsuperscript{46} CONTU Report p 13
\textsuperscript{47} Section 117 (a)(1) In \textit{Compaq computer Corp v Procom Tech Inc} 908 F. Supp. 1409, 1424 (S.D. Tex 1995) it was held it is no defence to copy or adapt matters other than a computer program. In \textit{Vault Corp. v Quaid Software Ltd.} 847 F.2d. 255, 261 (5th Cir. 1988) rejected the plaintiff argument that "in no other manner" meant that a program could only be input "its intended purpose" rather than for the purpose of devising a way to manipulate its code for defendants benefit.
\textsuperscript{48} Supra n. 20, p 8-134.4
\textsuperscript{49} 594 F. Supp 617 (C. D. Cal. 1984) Similarly, in \textit{Allen Myland v International Business Machs Corp} 746 F. Supp. 520, 536-537 (E.D. Pa 1990) the use of IBM microcode was not permitted to be used under this privilege. \textit{Expediters Intern of Washington Inc. v Direct Line Cargo Mgt. Servs Inc.}, 995 F. Supp. 468 (D.N.J 1998) held that 'internal use' limitation precluded the defendants using computer program for its intended function from transmitting bills generated by the subject software to third parties. Cited at Supra n. 20, p 8-134.4

196
In *Krause v Titleserv, Inc.*\(^{50}\) Titleserv modified Krause’s copyright software to advance its business interests. It was found that Titleserv’s modification of Krause’s programs was an essential step in the utilisation of Plaintiff’s program in conjunction with defendant’s machines. Krause objected because a sister company of Titleserv, New York Settlement Corp., used the modifications to one of the programs, the modifications were not essential to Titleserv. Held, Titleserv did not share the programs with these banks, e.g., it did not allow the banks to copy the source codes of these programs. Defendants merely allowed the two banks “dial-up”\(^{51}\) access to view client records on Titleserv’s computer systems, and only for a period of one year. The court held that, this was not a prohibited use of the programs that would place defendants outside the ambit of Section 117’s affirmative defence. It simply increased the versatility of the programs by allowing them to report on Titleserv’s transactions with its clients either at the direction of Titleserv personnel or of the client. This constitutes a use in the same manner with the benefit of an adaptation increasing versatility.\(^{52}\)

In *Wall Data Inc v Los Angeles County Sheriffs Dept.*\(^{53}\) the Los Angeles County Sheriff’s Department (ACSD) purchased 3,663 licences to Wall Data’s computer software but installed the software onto 6,007 computers. The question was whether the ACSD conduct constituted copyright infringement. Although the software was installed onto 6,007 computers, the computers were configured in such a way that, the total number of workstations able to access the installed software did not exceed the total number of licences the ACSD purchased. At first, the ACSD installed RUMBA Office\(^{54}\) manually, one computer at a time, onto approximately 750 computers in the ACSD new detention facility, the Twin Towers Correctional Facility (“Twin Towers”). The ACSD soon realised that this process was too time consuming and would delay opening the Twin Towers. In

\(^{50}\) 289 F. Supp. 2d 316 (E.D.N.Y. 2003)

\(^{51}\) Of pertaining to, or being a connection that uses the public switched telephone network rather than a dedicated circuit or some other type of private network. Supra n 39

\(^{52}\) Supra n. 20, P 8-136

\(^{53}\) 447 F.3d. 769 (9th Cir. 2006)

\(^{54}\) A family of PC-to host connectivity programs from Wall Data Inc., Krikland, WA, (www.walldata.com), On desktop computers connected to minis and mainframes RUMBA provides windows that emulates a terminal session with these hosts. RUMBA supports Windows and OS/2 clients connected to IBM mainframes, AS/400s, VAXes and other hosts via coax, adapters, twinax cards or the network. Supra n. 39

197
addition, it was not clear where those employees who would need to use RUMBA programs would be assigned to work. To speed up the process of installation and to ensure that employees would be able to use the RUMBA software regardless of where they were assigned, the ACSD decided to install a "baseline" of software applications onto the hard drives of the remaining computers in its new detention facility. This was done by simultaneously copying the entire contents of a single "master" hard drive containing the baseline of software applications onto the hard drives of other computers. This method is known as "hard disk imaging," and saved the ACSD from having to install the software manually onto each computer.

By the time the ACSD finished hard disk imaging in mid-2001, RUMBA Office was loaded onto 6,007 computers in the Twin Towers, far in excess of the 3,663 RUMBA licences the ACSD had purchased. Wall Data claimed that the ACSD violated the terms of its licences. Holding that, ACSD conduct failed to qualify the legal privilege which was for "an essential step" and not as a matter of convenience. The ACSD should have limited to number to the licences which it had bought. It was held that, as it was done to save time and preserve flexibility and was not an essential or necessity would be liable for damages in infringement of copyright.

The "essential step" privilege is applicable to the owner of a copy of a computer program and obviously not to the author of the computer software. The author does not require exemption to go for any acts of reproduction. There must be distinction between the ownership of a tangible copy and copyright ownership of the work embodied therein. Thus, when the copyright owner of a computer program sells his work to consumers, they become mere holders of the work or licencees. However, as owners of the copy of a computer program they are entitled to get the privilege as discussed above and to assign that copy to a third party. It is true that the owner of a copy of a computer program will have complete title over the work. Even assuming that all rights, title and interest in the computer program are transferred it still may constitute an ownership in the program thus parting only the physical ownership. Thus, it depends on the contract as to who owns the program. If the parties intent to convey the right over the program perpetually in exchange of a full consideration a sale taking place which indicates there is a
transfer of ownership in the program itself. Hence, this distinction between physical and intangible ownership must be taken into consideration while deciding the actual ownership of the work in question.

Referring again to *Krause v Titleserv, Inc*\(^{55}\) where Titleserv had paid substantial amount to Krause in developing the programs which was customised for Titleserv’s operations. Titleserv stored the copies on their server. It was agreed that Krause will have no right to repossess the copies and Titleserv had the right to continue to possess and use it for unlimited time. It was free for Titleserv to use, discard or destroy the copies at its will. It was held, that Titleserv would own the copy and acquired full rights over the work. In, *Stuart Weitzman, LLC (SW) v MicroComputer Res. Inc. (MCR)*\(^{56}\), SW paid huge amount of consideration and customised software from MCR in designing and manufacturing high end shoes for women. After some year MCR claimed that SW owned the copy of the software which was used and loaded on SW computer. The court held that, SW had owned the work under Section 117 as owner of the copy of the software physically present on SW’s system. Though, MCR had retained ownership of the copyright to the software, SW were not mere licencee’s and summary judgment was granted to SW.

Section 117 of the USCA\(^{57}\) provides for exemptions while granting right not only to “make another copy” of the computer program, but also “authorise the making of another such copy.” Hence, a licensee of a program owning a diskette in which such software is embodied may rely on a third party, to engage in the acts of copying.\(^{58}\)

\(^{55}\) 289 F. Supp. 2d 316 (E.D.N.Y. 2003)
\(^{56}\) 510 F. Supp. 2d 1908 (S.D. Fla. 2007)
\(^{57}\) USCA, Section 117 Limitations on exclusive rights: Computer programs
(a) Making of Additional Copy or Adaptation by Owner of Copy-
Notwithstanding the provisions of section 106, it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy or adaptation of that computer program provided:
(1) that such a new copy or adaptation is created as an essential step in the utilization of the computer program in conjunction with a machine and that it is used in no other manner, or
(2) that such new copy or adaptation is for archival purposes only and that all archival copies are destroyed in the event that continued possession of the computer program should cease to be rightful
\(^{58}\) *Hogan Systems Inc v Cybersource Intern Inc.*, 158 F.3d 319, 324 (5th Cir. 1998) Citing Nimmer, Supra n. 20, p 8-142.1, the owner of a magazine printout of computer program is not permitted, by
Another exemption provided is with reference to an adaptation so prepared which contains more than de minimis aspects, such that it qualifies as a derivative work. “Although any tangible adaptation cannot be transferred without the consent of the owner of the computer program, rights under copyright are distinct from such rights in material objects. Therefore even after destruction of the sole vessel that contained it, copyright ownership over the derivative work remains in the former owner of the computer program.” The CONTU Report explains the justification for the exemption from liability when a copy is made by reason of program input.

“Because of a lack of complete standardization among programming languages and hardware in the computer industry, one who rightfully acquires a copy of a program frequently cannot use it without adapting it to that limited extent which will allow its use in the possessor’s computer. The copyright law, which grants to copyright proprietors the exclusive right to prepare translations, transformations, and adaptations of their work, should no more prevent such use than it should prevent rightful possessors from loading programs into their computers. Thus, a right to make those changes necessary to enable the use for which it was both sold and purchased should be provided. The conversion of a program from one higher-level language to another to facilitate use would fall within this right, as would the right to add features to the program that were not present at the time of rightful acquisition. These rights would necessarily be more private in nature than the right to load a program by copying it and could only be exercised so long as they did not harm the interests of the copyright proprietor. Unlike the exact copies authorized as described above, this right of adaptation could not be conveyed to others along with the licensed or owned program without the express authorization of the owner of the copyright in the original work. Preparation of adaptations could not, of course, deprive the original proprietor of copyright in the underlying work. The adaptor could not vend the adapted program, under the proposed revision of the new law, nor could it be sold as the original without the author’s permission. Again, it is likely that many transactions involving copies of programs are entered into with full awareness that users will modify their copies to suit their own needs, and this should be reflected in the law. The comparison of this practice to extensive marginal note-taking in a book is appropriate: note-taking is arguably...
the creation of a derivative work, but unless the note-taker tries to copy and vend that work, the copyright owner is unlikely to be very concerned. Should proprietors feel strongly that they do not want rightful possessors of copies of their programs to prepare such adaptations, they could, of course, make such desires a contractual matter.60

Hence, an owner of a copy of a computer program is protected from the risk of infringement of both the reproduction and adaptation rights, insofar as the making of exact copies or adaptations of such program may be an essential step in the utilisation of the computer program in conjunction with a machine. In Apple computer Inc v Formula Int'l Inc,61 it was held, that an essential step means that the reproduction must be no more permanent than is reasonably necessary, so that the permanent recording of a program on a silicon chip rather than in a non permanent RAM exceeds Section 117 privilege.

In the U.K, one of the basic rights of a copyright owner's exclusive right is in preventing copying or reproduction of a work. The CDPA provides the definition of reproduction.62 This right exists to all kinds or categories of works. Two elements are to be proved by the owner of copyright to show copying or reproduction. Firstly, there must be sufficient degree of objective similarity between the two works that is the original work and copied work. Secondly, the work in which right is infringed is copied and there is a causal connection between the original and infringing work. It is also true that even taking a substantial part of the work will suffice copying and it need not be that the whole work should be

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60 CONTU Final Report pp 13-14
62 CDPA, 17 Infringement of copyright by copying
(1) The copying of the work is an act restricted by the copyright in every description of copyright work; and references in this Part to copying and copies shall be construed as follows.
(2) Copying in relation to a literary, dramatic, musical or artistic work means reproducing the work in any material form.
This includes storing the work in any medium by electronic means
(3) In relation to an artistic work copying includes the making of a copy in three dimensions of a two-dimensional work and the making of a copy in two dimensions of a three-dimensional work.
(4) Copying in relation to a film or broadcast includes making a photograph of the whole or any substantial part of any image forming part of the film or broadcast.
(5) Copying in relation to the typographical arrangement of a published edition means making a facsimile copy of the arrangement.
(6) Copying in relation to any description of work includes the making of copies which are transient or are incidental to some other use of the work.
copied. The decision as to whether it will be a reproduction in a material form depends upon the nature of the work, the work which has been copied or reproduced by the third party. If it is so, the third party may have to face an infringement action.

The copyright in different categories of work are expressed in different form and similarly copying also is expressed in different ways. However, the underlying principle remains that unless the use of original has been made use either directly or indirectly, there cannot be an action for infringement. In *Corelli v Gray*\(^6\) it was held, whenever there is infringement claim by the owner there are four things which the courts have to look into:

- The infringer’s work was copied from the original work
- The original work itself was copied from the infringing work
- Both the works originated from a common source
- Result of both the works is same, either by chance or coincidence.

It is only in the first case that there is infringement of copyright of the owner.\(^6\) The copyright is not infringed if the work is done independently and there cannot be a monopoly given to the owner in prohibiting other in creation of the work.\(^5\) This would not be possible in the case of patent and design law where though independently created but having same result of a prior work, would amount to infringement. In copyright law there must be causal connection between the copyright work and an infringing work.\(^6\)

To attract copyright infringement, the author must show that there was sufficient objective similarity between his work and work which is copied. The determining factor to identify such infringement is that, the original work must not just being used but reproduced. Similarly, it may be that substantial part of the original work has been copied by the infringer. As already discussed, if only ideas, concepts, schemes, systems or methods are used, there is no infringement of copyright. The whole object of copyright protection granted to owners is that the expression should not be copied. The owner must prove that, a substantial part of

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\(^6\) (1913) 29 T.L.R. 570
\(^6\) Copinger and Skone James P by Kevin Garnett, Gillian Davies and Gwilym Harbottle on *Copyright*, 15th Ed. 2005, Vol. 1, p 373
\(^5\) *L.B. (Plastics) Ltd. v Swish Products Ltd* (1979) R.P.C. 551 HL
\(^6\) *Francis Day and Hunter Ltd v Bron*, (1963) Ch. 587, at 614, cited at Supra n. 64
the form of expression is made use and not just ideas being taken. This applies to computer program where the expression of an idea is not separable from its function and if it forms part of the idea, where there will be no infringement.67

The exclusive right of copying in case of literary, dramatic, musical and artistic works means, the right of reproduction of a work in any material form which includes storing it in any medium by electronic means.68 Reproducing is sometimes meant to produce something similar whether by copying or not.69 In a literary work, copying is said to have occurred not only when it has been produced in the same medium, like writing or print, but also reproduced in any other form. So, when a literary work is stored in digital form on the hard disk of a computer it is deemed to be a copy of such work. Copying in relation to any description of work includes the making of copies which are transient or are incidental to some other use of the work. It would constitute an infringement even if the copies are made in transient form, the liability which is similar to that of making a permanent form70 with certain exceptions.71 Thus, even a work stored in any medium of electronic means are considered to be copying of any literary, dramatic, musical and artistic work of the author.72 Thus, in a computer program similar to a literary work, infringement takes place whether the copy is permanent, transient, temporary or incidental to some other use of the work.73 In the case of computer program it is for all purposes clear that, it cannot be perceived, accessed or used without the work being copied into computer memory though invisible to the user. This includes storing the program in any medium by electronic means. The

68 CDPA, Sections 17 (2) & (6)
70 CDPA, Section 17 (6) copying in relation to any description of work includes the making of copies which are transient or are incidental to some other use of the work.
71 CDPA, Section 28A Making of temporary copies- Copyright in a literary work, other than a computer program or a database, or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental, which is an integral and essential part of a technological process and the sole purpose of which is to enable - (a) a transmission of the work in a network between third parties by an intermediary; or (b) a lawful use of the work; and which has no independent economic significance.
72 CDPA, Section 17 (2) Copying in relation to a literary, dramatic, musical or artistic work means reproducing the work in any material form. This includes storing the program in any medium by electronic means
73 Section 17 (6) and Information Society Directive, Articles 2 and 5 (Article 5 provides for exceptions)
copying is likely to be committed in all forms of use. Thus, when a person reproduces copyright works on a computer screen or stores it in computer memory, as much as when they copy the work from disk to disk, it will also amount to an infringement. In the case of internet, a framing will also amount to a case of copying. Similarly, it will constitute an infringement when an uploading on to sites or downloading from peer-to-peer systems takes place, without the authorisation of the owner. It is not the case that infringer cannot be made liable over digital media, but it is the identification and enforcement which is a major cause of concern for the copyright owner.

Copyright (Computer Software) Amendment Act, 1985 provides that any reference of reproduction under CDPA to any work in a material form shall include reference to storage of that work in computer. European Economic Council (EEC) Information Society Directive also provides that the reproduction right will include the exclusive right of direct, indirect, temporary or permanent reproduction by any means and in any form, in whole or in part. The copyright owner has the exclusive right to do or authorise to make permanent or temporary reproduction of a computer program by any means and in any form, in part or in whole. When a computer program is loaded, displayed, run, transmitted or stored which necessitates a reproduction, it shall be done subject to the permission or authorisation of the owner. Combined reading of SS 17 (2), 17(6) and 28A of CDPA, provides for exclusive rights to a copyright owner in a transitory copying of such works in computer memory. According to Copinger and Skones, what is been copied is necessarily to be examined precisely by the courts. They refer to two examples in which difficulty may be faced where very small fragments of a work have been successively copied in RAM or other temporary memory as part of the incidental processing of the whole of the work for some other use. Firstly, a DVD player in the course of displaying a film on a screen reads data from the DVD and

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74 Supra n. 64, p 404
75 taking material from one site and placing it on another, though re-framed with the latter’s get up, see supra n.1, p 133
76 See A&M Records Inc v Napster Inc, 239 F.3d 1004, 2001 (referred latter in this chapter)
77 Section 2
78 2001/29
copies small fragments to RAM, which are held there only transiently before being replaced by further fragments. Secondly, when the buffering\(^{80}\) taking place in RAM when a broadcast is streamed\(^{81}\) over the internet. In these cases it can be said, fragment is too small to consider copying of the work or a substantial part of the film in a RAM has taken place. Hence, it was suggested that, there is no copying of the film which has taken place within the meaning of the statute. The copying cannot be considered to have happened with such small fragment of a work even if copied into a paper and which may take some form of copying. But the fragmentary copying into RAM, at no point exists and anything which can be realistically be said to be a copy. The law seems to be clear that the restricted act is "copying" and not the "making of the copy" and if it is not produced at some stage of the process it will not be true to consider it as copying.\(^{82}\)

Furthermore, we can see the implication of technology on digital work can be different from that of a book, or watching or listening to music. In the case of a digital work, it is usual that it cannot be practically benefited unless the work is copied for a particular purpose again. So a work being copied into a transient computer memory and then onto the screen will constitute copy of the work. Such kind of copying of a restricted act is usually implicated in uses of works existing in the digital media. Thus, in the case of digital work, when it is sold with the physical copy, the enjoyment or use will be by a licence. However, when the same is supplied over internet, the owner of the work may restrict its use, for each use by payment or may be only a licence to read such work. In *Sony Entertainment v Owen*\(^{83}\) it was held that an article sold in one territory on terms that it is for use in

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\(^{80}\) Buffer is a temporary store for data in transfer, normally used to compensate for the difference in the rates at which two devices can handle data during a transfer. It allows the two devices to operate independently, without the faster device being delayed by the slower device. Buffers generally form part of the main store of a computer, holding data that is awaiting processing or is awaiting transfer to a magnetic disk or an output device such as a printer or a VDU. A buffer may also be built into a peripheral device: many printers have a buffer to compensate for the relatively slow speed of printing compared with the speed with which the information to be printed is received. 2. Any device, circuit, etc, that is inserted between two other devices to compensate for differences in operating speeds, in timing, in voltage levels, etc. Supra n. 39,

\(^{81}\) Stream- The movement of data from one computer to another in such a way that it does not have to be completely downloaded before the receiving computer can start using it. Often multimedia files are streaming files, meaning the user can watch a video or listen to a sound file while it is still being downloaded. Supra n. 39,

\(^{82}\) Supra n. 64, p 377-378

\(^{83}\) (2002) E.W.H.C. 45 (Ch), cited at Ibid 378
that territory only, in which case any use in a territory other than permitted, will involve reproduction of a copyright work without licence and will amount to infringement of copyright.

Thus, the question of copying is a complex issue in the digital media. It is usual that when any work is transmitted through internet, the possibility of storing in a transient manner will occur at the stage of transferring by an Internet Service Provider (ISP) or Online Service Provider (OSP) (referred synonymously as ISP). Later on the material gets stored in somewhat permanent form when in due course of time it reaches the person who has sought for the copy of such work (normally referred as user). In such circumstances the copying has occurred in two places, one at the stage where the ISP is transferring the content stored in transient form and when it ultimately reaches the user or the recipient. The ISP in such circumstances may not know that the content is copyright or it is copied in violation of the law of copyright and will be unable to control the content transferred through them or their computers. Thus, statutes in many countries have now made provisions where ISP’s may claim exemption of liability. Even in the digital context, the general principles are clearly applied by courts as applied to works in Analog Media. Like, when a person photocopies a copyright work, the lender of the book or the owner of the book or the owner of the photocopying machine will not be liable. In fact, it is the person who copies such work who will be liable for primary infringement of copyright of the owner. The automatic processing taking place at the order of the user or recipient of the content does not make the ISP’s or its agents liable unless they took part in providing or authorising the copying. The ISP’s facilitating for making a copy cannot be held liable. ISP may not be liable for a passive act where the copying takes place. However, depending on the ISP taking responsibility of monitoring the content having right to intervene, in which case, it may be held liable for secondary infringement.

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84 See the U.K and E-commerce Directive, 2000/3 Supra n. 64, Para 22-88 and the information Society Directive 2001/29 Supra n. 64, 9-15
87 Researcher refers to this in some length in latter part of this work.
With reference to compilations, there is a possibility of suspicion of copying as the subject matter may often be similar. The compilations may have to be looked into the value of the work that may have been attained in searching and selecting the material. When the person creates the compilation in the second instance he/she shall bestow the skill, labour and judgment for claiming a copyright in such work. It means that he/she is not entitled to take the skill, labour and judgment of the first person who has created such compilation.\(^8\) The courts in such cases will look into the work which has been copied to identify the infringement.

Database was recognised as a work of compilation or table, but presently domestic laws in some countries have *sui generis* protection for such rights.\(^9\) In India, the Personal Database Protection Bill 2006 seeks to protect such works. One characteristic of database protection is that, though it may not be involving sufficient intellectual effort it is only for the labour expended which secures protection. This is referred as "sweat of the brow" doctrine. Sweat of the brow is a doctrine adopted by courts where an author gains rights with simple diligence. While creation of works like the database, a directory, where substantial creativity or originality is not required. The author will be entitled to protection for, he/she has put in efforts and expenses and hence, permission is required for copying the same. However, if the same work is independently undertaken, even though the result may be similar the first author has no protection. The Database Directive\(^9\) protects databases though embody no creativity and are brought as a consequence of substantial effort and expense.

The U.K courts have held that an expenditure of labour is sufficient to seek copyright protection. In *Waterlow Directories Ltd v Reed Information Services Ltd.\(^9\)* the author compiled the names and addresses of lawyers and the defendant copied around 1600 entries out of 12,620 into a word processor and sending out canvassing letters for the purpose of preparing its own directory. The court held

\(^8\) *Kelly v Morris* (1886) L.R I Eq. 697  
\(^9\) See Database Directives 96/9 implemented by the Copyright and Rights in Databases Regulations 1997 (SI 1997/3032)

96/9/EC

91 (1992) F.S.R. 409
that, the effort and skill expended by the author will be sufficient for copyright protection and if copied will amount to infringement.\textsuperscript{92} Similarly, a suite of computer programs may be protected quite independently as a compilation if sufficient labour and skill has been expended in assembling them.\textsuperscript{93}

However, the US Supreme Court in \textit{Feist Publications v Rural Telephone Service}\textsuperscript{94} rejected the "sweat of the brow" doctrine. No matter how much work was necessary to create a compilation, a non-selective collection of facts ordered in a non-creative way is not subject to copyright protection. Hence, mere collection of facts is held to be unoriginal and not protected by copyright. The arrangement and presentation of a collection may be original, but not if it is "simple and obvious" e.g. a list of alphabetical or chronological order. Section 103 of the USCA, protects compilations provided that they are creative or original. This must be in the selection (things to be included or excluded) and arrangement (the way it is shown and what order). The facts themselves do not get protection and can be copied freely. The facts are thus, not protectable as copyright. They are considered similar to the ideas or discoveries under copyright law.

The EEC Computer Software Directive (Article 4(a)) provides that, subject to exceptions, "the exclusive rights of the rightholder shall include the right to do or to authorize, the permanent or temporary reproduction of a computer program by any means and in any form, in part or in whole. Insofar as loading, displaying, running, transmission or storage of the computer program necessitate such reproduction, such acts shall be subject to authorisation by the rightholder." In case of loading, displaying, running, transmission or storage of the computer program necessitating such reproduction, requires authorisation from the owner of the computer program. Any use without the authorisation of the owner will be constituting infringement of copyright in the computer program. This is the tool under which an owner of copyright can have rights in protecting his work. The users shall have a licence before they use such work, which indicates a strong protection to the owner of the computer program. Hence, a person using the pirated copy of a work will be

\textsuperscript{92} See also \textit{Waterlow Publishers Ltd v Rose} (1995) F.S.R. 207
\textsuperscript{93} \textit{Ibcos Computers v Barclays Mercantile Highland Finance}, (1994) F.S.R 275
\textsuperscript{94} 499 U.S. 340 (1991)
considered to having knowledge requirement applicable to secondary infringement of copyright. The general principles of infringement applicable to literary works may be similarly made applicable to computer programs.

Copinger and skones describes that copying may take any of the following form:

- "The exact or literal reproduction of all or part of the program;
- Reproduction of the program in a re-written form, perhaps in a different language. (This would normally constitute an adaptation of the program as well) and
- Reproduction on a higher level, for example the reproduction of the structure of the program."\(^{95}\)

In addition, the presence of similar redundancies, mistakes and idiosyncrasies in coding, as opposed to standard routines, may reveal the infringement of copyright by the defendant.\(^{96}\) Copies of programs and data are routinely made and stored as part of computer or network backups, and may provide useful snapshot proof of the development process, despite deliberate attempts to destroy the evidence. An analysis of code can also reveal evidence of copying at the level of comments and notes in the human generated program code.\(^{97}\) It is said that, in the digital era, it is not only easier to copy a work, but also easier to prove copying of the work.\(^{98}\)

If a computer program is manifestly or strikingly copied there is an exact reproduction of the whole program by simple duplication, and proving identity is very simple and mechanical. However, where the copying is part of a computer program and the part taken constitutes a substantial part, the court will hold for infringement. In *Creative Technology Ltd v Aztech Systems Pty Ltd*,\(^ {99}\) where only four percent of the original program was taken the court held, it would not amount to a substantial part being taken. Thus a small amount of code being taken will not amount to a copyright infringement. This was because, the writing involved no great skill or labour. It is debatable that, the principle which is applicable in proving literary work being copied cannot be made applicable to computer software.

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\(^{95}\) Supra n. 64, P 405
\(^{97}\) Ibid
\(^{98}\) Supra n. 64, p 405
\(^{99}\) (1997) F.S.R. 491
as a small semantic error will be causing the difficulty in running of a program or produces a wrong result. Thus a smallest part of a program and which contains no relevant originality may become very important.\footnote{Supra n. 64, 406}

In the case of Computer Aided Design (CAD)\footnote{The use of a computer for design work in fields such as engineering or architecture, with the computer's graphics capabilities substituting for work that traditionally would have been done with pencil and paper. In order to do CAD, it is necessary to have a high-resolution monitor and a software package designed for the purpose. Supra n. 39.} which makes possible to define any shape in words and letters, a design in a drawing can be defined equally accurately in non-graphic notation. Many three dimensional articles over computer are developed taking the benefit of technology. A literary work consisting of a computer code therefore represents the three dimensional article.\footnote{Autospin (oil Seals) v Beehive Shipping, (1995) RPC 683 at 689} In Autodesk Inc v Dyason\footnote{1992 RPC 259} the Australian High Court considered a CAD package, which was supplied with a hardware device containing an EPROM,\footnote{EPROM is the acronym for Erasable Programmable Read Only Memory. It is memory used to store information that stays the same, or that rarely needs to be changed. To change the information on an EPROM, it must be taken from the computer and put into a special device. The entire contents of the EPROM are deleted and it is ready to be programmed again. An EPROM is erased by exposing the chip to ultraviolet light. Supra n. 39,} called the AutoCAD lock, which operated with part of the package called the “Widget-C” program.\footnote{Widget set- a group of screen structures (menu, button, scroll bar, etc.) provided in a graphical interface. Supra n. 39,}

The program sent a challenge signal to the lock, which replied with a return signal. The program checked the return signal against a lookup table.\footnote{An array or matrix of data that contains values that are searched; Lookup- a function, often built into spreadsheet programs in which a previously constructed table of values called a lookup table is searched for a desired item of information. A lookup table consists of rows and columns of data. A lookup function examines the table either horizontally or vertically and then retrieves the data that corresponds to the argument specified as part of the lookup function. Supra n. 39.} The lookup table comprised 16 bytes of a 30kByte program. An encrypted\footnote{Encrypt- to encode (scramble) information in such a way that it is unreadable to all but those individuals possessing the key to the code. Encrypted information is known as ciphertext. Also called encipher, encode. Encryption is the process of encoding data to prevent unauthorised access, especially during transmission. Encryption is usually based on one or more keys or codes that are essential for decoding, or returning the data to readable form. Supra n. 39,} form of the lookup table was held in the lock EPROM. The defendant went through the signals with an oscilloscope,\footnote{A test and measurement instrument that provides a visual display for an electrical signal; Most commonly, oscilloscopes are used to create a display of voltage over time. Also called cathode-ray oscilloscope, Supra n. 39.} and read them. Apparently, the correct contents of the EPROM

\footnotetext[1]{Supra n. 64, 406}
\footnotetext[2]{The use of a computer for design work in fields such as engineering or architecture, with the computer's graphics capabilities substituting for work that traditionally would have been done with pencil and paper. In order to do CAD, it is necessary to have a high-resolution monitor and a software package designed for the purpose. Supra n. 39.}
\footnotetext[3]{Autospin (oil Seals) v Beehive Shipping, (1995) RPC 683 at 689}
\footnotetext[4]{1992 RPC 259}
\footnotetext[5]{EPROM is the acronym for Erasable Programmable Read Only Memory. It is memory used to store information that stays the same, or that rarely needs to be changed. To change the information on an EPROM, it must be taken from the computer and put into a special device. The entire contents of the EPROM are deleted and it is ready to be programmed again. An EPROM is erased by exposing the chip to ultraviolet light. Supra n. 39,}
\footnotetext[6]{Widget set- a group of screen structures (menu, button, scroll bar, etc.) provided in a graphical interface. Supra n. 39,}
\footnotetext[7]{An array or matrix of data that contains values that are searched; Lookup- a function, often built into spreadsheet programs in which a previously constructed table of values called a lookup table is searched for a desired item of information. A lookup table consists of rows and columns of data. A lookup function examines the table either horizontally or vertically and then retrieves the data that corresponds to the argument specified as part of the lookup function. Supra n. 39.}
\footnotetext[8]{Encrypt- to encode (scramble) information in such a way that it is unreadable to all but those individuals possessing the key to the code. Encrypted information is known as ciphertext. Also called encipher, encode. Encryption is the process of encoding data to prevent unauthorised access, especially during transmission. Encryption is usually based on one or more keys or codes that are essential for decoding, or returning the data to readable form. Supra n. 39,}
\footnotetext[9]{A test and measurement instrument that provides a visual display for an electrical signal; Most commonly, oscilloscopes are used to create a display of voltage over time. Also called cathode-ray oscilloscope, Supra n. 39.}
were deduced from this functional analysis, without reading of the EPROM. They then produced an alternative lock device. The Plaintiff alleged that, the table was a substantial part of the program, and the program had thus been copied. The High Court, held that the table was a substantial part of the program (an issue of importance rather than size) and that it had been copied, and that this was an infringement.109

In *IBCOS Computers v Barclays Mercantile Highland Finance*,110 the court held that, when a work represents a substantial part of the skill and labour of the programmer of the copyright work, infringement may occur by the reproduction of the structure of the program, including its overall structure at a high level of abstraction, even though in practice it may be difficult to identify occurrence of copying. The substantial similarity can be proved with evidence of number of unexplained similarities, like mistakes in spelling, identical column headings and file record names and the presence of redundant coding.111 However, it will be the court which has to decide whether substantial part has been taken and as to the degree of such copying. This result may be based on the expert evidence on record. The U.K law differs from the U.S relating to the approach of abstraction and filtration test laid down by court there. This has been explained by Copinger and skones in lucid way in the following manner:

➢ "When an idea, function or concept is sufficiently worked out and expressed in computer code which results from an independent skill and labour, the expression gets protection. Copying of a substantial part of that expression is a restricted act. Thus the law is that though mere general ideas or principles are not protected their expression in detail gets protection under copyright law.
➢ Where the circumstances are such that there will inevitably be similarities in two independently written pieces of coding, this does not mean that there is no copyright in that coding: copyright will subsist if it was the product of substantial skill and labour. The circumstances may explain the similarities but do not excuse copying.
➢ Where particular coding is in the public domain or more probably is a standard piece of coding in which no one claims copyright, while a claimant may not be able to claim any originality for it, if he has

110 (1994) F.S.R 275
111 Supra n. 64, 406
combined it with other coding using skill and labour, the copying of that piece of public domain coding in combination with the other coding is likely to be an infringement."\textsuperscript{112}

Thus, the idea which the claimant has by expending his skill and labour could be detailed out. Any person who reproduces without the authorisation can be held liable for infringement.

Further, referring to the "reproduction of a musical work", it can be done on sheet music, and on conventional recorded instruments like records, tapes, CDs and films. The digital technology has made possible the data files to be stored in computer memory. In the case of musical work the words or actions intended to be sung, spoken or performed with the music are protected as literary work or dramatic works rather than a musical work.\textsuperscript{113} In \textit{Francis Day and Hunter Ltd v Bron}\textsuperscript{114} it was held that, when the question of a substantial part of musical work has been reproduced or copied, the courts will look into the fact of infringement made in using substantial part of the skill, labour of the original composer of the music. Further, the substantial similarities are found by courts not only on "note to note" comparison but also by ear and by eye. While comparison is made, the court has to be cautious in not isolating certain features and test the copying by considering the work as a whole.\textsuperscript{115} It is also to be noted that a reasonably small part of a work copied, can still be considered to be substantial part when what has been reproduced is a vital or essential part of the claimants work.\textsuperscript{116} In considering the infringement of a musical work, the courts have to take the parts taken from the claimants work rather than comparing the claimant work with defendants work in identify copying.\textsuperscript{117} In a musical work an essential or fundamental part may be small or short. This occurs in case of sampling and ringtones in the modern musical

\textsuperscript{112} See \textit{Ibicos Computers v Barclays Mercantile Highland Finance}, (1994) F.S.R 275, Cited at Supra n. 64, p 407

\textsuperscript{113} Section 3 (1) CDPA, 1988, Literary, dramatic and musical works (1) In this Part - "literary work" means any work, other than a dramatic or musical work, which is written, spoken or sung; "musical work" means a work consisting of music, exclusive of any words or action intended to be sung, spoken or performed with the music.

\textsuperscript{114} (1963) Ch. 587

\textsuperscript{115} \textit{Betten v CBS United Kingdom Ltd} (1994) E.M.L.R. 467 (where the drum and bass line only of popular song alleged to be similar)

\textsuperscript{116} \textit{Francis Day and Hunter Ltd v Bron}, (1963) Ch. 587

\textsuperscript{117} \textit{Designers Guild Ltd v Russell Williams (Textiles) Ltd}, (2001) 1 W.L.R 2416

212
work, where short piece of music is taken and often repeated many times in the making of the new recording. The piece taken, often being distinctive part of the original work, the courts can directly apply the rule of thumb i.e. “what is worth copying is worth protecting” as the work taken can be immediately recognisable and that’s the reason it has been copied.

Even in case of “sound recording” it amounts to infringement of copyright if the work is copied. This may be in transient or incidental to any use either directly or indirectly. Even though, the CDPA does not provide expressly, copying may take place by storing the sound recording in a medium by electronic means and anything copied will entail the owner a right to sue for infringement of his rights. Similar principle of literary work applies in sound recording, i.e. if such work is made by an independent means and which is neither directly nor indirectly copied, the result though identical or similar will not constitute copying. A recording is said to be reproduced even though the medium of recording changes. Hence, a person who records a tape onto a CD or records a film on a digital camcorder, or uploads or downloads a sound recording from the internet will be said to have reproduced the work even though the statute may not include storing in electronic means with reference to a film or sound recording. The question of substantial part being taken by an infringer will be dealt with by court by applying the rule of thumb, as applied in musical work. The use of sampling in sound recording is frequented in digital world and the same principle which is applied to musical work may be adopted for sound recording also.

Thus, as to the reproduction right is concerned the author has extensive and wide rights that are provided by the statute which are fundamental to he/she being the owner of such work. The digital era has revolutionised the reproduction process in literary, musical and sound recording works. The courts have adopted to this change and it can be said that the basic principles of traditional method can be applied to the work in digital media.

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119 See supra n.1, p 136
4.3 Adaptation Right

"Adaptation right" is the economic right granted to the authors to authorise any adaptation of their work. Adaptation is a copyright holder's exclusive right to prepare derivative work based on the protected work. Derivative means relating to or constituting a work that is taken from, translated from, adapted from, or in some way further developed from a previous work (before a movie studio can make a film version of a book, it must secure the author’s adaptation right). Copyright protection includes the exclusive right in derivative works, such as screenplay adapted from a book or a variant musical arrangement. Adaptation is the act of changing or modifying a work in order to present the work in a different form or the result of such act. Under the Berne Convention authors have the exclusive right to authorise adaptation (including the cinematographic adaptation) of their work. Adaptations may be protected as original works, without prejudice to the copyright of the original work. The act of adapting a protected work (which will be an infringement unless authorised) and the adaptation itself (which may have a separate copyright/author's right if original) must be distinguished.

Section 106 (2) of USCA, provides copyright owner with the exclusive right to prepare derivative works based upon a copyright work. A "derivative work" is a work based upon one or more pre-existing works, such as a translation, musical arrangement, dramatization, fictionalisation, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. Further, a work consisting of editorial revisions, annotations, elaborations, or other modifications, which, as a whole, represent an original work of authorship, is a "derivative work." Hence, there must be a substantial pre-existing work contained in the work of the person who is alleged to have infringed. If a pre-existing work is not found in the latter work, such work will not be considered to be derivative work. Hence, if such

120 CDPA, Section 21- Infringement by making adaptation or act done in relation to adaptation
121 Black’s Law Dictionary
122 Berne Convention, Articles 12 and 14(1).
123 Ibid. Article 2 (3)
124 Supra n. 5, p 985
125 USCA, Section 101,
126 Mulcahy v Cheetah Learning LLC, 386 F.3d 849, 853 (8th Cir. 2004), the case draws the line between permissible use of copyrighted test and infringement- the former would include obtaining a
latter work has not incorporated substantial pre-existing work, it will not amount to an infringement of either the right of reproduction or the right of performance. Likewise, it will not infringe the right to make works, because no derivative work has resulted out of such act.\textsuperscript{127} So some copyright portion of the work must actually have been appropriated as a basis for the infringing work. Though, there are substantial numbers of works which inspires or bases copyright works and in that sense may be considered as derivative work, unless the work is substantially similar it will not be an infringement.\textsuperscript{128} However, if the right to make derivative works (the adaptation right) is infringed, it necessarily amounts to an infringement of either the reproduction or performance rights.\textsuperscript{129}

The derivative work will not amount to an infringement of a reproduction right in the pre-existing work if such work is not fixed in copies or phonorecords. However, it entails an infringement of performance right, e.g. a ballet, pantomime or improvised performance may be an infringement even though nothing is ever fixed in tangible form. In \textit{Lewis Galoob Toys Inc v Nintendo of America, Inc}\textsuperscript{130} where Nintendo’s copyright video game features were altered by a devised manufactured by Galoob, alterations happening in the computer’s processor and was not fixed, held Galoob cannot be absolved from liability. However, it was held that Galoob’s device could not work independently of Nintendo’s video game which was not supplanting, duplicating or recasting the work and hence could not be considered to be a derivative work. Thus, even in this case it was held that fixation is a necessary element to get copyright protection and prove infringement. However, in \textit{MAI Sys Corp v Peak Computer Inc},\textsuperscript{131} the court held that a RAM version could be sufficiently fixed so as to amount to an infringement.

copy of the test and lecturing students on how to pass it, as well as creating written materials with pointers for how to take the test; the latter would include crossing the line when condensing and adapting the test in the defendant’s own product. See Supra n. 20, p. 8-142.8 (13)

\textsuperscript{127} Alcatel USA, Inc. v DGI Techs, Inc, 166 F.3d 772, 787 (5th Cir 1999), \textit{Midway Mfg. Co v Artic Int’l Inc}, 211 U.S.P.Q. 1552 (N.D. Ill. 1981)

\textsuperscript{128} ibid

\textsuperscript{129} The Register’s Supplemental Report though specified that “recognizing that the adaptation right may be unnecessary, but this has been looked upon as a separate exclusive right, and to omit any specific mention of it would be likely to cause uncertainty and misunderstanding” cited at Supra n. 20, p 142.8 (13)

\textsuperscript{130} 964 F.2d 965 (9th Cir. 1992) \textit{Cert. Denied}, 507 U.S. 985

\textsuperscript{131} 991 F.2d 511 (9th Cir. 1993); \textit{Advanced Services of Mich Inc v MAI Sys Corp.} 845 F. Supp 356, 364. (E.D. Va 1994) held if the alterations in Galoob occurred for only a period of transitory

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In the case of translation of a work, the act will amount to infringement of a derivative right as well as also the reproduction right. A right to translate includes the right to convert a verbal text into a symbolic and mathematical language. It is to be noted that translation of a work will itself be entitled to a copyright after the translation of a pre-existed work. But, the translation of such work must be with the consent of the owner of the work to be translated.

In a musical arrangements a performance of a song with lyrics which stands altered, for e.g. when performed over radio or television commercials may not be amounting to infringement of the performance of the song as in normal circumstances licences are generally obtained. However, having a performance licence or reproduction licence by itself will not authorise adaptation of the work. If a separate licence for adaptation is not taken it will constitute an infringement of adaptation right.

Similarly, the dramatization of a novel or stage version of a motion picture will amount to an infringement of adaptation right if it is without authorisation. The dramatization right is covering both the reproduction and performance rights, and hence any such pre-existing work must be substantially copied to hold it as an infringing work. Adaptation right includes fictionalisation as one of the form of derivative work. Fictionalisation also must be based on some pre-existing work. Hence, when a fictional work is a result of a non-fictional work and substantial work has been taken from the per-existing work (not mere facts) it will be infringing the rights of adaptation of the owner. Thus, a novel may constitute an infringement of a drama although it did not incorporate sufficient part of the drama to constitute a copy. It necessarily follows that an insubstantial copying (e.g.

duration, then those later holdings would not bear on this issue and held fixation to occur in RAM when representation maintained there for "minutes" or "longer"
133 *Mills Music, Inc. v Arizona* 187 U.S.P.Q. 22 (D. Ariz. 1975) (in a musical context the term arrange means to adapt (a musical composition) by scoring for voices or instruments other than those for which originally written) cited at Supra n. 20, p 8-143
borrowing merely the abstract ‘idea’) from the drama if incorporated in novel form would infringe the right to convert to novel form.\(^\text{136}\)

In the U.K, the adaptation right exist in a literary, dramatic or musical work. The restricted act in case of adaptation exists in the following works. An adaptation is made when it is recorded, in writing or otherwise. Section 21(3) CDPA, defines adaptation in the following way:

- in relation to a literary work, other than a computer program or a database, or in relation to a dramatic work, means -
  - a translation of the work;
  - a version of a dramatic work in which it is converted into a non-dramatic work or, as the case may be, of a non-dramatic work in which it is converted into a dramatic work;
  - a version of the work in which the story or action is conveyed wholly or mainly by means of pictures in a form suitable reproduction in a book, or in a newspaper, magazine or similar periodical;
- in relation to a computer program, means an arrangement or altered version of the program or a translation of it;
- in relation to a database, means an arrangement or altered version of the database or a translation of it;
- in relation to a musical work, means an arrangement or transcription of the work.

The right of adaptation not only by itself is a restricted act but includes any act to reproduce any such adaptation in any material form, issue of copies of it to the public, performing it to the public or communicating it to the public.\(^\text{137}\) It is also immaterial whether the adaptation has been recorded, in writing or otherwise, at the time the act is done, making it clear that copyright in a musical work may be infringed by performing an adaptation of the work on stage, even though the adaptation itself is never recorded.\(^\text{138}\) The principle that, any substantial part of the work is copied applies to adaptation of the work. Similarly, it will amount to infringement not only by a person who does such act but also by anyone who authorises the doing of such thing if it is done without the licence from the author.

\(^{136}\) see Supra n. 20, p 8-145
\(^{137}\) CDPA, Section 21 (2) The doing of any of the acts specified in Sections 17 to 20, or subsection (1) above, in relation to an adaptation of the work is also an act restricted by the copyright in a literary, dramatic or musical work. For this purpose it is immaterial whether the adaptation has been recorded, in writing or otherwise, at the time the act is done
\(^{138}\) Supra n. 64, P 446
There is always an argument in differentiating reproduction and adaptation of a work. In the case of making of a translation of literary or dramatic work it expressly covers the making of adaptation. In some circumstances the translation may also be considered as reproduction of the original work, attributing that substantial work has been used from the work of the author. However, a translation cannot be treated as a copy of the literary work in question. It is also made clear that, there can be no inference to be drawn as to what does or does not amount to copying a work. And, there is no reason that two separate classes of restricted act may exist and in some cases the same act may infringe both the reproduction right and adaptation right.\(^{139}\)

Translation of any work from one human language to another is a right which is conferred on the author of the work. Such translation covers conversion of a work into code or Braille. When a translation takes place there exist two separate rights, right of the original author of a work which includes right to reproduction and then where translation takes place the author of the translated work will be entitled to his right of reproduction of translated work. No person shall reproduce the translated work and claim that it is not an original work, that itself being a reproduction of the original work. So any person can use such work only with a licence.

The U.K Copyright (Computer Software) Amendment Act 1985 provides that a version of a program in which a work is converted into or out of a computer language or code, or into a different computer language or code, will be an adaptation of the program.\(^{140}\) EEC Computer Software Directive, Article 4(b) provides that, the translation, adaptation, arrangement and any other alteration of a computer program and the reproduction of the results thereof, without prejudice to the rights of the person who alters the program.\(^{141}\) Thus, in relation to the computer program, adaptation means an arrangement or altered version of it or a translation of it, a translation for these purposes including a version of the program in which it is converted into or out of a computer language or code or into a different computer language or code.

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139 CDPA, Section 21 (5) No inference shall be drawn from this section as to what does or does not amount to copying a work
140 CDPA, Section 1(2)
language or code. The section covers cases similar to the translation of a traditional literary work from one human language to another, a program written in one programming language is rewritten in another, with similarities of structure and nomenclature, are consistent with the programming environment.

Concluding the adaptation right it is pertinent to look into this issue in the decision of the Supreme Court of Canada in Apple Computer Inc v Mackintosh Computers Ltd, where Apple was manufacturers of computers and related products, including the Apple II+ computer. Mackintosh were manufacturers and vendors of Apple II+ “clones,” that is to say, machines which can run the same programs as Apple II+ computers. Apple has held a registered copyright in two computer programs known as Autostart ROM and Applesoft. These programs were operating system programs for the Apple II+ computer. Without these programs or their equivalents, it was impossible to operate “applications” programs such as word processing, database or spreadsheets that were designed to run on the Apple II+ computer. The Autostart ROM and Applesoft programs were originally written in a code of letters, symbols and figures known as assembly language. They were then converted into a form known as hexadecimal code; a shorthand version of the binary code of ‘0’s and ‘1’s representing the series of ‘on’ and ‘off’ instructions by which a computer is operated. The hexadecimal code is a substantial reproduction of the programs as written in the assembly language. Finally, these programs were etched into the glass of a silicon chip, creating a machine-readable pattern of ‘on’ and ‘off’ transistors which exactly duplicates the written binary code. The individualised nature of a computer program was emphasised at trial by experts. By the use of a process known as “burning” the Mackintosh copied the Autostart ROM and Applesoft programs embodied in the Apple’s silicon chips. Subsequently, Apple sued Mackintosh for copyright infringement, seeking an injunction, accounting of profits and delivery up of the infringing materials containing copies or virtual copies of these programs. Mackintosh admitted that the written assembly language versions of the programs were copyrightable and that the Apple owns the copyright in these programs. However, they argued that since they had copied only the silicon chip, and

142 CDPA, Section 21 (4)
not the assembly program, they had not infringed the Apple's copyright. The Supreme Court of Canada concluded that the programs embedded in the silicon chip should be regarded as software rather than hardware. The circuitry in the silicon chip was both a translation and an exact reproduction of the assembly language program and held that the circuitry of the silicon chip was protected by copyright. The computer program in chip form might be protected under section 3(1) (d), which protects the copyright holder's right to make any contrivance by means of which the work may be mechanically performed or delivered.

4.4. Distribution Rights:

A copyright holder's exclusive right to sell, lease or otherwise transfer copies of the protected work to the public is referred as distribution right. The "distribution" is (a) an act of putting objects into circulation for sale, or otherwise making objects available, especially to members of the public and (b) "distribution" is the operation by which a distributor transmits derived signals to the general public or any section thereof (see Satellites Convention, 1974). The Satellites Convention provides that the distributor is the person or legal entity that decides that the transmission of the derived signals to the general public or any section thereof should take place. There is no author's right of distribution under the Berne Convention, but distribution is mentioned in connection to cinematographic work. WIPO Copyright Treaty (WCT) and WIPO

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144 Copyright Act, R.S.C. 1970 Section 3 (1)(d) in the case of a literary, dramatic, or musical work, to make any record, perforated roll, cinematograph film, or other contrivance by means of which the work may be mechanically performed or delivered
145 Black's Law Dictionary
146 Satellites Convention, 1974, Article 1 (viii)
147 Ibid, Article 1 (vii)
148 Berne Convention, Article 14 (1)(i) & 14bis (1) Authors of literary or artistic works shall have the exclusive right of authorizing: (i) the cinematographic adaptation and reproduction of these works, and the distribution of the works thus adapted or reproduced;
149 WCT Article 6(1), Authors of literary and artistic works shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their works through sale or other transfer of ownership.
Performers and Phonogram Treaty (WPPT)\textsuperscript{150} provide that the right refers to exclusively to "fixed copies that can be put into circulation as tangible objects."\textsuperscript{151}

Section 106 (3) of the USCA, provides the owner with the right to distribute copies or phonorecords of the copyright work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The owner is entitled with this exclusive right publicly to sell, give away, rent or lend any material embodiment of the work.\textsuperscript{152} The distribution right under this section is covering not "any distribution" but only those which "are made to the public."\textsuperscript{153} Hence, a publication to a limited group rather than public at large may not be a distribution and hence, will not be an infringement of copyright. To impose a liability under this head, an actual dissemination of the copies or phonorecords is necessary.\textsuperscript{154} If there is a public performance of any work it will not be a publication and does not amount to an infringement of distribution right.\textsuperscript{155} However, distribution of infringing copies to a public group for the purpose of public performance will infringe the distribution right, even if the performance \textit{per se} is licenced or exempt from liability.\textsuperscript{156}

It is to be noted that, the distribution right can be distinguished with other rights, e.g. reproduction or adaptation, the latter involves in wider sense ‘copying’ as an important element and in the former this may not be essential. The distribution of copies or phonorecords can be accomplished even without necessarily copying or reproducing the work. The grant of such right became

\textsuperscript{150} Articles 8(1), \textit{Right of Distribution} (1) Performers shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their performances fixed in phonograms through sale or other transfer of ownership. \textit{Article 12(1)} Producer of phonograms shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their phonograms through sale or other transfer of ownership.

\textsuperscript{151} "Distribution rights" are also granted to authors and to performers, phonogram and film producers, and broadcasting organisations under the EC Information Society and Rental/Lending and Related Rights Directives Respectively. Cited in Supra n. 5, p 998-999


\textsuperscript{153} UMG Recordings, Inc. v Hummer Winblad Venture Partners In re Napster, Inc, 377 F. Supp. 2d 796, 803 (N.D. Cal. 2005)


\textsuperscript{155} Tiffany Prods v Dewing, 50 F.2d 911 (D. Md. 1931); Metro-Goldwyn-Mayer, Inc v Wyatt, 21 Copyright Office Bulletin, 203 (D. Md. 1932)

\textsuperscript{156} F.E.L Publications Ltd v Catholic Bishop of Chicago, 214, U.S.P.Q. 409 (7th cir. 1982)
necessary in addition to any reproduction right for protection of copyright owner’s right completely. Nimmer specifying the reason for such right being conferred on the copyright owner said that:

"it would be anomalous indeed if the copyright owner could prohibit public distribution of his work when this occurred through unauthorised reproduction, but were powerless to prevent the same result if the owner’s own copies or copies authorised by him were stolen or otherwise wrongfully obtained and thereafter publicly distributed. The fact that such conduct might violate criminal and tort laws relating to wrongful possession and dominion over tangible personal property does not alter the fact that a wide gap would be left in the remedies to be accorded to a copyright owner. Therefore, granting the distribution right is necessary supplement to the reproduction right in order fully to protect the copyright owner."157

However, the owner loses this right when he consents to the sale or other distribution of copies or phonorecords of the work.158 Section 109 of the USCA, provides the effect of transfer of particular copy or phonorecord. It provides that, the owner of a particular copy or phonorecord lawfully made under this title, or any person authorised by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord. This is called the “First Sale Doctrine” which was decided in Bobbs-Merrill Co v Straus,159 by the U.S Supreme Court, where it was held that copyright law is applicable only to the initial sale and unless to a contract to the contrary there could be no restriction on re-sales. This was referred to as right to vend and applied on the initial sale of copies of the work, but not to prevent or restrict the resale160 and any other subsequent transfer even if not through resale, of such copies.161 The owner though loses his right to distribution, may still seek to prevent unauthorised reproduction or copying.

Thus, the distribution right is exercisable only with respect to the initial disposition of copies of the work and will not prevent or restrict the resale or other further transfer of such copies. Once copyright owner sells a copy of the work, he is said to have lost his further right of distribution of the work. This applies to any

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157 Supra n. 20, p 8-154
158 Omega S.A. v Costco Wholesale Corp. 541 F.3d. 982, 988-989, (9th Cir. 2008)
159 210 U.S. 339 (1908)
161 Avco Embassy Pictures Corp v Korshnak (M.D. Pa. 1974)
kind of transfer including a "right of distribution" gifted in the name of any other person. However, if it is not an outright sale but only a lease for example, the distribution right is said to have been infringed when the lessee sells or lends to another without the authorisation of the owner of the work.\textsuperscript{162}

The right provided u/s 106 (3) is in addition to sale of copies and phonorecords which also includes disposition by rental, lease or lending. Thus, the first sale doctrine comes into operation only when there is a 'sale' of such work and not when it is 'leased.' The copyright owner loses all his power to control subsequent sale or lease of the affected copies. However, there are few exception provided by the Record Rental Amendment of 1984 (U.S) where the rental, lease or lending of a phonorecord made for profit will give an owner the right to sue for infringement. Similar provision is made relating to computer software under the Computer Software Rental Amendment of 1990 (U.S) which prohibits rental of software for profits.

In the U.K issue of copies to the public is covered u/s 18 of the CDPA.\textsuperscript{163} The restricted act of distribution right, is where the owner has right to release the work to the public any copy of his work. One important aspect is that, the work "issue of copies" will include the issue of the original work itself.

The distribution right is a right to put tangible copies (which have not previously been put into circulation) into commercial circulation. Once copies are in circulation the right no longer operates. Thus, the right of distribution does not

\textsuperscript{162} Schuchart & Assocs. v Solo Serve Corp. 1983 Copyright L. Dec. (CCH) 25,593 (W.D. Tex. 1983)

\textsuperscript{163} "Section 18- Infringement by issue of copies to the public
(1) The issue to the public of copies of the work is an act restricted by the copyright in every description of copyright work.
(2) References in this Part to the issue to the public of copies of a work are to
(a) The act of putting into circulation in the EEA copies not previously put into circulation in the EEA by or with the consent of the copyright owner, or
(b) The act of putting into circulation outside the EEA copies not previously put into circulation in the EEA or elsewhere.
(3) References in this Part to the issue to the public of copies of a work do not include-
(a) Any subsequent distribution, sale, hiring or loan of copies previously put into circulation (but see section 18A: infringement by rental or lending), or
(b) any subsequent importation of such copies into the United Kingdom or another EEA state, except so far as paragraph (a) of subsection (2) applies to putting into circulation in the EEA copies previously put into circulation outside the EEA.
(4) References in this Part to the issue of copies of a work include the issue of the original."
include any subsequent distribution or in other words, copyright owners have no control over resale of the work. The "issue of copies of a work to the public" covers, the act of putting the work into circulation in the European Economic Area (EEA) copies not previously put into circulation in EEA by or with the consent of the copyright owner or the act of putting into circulation outside the EEA copies not previously put into circulation in the EEA or elsewhere. Issue of copies of a work will not include any subsequent distribution, sale, hiring or loan of copies previously put into circulation or any subsequent importation of such copies into the U.K or another EEA state. An example of this is displaying or circulating a painting for the first time to the public view is nothing but the original being circulated into the public.

Article 4(c) of the EEC Information Society Directive provides that, the exclusive rights of the right holder shall include the right to do or to authorise any form of distribution to the public, including the rental, of the original computer program or of copies thereof. The first sale in the European Community of a copy of a program by the right holder or with his consent shall exhaust the distribution right within the European Community of that copy, with the exception of the right to control further rental of the program or a copy thereof.

The issue of copies is referred to particular copies of a work including the work already been published (copies of the work previously been in circulation). The issue of copy to the public in general sense means to release the work into the market so that it is made available to the public at large. Even a single copy being issued will be constituting issue to the public. Thus, if few copies have been in circulation, issuing further copies into public will be a restricted act. Any person who has acquired number of copies from the owner with a licence will have to take further authorisation in case he/she has to publish copies of the same work. Any act of distribution without authorisation will entail liability for infringement. However, we can infer the meaning by reading Section 18 (3) (a) and (b) of the CDPA where the acts of distribution, sale, hire and loan, can amount to putting a copy into

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164 see supra n.1, p 137-138
165 Section 18(2) CDPA
166 In Microsoft Corp v Electro-wide Ltd this matter was left open, (1997) F.S.R. 580
circulation, provided that it is not subsequent to an earlier issue to the public. In acts of sale and distribution, it is easy to see that such acts might well have the effect of releasing copies onto the market. Whereas in acts of loan or hire, although such acts might not have the effect of releasing copies into free circulation, it would seem that they must be taken as amounting to putting copies into circulation. For this purpose, presumably the loan or hire of the copy must be to a member of the public and not by way of private transaction. Since the rental and lending of copies of a work to the public is also a restricted act u/s 18A of the CDPA, it would seem that the first rental or lending to a member of the public is capable of being an infringement under both Sections 18 and 18A. 167

In the case of distribution of copies is made through a distribution chain, the question of putting copies into circulation raises the liability issues. The producer or importer may be the first person in line, then distributes to a wholesaler and further to a retail dealer who actually makes available the copies of the work to the public. It can be said the producer or importer is the person who puts the goods into circulation and will be held liable for a primary infringement for issuing copies to the public. Even though he/she is not the one who deals with the public directly can still be held liable. The statute provides support for imposing liability on the producer or importer as any subsequent distribution, sale, hiring or loan of copies previously put into circulation does not amount to an infringement. The retailer is the only other person who can be treated as the person who is putting the work in circulation, who is at the end of the distribution chain.168 Persons responsible in case of acts of importation, sale and distribution of infringing copies will be generally be made liable when they have actual knowledge that they were dealing with infringing copies.

Few cases can be discussed to understand the owner’s reproduction and distribution rights were in question. In Hotaling v Church of Jesus Christ of Latter-day Saints169 where the defendants made numerous copies in microfiche without authorisation of the copyright owners who compiled genealogical research

167 Supra n. 64, p 427
168 See Ibid p 428
169 118 F.3d 199 (4th Cir. 1997)
materials. When plaintiffs came to know, they protested upon which all the copies were destroyed by the defendants. However, one copy of such infringing material was found in the defendant’s library and the court had to decide the violation of rights of distribution of copyright owner. Holding that the act constituted an infringement of copyright opined that:

“When a public library adds a work to its collection, lists the work in its index or catalog system, and makes the work available to the borrowing or browsing public, it has completed all the steps necessary for distribution to the public. At that point, members of the public can visit the library and use the work. were this not to be considered distribution within the meaning of section 106 (3) (and were further evidence required that a patron actually checked out the subject work), a copyright holder would be prejudiced by a library that does not keep records of public use, and the library would unjustly profit by its own omission.”

However, in this regard libraries and archives have exemption from copyright owner’s reproduction right by virtue of Section 108 of the USCA\textsuperscript{171} and also exemption from distribution right insofar as the works reproduced pursuant to the reproduction exemption are distributed to the persons for whom such reproductions were made.

One of the most distinguished case dealing with reproduction and distribution rights of the authors is the case of \textit{A&M Records Inc v Napster Inc.},\textsuperscript{172} record companies and music publishers (engaged in the commercial recording, distribution and sale of copyright musical compositions and sound recordings) brought copyright infringement action against Napster, an Internet service that facilitated the transmission and retention of digital audio files by its users through standard file format for the storage of audio recordings in a digital format called MPEG-3\textsuperscript{173} The trial court preliminarily enjoined Napster “from engaging in, or

\textsuperscript{170}Ibid at p 203

\textsuperscript{171}Provides for limitations on exclusive rights dealing with reproduction by libraries and archives

\textsuperscript{172}239 F.3d 1004, 2001

\textsuperscript{173}Abbreviated as “MP3” Digital MP3 files are created through a process colloquially called “ripping.” Ripping software allows a computer owner to copy an audio compact disk (“audio CD”) directly onto a computer's hard drive by compressing the audio information on the CD into the MP3 format. The MP3's compressed format allows for rapid transmission of digital audio files from one computer to another by electronic mail or any other file transfer protocol; initially an MPEG standard designed for HDTV (high-definition television) but it was found that MPEG-2 could be used instead. Therefore this standard no longer exists. MPEG-4, a standard currently under development designed for videophones and multimedia applications. Supra n. 39
facilitating others in copying, downloading, uploading, transmitting, or distributing plaintiff's copyright musical compositions and sound recordings without express permission of the rights owner." The facts of the case are that:

Napster facilitated the transmission of MP3 files between and among its users, through a process commonly called "peer-to-peer" file sharing, allowing its users to:

- make MP3 music files stored on individual computer hard drives available for copying by other Napster users;
- search for MP3 music files stored on other users computers; and
- transfer exact copies of the contents of other users MP3 files from one computer to another via the Internet.175

"Napster allowed a user to locate other users MP3 files in two ways i.e., through Napster's search function and through its "hotlist" function. To search the files available from Napster users currently connected to the network servers, the individual user would access a form in the MusicShare software stored in his computer and enters either the name of a song or an artist as the object of the search. The form was then transmitted to a Napster server and automatically compared to the MP3 file names listed in the server's search index. Napster's server compiled a list of all MP3 file names pulled from the search index which included the same search terms entered on the search form and transmitted the list to the searching user. The Napster server did not search the contents of any MP3 file; rather, the search was limited to "a text search of the file names indexed in a particular cluster. And the other was to use the "hotlist" function; the Napster user created a list of other user's names from which he had obtained MP3 files in the past.

174 MP3 is a sound format used to transfer CD-quality music over the Internet. MP3 for Motion Picture Experts Group Audio Layer; The MP3 files allow the files to transfer quickly and easily over the Internet.

175 These functions were made possible by Napster's MusicShare software, available free of charge from Napster's Internet site, Napster's network servers and server-side software. In order to copy MP3 files through the Napster system, a user must have to first access Napster's Internet site and download ("To download means to receive information, typically a file, from another computer to yours via your modem... The opposite term is upload, which means to send a file to another computer." United States v Mohrbacher, 182 F.3d 1041, 1048 (9th Cir.1999) (quoting Robin Williams, Jargon, An Informal Dictionary of Computer Terms 170-71 (1993)) the MusicShare software to his individual computer. Once the software is installed, the user could access the Napster system. Even technical assistance for use and facilities were provided. User had to register with Napster. Registered user may list available files stored in his computer's hard drive on Napster where others could access. The user after creating a user library then saves his MP3 files in the library directory, using self-designated file names. After properly formatted the names of the MP3 files will be uploaded from the user's computer to the Napster servers. The content of the MP3 files remains stored in the user's computer. Once uploaded to the Napster servers, the user's MP3 file names were stored in a server-side "library" under the user's name and become part of a "collective directory" of files available for transfer during the time the user was logged onto the Napster system. The collective directory was fluid; it tracked users who were connected in real time, displaying only file names that were immediately accessible."
When logged onto Napster’s servers, the system alerted the user if any user on his list (a “hotlisted user”) is also logged onto the system. If so, the user could access an index of all MP3 file names in a particular hotlisted user’s library and request a file in the library by selecting the file name. The contents of the hot listed user’s MP3 file were not stored on the Napster system. To transfer a copy of the contents of a requested MP3 file, the Napster server software obtained the Internet address of the requesting user and the Internet address of the “host user” (the user with the available files). The Napster servers then communicated the host user’s Internet address to the requesting user. The requesting user’s computer used this information to establish a connection with the host user and downloaded a copy of the contents of the MP3 file from one computer to the other over the Internet, “peer-to-peer.” A downloaded MP3 file now could be played directly from the user’s hard drive using Napster’s MusicShare program or other software. The file could also be transferred back onto an audio CD if the user had access to equipment designed for that purpose. In both cases, the quality of the original sound recording was to slightly diminish by transfer to the MP3 format.”

The U.S Court of Appeal (9th Cir) held Napster liable facilitating transmission and retention of digital audio files by its users establishing a prima facie case of direct copyright infringement by users of such service, based on their downloading and uploading copyright music, in violation of copyright holders exclusive rights of reproduction and distribution, as such use was neither considered to be fair use nor transformative in nature. Napster users who uploaded file names to the search index for others to copy violated author’s distribution rights and users who downloaded files containing copyright music violated author’s reproduction rights.

Napster’s claim for fair use was rejected and the court held that, downloading MP3 files did not transform the copyright work and there cannot be fair use when an original work is merely retransmitted in a different medium.

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176 See Brookfield Communications Inc. v West Coast Entertainment Corp., 174 F.3d 1036, 1044 (9th Cir.1999) (describing, in detail, the structure of the Internet). Cited in A&M Records Inc v Napster Inc, 239 F.3d 1004, 2001

177 Napster identified three specific alleged fair uses i.e. sampling (where users made temporary copies of a work before purchasing) space-shifting (where users accessed a sound recording through the Napster system that they already owned in audio CD format and permissive distribution of recordings by both new and established artists.

178 These factors are: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the “amount and substantiality of the portion used” in relation to the work as a whole; and (4) the effect of the use upon the potential market for the work or the value of the work. See 17 USCA, Section 107
Napster users engaged in commercial use largely because a host user sending a file could not be said to engage in a personal use when distributing that file to an anonymous requester and Napster users got for free something which they would ordinarily have to buy. Repeated and exploitative copying of copyright works, even if the copies were not offered for sale, may constitute a commercial use. Napster users were engaged in "wholesale copying" of copyright work, because file transfer necessarily "involved copying the entirety of the copyright work." The defence of sampling remains a commercial use even if some users eventually purchased the music as even authorised temporary downloading of individual songs for sampling purposes will be commercial in nature. Sampling Napster users downloaded a full, free and permanent copy of the recording hence infringed the copyright of the owner’s. It also rejected the Napster argument that the users downloading of "samples" increased or tend to increase audio CD sales, holding that increase in sales would not be a defence in fair use.

The court referring to Sony Corp. v Universal City Studios, Inc.\(^{179}\) and Recording Industries Assn. of America v Diamond Multimedia Sys., Inc.,\(^{180}\) rejected the contention of Napster’s that space or time-shifting which was held to be fair use in those two cases cannot be applied to this case. This was because when a Napster user downloaded MP3 music files he/she did already owned an audio CD. Similarly, methods of time-shifting did not involve distribution of the copyright material to the general public as it exposed the material only to the original user. Whereas in Napster, once a user listed a copy of music for access from another location, the song became available to millions of other individuals and not just the original CD owner.\(^{181}\) It was a clear case of direct infringement by its users and it was proof of contributory or vicarious infringement (direct

\(^{179}\) 464 U.S. at 423, 104 S. Ct. 774 holding that “time-shifting,” where a video tape recorder owner records a television show for later viewing, is a fair use and did not distribute taped television broadcasts, but merely enjoyed them at home.

\(^{180}\) 180 F.3d 1072, 1079 (9th Cir.1999) Rio a portable MP3 player merely makes copies in order to render portable, or ‘space-shift,’ those files that already reside on a user’s hard drive... Such copying is a paradigmatic non-commercial personal use.”

\(^{181}\) See UMG Recordings, 92 F.Supp.2d at 351-52 (finding space-shifting of MP3 files not a fair use even when previous ownership is demonstrated before a download is allowed); cf. Religious Tech. Ctr. v Lerma, No. 95-1107A, 1996 WL 633131, at 6 (E. D. Va. Oct.4, 1996) (suggesting that storing copyright material on computer disk for later review is not a fair use) cited in A&M Records Inc v Napster Inc, 239 F.3d 1004, 2001
infringement by a third party) which stood fulfilled. As Napster exercised on-going control over its services, by maintaining and supervising an integrated system that users had to access to upload and download files the Sony case would not be a defence. Napster's having knowledge and materially contributed to the infringing activity. Napster users could not find and download the music they wanted without its support and hence liability for vicarious infringement is imputed if it has the right and ability to supervise the infringing activity and also direct financial interest in such activities.

The court also rejected Napster's contention that MP3 file exchange is the type of "non-commercial use" protected from infringement actions by the statute under the Audio Home Recording Act. The Court approved that the Audio Home Recording Act does not cover the downloading of MP3 files to computer hard drives as the Act's definition of digital audio recording devices, computers (and their hard drives) are not digital audio recording devices because their 'primary purpose' is not to make digital audio copied recordings. And notwithstanding Napster's claim that computers are "digital audio recording devices," computers do not make "digital music recordings" as defined by the Audio Home Recording Act. Held, that 'digital musical recording' will not include songs fixed on computer hard drives.

Though, the trial court rejected the safe harbour defence provided to the ISP's under the Digital Millennium Copyright Act, 1998 (DMCA), and held that, DMCA did not provide shelter to contributory infringers. In appeal it was opined that, they may qualify for protection from liability for all monetary relief for direct, vicarious and contributory infringement, but left these issues to be

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182 No action may be brought under this title alleging infringement of copyright based on the manufacture, importation, or distribution of a digital audio recording device, a digital audio recording medium, an analog recording device, or an analog recording medium, or based on the non-commercial use by a consumer of such a device or medium for making digital musical recordings or analog musical recordings. 17 USCA, Section 1008 (emphasis added).

183 Recording Indus. Assn of America v Diamond Multimedia Systems Inc., 180 F.3d 1072, 1078 (9th Cir.1999)

184 See Section 512, An ISP shall not be liable for monetary relief, or, except as provided for injunctive or other equitable relief, for infringement of copyright by reason of the provider's transmitting, routing, or providing connections for, material through a system or network controlled or operated by or for the service provider, or by reason of the intermediate and transient storage of that material in the course of such transmitting, routing, or providing connections.
decided during trial. Contributory liability may potentially be imposed only to the following extent that Napster:

- received reasonable knowledge of specific infringing files with copyright musical compositions and sound recordings
- knows or should know that such files are available on the Napster system
- fails to act to prevent viral distribution of the works

The mere existence of the Napster system, absent actual notice and Napster’s demonstrated failure to remove the offending material, would be insufficient to impose contributory liability. Conversely, Napster may be vicariously liable when it fails to affirmatively use its ability to patrol its system and preclude access to potentially infringing files listed in its search index. Napster had both, the ability to use its search function to identify infringing musical recordings and the right to bar participation of users who engaged in the transmission of infringing files. Hence, preliminary injunction was granted prohibiting against Napster to that extent and the case was remanded for decision on DMCA. Later, this case led Napster to insolvency.

In re Aimster Copyright Litigation, also a case where peer-to-peer file-sharing were made available by Aimster software, enabling users to share files of sound recordings. The facts lead as under:

The sound recording companies sought permanent injunction and liability of contributory and vicarious in nature on Aimster. In this case a user who has loaded the Aimster software could exchange files without necessity of retention of an indexed file of available titles on a central server system. This was similar to Napster’s case. Aimster’s server is a computer that provided services to other computers including personal computers of users over a network. A related internet service allowed Aimster’s software users to join for a fee and use to download the “top 40” popular music files more easily. They could swap files only when both are online and connected in a chat room enabled by an instant-messaging service. They had to register by user name and password at the Web site. Then user could communicate directly with anyone online, attaching any files that he wants to share with the other users. All communications back and forth were encrypted by sender by means of encryption software furnished by Aimster as part to the software package downloadable at no charge

185 See Netcom Case, 907 F. Supp. at 1374-75.
186 See Sony Corp. v Universal City Studios, Inc, 464 U.S. at 442-43, 104 S. Ct. 774
from the Web site, and are decrypted by the recipient using the same Aimster furnished software package. If the user does not designate any specific user, then all the users of the Aimster system could send or receive from any of them. Hence, a purchase of a single CD could be levered into the distribution with near perfect copies of the music recorded on the CD over internet through this file sharing.

Aimster contended that the system simply allowed users to send messages or transfer files to other users by direct user-to-user networks and to identify other users with similar interests, with whom files might be exchanged. Other users on the system could be searched by users of the system enabling identification of other users by subject matter of interest or by the name of the file or files that other users had available on their hard drives. It also contended that it had no knowledge of the files that were being exchanged. Sound recording industries stated that Aimster system connected persons throughout the world and encouraged and enabled them to make their files of copyright material available for copying and distribution.

The trial judge granted preliminary injunction observing that, Aimster have been sued for facilitating the swapping of digital copies of popular copyright music over the Internet. The court held that users of Aimster software were directly involved in copyright infringement. Aimster Internet service was held to be a contributory and vicarious infringer of the copyright. There was no defence under the Audio Home Recording Act, as it involved copying by making copies for distribution to other persons, distinguishing the case of *RIAA v Diamond Multimedia Systems Inc.* With reference to the liability of Aimster on contributory infringement the court held, that they knew the direct infringement

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188 180 F. 3d 1072, 51 U.S.P.Q. 2d 1115 (9th Cir. 1999) case was where a hand held device (the Rio) manufactured by the defendant and capable of receiving, storing and re-playing MP3 audio files already stored on the hard disk of a personal computer. The Rio could not make duplicates of the audio files which were transferred to and stored on it, to transfer such files to another computer or the Internet though by means of a memory card, files stored on one Rio could be played back on another Rio. The advantage of Rio was that files could be played back on the Rio anywhere, without having to use the personal computer on which the files had been initially stored. The plaintiff claimed that the Rio should have incorporated the Serial Copyright management System ("SCMS") as required by the Audio Home Recording Act, but it was held that, since the Rio did not constitute a digital audio recording device within the purview of the Act, the plaintiffs could not be granted a preliminary injunction to prevent sale of the Rio. The question whether recording of audio files by using the Rio was in any event legitimate was not an issue in the case. see Supra n. 5, p 550-551

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was occurring by use of its software. The argument of Aimster that the transmission between users were encrypted and they had no knowledge of the infringements was rejected holding that specific knowledge of specific infringement involved was not a necessary element to make them liable for contributory infringement. Even otherwise, Aimster had constructive knowledge of the infringing activity, for which they themselves have contributed. The court also rejected the defence of Sony Corp. v Universal City Studios, Inc.\textsuperscript{189} Aimster system facilitated the transfer of the copyright material amongst the users including influencing and encouraging direct infringement to its users. The defence u/s 512 (DMCA) limiting the liability of an ISP was also rejected for failing to satisfy the test laid down under the section, e.g. terminating the accounts of repeated infringers. Hence, as they had the likelihood of succeeding the trial, the appellate court granted preliminary injunction holding that Aimster should take measures to prevent copying, distribution of such copyright material over internet.

One observation can be made as to the two cases referred above, in Hotaling case, the infringement material was within the domain and control of library whereas, in Napster, it had no such collection or recordings. Hence, Napster could not be held as a direct infringer because it could not transfer an identifiable copy of any of the works.

Further, in Perfect 10 Inc v Amazon.com Inc.,\textsuperscript{190} was a case where copyright owners wanted to restrain an Internet search engine from facilitating access to infringing images. Perfect 10 sued Google, for infringement of its copyright photographs of nude models. Perfect 10 brought a similar action against Amazon.com and its subsidiary A9.com. The district court preliminarily enjoined Google from creating and publicly displaying thumbnail versions of Perfect 10’s images,\textsuperscript{191} but did not enjoin Google from linking to third-party websites that display infringing full-size versions of Perfect 10’s images. Nor did the district court preliminarily enjoin Amazon.com from giving users access to information

\textsuperscript{189} 464 U.S. at 423, 104 S. Ct. 774 holding that “time-shifting,” where a video tape recorder owner records a television show for later viewing, is a fair use and did not distribute taped television broadcasts, but merely enjoyed them at home.
\textsuperscript{190} 508 F.3d 1146, 1162-1163 (9th Cir. 2007)
\textsuperscript{191} Perfect 10 v Google, Inc., 416 F.Supp.2d 828 (C.D.Cal.2006)
provided by Google. Perfect 10 and Google both appealed the district court’s order. The court comparing both Napster and Hotaling cases held:

“This “deemed distribution” rule does not apply to Google. Unlike the participants in the Napster system or the library in Hotaling, Google does not own a collection of Perfect 10’s full-size images and does not communicate these images to the computers of people using Google’s search engine. Though Google indexes these images, it does not have a collection of stored full size images it make available to the public. Google therefore cannot be deemed to distribute copies of these images under the reasoning of Napster or Hotaling. Accordingly, the district court correctly concluded that Perfect 10 does not have a likelihood of success in proving that Google violates Perfect 10’s distribution rights with respect to full-size images.”

In Universal City Studios Prods LLLP v Bigwood (KaZaa),192 it was held that, user commits direct infringement by storing copyright films in a shared directory, available for download by other P2P users. Similarly, in Arista Records LLC v Greibelt,193 it was held that when a sound recording is made available online by listing copyright works in an electronic file directory that is accessible by others tantamount to an infringement of copyright.

In Napster case, the court favoured the owners as Napster had power to terminate the user’s account, which means it had control over the activities of the users. In addition, Napster also had huge financial benefits. Thus, there was vicarious (primary) infringement. However, Cornish suggest these considerations in U.K would have given a possible opposite view given by Napster.194 In the U.K the Napster’s case would have ended with a different result. The courts in the U.K would hold the ISP and the recipient of transmitted material would be making internet copies and would be held liable for infringement.

The reproduction and distribution rights of an author have been the most challenged and the courts have been supportive on one hand by protecting the copyright owners and on the other hand balancing public interest by interpreting a fair use in few cases.

192 441 F. Supp. 2d 185, 188, 190 (D. Me. 2006)
193 453 F. Supp. 2d 961, 968 (N.D. Tex. 2006)
4.5.1 Rental and Lending Rights

Rental or lending rights historically speaking were nonexistent and there was no right as rental or lending rights entitling the owners of copyright with any privileges. “Rental” means making a copy of the work available for use, on terms that it will or may be returned, for direct or indirect economic or commercial advantage.\textsuperscript{195} Thus rental covers the commercial rental of a work. Berne Convention had no provision for rental. The WCT provides for rental right wherein the authors of computer programs, cinematographic works and works embodied in phonograms shall enjoy the exclusive right of authorising commercial rental to the public of the originals or copies of their works. However, in the case of computer programs, where the program itself is not the essential object of the rental and in the case of cinematographic works, unless such commercial rental has led to widespread copying of such works materially impairing the exclusive right of reproduction, shall not apply.\textsuperscript{196} The rental rights are also provided under the WPPT, where performers shall enjoy the exclusive right of authorising the commercial rental to the public of the original and copies of their performances fixed in phonograms even after distribution of them by, or pursuant to, authorisation by the performer.\textsuperscript{197} Similarly, producers of phonograms shall enjoy the same exclusive right.\textsuperscript{198}

The CDPA provided a limited right to control the rental of copies of certain works.\textsuperscript{199} A sound recording, films and computer programs only were provided

\textsuperscript{195} CDPA, Section 18(2)(a)
\textsuperscript{196} WCT, Article 7
\textsuperscript{197} WPPT, Article 9
\textsuperscript{198} WPPT, Article 13
\textsuperscript{199} CDPA, Section 18A Infringement by rental or lending of work to the public

\begin{enumerate}
\item The rental or lending of copies of the work to the public is an act restricted by the copyright in -
\item (a) a literary, dramatic or musical work,
\item (b) an artistic work, other than-
\item (i) a work of architecture in the form of a building or a model for a building, or
\item (ii) a work of applied art, or
\item (c) a film or a sound recording.
\end{enumerate}

\begin{enumerate}[resume]
\item In this Part, subject to the following provisions of this section-
\item (a) “rental” means making a copy of the work available for use, on terms that it will or may be returned, for direct or indirect economic or commercial advantage, and
\item (b) “lending” means making a copy of the work available for use, on terms that it will or may be returned, otherwise than for direct or indirect economic or commercial advantage, through an establishment which is accessible to the public.
\item The expression “lending” does not include making available between establishments which are accessible to the public.
\end{enumerate}
with the rental and lending rights with exclusive right to issue of such works to the public. There existed no such right in case of literary, dramatic, musical or artistic works though there was the possibility of such work being included in such media or which were otherwise the subject of rental, e.g. in the form of books. In the case of public library, lending of computer programs, sound recording and films could not be covered under the Public Lending Right Scheme, 1982 (U.K). It was to be covered as rental u/s 18 of the CDPA irrespective of whether payment is made or not. The law provides that the rental and lending of copies of a work to the public are now separate restricted acts. According to Section 18 of the CDPA, the rental and lending applies only to limited works. It covers literary, dramatic and musical work; artistic works (excluding works of architecture in the form of a building or a model for a building, or works of applied arts); and films and sound recordings. Hence, the rental of copies of any of the above categories of works or the original\(^{200}\) to the public is a restricted act.

The EEC Directive defines the term ‘rental’ in the following words, which includes:

- making available of a computer program or a copy for use
- for a limited period of time
- for profit-making purposes
- but does not include public lending

The definition excludes any public lending and thus, remains outside the scope of the EEC Directive.\(^{201}\) The reference to a term that the work may be returned will include an arrangement whereby a copy of a work is sold to a purchaser but on terms that it can be brought back and some part of the money refunded or another work taken in exchange.\(^{202}\) The rental includes the making available of a work in the course of a business as part of services or amenities for which payment was made.\(^{203}\) This may invariably cover the copies of videos made available to guests in a hotel.

\(^{200}\) CDPA, Section 18 (6) References in this Part to the rental or lending of copies of a work include the rental or lending of the original.
\(^{201}\) EU Council Directive on the legal protection of computer programs (91/250/EEC)
\(^{202}\) Supra n. 64, p 430
\(^{203}\) CDPA, Section 178- “rental right” means the right of a copyright owner to authorise or prohibit the rental of copies of the work
“Lending rights” are provided to a literary, dramatic or musical work, an artistic work, or a film or a sound recording excluding work of architecture in the form of a building or a model for a building, or a work of applied art that are covered under the CDPA.\(^{204}\) “Lending” is defined as making a copy of the work available for use, on terms that it will or may be returned, otherwise than for direct or indirect economic or commercial advantage, through an establishment which is accessible to the public.\(^{205}\) Though the restricted act is limited to lending to the public, it however covers expressly lending between establishments accessible to the public. Hence, lending from one library to another is not a restricted act.\(^{206}\) While determining a direct or indirect economic or commercial advantage, a payment which does not go beyond what is necessary to cover the operating costs of the establishment will not be considered.\(^{207}\) The rental and lending rights are made applicable only when copies are made available to the public, which means that public has access to the work. Meaning thereby, it excludes any rental or loan of the work or a copy by one private person or concern to another.\(^{208}\)

In the case of rental and lending rights, the statute provides for exclusion.\(^{209}\) They are:

- “the making available for the purpose of public performance, playing or showing in public or communication to the public, for example the rental of a film to a cinema for public showing is not a restricted act.
- making available for the purpose of exhibition in public; or
- making available for on-the-spot reference use, like where a person allows a user to have access to a work but not to take it away, does not rent or lend the work for the purpose of the Act.”\(^{210}\)

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\(^{204}\) CDPA Section 18A
\(^{205}\) Ibid Section 18A (2)(b)
\(^{206}\) Ibid, Section 18A (4)-The expression “lending” does not include making available between establishments which are accessible to the public.
\(^{207}\) Ibid, Section 18A (5)- Where lending by an establishment accessible to the public gives rise to a payment the amount of which does not go beyond what is necessary to cover the operating costs of the establishment, there is no direct or indirect economic or commercial advantage for the purposes of this section.
\(^{208}\) Supra n. 64, p 431
\(^{209}\) CDPA, Section 18A (3) The expressions “rental” and “lending” do not include-(a) making available for the purpose of public performance, playing or showing in public or communication to the public; (b) making available for the purpose of exhibition in public; or (c) making available for on-the-spot reference use
\(^{210}\) Supra n. 64, p 431
Article 3, EEC Directive\textsuperscript{211} provides a rightholders subject matter of rental and lending right. The exclusive right to authorise or prohibit rental and lending shall belong to the author in respect of the original and copies of his work, the performer in respect of fixations of his performance, the phonogram producer in respect of his phonograms and the producer of the first fixation of a film in respect of the original and copies of his film. This Directive shall not cover rental and lending rights in relation to buildings and to works of applied art. Article 4 of the Directive provides on rental of computer programs which speaks that the Directive shall be without prejudice to Article 4(c) of Council Directive 91/250/EEC on legal protection of computer programs.\textsuperscript{212}

Hence, the rental, lease or lending rights are provided to the author and which has gained importance in the computer software as the question of sale or licence may have to be decided by the court. The agreement between the parties is decisive in such cases. The computer software industries are now making available the copies by way of a licencing through the “Shrink Wrap” or “Click Wrap” agreement. The court shall consider these elements in deciding the cases. The importance of the first sale doctrine in the digital era becomes important, which the researcher will refer in the next section.

4.5.2 Computer Software and First Sale Doctrine

In case of a literary works like books or novels it is not difficult to say that the publisher may retain full copyright control over the literary work that it publishes, but to the extent that it sells high quality bound volumes, paperbacks, CD-ROMs. The same consideration may be applicable to literary works which are in the nature of computer program, for e.g. diskettes, CD-ROMs and other storage media. Thus, the software publisher will lose the distribution rights in all those work, once he sells the work in question. However, the first sale doctrine has posed

\textsuperscript{211} Directive 2006/115/EC on rental right and lending right and on certain rights related to copyright in the field of intellectual property

\textsuperscript{212} (c) any form of distribution to the public, including the rental, of the original computer program or of copies thereof. The first sale in the Community of a copy of a program by the rightholder or with his consent shall exhaust the distribution right within the Community of that copy, with the exception of the right to control further rental of the program or a copy thereof.
many problems in the software context. In the Analog Media author’s work was disseminated to the public, but they still could hold some physical manifestation over that work, for e.g. it may be books, discs, paintings, etc. However, that rule of author’s having control over such work has become impossible in the internet era. The question may arise whether the first sale doctrine will be applicable to the digital era.

There are four questions in this regard, which may guide us to understand the first sale doctrine applicable to computer software in internet media.\(^{213}\) They are the following:

- was the copy lawfully produced with authorisation of the copyright owner
- was that particular copy transferred under the copyright owner’s authority
- does defendant qualify as the lawful owner of that copy and
- did the defendant thereupon simply distribute that particular copy?

Further he gives a striking example of how this doctrine will effect and change the position of the owner of the computer program. Three examples are given which are as follows:\(^{214}\)

a) If ‘A’ downloaded a movie from a computer for an amount of let us say Rs. 300/- and after watching and using that work he/she sells the work to ‘B’ for Rs. 100/-. When this sale took place, ‘A’ sends the file containing that film to ‘B’ and ‘A’ deleted the file from his/her own personal computer.

b) In the second example if ‘C’ buys an authorised DVD of a movie for Rs. 300/- and then sold the DVD to ‘D’ for Rs. 100/- after some months. The question which arises here is does the law treat the two transaction in the same way and thus attract the first sale doctrine or will it treat the acts of A and C differently.

c) ‘P’ holds a copy of his favourite copyrighted work (it may be musical recording, motion picture, novel or other) in RAM, who sends it to ‘R’, who uploads it to ‘S’, and ‘S’ transmitting it to ‘T’s hard drive. In these circumstances the copyright owners may claim the copies of the work have been transmitted which extends to the basic principle that it gets fixed in computer media. Thus when the copy gets transmitted from ‘P’ to ‘T’, each of such transmission will constitute an infringement of right to reproduce the work in copies.

Elaborating on the above four questions which entitle the applicability of the first sale doctrine, a practical application of the same can be examined by way of illustration in the following words:

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\(^{213}\) as cited in Supra n. 20, p 8-160.5

\(^{214}\) Ibid, p 8-180-184
In the digital media, ‘A’ acquiring and watching the movie (any number of times) will qualify as a ‘copy’ lawfully produced and is said to be authorized by the copyright owner. The second question also gets satisfied as the copy was transferred under the copyright owner’s authority. With reference to the third question, he/she being the owner of the hard drive, RAM and all other things connected to it, will qualify as the lawful owner of that copy. And as to the final question, as long as ‘A’ limits in simply distributing that copy, the last test is also satisfied. This actually qualifies for the first sale defence and there will be no infringement of copyright. Similarly, ‘A’ can sell the PC and the hard drive without any authorization of the copyright owner, even if the movie is embodied in the hard drive. The statute also makes no such distinction between analog and digital copies.215

Coming to the next step, i.e. when ‘A’ sells the PC to ‘B’ the copy of the movie and deleting it from his/her hard drive, if ‘A’ copies the work for ‘B’ and then only deletes the original, the act of infringement by way of reproduction takes place and there is no first sale defence to ‘A’s act. The act is said to be passing through the cyber space and such reproduction of the work by ‘A’ will be an infringement. Rob Kasunic’s examines the analogy and says the functioning of a word processing computer “Cut and Paste” will qualify for the first sale defence but not the “Copy and Paste” even if the work gets deleted afterwards.216

In the second example where ‘C’ sell the DVD to ‘D’ the traditional principle of first sale defence is applicable. In the third example it will be an act of reproduction and would be an infringement of copyright. Thus, it can be said that, there is no such first sale defence in the digital media when such work is reproduced, as the recipient obtains a new copy, not the same copy which the sender began.217

215 U.S. Copyright Office, DMCA Section 104 Report 23 (2001), Ibid. 8-181
216 Cited in Ibid, 8-182
217 U.S. Copyright Office, DMCA Section 104 Report 23 (2001), Supra n. 20, 8-182
In *New York Times Co. v Tasini*, 218 the Supreme Court of U.S held LexisNexis liable for infringement of the right of distribution of writers when they transmitted their articles which were made available to the public who actually browsed the web site. Hence, by selling copies of the articles through its database, it distributed copies of the articles to the public by sale u/s 106(3) of the USCA infringing the copyright owner’s right to distribution.219

In *Microsoft Corp v Software Wholesale Club Inc*220 it was held, that the first sale doctrine will apply only when a original work has been transferred and will not apply to a work which is said to be counterfeit as the first question is not in his favour will tantamount to an infringement of copyright. In *Microsoft Corp. v Action Software*,221 holding that, when a copy was not manufactured lawfully by any authorisation of the owners, it will amount to counterfeit and will entail liability on the person selling the counterfeit.

In *Microsoft Corp v Harmony Computer & Electronics Inc*222 the court had to consider with a question of infringement where part of computer software was counterfeit. The court held that, infringement occurred to that extent and the defence of first sale was not to be in support of the defendant. However, the court’s reasoning was based on a version of Section 109 (a) of the USCA, where it was held non applicable to licences, because Microsoft always licences its product rather than selling. However, it can be argued that, the Microsoft which transferred the software by way of licence and was under the authority or control, the first sale doctrine comes into existence and hence the decision of the court in this may be questionable. Nimmer specifically states that, “if by ‘products,’ the court meant to refer to tangible diskettes, and if by “licences” the intent was to convey that such physical items are merely leased or lent, then such conclusion was correct. On the other hand, if the court inferred from the fact that the software was licenced to end users and Section 109 (a) was therefore somehow inapplicable, then the court

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218 121 S. Ct. 2381, 2390 (2001)
219 USCA, 1976 Section 106(3) exclusive right- to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
221 136 F. Supp. 2d 735, 737 n.2 (N.D. Ohio 2001)
entirely misunderstood the first sale doctrine.\[^{223}\] When the physical possession of the work is lawful the defence of first sale doctrine come into operation.

In Adobe Systems Inc v One Stop Micro Inc\[^{224}\] Adobe had consented to distribute copies of its software for educational market. One Stop bought the copies and removed the stickers which indicated for educational purpose, then re-shrunk the wrap around the boxes. It was clear it qualified as the lawful owner of the copies. The third question of whether the defendant is the lawful owner of that copy was answered in the positive. It is similar to a person who purchases a book or a record and then he removes all the covering and stickers or cellophane and use as their asset. Similarly if they want to dispossess they may re-shrink cellophane and resell the product. One stop had done the same thing in this case and then distributed the product, which the fourth question was to be answered in favour of One stop. So instead of them reproducing the same they distributed the work and hence would entail the defence of first sale doctrine.

In some cases the courts have used the Uniform Commercial Code with reference to a computer program in order to determine the owner of diskettes or other media. In Novell v Network Trade Center (NTC)\[^{225}\] where Novell sold to NTC networking software, original as well as upgraded version. NTC after purchasing the upgraded copies sold it to the end users at a discount. As to the copyright issues, the court rejected the argument that it only provided a licence to use the software and held that:

"This court holds that transactions making up the distribution chain from Novell through NTC to the end user are "sales" governed by the UCC. Therefore, the first sale doctrine applies. It follows that the purchaser is an "owner" by way of sale and is entitled to the use and enjoyment of the software with the same rights as exist in the purchase of any other good. Said software transactions do not merely constitute the sale of a licence to use the software. The shrink-warp licence included with the software is therefore invalid as against such a purchaser insofar as it purports to maintain title to the software in the copyright owner's."\[^{226}\]

\[^{223}\] Supra n. 20, p 8-161
\[^{224}\] 84 F. Supp 2d 1086, 1092 (N.D. Cal 2000)
\[^{225}\] 25 F. Supp. 2d 1218 (D. Utah 1997)
\[^{226}\] Ibid 1231
So the Utah's District Court held that, NTC's customers who obtained a lawful copy would not be infringing the copyright and were entitled to use the software in accordance with its intended use, including unrestricted copying of the software onto their hard drives.

However, in *Softman Prods. Co. LLC v Adobe Sys Inc*\(^{227}\) the court rejecting *Adobe v One Stop*\(^{228}\) decision, but distinguishing it from the *Microsoft v Harmony*\(^{229}\) held that, Adobe in fact sold the software though it was an End User Licence Agreement (EULA) a person obtaining the Adobe software without entering into that agreement, and then proceeds to unbundles its various components for resale, will surely be within the four corner of protection of first sale doctrine.

"The court finds that the circumstances surrounding the transaction strongly suggests that the transaction is in fact a sale rather than a licence. For example, the purchaser commonly obtains a single copy of the software, with documentation, for a single price, which the purchaser pays at the time of the transaction, and which constitutes the entire payment for the licence. The licence runs for an indefinite term without provisions for renewal. In light of these indicia, many courts and commentators conclude that a "shrink-wrap licence" transaction is a sale of goods rather than a licence."

Brushing aside the argument to consider the work under copyright law the California District Court concluded that a system of licencing which grants software publishers such degree of unchecked power to control the market deserves to be the object of court's careful scrutiny. In *Storage Tech Corp (STC) v Custom Hardware Engineering & Consulting Inc*, (CHE)\(^{230}\) STC sold automated tape cartridge libraries to customers, by way of a licence of the software. CHE were servicing the users by repairing libraries that customers purchased from STC. STC could not succeed in holding the infringement of copyright against CHE by situating its conduct within the licence that STC had granted to its customers.

\(^{227}\) 171 F. Supp 2d 1075 (C.D. Cal. 2001)
\(^{228}\) 84 F. Supp 2d 1086, 1092 (N. D. Cal 2000)
\(^{229}\) 846 F. Supp. 208, 211-212 (E.D.N.Y. 1994)
\(^{230}\) 421 F.3d 1307 (Fed Cir. 2005)
Thus, the first sale doctrine as a defence is applicable with full force in software setting as it is applicable to books, videotapes and other physical media that have been sold. The Computer Software Rental Amendments Act, 1990 was enacted due to the pressure of the software industries. This Act limits the owners of software products, who otherwise would have the unlimited right under the first sale doctrine to rent, lease, or lend programs in their possession.

4.5.3 Rental of a Computer Program

In a conventional mode, a book store is always ready to sell the book but the same is not possible if it is a library. A library may only lend the book to a user and avoid the first sale doctrine. Whereas, when a book store will sell the book and the first sale doctrine will come into operation. The owner of computer software (copyright owner) may exploit the work in such a way that it may not be an outright sale, in such cases the defence of first sale doctrine may not come into operation. Considering this in computer software scenario, a copyright owner may wish to lease a diskettes and CD-ROMs for a limited period with a condition that the user should return the same. This transaction may fall outside the scope of first sale doctrine. The same will be the result where a software store is set up and customers can come and use such software. Furthermore, when software is made available by a company to its users at the time when they are logged in and could even edit but will lose the same once they are logged out, are examples where there is no physical transfer of a copy containing the software. However, it is very difficult to hold on to such situations, e.g. when Microsoft authorises Original Equipment Manufacturers (OEMs)\textsuperscript{231} to produce its software, it has consented to those OEMs being the owner of the particular copy or copies in issue where the first sale doctrine comes into operation. The current trend is that software companies are now accepting such cases to fall under the first sale doctrine.

It is to be noted that the first sale doctrine defence is applicable if copies or phonorecords have been lawfully made under this title. An owner of the infringing tangible copy or phonorecord is an infringer of distribution right. The author or his

\textsuperscript{231} OEM- the maker of a piece of equipment; In making computers and related equipment, manufacturers of original equipment typically purchase components from other manufacturers of original equipment, integrate them into their own products, and then sell the products to the public. Supra n. 39
assignee will own the intangible copyright but not the tangible things like paper, film or any other instrument in which his work has been embodied by another. Hence, any manufacture of a copy or phonorecord may amount to an infringement of the "reproduction" or "adaptation" right and its distribution will infringe the "distribution right." This is applicable even if it is done by the owner of such copy or phonorecord and if the distributor in acquiring ownership of the copying or phonorecord from an infringing manufacturer having no notice of ownership of copyright. Any resale of any illegally pirated phonorecord is an infringement.

The U.S enacted the Computer Software Rental Amendment Act 1990 following the Record Rental Amendment of 1984. The amendment was with a view to provide an exception to the first sale doctrine. Section 109 (b) of the USCA, was amended to an extent that unless authorised by the owner of copyright in a computer program (including any tape, disk, or other medium embodying such program); sound recording in the musical works embodied therein, neither the owner of a particular phonorecord nor any person in possession of a particular copy of a computer program may, for the purposes of direct or indirect commercial advantage, dispose of, or authorize the disposal of, the possession of that phonorecord or computer program by rental, lease, or lending, or by any other act or practice in the nature of rental, lease, or lending.

233 Section 109(b)(1)(A) Notwithstanding the provisions of subsection (a), unless authorized by the owners of copyright in the sound recording or the owner of copyright in a computer program (including any tape, disk, or other medium embodying such program), and in the case of a sound recording in the musical works embodied therein, neither the owner of a particular phonorecord nor any person in possession of a particular copy of a computer program (including any tape, disk, or other medium embodying such program), may, for the purposes of direct or indirect commercial advantage, dispose of, or authorize the disposal of, the possession of that phonorecord or computer program (including any tape, disk, or other medium embodying such program) by rental, lease, or lending, or by any other act or practice in the nature of rental, lease, or lending. Nothing in the preceding sentence shall apply to the rental, lease, or lending of a phonorecord for non-profit purposes by a non-profit library or non-profit educational institution. The transfer of possession of a lawfully made copy of a computer program by a non-profit educational institution to another non-profit educational institution or to faculty, staff, and students does not constitute rental, lease, or lending for direct or indirect commercial purposes under this subsection. Though the amendment was to be a sunset Act, later in 1994 the US complying with the Uruguay Round made the law as permanently applicable. The Amendment Act is prospective in nature and any person acquiring a copy of computer program prior to the coming into force of this Act will continue to have all the rights, except those where an updated version of software is purchased.
234 MAI Sys Corp. v Peak Computer (held that rental of a software amounts to infringement, though it did not refer to the section)
authorised by the owners of copyright either in the sound recording or the computer program, the distribution right is said to be infringed. However, there is no restriction of effect on the direct and outright sale of computer software. However, there may be cases of what is termed as sale and buy back where it may amount to a disguised lease and in such case the court may considering the facts hold the person involved for infringement. In *Action Tapes Inc v Mattson* where graphic embroidery designs were embedded on disk like memory cards which enabled computer run sewing machines to stitch the embedded design on fabric and apparel. It was contended that the owner of a sewing machine was involved in an infringement where he rented the memory cards to its customers. It was held that it would be a work of visual art rather than a computer program exonerating from liability for infringement. This should have been considered as a computer program and such act involving infringement of copyright.

The exceptions to the first sale doctrine is applicable only if such acts are done for the purpose of direct or indirect commercial advantage, for e.g. lending done to friends without involving any direct or indirect commercial advantage may not ensue liability for infringement. Similarly, a transfer of possession of a lawfully made copy of a computer program by a non-profit educational institution to another non-profit educational institution or to faculty, staff, and students does not constitute rental, lease, or lending for direct or indirect commercial purposes under this subsection. The other exceptions where the rental, lease or lending of computer program are permitted, where a computer program which is embodied in a machine or product and which cannot be copied during the ordinary operation.

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235 Central Point Software v Global Software & Access., Inc., 880 F. Supp. 957, 963-965 (E.D.N.Y. 1995) (where a deferred billing plan was combined with a non-refundable deposit), cited at Supra n. 20, p 8.178.6(5)

236 462 F.3d 1010 (8th Cir. 2006)

237 See Supra n. 20, p 8-178.6(6)

238 (B) This subsection does not apply to-
   (i) a computer program which is embodied in a machine or product and which cannot be copied during the ordinary operation or use of the machine or product; or
   (ii) a computer program embodied in or used in conjunction with a limited purpose computer that is designed for playing video games and may be designed for other purposes.

239 This was necessary as there may be a case of car leasing, rental of video arcade games, loans of microwave ovens and furnishing computers for the use of travelling businessmen. H.R. Rep No. 101-735, 101st Cong., 2d Sess. 15 (1990) Supra n. 20, p 8.178.6(7) "Automobiles, calculators, and other electronic consumer products contain computer programs, but these computer programs cannot now be copied by consumers during the ordinary operation of these products. The
or use of the machine or product\textsuperscript{240} or a computer program embodied in or used in conjunction with a limited purpose computer that is designed for playing video games and may be designed for other purposes.\textsuperscript{241}

4.6.1 Right to Communication and public performance

The author’s right of communication of the work was previously to be “public performance” when it is in presence of public or to broadcasting or relaying the performance to the public by wireless or cable transmission. In view of the development of Internet as a media, new mode of communication has been in increase. The exclusive right given to the owner of right to communicate to the public are the broadcasting rights, cable programme rights and in the digital era the on-demand availability right, which relates to communication through internet.\textsuperscript{242}

The Berne Convention provides authors of literary and artistic works, who shall enjoy the exclusive right of authorising:

(i) the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion of signs, sounds or images;
(ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one;
(iii) the public communication by loudspeaker or any other analogous instrument transmitting, by signs, sounds or images, the broadcast of the work.

\textsuperscript{240} 17 USCA, Section 109(b)(1)(i), these provisions “adequately allow the rental of computer hardware that embody computer programs which cannot be copied during the ordinary operation or use of that machine, including the lease or lending of computers embodying software, by, for e.g., hotels and airports for patrons individual business purposes.

\textsuperscript{241} There are limited purpose computers which are used primarily for playing video games, they may have other applications as well and as long as these other purposes do not involve the copying of computer programs, exemptions will stand. But a program embodied in a general purpose computer is not included in the exemption, irrespective of the fact that the computer is capable of being used, inter alia, to play video games. H.R. Rep No. 101-735, 101\textsuperscript{st} Congress, 2d Session. 8 (1990) Supra n. 20, p 8.178.6(7)

\textsuperscript{242} Berne Convention, Article 11bis (1) Authors of literary and artistic works shall enjoy the exclusive right of authorising:
(i) the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion of signs, sounds or images;
(ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organisation other than the original one;
(iii) the public communication by loudspeaker or any other analogous instrument transmitting, by signs, sounds or images, the broadcast of the work.

\textsuperscript{7}
Berne Convention provides authors of dramatic, dramatico-musical and musical works with the exclusive right of authorising any communication to the public of the performance of their works and such performance may be by any means or process.\textsuperscript{243} The WCT provides for a more inclusive provision for the digital media.\textsuperscript{244} It provides that, authors of literary and artistic works 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 that members of the public may access these works from a place and at a time individually chosen by them. This is to cover the on-demand availability right covering the internet and any other analogous communication.

In copyright context the different modes of communication are as follows:

- Public performance- the work is performed before the public in a live performance or through use of recording.
- Transmission by radio waves of any work through wireless communication.
- Transmission by cable where the work is originated cabling or by cable retransmission of a wireless broadcast or another cable transmission.\textsuperscript{245}

In the internet scenario the transmission may take place by wireless or cable where it includes providing the opportunities for the member of public in accessing any material on websites of their choice of the work and the time in question, which is normally referred as “on demand availability right.” In an internet media the transmission may be through cable, satellite links, micro-wave, radio or may be combination of all these. The communication may be referred with various constituents like “right to communication” or “to perform in public” or “to broadcast” or “to diffuse by wire” or “to include in a cable programme,” which may be granted.\textsuperscript{246}

\textsuperscript{243} Berne Convention, Article 11
\textsuperscript{244} WCT, Article 8, Right of Communication to the Public- Without prejudice to the provisions of Articles 11(1)(ii), 11bis(1)(i) and (ii), 11ter(1)(ii), 14(1)(ii) and 14bis(1) of the Berne Convention, authors of literary and artistic works 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 that members of the public may access these works from a place and at a time individually chosen by them.
\textsuperscript{245} Supra n. 5, p 373
\textsuperscript{246} Ibid p 374
This right authorising the use of protected works in wireless broadcasting got recognition through the Rome Convention within the Berne Convention in 1928. It may be seen that communication through wireless and cable has been responded separately by the U.K statute. The EC Rental/Lending and Related Rights Directive refer to the term broadcasting specifically covering both wireless and cable transmission.\textsuperscript{247}

\subsection*{4.6.2 Public Performance right\textsuperscript{248}}

Rome Convention and the WPPT do not define the meaning of performance. But the term performer is defined. “Performers” are actors, singers, musicians, dancers, and other persons, who act, sing, deliver, declaim, play in, interpret, or otherwise perform literary or artistic works or expressions of folklore.\textsuperscript{249}

Section 106(4)\textsuperscript{250} of the USCA, provides that the copyright owner has the exclusive right to perform the work in public in literary, musical, dramatic and choreographic works, pantomimes and motion pictures and other audiovisual works. Performance for the purpose of copyright law means to recite, render, play, dance, or act it, either directly or by means of any device or process or, in the case of a motion picture or other audiovisual work, to show its images in any sequence or to make the sounds accompanying it audible.\textsuperscript{251} The devices or process includes equipments for reproducing or amplifying sounds or visual images, any sort of transmitting apparatus, any type of electronic retrieval system, and any other

\begin{footnotesize}
\textsuperscript{247} ECD, Article 6(2)
\textsuperscript{248} CDPA, Section 19 Infringement by performance, showing or playing of work in public
(1) The performance of the work in public is an act restricted by the copyright in a literary, dramatic or musical work.
(2) In this Part "performance," in relation to a work-
(a) includes delivery in the case of lectures, addresses, speeches and sermons, and
(b) in general, includes any mode of visual or acoustic presentation, including presentation by means of a sound recording, film or broadcast of the work.
(3) The playing or showing of the work in public is an act restricted by the copyright in a sound recording, film or broadcast.
(4) Where copyright in a work is infringed by its being performed, played or shown in public by means of apparatus for receiving visual images or sounds conveyed by electronic means, the person by whom the visual images or sounds are sent, and in the case of a performance the performers, shall not be regarded as responsible for the infringement.
\textsuperscript{249} WPPT Article 2 (a)
\textsuperscript{250} Section 106 (4) the owner of copyright under this title has the exclusive rights to do and to authorize - in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly
\textsuperscript{251} USCA, Section 101
\end{footnotesize}
techniques and systems not yet in use or even invented. This includes a broadcast of a work. By showing its images in any sequence or making the sounds accompanying it audible in a motion picture or any audiovisual work constitutes a performance.

Performances occurring in public are covered under the owner's right of performance. This has been decided by plethora of cases so as to derive at the meaning of public performance. Hence, when a person reads a book with his high pitch or sings a song in that manner it will not be constitute a public performance unless the test of "publicly perform" will occur. A performance is said to be public when it is performed in a place which is open to public or a place where persons belonging to the public other than a family or the social acquaintances of such family is gathered.\footnote{Columbia Pictures Indus, Inc \textit{v} Aveco Inc 800 F.2d 59, 63 (3rd Cir. 1986) held a telephone booth, a taxi cab and even a pay toilet are generally regarded as "open to the public, even though they are usually occupied only by one party at a time."} If a substantial number of person outside the family members are gathered, the act amounts to a performance to the public even if the performance occurs at a place which is closed and not a place open to the public.\footnote{USCA Section 101- To perform or display a work "publicly" means- (1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.} Thus, clubs, lodges, factories, schools of like nature would be public places and performance of such work may amount to public performance. Even if less number of people attended a performance, it will not reduce the public into private gathering.\footnote{See \textit{Los Angles News Service v Conus Communications Co. Ltd. Partnership}, 969 F. Supp. 579, 584 (C.D. Cal. 1997) (Quoting Nimmer)}

It is to be noted that, it is not necessary that all persons should be physically present or assembled to determine the question of the performance as a “performance in public.” So if public can view or hear a given performance even at a distance may still constitute public performance. This is made possible because of second clause, which provides that “to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the
public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.\textsuperscript{255} It will constitute a performance in public if a transmission takes place through a radio broadcast to the guests of a hotel. It is immaterial that the transmission was heard over loudspeakers which were placed only in individual guest rooms and not at a common place where they actually gathered.\textsuperscript{256} It will not be a defence for copyright infringement even if substantial number of persons were not actually listening to such performance.\textsuperscript{257} Similarly, it will amount to a public performance when there is a television or radio broadcast where recipients may be consisting of individual homes.\textsuperscript{258}

The question may arise whether the work is said to be performed publicly even if the members of the public receive the performance at the same time or at different times? The definition of ‘publicly’ in second clause of Section 101 of the USCA provides “...whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.” When a phonorecord is purchased by an individual and played at his home, it will be too wide to consider it a public performance only because others may be playing the same record “at different times.” The law does not require an individual to get a performance licence to play the same within his home. Similar is the case where a movie is played on a videocassette on a VCD where the images appear on the television screen, “though performance” will fall short of public performance.\textsuperscript{259} The buyer of a video cassette or disc may play the same on his video recorder or disc player without seeking the permission of the copyright owner. When the performance is for non-commercial use, there is no requirement of licence from the copyright owner. In

\textsuperscript{255} USCA Section 101
\textsuperscript{256} Buck v Jewell-LaSalle Realty Co., 282 U.S. 191 (1931); Columbia Pictures Indus, Inc v Aveco Inc 800 F.2d 59, 63 (3\textsuperscript{rd} Cir. 1986)
\textsuperscript{257} WGN Continental Broadcasting Co v United Video, Inc., 693 F.2d 622, 628 (7\textsuperscript{th} Cir. 1982) (if a transmission is not made directly to the public but is made through a cable systems which will transmit directly to the public will be held to be ‘publicly’ made
\textsuperscript{258} Fortnightly Corp. v United Artists Television Inc., 392 U.S. 390 (1968)
\textsuperscript{259} Columbia Pictures Indus Inc v Redd Horne Inc 749 F. 2d 154, 157 (3\textsuperscript{rd} Cir. 1984)

251
In the case of Sony Corp. v Universal City Studios Inc.\(^{260}\) it was held that, one purpose of the exemption for private performances was to permit the home viewing of lawfully made videotapes.

If the same copyright work is repeatedly played by different members of the public at different times, it will constitute a public performance that is where the licence from the owner becomes a pre-requisite. A performance will be considered to be public when in a coin operated peep show device a short motion picture is shown. Only because, one person at a time watched such performance will not become a private performance and hence the copyright infringement action lies.\(^{261}\) In the same way when a video cassette or disc of a movie is rented to an individual through a rental library constitutes a public performance though such performance was on a television at a home received by individual or family members. As the same copy is rented out, each such individual together made at different times will still amount to public performance.

In Columbia Pictures Indus Inc v Redd Horne Inc.\(^{262}\) an operator provided retail outlets for home video equipment which included videocassettes. Private rooms were made available to the clients where they could rent and view the tapes. Rooms were to be rented only to member of a given family or acquaintances at a given time. The court held that, such act would amount to public performance on the ground that it was open to the public. This conclusion was arrived by referring to the second part of Section 101 of the USCA and opined that “the potential exists for a substantial portion of the public to attend such performances over a period of time.” In Columbia Pictures Industries Inc v Aveco\(^{263}\) where rental of videocassettes were given to rented rooms for around two to twenty five people with couches and video players was held to be a public performance and liable for infringement of owner’s exclusive right of performance. However, in Columbia Pictures Industries Inc v Professional Real Estate Investors Inc,\(^{264}\) a hotel could not be held liable when it rented videodiscs for viewing on the video equipment

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\(^{260}\) 464 U.S. at 423, 104 S. Ct. 774


\(^{262}\) 749 F. 2d 154, 157 (3rd Cir. 1984)

\(^{263}\) 800 F.2d 59, 63 (3rd Cir. 1986)

\(^{264}\) 866 F.2d 278 (9th Cir. 1989)
provided by the hotel in guest rooms. Holding that videodisc or videotape renting simpliciter is non-actionable. This case distinguished from the Aveco case and Red Horne case referred earlier, looking into the nature of the accommodations and the services provided where in this case it included videodiscs to interested customers. Similarly, On Command video Corp. v Columbia Picture Industries,\(^\text{265}\) where hotel played videotapes in a central console at individual guest’s direction and electronically switched the signal to the guests room where only one room could view a given videotape at a time held not to be a public performance. In Video Views Inc v Studio 21 Ltd.,\(^\text{266}\) following Red Horne and Aveco, the court in this case held that, it would amount to a public performance where video viewing booths were provided in a book store.\(^\text{267}\)

Performance right of an owner by showing or playing of work in public, by any third party will amount to an infringement. The performance of the work in public is an act restricted by the copyright in a literary, dramatic or musical work.\(^\text{268}\) Performance in relation to a work includes delivery of lectures, addresses, speeches and sermons. In general it also includes any mode of visual or acoustic presentation, including presentation by means of a sound recording, film or broadcast of the work. Similarly, the playing or showing of the work in public is an act restricted by the copyright in a sound recording, film or broadcast. The playing in public by means of any record will be considered as a public performance of both the literary or musical works embodied in it including sound recording, which will be an infringement, in case if it is done without authorisation. There is infringement even in authorising the above such acts. The term performance, playing and showing will include any means of communication. This may be any record medium, radio or television set.\(^\text{269}\) Hence, when a person plays a radio or television to the public such act will be treated as public performance, which when broadcast will be an infringement of owners copyright.

\(^{265}\) 777 F. Supp 787 (N.D. Cal. 1991)
\(^{266}\) 925 F.2d 1010 (7th Cir Cert. Denied, 502 U.S. 861, 112 S. Ct. 181, 116 L. Ed. 2d 143 (1991)
\(^{267}\) See Supra n. 20, 8-192.4
\(^{268}\) See Berne Convention Article 11 (1) Authors of dramatic, dramatично-musical and musical works shall enjoy the exclusive right of authorising: (i) the public performance of their works, including such public performance by any means or process
\(^{269}\) CDPA, Section 19 (2) (b)
Public performance in violation of the rights of the owners can be identified with the person who performs such infringing act and will be held liable, like a singer or actor. In *Performing Rights Society Ltd v Hammond’s Bradford Brewery Co Ltd*, it was held that, a recorded music operated and played in a club or association of any performance of lyrics and music and sound recording, the person operating the equipment will be the person infringing the work in question and hence will be made liable. Similar is the case where it is performed through the equipment of radio or television.\(^{270}\) The person who provided the place for such infringement to occur may be held liable for secondary infringement. The CDPA provides that, where copyright in a work is infringed by it being performed, played or shown in public by means of apparatus for receiving visual images or sounds conveyed by electronic means, the person by whom the visual images or sounds are sent e.g. broadcaster, and in the case of a performance the performers, shall not be regarded as responsible for the infringement.

In *Jennings v Stephens*\(^{271}\) the question of who will constitute public was held to be a question of law. In turn courts have to look into the facts to see whether the case does or do not fall under the definition of public. Thus, determining whether the performance was made to a public or to a domestic audience is to be decided in accordance with the facts and circumstances\(^{272}\) and on common sense.\(^{273}\) The courts will be looking into the position of the persons who constitute the audience whether they are bound by domestic or private relation or by public life.\(^{274}\) If the owner of a copyright by his consideration of the audience as public may indicate that it was a public performance. Though number of public present (may be large) may be a considerable fact, even a small number of audience may still constitute performance in public,\(^{275}\) e.g. members of club and their guests.\(^{276}\) Similarly, whether there is some monetary fee charged on the

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\(^{270}\) (1934) Ch. 121 which was followed in *Canadian Performing Rights Society Ltd v Ford Hotel* (1935) 2 D.L.R. 391 and *Performing Right Society Ltd v Gillette* (1943) 1 All E. R. 413

\(^{271}\) 1936 Ch. 469, a dramatic performance was given at a woman’s institute wherein performers were drawn from the neighbouring institute. No payment received from the audience.

\(^{272}\) *Duck v Bates* (1884) 13 Q.B.D. 843; *Jennings v Stephens*, 1936 Ch. 469

\(^{273}\) *Ernest Turner etc., Ltd v Performing Right Society Ltd*, (1943) Ch. 167


\(^{275}\) *Jennings v Stephens* 1936 Ch. 469

\(^{276}\) *Harms Inc Ltd v Martans Club Ltd* (1927) 1 Ch. 526
audience and "place of performance" will be considered by the courts as there is a possibility of private performance may be given in a public room or a public performance may be happening in a private house.\textsuperscript{277} In \textit{Jennings} case it was held such act will constitute a public performance. The playing of a gramophone over loudspeaker during working hours for the benefit of the workers,\textsuperscript{278} playing video cassettes to the employees,\textsuperscript{279} an orchestra performance in a hotel, playing radio in a private room but audible to the restaurant adjacent to the room,\textsuperscript{280} records shops which play music where public can enter without payment or invitation, but the intention is to sell the records were all held to be public performances.\textsuperscript{281} In \textit{Rank Film Production Ltd v Dodds}\textsuperscript{282} where films were relayed by means of a video cassette recorder and cables to the occupants of the motel would amount to a public performance. The reason being the audience were being considered as guests and not individuals in a private or domestic circle and where they use to pay for this with accommodation.\textsuperscript{283}

In the digital world, when a work in question is input into a computer or other retrieval system, internal operations of a computer, like scanning of the work will not be considered to be a performance. When phonorecords are delivered in the digital form and downloaded embodying a particular song the question may arise as to will it cover the performance? In \textit{United States v ASCAP},\textsuperscript{284} this issue was discussed holding that:

"to begin the downloading process, the client establishes a connection to the server, which transmits the file over the internet to the client, where the file is saved—generally stored on the client’s hard drive—for future use. Once saved, the file can be audibly played by the client and copied to various portable devices... streaming, by contrast, allows the real-time (or near time) playing of the song and does not result in the creation of a permanent audio file on the client computer. Rather, a constant link is maintained between the server and the client until playing of the song is completed, at which time replay of the song is not possible without streaming it again."

\textsuperscript{277} Jennings v Stephens 1936 Ch. 469
\textsuperscript{278} Ernest Turner etc., Ltd v Performing Right Society Ltd (1943) Ch. 167
\textsuperscript{279} Australian Performing Right Association Ltd v Commonwealth Bank of Australia (1992) 25 I.P.R. 157 at 171
\textsuperscript{280} Performing Right Society Ltd v Camelo (1936) 3 All E.R. 557
\textsuperscript{281} Performing Right Society Ltd v Harlequin Record Shops Ltd (1979) 1 W.L.R. 851
\textsuperscript{282} The Supreme Court of North South Wales Decision, (1983) 2 N.S.W.L.R 553
\textsuperscript{283} Garware Plastics and Polyester Ltd v M/s Telelink, AIR 1989 Bom 331
\textsuperscript{284} 485 F. Supp. 2d 438 (S.D.N.Y. 2007)
For the song to be considered to be a performance the transmission must be in a manner designed for contemporaneous perception and copying of a digital file from one computer to another in the absence of any perceptible rendition will not be amounting to performance which fails the test of infringement. Thus, it was held that "the transmission of a performance, rather than just the transmission of data constituting a media file, is required in order to implicate the public performance right in a copyright work." It was also of the opinion that, it would be too wide to hold listening to the song during transmission to infringe performance right, though there may be possibility of both reproduction right and performance right involved.

"We are not persuaded by ASCAP’s argument that downloaded music files are indistinguishable from streamed performances because, after a certain amount of digital data has been transmitted to the client computer, the purchaser can begin listening to the transmitted portion of the music file. However, the mere fact that a customer’s online purchase is conveyed to him in a piecemeal manner, each segment of which is capable of playback as soon as the transmission is completed, does not change the fact that the transaction is a data transmission rather than a musical broadcast. Surely ASCAP would not contend that if a retail purchaser of musical records begins audibly playing each tape or disc as soon as he receives it the vendor is engaging in a public performance. Neither does a performance occur in the situation at issue herein, for it is not the availability of prompt replay but the simultaneously perceptible nature of a transmission that renders it a performance under the Act."  

Hence, the right to perform the work in public of a literary, musical, dramatic and choreographic works, pantomimes and motion pictures and other audiovisual works are considered to be having wide implications even in the digital era. The performance can be reproduced, distributed, communicated in electronic form and the courts may while considering the infringement of copyright apply the general principles of traditional copyright law.

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285 See Supra n. 20, p 8-190.2
286 See p 485 F. Supp. 2d at 446
287 Ibid. P 446
4.6.3 Broadcasting Rights

Communication to the public covers literary, dramatic, musical or artistic work, sound recording or film, or a broadcast. Communication to the public within the meaning of the statute is communication to the public by electronic transmission, and includes

(a) the broadcasting of the work;
(b) the making available to the public of the work by electronic transmission in such a way that members of the public may access it from a place and at a time individually chosen by them.

Thus, in the U.K broadcasting right and cable rights were distinguished from the public performance rights by the Cable and Broadcasting Act, 1984. In addition to this, the broadcast and cable programmes were separately protected as works. Broadcasts means an electronic transmission of visual images, sounds or other information which is transmitted for simultaneous reception by members of the public and is capable of being lawfully received by them, or is transmitted at a time determined solely by the person making the transmission for presentation to members of the public. Thus, it may be both transmission which is wireless or by wire (cable communication). However, in any internet transmission the definition of broadcasting is excepted or excluded unless it is:

(a) a transmission taking place simultaneously on the internet and by other means,
(b) a concurrent transmission of a live event, or
(c) a transmission of recorded moving images or sounds forming part of a programme service offered by the person responsible for making the transmission, being a service in which programmes are transmitted at scheduled times determined by that person.

288 CDPA, 1988, Section 20, Infringement by communication to the public
1. The communication to the public of the work is an act restricted by the copyright in—
(a) a literary, dramatic, musical or artistic work
(b) a sound recording or film, or
(c) a broadcast
289 CDPA, Section 20 (2)
290 Supra n. 64, p 438
291 Cable and Broadcasting Act, Section 6
292 Cable and Broadcasting Act, Section 6 (1A), which is not excepted by subsection (1A); and references to broadcasting shall be construed accordingly
1A Excepted from the definition of “broadcast” is any internet transmission unless it is—
(a) a transmission taking place simultaneously on the internet and by other means,
(b) a concurrent transmission of a live event, or
(c) a transmission of recorded moving images or sounds forming part of a programme service offered by the person responsible for making the transmission, being a service in which programmes are transmitted at scheduled times determined by that person.
The question of broadcast to be regarded as occurring at the place where the signals are transmitted known as "emission theory" or at the place where they are received has been considered by the European Community and as to satellite broadcasts are concerned this theory has been accepted. The Information Society Directive states that, this right should be understood in a broad sense covering all communication to the public not present at the place where the communication originates. This right should cover any such transmission or retransmission of a work to the public by wire or wireless means, including broadcasting and should not cover any other acts. The mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Directive. Similarly, Article 3 of the Information Society Directive states Member States shall provide authors with the exclusive right to authorise or prohibit 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 that members of the public may access them from a place and at a time individually chosen by them. The "emission theory" was adopted by the CDPA

293 EC Directive 93/83 on Satellite Broadcasting and Cable Retransmission Article 2(a) For the purpose of this Directive, 'communication to the public by satellite' means the act of introducing, under the control and responsibility of the broadcasting organization, the programme-carrying signals intended for reception by the public into an uninterrupted chain of communication leading to the satellite and down towards the earth.
(b) The act of communication to the public by satellite occurs solely in the Member State where, under the control and responsibility of the broadcasting organization, the programme-carrying signals are introduced into an uninterrupted chain of communication leading to the satellite and down towards the earth.
(c) If the programme-carrying signals are encrypted, then there is communication to the public by satellite on condition that the means for decrypting the broadcast are provided to the public by the broadcasting organization or with its consent.
294 Recital 23 Information Society's Directive 2001/29/EC
296 Information Society Directive 2001/29/EC Article 3- Right of communication to the public of works and right of making available to the public other subject-matter
1. Member States shall provide authors with the exclusive right to authorise or prohibit 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 that members of the public may access them from a place and at a time individually chosen by them.
2. Member States shall provide for the exclusive right to authorise or prohibit the making available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them:
(a) for performers, of fixations of their performances;
(b) for phonogram producers, of their phonograms;
(c) for the producers of the first fixations of films, of the original and copies of their films;
and was held to cover not only transmission through satellite but all kinds of wireless broadcasts.

The question may arise as to determining the person who actually makes broadcast. It is apparent that when communication takes place by way of broadcast, the person who broadcasts the work is the person liable for the restricted act in communicating the work to the public. The statute provides that, references to the person making a broadcast or a transmission which is a broadcast are to the person transmitting the programme. The person transmitting the programme shall be having the responsibility of its contents to any extent. Further, any person who provided the programme and made the arrangements necessary for its transmission with a person transmitting it, that other person should also be taken to have broadcast the work. The meaning of the word of the person who 'makes' a broadcast was to identify the author of the work and who will be the first owner of the copyright in such broadcast. Additionally in case of broadcasting by satellite, the broadcaster is to be considered as the person who is making the broadcast. Thus, the place from which the programme-carrying signals are transmitted to the satellite ("the uplink station") located in an EEA State; the person operating the uplink station shall be treated as the person making the broadcast. Where the

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(d) for broadcasting organisations, of fixations of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite.

3. The rights referred to in paragraphs 1 and 2 shall not be exhausted by any act of communication to the public or making available to the public as set out in this Article.

297 CDPA, Article 6 (3)
298 CDPA, 6A Safeguards in case of certain satellite broadcasts

(1) This section applies where the place from which a broadcast by way of satellite transmission is made is located in a country other than an EEA State and the law of that country fails to provide at least the following level of protection-
(a) exclusive rights in relation to wireless broadcasting equivalent to those conferred by Section 20 (infringement by communication to the public) on the authors of literary, dramatic, musical and artistic works, films and broadcasts;
(b) a right in relation to live wireless broadcasting equivalent to that conferred on a performer by Section 182(1) (b) (consent required for live broadcast of performance); and
(c) a right for authors of sound recordings and performers to share in a single equitable remuneration in respect of the wireless broadcasting of sound recordings

(2) Where the place from which the programme-carrying signals are transmitted to the satellite ("the uplink station") is located in an EEA State-
(a) that place shall be treated as the place from which the broadcast is made, and
(b) the person operating the uplink station shall be treated as the person making the broadcast

(3) Where the uplink station is not located in an EEA State but a person who is established in an EEA State has commissioned the making of the broadcast

(a) that person shall be treated as the person making the broadcast, and
(b) the place in which he has his principal establishment in the European Economic Area shall be treated as the place from which the broadcast is made
uplink station is not located in an EEA State, but a person transmitting the programme is established in an EEA State and has commissioned the making of the broadcast, that person shall be treated as the person making the broadcast.

In the case of place from where the broadcast will be considered to be made, it is the place under the control and responsibility of the person making the broadcast and the programme signals are introduced into an uninterrupted chain of communication ending with the receiver.\textsuperscript{299} This includes, in the case of a satellite transmission, the chain leading to the satellite and down towards the earth. Thus, in the case of wireless transmission the place from which the signals are first introduced into the chain of communication and not the place where a signal is receivable or its course falls, is the prime issue while deciding an infringement. If the chain of communication of the signals originates in U.K, it entails liability on the broadcaster irrespective of that the signal may not be receivable in the U.K. Similarly, only because broadcast can be received in the U.K, it will not mean the restricted act of broadcasting is taking place in the U.K. It will not be so if the broadcast is made from other country in accordance with these rules.\textsuperscript{300}

This has been recognised by the EEA Directive\textsuperscript{301} where communications to the public by satellite from non-member countries will under certain conditions be deemed to occur within an EEA.\textsuperscript{302} In such case, the latter place is treated as the place from which the broadcast is made and the person operating the uplink station is treated as the person making the broadcast. When it is the U.K, the person operating the uplink is liable for infringement of unlicenced broadcast. For the purpose of the U.K copyright law, it is important when the place from which broadcast is made is treated as within the U.K and when it would not be. The case

\textsuperscript{299} CDPA, Section 6 (4) For the purposes of this Part, the place from which a wireless broadcast is made is the place where, under the control and responsibility of the person making the broadcast, the programme-carrying signals are introduced into an uninterrupted chain of communication (including, in the case of a satellite transmission, the chain leading to the satellite and down towards the earth).

\textsuperscript{300} See Supra n. 64, p 442

\textsuperscript{301} EC Directive 93/83 on Satellite Broadcasting and Cable Retransmission Recital (20) Whereas communications to the public by satellite from non-member countries will under certain conditions be deemed to occur within a Member State of the Community

\textsuperscript{302} EC Directive 93/83 on Satellite Broadcasting and Cable Retransmission Article 1 (2)(d) Where an act of communication to the public by satellite occurs in a non-Community State which does not provide the level of protection provided for under Chapter II,
here will be where the uplink station is not located within EEA state but a person who is established within an EEA state has commissioned the making of the broadcast. Such person will be treated as making the broadcast and the place in which he has his principal establishment in the EEA shall be treated as the place from which the broadcast is made. Infringement will occur where the place is within the U.K. This happens when an act of communication to the public by satellite occurs in a non-Community State which does not provide the level of protection for authors and performers, which Copinger and Skones explains as "exclusive rights in relation to broadcasting equivalent to the exclusive rights of broadcasting conferred on authors of literary, dramatic, musical and artistic works, films and broadcasts;\(^{303}\) a right in relation to live broadcasting equivalent to that conferred on a performer in relation to the live broadcasts of his performances under section 182 (1)(b)\(^{304}\) and a right for authors of sound recordings and performers to share in a single equitable remuneration in respect of the broadcasting of such sound recordings."\(^{305}\)

It is to be noted that there is now no difference between the broadcast which is wireless or broadcast by cable wire. They are all considered to be broadcasts within the meaning copyright law. In the case of re-broadcasting, the relaying of a broadcast by reception and immediate re-transmission shall be regarded as a separate act of broadcasting from the making of the broadcast which is so re-transmitted.\(^{306}\) Thus the reception and re-transmission shall be treated as separate act of broadcasting from the original broadcast which has copyright protection.

As the nature of transmissions over internet is similar in nature to broadcast, they are included within the meaning of the term broadcasting. Thus, to

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303 See Section 20, CDPA, Supra n. 64, P 443
304 CDPA, Section 182 Performers' Rights (b) broadcasts live the whole or any substantial part of a qualifying performance.
305 CDPA, 182D Right to equitable remuneration for exploitation of sound recording (1) Where a commercially published sound recording of the whole or any substantial part of a qualifying performance- (a) is played in public, or (b) is communicated to the public otherwise than by its being made available to the public in the way mentioned in section 182CA (1), the performer is entitled to equitable remuneration from the owner of the copyright in the sound recording. See Supra n. 64, P 443
306 CDPA, Section 6(5A)
the extent that internet transmissions are excluded from the definition of broadcast they may be rather covered under the “making available right” or which is also popularly known as “on-demand availability right.”

4.6.4 On Demand Availability Right

On Demand Availability right means, the right to authorise the making available to member of the public of material, by wire or wireless means, in such a way that members of the public may access the material from a place and at a time individually chosen by them. This right is provided to the authors of the work by WCT and WPPT. The WCT and WPPT provide authors, performers and phonogram producers with specific rights over their respective works, performances and productions, i.e. the “on-demand availability right” via internet or through availing the services of the ISP’s. It will be a communication to public by making available the work by electronic transmission where public will access at their convenient time and place. This is called the on-demand right or on-demand availability right. The Information Society Directive also makes provision in the same manner.

Article 3.2- Member States shall provide authors with the exclusive right to authorise or prohibit 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 that members of the public may access them from a place and at a time individually chosen by them.

Article 3.3- Member States shall provide for the exclusive right to authorise or prohibit the making available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them (a) for performers, of fixations of their performances;

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307 It is suggested that the term “making available rights” used for on-demand right will not be satisfactory as WIPO Treaties provides this words relating to distribution, namely the right of authorising the making available to the public of the original and copies of works, performance and phonograms (Article 6- WCT and Articles 7 & 12 WPPT) Supra n. 5
308 WPPT Article 8 detail discussion of the provisions are dealt in Chapter VI
309 WPPT Articles 10 & 14 detail discussion of the provisions are dealt in Chapter VI
310 Article 20 (2)(b)
311 Recital 25, the legal uncertainty regarding the nature and the level of protection of acts of on-demand transmission of copyright works and subject-matter protected by related rights over networks should be overcome by providing for harmonised protection at Community level. It should be made clear that all rightholders recognised by this Directive should have an exclusive right to make available to the public copyright works or any other subject-matter by way of interactive on-demand transmissions. Such interactive on-demand transmissions are characterised by the fact that members of the public may access them from a place and at a time individually chosen by them.
(b) for phonogram producers, of their phonograms;
(c) for the producers of the first fixations of films, of the original and copies of their films;
(d) for broadcasting organisations, of fixations of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite.

The difference between the on demand right and broadcasting right is that, in an "on demand right" the transmission is decided by a recipient, which means that recipient will actually have to initiate the process of transmission and choice is on him/her on when and where to receive the work. In “broadcasting right” the work gets transmitted at the time which the broadcaster will decide and then will be made available to the public at large in contrast to on-demand transmission. Thus, in a traditional wireless broadcast, the programmes are disseminated at large, and the scheduled programmes are fixed by the broadcaster in such a way that members of the public receive the material transmitted at times which they do not themselves determine.\(^{312}\)

In digital media, the word ‘public’ does not mean that the restricted act is committed when the public at large can access the work. In such cases, when the work is made available over the internet through the ISP, an individual subscriber to it will be taken as public for the purpose of law. However, a communication through an e-mail sent from the sender to the recipient of e-mail will not amount to a communication to public. On-demand right encompasses individual communication to person who is a member of the public. This right will cover interactive on-demand transmission like video-on-demand and celestial jukeboxes.\(^{313}\) It also covers most internet transmissions where a person places a work on a web site as public may access the work from a place and at a time chosen by them. The place many be either office, home or even on mobile phone.

In the case of web site requiring any formalities like registration, they may be treated similar to residents of a hotel or restaurant. In case where a work is placed

\(^{312}\) Supra n. 5, p 380
\(^{313}\) Software that is designed to play a list of sound files in a user specified order reminiscent of jukeboxes used to play vinyl records. Supra n. 39
over private intranet, like a closed university site, it will amount to an infringement of copyright, where there cannot be a defence that a person accessing are domestic in nature in case of digital media. The act is said to have taken place where the individual up-loads the work on to a web site or the location of the server or the place or places from which it can be accessed and territory where the public at which the work is targeted are located.

One more issue which crops up in digital media is the concept of hyperlinking. It is said that hyper-linking makes a work available to public. For example, where a link is made from an intranet onto the worldwide web and may be considered to be in violation of the owner's right. Hyper-linking to a large extent makes it easier to locate and find desired, access works which are already available to the public and it would be unduly constraining to require all links to be authorised. It is argued that where a link which is enabling an access to a site more than it was originally authorised by a content owner, a sufficient protection may be provided by the law dealing with circumvention of access controls.

A work being made available to the public or accessible to the public by any electronic transmission may involve an infringement of authors copyright. The liability for infringement will depend on the facts of the case. For e.g. if a person makes available a work to an ISP who makes such work available to the public, the ISP who made the work accessible to the public can be held liable under the copyright law. Whereas the person who actually provided the work to the ISP did not make it available in electronic form, but will be liable for authorising that act in making available to the public. Thus, the person who authorised an infringing work to be communicated and the person who transmitted (ISP) the work in electronic

314 A private internal company network sharing management information and computer resources among employees. It behaves like a small private WWW and is based on similar technologies. Sometimes an intranet may be connected to the Internet; usually this is done through a firewall to prevent unauthorised access to information. Intranet computer- a computer dedicated for intranet use only. Intranet server-a computer dedicated to providing intranet services to users on the network. Supra n. 39, 315 See supra n.1, p 145
316 Link text- A word or short phrase on a web page that provides the visual hypertext link to another page or to somewhere else on that same page; Link text is typically underlined. Hyper-link- A connection between an element in a hypertext document, such as a word, phrase, symbol or image and a different element in the document, another document, a file or a script, Supra n. 39
317 See Litman, Digital Copyright, p 183 cited at supra n.1, p 146
form will be liable for the author’s communication right. However, the ISP may claim certain defences that of being a mere conduit, caching\(^{318}\) or hosting\(^{319}\) the work. The courts have to look into facts and circumstances of the case to decide in identifying the person who committed the infringement. Before any transmission take place, the restricted act takes place. Once the work is made accessible to the public, it means that as soon as the work is made available on the server of the ISP, the restricted act is said to have taken place and will continue until the work exists on the server.\(^{320}\) In determining the place as to where the transmission has taken place in such circumstances (by way of on-demand availability), it is where the apparatus is situated and from where access to the work can be obtained, is said to be the place where the restricted act occurs.\(^{321}\)

4.7 Display Right

Section 106 (5) of the USCA,\(^{322}\) provides copyright owners an exclusive right to publicly display their work. To display a work, means to show a copy of it, directly or by means of a film, slide, television image, or any other device or process...\(^{323}\) The right granted to an artist to authorise or prohibit the display of his work in public. However, the Berne Convention does not recognise this right. It

\(^{318}\) Pronounced “cash” - a temporary storage area for instructions and data that is closer to the CPU’s speed; the larger the cache, the faster the performance, since there is a greater chance that the instructions or data required next is already in the cache. Cache used to refer to only memory and disk caches that function as temporary “look-ahead” storage. With the advent of the Web, the term is used to refer to more permanent storage. When Web pages are “cached” on a server, they can be stored for long periods of time; thus, the term is also used to mean “stored for future use” not just within the current session. Memory cache- or CPU cache is a memory bank that bridges main memory and the CPU. It is faster than main memory and allows instructions to be executed and data to be read at higher speed. Disk Cache- is a section of main memory or memory on the controller board that bridges the disk and the CPU. When the disk is read, a larger block of data is copied into the cache, a much slower disk access is not required. If the cache is used for writing, data is queued up at high speed and then written to disk during idle machine cycles by the caching program. If the cache is built into the hardware, the disk controller figures out when to do it. Supra n. 39

\(^{319}\) Host- the main computer in a mainframe or minicomputer environment that is the computer to which terminals are connected; In PC-based networks, a computer that provides access to other computers; On the Internet or other large networks a server computer that has access to other computers on the network. A host computer provides services, such as news, mail or data, to computers that connect to it; To provide services to client computers that connect from remote locations, for e.g. to offer Internet access or to be the source for a news or mail service. Supra n. 39

\(^{320}\) See Supra n. 64, p 444

\(^{321}\) Ibid p 445

\(^{322}\) 106 (5) In the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly

\(^{323}\) Section 101
can be distinguished from communication right to the public and see whether this right is available in all national laws. India has no such right u/s 14 of the Copyright Act, 1957. The right covers literary, musical, dramatic, choreographic and pictorial, graphical and sculptural works in pantomimes. Display right applies to only copies and not to phonorecords. The display right will include projection of an image on a screen, or other surface by any method and the transmission of an image by electronic or other means as well as the showing of an image on a cathode ray tube or similar apparatus in connection with computers or other devices.324 To constitute an infringement of display right, such display must be done publicly and then it becomes unauthorised. It was held that the designs displayed in a trade show would be a public display and if it is not authorised will be amount to an infringement.325 This is similar to the performance right granted to a performance, where such act should occur publicly to hold the performance as public.

To “display” a work means to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images non-sequentially.326 It may constitute ‘display’ when projecting images are taken from a motion picture or audiovisual work. The distinction between display and performance found by the fact that, performance of a motion picture or audiovisual work will show the images in a continuous sequence. Whereas, in case of display as the definition speaks is showing individual images non-sequentially. Thus, if images are shown in sequence it will be performance and if it is non-sequential, it will be display of the work.327 The limitation as to display right is that, the images shown of a motion picture or other audiovisual work are “individual images” in fact. It requires a copy of the work to be shown to the public. If a still picture or other single image of a musician, singer or dancer performing musical or choreographic work, whether or not such image is taken from an audiovisual version of such work will be considered to be a ‘copy’ of the work when it is

324 H. Rep. p 64 see Supra n. 20, P 8-284.1-2
325 Thomas v Pansy Ellen Prods Inc. 672 F. Supp. 237, 240 (W.D.N.C. 1987)
326 Section 101
327 Red Baron-Franklin Park Inc., v Taito Corp. 883 F.2d 275, 279 (4th Cir. 1989), quoting Nimmer cert. denied, 493
displayed 'publicly'. However, when a derivative work based on musical, dramatic or choreographic work, is resulting in an audiovisual work, it may be a 'copy.' In the case of literary, musical and dramatic works it may be possible that when a manuscript or printed version of such work is transmitted where it can be read by electronic means or cathode ray tubes or on a computer technology, it may constitute an infringement of display right, but it will not be an infringement of reproduction right or performance right.

The limitation which is applicable is similar to the distribution right, where if he has acquired ownership of the work in question lawfully, he has the right to display even when the copyright owner's himself has the right to publicly display or authorise the public display of such copy. The display of work as said may be either direct or by projection. If a projection is used then it will be infringement if more than one image is displayed at a time, meaning thereby there cannot be simultaneous projection of multiple images of a work, for e.g. where each person in a lecture hall is supplied with a separate viewing apparatus, the display right would be infringed.\textsuperscript{328} Thus, the person owning a copy of the original painting may publicly exhibit in a museum or gallery and such act will not be an infringement of display right of the artist of the painting. Further, the possession of the copy must be obtained lawfully. However, if the ownership is not transferred but it was only by way of rental, lease or otherwise will be subject to the limitation and will be an infringement if the possessor displays such work to the public. Similarly, the display right is not violated if the defences provided under the USCA are contended. For e.g. any display in a classroom for studies or research will be exempted.

The researcher concludes the Chapter by observing that the copyright owner's exclusive right comes with a package by providing various bundle of rights been protected wherein authors have control over their work. The exclusive rights include reproduction, adaptation, distribution, rental, communication, performance, and display rights are granted to the author. These rights are economic rights which are granted so that he can take the benefit for his creation

\textsuperscript{328} H. Rep., P 80, cited at Supra n. 20, 8-284.3
which he had by his skill, labour and capital provided with. These extensive rights are enjoyed by the copyright owner like any other property right. He may deal with these rights according to his convenience. He may assign or licence these right, assessing the economic benefit which he may receive from such work. In India the Copyright Act, 1957 provides these exclusive right under section 14, (except the display right) to deal with the copyright work. A person who seeks to use the work has to have the permission of the author or its use should fall under any of the exceptions provided under specific statute. The researcher also has referred to some important issues which is cause of concern in the digital era, like the “First Sale Doctrine” and the “On Demand Availability Rights.” The rental right in a computer program is one right which has found place in the technological development. The researcher will refer to the permitted uses or the fair use doctrine in the next Chapter along with the infringement of copyright.

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