

SUBSTANTIALITY NO LONGER ON ICE

Introduction

In separate reasons ((French CJ, Crennan and Kiefel JJ) and (Gummow, Hayne and Heydon JJ)), unanimously allowed the appeal by the appellants (jointly IceTV), against the respondent (Channel Nine), determining that the IceTV program guide (the IceTV Guide), did not infringe Channel Nine's weekly programming schedule (the Nine weekly schedule), on the basis that the program title, date and time of broadcast (the time and title information), was not a substantial part of the Nine weekly schedule.

Factual Background

Channel Nine is a free to air broadcaster. It broadcasts television programs, the rights to which it acquires, in the belief that they will appeal to the viewing public. Channel Nine allocates programming several weeks before the broadcast.

Channel Nine does not itself publish television guides. Channel Nine, as other free to air stations, provide their schedule to third parties (aggregators), who compile the information provided by Channel Nine in the Nine weekly schedule, with the program schedules of other Australian free to air television stations. Viewers are advised, through publications such as TV Week, of the date and time of a proposed broadcast, together with additional program information such as program classification, consumer advice and synopses.

The IceTVGuide is a subscription based electronic program guide, which would be uploaded to the subscriber's device and would display television programs, scheduled to be broadcast by free to air television stations. IceTV did not receive information from Channel Nine or the aggregators about the time, date and title of programs, proposed to be broadcast by Channel Nine. It claimed that it created a template in 2004 and updated it by predicting the information for inclusion in the IceTVGuide based on its observations of Channel Nine's programming behaviour and knowledge of the idiosyncrasies of the television industry.

As the accuracy of the guide was important to IceTV, it would check its estimations against publicly available program guides. Discrepancies usually resulted in IceTV altering the IceTVGuide to match the published guides.

The Nine weekly schedule was information in material form. Reproduced in the High Court reasons at [118], is the weekly schedule for Sunday June 11, 2006. Their Honours Gummow, Hayne and Heydon JJ identified:

- the time and title information in columns 1 and 2;
- additional information such as whether the program was live, in columns 3 and 4; and

- the synopsis in column 5.

The Proceeding History

Before the primary judge, IceTV succeeded in establishing that there had not been a substantial reproduction of the Nine weekly schedules. The full court of the Federal Court reversed her Honour's decision, finding that IceTV had appropriated the skill and labour of Channel Nine. The basis of the full court's reasoning was that the skill and labour in compiling the time and title information, could not be separated from the skill and labour in arriving at the programming decisions. Relevantly, their Honours Gummow, Hayne and Heydon JJ noted in relation to this difference of opinion at [128]ff:

It was in the assessment of this topic that a critical difference of opinion emerged in the reasoning of the Full Court. The Full Court explained at (2008) 168 FCR 14 at 41:

Ice, to the extent it reproduced time and title information from the Weekly Schedules, appropriated the skill and labour used by Nine to create the Weekly Schedules. Contrary to her Honour's conclusion, the skill and labour in selecting and arranging programming should not be regarded as separate and discrete from the extremely modest skill and labour involved in setting down on paper the programs already selected and presenting them in the form of the Weekly Schedules. The skill and labour expended by Nine were part of a single process leading to the creation of the copyright work as the written record of Nine's programming decisions and the associated program information. (emphasis added by their Honours)

Upon this basis, that the skill and labour invested in the programming decisions could not be separated from the skill and labour of creating the copyright work, the Full Court continued:

Ice took, via the Aggregated Guides, precisely the pieces of information that reflected the exercise of skill and labour by Nine in determining the program for a particular day or other period ... Ice's use of material derived from the time and title information – we would not use the expression 'slivers of information' – appropriated the most creative elements of the skill and labour utilised by Nine in creating the Weekly Schedules." (emphasis added by their Honours)

The Full Court concluded that the time and title information was the "centrepiece" of the Weekly Schedule and that by taking it Ice had reproduced a substantial part of the relevant Weekly Schedules. Accordingly, the appeal was allowed and the proceedings were remitted to the primary judge for hearing and determination consistently with the reasons of the Full Court. (Underline mine)

The Issues

Channel Nine

Channel Nine asserted that copyright subsisted in the Nine weekly schedules as literary works, specifically compilations. Relevantly, the definition of 'literary work' in s10(1) of the *Copyright Act* includes:

- (a) a table, or compilation, expressed in words, figures or symbols;

Channel Nine submitted that if there were any doubt that the Nine weekly schedules were copyright, such doubt was put to rest by the full court decision in *Desktop Marketing Systems Pty Ltd v Telstra Corporation Ltd* [2002] FCAFC 112; (2002) 119 FCR 491 (*Desktop*).

Desktop determined that copyright protection could be attracted to a compilation of factual information, through the expenditure of labour in collecting, verifying, recording and assembling data and that the concept of a substantial part of the compilation was not defined by reference to its form: *Desktop* at [238]. The question in *Desktop*, focussed on whether a compilation of factual information could qualify as an 'original' work within the meaning of the subsistence provision s 32 of the *Copyright Act* i.e. could copyright subsist in a collection of factual information?

In terms of the substantiality of the alleged copying, Channel Nine alleged that the IceGuide included approximately a 100% reproduction of the time and title information in the Nine weekly schedules and this included late changes made to fine tune the IceGuide.

In terms of infringement of copyright, the issue of substantiality, is raised by s 14 of the *Copyright Act* which states relevantly:

- (1) In this Act, unless the contrary intention appears:
 - (a) a reference to the doing of an act in relation to a work or other subject-matter shall be read as including a reference to the doing of that act in relation to a substantial part of the work or other subject-matter; and

IceTV

IceTV did not put subsistence of copyright in issue, as it admitted that copyright subsisted in the Nine weekly schedule. IceTV did however, deny that it copied the Nine weekly schedule in creating and updating the IceGuide.

The basis of its denial is that it alleged that the IceTVGuide was created using templates developed by IceTV in 2004. IceTV contended that it did not copy, but rather itself created the templates by literally watching all of the programs which were broadcasted and writing down the title of the programs and the days and times at which they were shown. These templates were updated since 2004, by its knowledge of industry practices and fine tuning by reference to the aggregate guides.

IceTV further denied taking all or a substantial part of the Nine weekly schedule or in any of its component parts. Although, infringement in the synopses was not alleged, IceTV claimed that it drafted its own synopses for inclusion in the IceTVGuide, and that these were different from the synopses appearing in the Nine weekly schedule.

The Decision

The High Court unanimously found in favour of IceTV.

Although, there may be a perception of some complexity about the decision its reasoning is straight forward. Their Honours considered that the skill and labour required to compose the expression of the form of the time and title information together was insignificant. As the case was essentially about the appropriation Channel Nine's skill and labour, there could not be said to have been any.

The High Court, as did the primary judge, distinguished the skill and labour in putting the time and title information together in the Nine weekly schedule from the substantial skill and labour expended by Channel Nine, in determining programming. The latter involved consideration of the public's viewing habits, program responses, advertising aspects and target markets. French CJ, Crennan and Kiefel JJ observed at [53] and [54] of the reasons:

The evidence disclosed considerable skill and labour involved in programming decisions. There was a contest about whether it mattered if some of the skill and labour expended was directed to business considerations. Plainly, the skill and labour was highly relevant to matters such as advertising revenue. It is not difficult to understand that questions of the timing of particular broadcasts are crucial for advertising revenues. The fact that business considerations inform the decision to adopt a particular form of expression will not necessarily detract from the originality of that form of expression.

However, the critical question is whether skill and labour was directed to the particular form of expression of the time and title information, including its chronological arrangement. The skill and labour devoted by Nine's employees to programming decisions was not directed to the originality of the particular form of expression of the time and title information. The level of skill and labour required to

express the time and title information was minimal. That is not surprising, given that...the particular form of expression of the time and title information is essentially dictated by the nature of that information. (Underline added)

Their Honours were therefore, acknowledging the considerable skill and labour expended in the programming decision, but as copyright relates to the form of expression, that was the critical issue:

In the context of infringement, in particular the determination of whether a part reproduced is a "substantial part", a matter often referred to is whether there has been an "appropriation" of the author's skill and labour. As already noted, both the primary judge and the Full Court adopted that approach in this case. However, it is always necessary to focus on the nature of the skill and labour, and in particular to ask whether it is directed to the originality of the particular form of expression: the reasons at [49].

In both judgments therefore, their Honours distinguished the higher level of skill and labour involved in making programming decisions taking into account advertising revenue, from the skill and labour involved in expressing the time and title information, which as identified as 'minimal':[54], and 'extremely modest':[168]. In this regard, the nature of the information dictated the lower level of skill and labour involved in the expression: [54] and [170].

The High Court's warning

In both judgments their Honours identified the need for caution in accepting without question compilations of fact, which necessarily are the product of labour, without addressing the form of expression to which that skill and labour is directed.

French CJ, Crennan and Kiefel JJ, observed at [52]:

Rewarding skill and labour in respect of compilations without any real consideration of the productive effort directed to coming up with a particular form of expression of information can lead to error. The error is of a kind which might enable copyright law to be employed to achieve anti-competitive behaviour of a sort not contemplated by the balance struck in the Act between the rights of authors and the entitlements of the reading public. The Act mandates an inquiry into the substantiality of the part of the work which is reproduced. A critical question is the degree of originality of the particular form of expression of the part. Consideration of the skill and labour expended by the author of a work may assist in addressing that question: that the creation of a work required skill and labour may indicate that the particular form of expression adopted was highly original. However, focussing on the "appropriation" of the author's skill and labour must not be allowed to distract from the inquiry mandated by the Act. To put aside the particular form of expression can cause difficulties, as evidenced by *Desktop Marketing Systems Pty Ltd v Telstra Corporation Ltd*.

Similarly (but perhaps a little more pointedly, Gummow, Hayne and Heydon JJ observed at [133] and [134]:

The second point is that the conduct of the litigation in this manner reflected the decision in *Desktop Marketing Systems Pty Ltd v Telstra Corporation Ltd*. That case decided that telephone directories were "original" works in which copyright subsisted because "Telstra had undertaken substantial labour and incurred substantial expense" in compiling and presenting the details of telephone subscribers in a particular region. Infringement was identified in the appropriation of "the benefit of Telstra's substantial labour and expense.

However, a reason to treat the decision in *Desktop Marketing* with particular care appears from the reasons of the trial judge. Finkelstein J had observed:

There are literally hundreds of appropriately trained or qualified employees who make some contribution towards the production of a telephone directory. When the nature of the work they do is described, there arise three relevant questions to the subsistence of copyright: (a) Must a copyright work have an author? (b) Does a telephone directory have an author? (c) Is every employee who contributes to the final product a joint author of the directory? These are difficult questions for which there are no ready answers.

Finkelstein J went on to explain that the parties had sought to elucidate none of those issues in the litigation, with the consequence that, as here, the relevant author or authors of the work in suit remained unidentified.

Comment

The skill and labour involved in the creation of documents, which contain factual information will often not be as easy to separate as the time and title information was from the skill involved in program and time allocation.

The compilation by an alternate parts manufacturer (APM) of a comparative list of alternate spare parts relative to the original equipment manufacturer's (OEM) parts, including the part numbers of the OEM, might involve considerable research into the OEM's spare parts naming, numbering and costings. It would be difficult, I suggest, to distinguish the expression of such findings in a table, which is essentially an extrapolation of the expenditure of the skill and judgment, which went into its compilation.

The High Court's warning commends:

- consideration of the skill and labour expended in terms of the originality of the work;
- consideration of the skill and labour expended in terms of infringement, by looking at the expression complained to have been appropriated, and identifying the skill and labour involved in the creation of *that* form of expression;
- caution in accepting the expenditure of substantial skill and labour as a global basis for substantial reproduction, where the ultimate expression, does not draw directly on that expenditure in its compilation.

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