

# MAKING COPYRIGHT CONTENT AVAILABLE IN THE CLOUD VS THE MAKING OF COPIES: REVISITING OPTUS TV AND AEREO

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## ABSTRACT

*In the digital environment, the commercialisation of copyright content is increasingly led by access to content, rather than the provision of copies. Copyright law nevertheless remains fixated on copies, or more specifically, copyright owners' exclusive reproduction right. This unwavering fixation on copying blinds us to the potential afforded by the right to make works available to the public — a broad right introduced in 1996 by the WIPO Internet Treaties to address the interactive communication channels afforded by the internet. The default approach in cases involving cloud-based services is to overlook the 'act' of making available, and stretch the reproduction right to encompass the activities of a service provider. As a result, the scope of the 'making available' right remains uncertain and its potential unrealised. Using prominent Australian and US cases — NRL v Singtel Optus and ABC v Aereo — this article illustrates the importance of clearly conceptualising the 'act' of making available, which allows courts to allocate responsibility for primary infringement of the making available right in a principled manner, without unduly restricting the development of innovative services in the cloud.*

## I INTRODUCTION

In the analogue age, the creation and transfer of copies was a primary source of income for copyright owners. It is apparent today that digital technologies and the online markets developing around them are swiftly displacing the traditional reliance on the distribution of multiple copies of copyright works for income generation.<sup>1</sup> In these online markets, value lies primarily in *access* to the work, ie experiencing a transient representation of the work without necessarily acquiring a tangible copy.<sup>2</sup> In this context, the right to make works available to the public

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1 See William A van Caenegem, 'Copyright, Communication and New Technologies' (1995) 23 *Federal Law Review* 322, 325 (predicting that interactive access to copyright works would be increasingly common, and that income from reproduction would be 'partly usurped').

2 See Jane C Ginsburg, 'From Having Copies to Experiencing Works: The Development of an Access Right in US Copyright Law' in Hugh Hansen (ed), *US Intellectual Property Law and Policy* (Edward Elgar, 2006) 39.

will gain value and relevance over and above the reproduction right.<sup>3</sup> The making available right is an exclusive right of authors, performers and phonogram producers to make their works and other protected material available to the public through electronic interactive networks such as the internet. It was introduced at the international level by the *World Intellectual Property Organization* (WIPO) *Copyright Treaty* ('WCT') and *WIPO Performances and Phonograms Treaty* ('WPPT') (collectively known as the '*Internet Treaties*'),<sup>4</sup> adopted in Geneva on 20 December 1996.<sup>5</sup>

Twenty years on, the scope of the making available right is still being tested and its potential unfulfilled despite being a key right in the digital information age. Cases involving the provision of cloud-based<sup>6</sup> Remote Storage Digital Video Recorder ('RS-DVR') services in particular, highlight the law's persistent fixation on the making of copies. In these instances, courts have a tendency to use the reproduction right as a proxy to allocate liability for making copyright works available to the public.<sup>7</sup> In other words, who conducts the act of copying (or on whose facilities reproduction occurs) is determinative of liability. On the other hand, where the courts refrain from focusing on reproductions, their interpretation of the copyright owner's right to 'make available' (as implemented under the national copyright regime) may hinge on analogies with outdated technologies.<sup>8</sup> A 'guilt-by-resemblance' approach provides little, if any, guidance as to whether an act is or is not infringing.<sup>9</sup>

Under these approaches, the making available right loses relevance as a key exclusive right of copyright owners in the digital age, independent of the right to

- 3 Note that under the *Copyright Act 1968* (Cth) ('*Copyright Act*'), owners of Part III works have the exclusive right to 'reproduce the work in a material form' (see s 31), while owners of Part IV subject matter generally have the exclusive right to 'make a copy' of the subject matter (see ss 85–8). While legal and terminological distinctions exist between these rights, this article predominantly uses the terms 'reproduction right' as the arguments raised are applicable to both Part III works and Part IV subject matter. The terms are also used to refer to the corresponding reproduction right in other jurisdictions. For example, the US Code provides that owners have the exclusive right 'to reproduce the copyrighted work in copies or phonorecords': *Copyright Act of 1979*, 17 USC § 106 (2012) ('*US Copyright Act*').
- 4 See Mihály Ficsor, *The Law of Copyright and the Internet: The 1996 WIPO Treaties, their Interpretation and Implementation* (Oxford University Press, 2002) 414–15.
- 5 *WCT*, opened for signature 20 December 1996, 2186 UNTS 121 (entered into force 6 March 2002) art 8; *WPPT*, opened for signature 20 December 1996, 2186 UNTS 203 (entered into force 20 May 2002) arts 10, 14.
- 6 'Cloud' computing has been described, from the perspective of the user, as 'storing and accessing data and programs over the internet instead of your computer's hard drive': Eric Griffith, 'What Is Cloud Computing?', *PCMag* (online), 13 March 2013 <<http://www.pcmag.com/article2/0,2817,2372163,00.asp>>. For more on 'the cloud', see Part II of this article.
- 7 See *National Rugby League Investments Pty Ltd v Singtel Optus Pty Ltd* (2012) 201 FCR 147 ('*Optus*').
- 8 See *American Broadcasting Companies Inc v Aereo Inc*, 134 S Ct 2498 (2014) ('*Aereo*') (applying the public performance right, which gives effect to the making available right in the United States).
- 9 *Ibid* 2515–17 (Scalia J).

make copies.<sup>10</sup> In addition, these decisions risk broadening the reproduction right and diminishing the ability of consumers to access cloud storage services.<sup>11</sup> At a key event leading up to the adoption of the WIPO *Internet Treaties*, Professor André Lucas explained that the difficulty posed by the online environment is that:

copyright, and more especially the Anglo-American form of copyright, has evolved around the right of reproduction. How is one therefore to cater to this new reality? ... The truth of the matter, it seems to me, is that the procedures for the distribution of the work no longer appear to be essential.<sup>12</sup>

This truth should be recognised in copyright law. The making available right need not live in the shadow of the reproduction right or depend on the presence of copies. We can realise the untapped potential of the making available right, firstly, by distinguishing a ‘volitional’<sup>13</sup> act of making available from an act of reproduction, and secondly, by recognising the appropriate role of secondary liability when the defendant is not itself volitionally carrying out the infringing act. To illustrate the benefits and objectives of making these distinctions, this article will explain how the Australian Federal Court case of *National Rugby League Investments Pty Ltd v Singtel Optus Pty Ltd* (‘*Optus*’)<sup>14</sup> and, to some extent, the US Supreme Court case of *American Broadcasting Companies v Aereo Inc* (‘*Aereo*’)<sup>15</sup> could have been decided in a clear and principled manner,<sup>16</sup> without unnecessarily impeding the development of consumer storage technologies and cloud-based services more broadly.

- 10 Cf the archetypical case where users may access a website and download files directly from the website, in which case the *Internet Treaties* successfully fill the gaps of the *Berne Convention* for the most part: *Berne Convention for the Protection of Literary and Artistic Works*, opened for signature 24 July 1971, 1161 UNTS 30 (entered into force 15 December 1972) (‘*Berne Convention*’). See Jane C Ginsburg, ‘The (New?) Right of Making Available to the Public’ in David Vaver and Lionel Bently (eds), *Intellectual Property in the New Millennium: Essays in Honour of William R Cornish* (Cambridge University Press, 2004) 234.
- 11 This is articulated by Jessica Litman as ‘copy-fetish’, that is ‘the idea that every appearance of any part of a work anywhere should be deemed a “copy” of it, and that every single copy needs a license or excuse, whether or not anyone will ever see the copy, whether or not the copy has any independent economic significance, whether or not the so-called copy is incidental to some other use that is completely lawful’: Jessica Litman, ‘Fetishizing Copies’ in Ruth Okediji (ed), *Copyright in an Age of Limitations and Exceptions* (Cambridge University Press, 2015) (forthcoming).
- 12 André Lucas, ‘Summary of the Proceedings of the Symposium’ (Paper presented at the WIPO Worldwide Symposium on the Future of Copyright and Neighbouring Rights, Le Louvre, Paris, 3 June 1994) 279.
- 13 The volition standard is an assessment of the defendant’s causation agency in bringing about the actual infringing conduct, such that the defendant can be said to have exercised the exclusive rights of the copyright owner: *Religious Technology Center v Netcom On-Line Communication Services Inc*, 907 F Supp 1361 (ND Cal, 1995) (‘*Netcom*’); *CoStar Group Inc v LoopNet Inc*, 373 F 3d 544 (4<sup>th</sup> Cir, 2004) (‘*CoStar*’). The volition test will be discussed in more detail in Part VII of this article.
- 14 (2012) 201 FCR 147.
- 15 134 S Ct 2498 (2014).
- 16 For a broader survey of cases in other jurisdictions on the legality of cloud-based RS-DVR services, see Rebecca Giblin and Jane C Ginsburg, ‘Asking the Right Questions in Copyright Cases: Lessons from *Aereo* and its International Brethren’ (Working Paper No 504, Columbia Law School, 16 December 2014).

## II THE CLOUD

In light of the exponential development of data processing technologies (including higher data transfer speeds and data compression which necessitate smaller bandwidth),<sup>17</sup> it is not surprising that ‘cloud computing’ has gained prominence as a game-changer in IT innovation.<sup>18</sup> The term has been used from as early as 1996,<sup>19</sup> yet a precise definition of ‘cloud computing’ has proven to be ‘remarkably elusive’.<sup>20</sup> Nevertheless, it is possible to shape a definition using certain core concepts, upon which there is broad agreement.<sup>21</sup> The National Institute of Standards and Technology, an agency of the US Department of Commerce, explains that:

Cloud computing is a model that enables ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. This cloud model is composed of five essential characteristics, three service models, and four deployment models.<sup>22</sup>

The essential characteristics include on-demand self-service by users, broad network access through standard mechanisms that promote use on platforms such as mobile phones and tablets, and resource pooling (ie dynamic assignment and reassignment of physical and virtual resources according to consumer demand).<sup>23</sup>

The advantages presented by cloud computing should not be understated. A study conducted by the World Economic Forum in 2011, for example, found that the flexibility and efficiency gains ‘just [scratch] the surface of cloud’s potential’, and that cloud computing had ‘the potential to benefit organizations, whole industries,

17 The development and popularity of cloud services can be seen as a culmination of various factors, an important one being the wide availability of high-speed internet connections: Adam Clark Estes, ‘What Is “the Cloud” — and Where Is It?’ on *Gizmodo* (29 January 2015) <<http://gizmodo.com/what-is-the-cloud-and-where-is-it-1682276210>>.

18 As Google’s Executive Chairman, Eric Schmidt stated, ‘moving to the cloud is not a questionable proposition — it’s inevitable’: Eric Schmidt, ‘Rebirth of IT’ on *Google for Work Blog* (8 October 2013) <<http://googleforwork.blogspot.com.au/2013/10/rebirth-of-it.html>>. See also Thor Olavsrud, ‘Microsoft Says Its Future in the Cloud is Bright’ on *CIO* (9 October 2013) <<http://www.cio.com/article/2381876/enterprise-software/microsoft-says-its-future-in-the-cloud-is-bright.html>>.

19 Antonio Regalado, ‘Who Coined “Cloud Computing”?’ on *MIT Technology Review* (31 October 2011) <<http://www.technologyreview.com/news/425970/who-coined-cloud-computing/>>.

20 Christopher S Yoo, ‘Cloud Computing: Architectural and Policy Implications’ (2011) 38 *Review of Industrial Organization* 405, 406.

21 *Ibid.*

22 Peter Mell and Timothy Grance, ‘The NIST Definition of Cloud Computing’ (Special Publication No 800-145, National Institute of Standards and Technology, September 2011) 2 <<http://csrc.nist.gov/publications/nistpubs/800-145/SP800-145.pdf>>.

23 *Ibid.* The three service models are Software as a Service (‘consumer use of the provider’s applications that run on cloud infrastructure’), Platform as a Service (capability of consumers to ‘deploy onto the cloud infrastructure consumer-created or acquired applications’) and Infrastructure as a Service (‘provision of processing, storage, networks and other fundamental computing resources to consumers’): at 2–3.

and even entire economies'.<sup>24</sup> While the efficiency and innovation gains are palpable, the legalities of cloud services remain complex and unresolved in certain contexts. This article will consider, in particular, the proper interpretation of the making available right (or public performance right in the US) and the reproduction right, when assessing the legality of cloud-based RS-DVRs under copyright law.

### III THE MAKING AVAILABLE RIGHT

The value of introducing a broad making available right gained traction at the international level in the late 1980s, as the internet presented itself as a viable channel for content delivery.<sup>25</sup> It had become apparent that new binding international copyright norms were necessary, as the *Berne Convention for the Protection of Literary and Artistic Works* ('*Berne Convention*') was not adequate to respond to problems raised by digital technology.<sup>26</sup> In 1996, over 130 countries at the WIPO Diplomatic Conference on Certain Copyright and Related Rights Questions adopted the *Internet Treaties* by consensus.<sup>27</sup> As part of the WIPO 'Digital Agenda', the drafters of the *WCT* and *WPPT* sought to modernise the *Berne Convention*, which covered the right of communication to the public incompletely and imperfectly.<sup>28</sup>

The basic proposition was that transmissions of works on the internet and in similar networks should be the object of a copyright owner's exclusive right

24 World Economic Forum and Accenture, *Exploring the Future of Cloud Computing: Riding the Next Wave of Technology-Driven Transformation* (2010), 3 <[http://www3.weforum.org/docs/WEF\\_ITTC\\_FutureCloudComputing\\_Report\\_2010.pdf](http://www3.weforum.org/docs/WEF_ITTC_FutureCloudComputing_Report_2010.pdf)>.

25 The concept of making available, in a broad sense, should not be mistaken as a novelty of the internet age. As Peter Menell's research into the historical background of the publication right shows, the two keystone rights of the first US federal *Copyright Act of 1790* were the right to print (which would evolve into the modern right to reproduce a work) and the right to publish. The right to publish of the eighteenth century came from the Latin root 'publico' or 'publicus', connoting 'of the people, public, open to all'. Therefore, 'the "right to publish" would have been understood by legislators and judges in the formative period of copyright law to encompass *making a work available to the public*, whether or not copies were actually distributed': Peter S Menell, 'In Search of Copyright's Lost Ark: Interpreting the Right to Distribute in the Internet Age' (2012) 59 *Journal of the Copyright Society of the USA* 1, 33–5, citing University of Notre Dame, *Latin Dictionary and Grammar Aid* <<http://www.archives.nd.edu/cgi-bin/lookit.pl?latin=publico>> (emphasis added).

26 International Bureau of WIPO, *The WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT)* <[http://www.wipo.int/export/sites/www/copyright/en/activities/pdf/wct\\_wppt.pdf](http://www.wipo.int/export/sites/www/copyright/en/activities/pdf/wct_wppt.pdf)>. See also Mihály Ficsor, 'Towards a Global Solution: The Digital Agenda of the Berne Protocol and the New Instrument: The Rorschach Test of Digital Transmissions' in P Bernt Hugenholtz (ed), *The Future of Copyright in a Digital Environment* (Kluwer Law International, 1996) 111, 111–21.

27 Ficsor, *The Law of Copyright and the Internet*, above n 4, 414–15.

28 Ginsburg, 'The (New?) Right of Making Available to the Public', above n 10. Article 20 of the *Berne Convention* provides that Berne Union countries may enter into special agreements to grant authors more extensive rights than those granted by the *Convention*. In accordance with that provision, art I(1) of the *WCT* provides that it is a 'special agreement within the meaning of Article 20 of the *Berne Convention*'. However, as Ginsburg notes, it is not entirely clear whether the making available right may be considered a substantive enlargement of *Berne Convention* rights or a mere affirmation of the existing scope of rights, but prefers to describe it as clarification.

(subject to appropriate exceptions).<sup>29</sup> One of the main objectives of a broad making available right was to cover on-demand transmissions of copyright works through interactive systems (ie not just ‘push’ technologies but ‘pull’ technologies).<sup>30</sup> Therefore, it would be irrelevant whether copies of a work were made available or whether the work was simply ‘made perceptible’ to users.<sup>31</sup> As explained by WIPO, the concept of ‘making available’:

extends not only to the acts that are carried out by the ‘communicators’ themselves (that is, to the acts *as a result of which* a work or object of related right is, in fact, made available to the public and the members of the public do not have to do more than, for example, switch on equipment necessary for its reception), but also to the acts which only consist of making the work accessible to the public, and *in the case of which the members of the public still have to cause the system to make it actually available to them*.<sup>32</sup>

A key aspect of this explanation is the focus on the effect of the act of making available — a work being made available, even if the technology requires the intervention of members of the public. Due to a lack of consensus concerning the legal characterisation of online interactive transmissions and the rights to be applied to such transmissions,<sup>33</sup> the 1996 Diplomatic Conference agreed on an ‘umbrella solution’ for the national implementation of this broad right. Under the ‘umbrella solution’, the act of digital transmission would be described in a neutral way, free from specific legal characterisation, and the actual choice of the right or rights to be applied would be left to national legislation.<sup>34</sup> In other words, a member state could introduce an explicit making available right, or provide effective coverage of the right through a combination of pre-existing rights (however these rights may take shape).

29 International Bureau of WIPO, above n 26, 5.

30 WIPO, ‘Basic Proposal for the Substantive Provisions of the Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works to be Considered by the Diplomatic Conference’ (Paper presented at the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, Geneva, 2–20 December 1996, WIPO Doc CRNR/DC/4) 44 <[http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=2481](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=2481)>.

31 WIPO, ‘Summary Minutes Main Committee I’ (Paper presented at the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, Geneva, 2–20 December 1996, WIPO Doc CRNR/DC/102) 40 <[http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=2472](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=2472)> (‘*Summary Minutes*’). See especially Chairman Jukka Liedes’ opening remarks on art 10 of the *WCT*.

32 Mihály Ficsor, ‘Guide to the Copyright and Related Rights Treaties Administered by WIPO and Glossary of Copyright and Related Rights Terms’ (Report, WIPO, 15 February 2004) 208 [CT-8.6] <[http://www.wipo.int/edocs/pubdocs/en/copyright/891/wipo\\_pub\\_891.pdf](http://www.wipo.int/edocs/pubdocs/en/copyright/891/wipo_pub_891.pdf)> (emphasis added). See also Ficsor, *The Law of Copyright and the Internet*, above n 4, 131:

In an interactive digital network, the role of a ‘receiver’ may be much more active; the ‘transmitter’ may only make the work or object of neighbouring rights *accessible for retrieval* by the members of the public who may eventually *cause* the system to *transmit* the work or object of neighbouring rights to them.

33 The right of distribution (a copy-related right) and the right of communication to the public (a non-copy-related right) were the two basic alternative rights put forward in debates about how interactive transmission via digital delivery should be given effect: see Ficsor, *The Law of Copyright and the Internet*, above n 4, 234.

34 *Ibid* 204–6.

These extensive deliberations and negotiations culminated in the right of making available to the public, recognised as a stand-alone right in arts 10 and 14 of the *WPPT*,<sup>35</sup> and expressed in art 8 of the *WCT* as a ‘sub-right’ to the communication to the public right. Article 8 provides that:

authors of literary and artistic works shall enjoy the exclusive right of authorizing 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.

An agreed statement concerning art 8 is that ‘the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this *Treaty* or the *Berne Convention*’.<sup>36</sup>

## IV UNITED STATES AND AUSTRALIAN LAW

### A Australia

To enable Australia’s accession to the *WCT* and *WPPT*, a technology-neutral right of communication to the public was introduced by the *Copyright Amendment (Digital Agenda) Act 2000* (Cth). ‘Communicate’ is defined to mean ‘make available online or electronically transmit (whether over a path, or a combination of paths, provided by a material substance or otherwise) ...’.<sup>37</sup> Section 22(6) of the *Copyright Act 1968* (Cth) (*Copyright Act*) further provides that ‘a communication ... is taken to have been made by the person responsible for determining the content of the communication.’ As noted in the Explanatory Memorandum to the bill, the development of new communication technologies had exposed gaps in the protection afforded by the *Copyright Act*, and the limited technology-specific transmission rights were no longer adequate.<sup>38</sup> It explained that the amendments ‘would improve the protection of copyright material on the internet and the new communication networks, including pay TV, and thus facilitate the growth of the information economy’.<sup>39</sup> Therefore, the new right of communication to the public would provide copyright owners with ‘more effective protection in relation to

35 Article 10 of the *WPPT* extends the right of making available to the public to performers, for the recordings of their performances, and states:

Performers shall enjoy the exclusive right of authorizing the making available to the public of their performances fixed in phonograms, 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.

Article 14 confers the same right on producers of sound recordings of performances.

36 *WCT* art 8 (n 8).

37 *Copyright Act* s 10(1).

38 Explanatory Memorandum, Copyright Amendment (Digital Agenda) Bill 2000 4. These were the wireless broadcasting right and the limited cable diffusion right.

39 *Ibid* 8.

the new and expanding means of commercial exploitation of copyright material, particularly online delivery'.<sup>40</sup>

## B United States

The United States implemented other aspects of the *WCT* through the *Digital Millennium Copyright Act of 1998*,<sup>41</sup> but took advantage of the 'umbrella solution' in implementing the right of making available to the public. The US concluded that explicit references to making available and 'communication to the public' were not necessary, as the relevant acts were given effect by the existing scope of exclusive rights (that is, through the rights of public performance, distribution and reproduction).<sup>42</sup> Section 101, the definitional section of the US *Copyright Act of 1976* ('*US Copyright Act*'), provides that the performance or display of 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.<sup>43</sup>

In the context of electronic communications, the meaning of sub-s 2 known as the 'Transmit Clause' (as opposed to sub-s 1, the 'public place' clause) tends to be the source of contention.<sup>44</sup> It is worth noting that according to the House Report

40 Ibid 14–15.

41 *Digital Millennium Copyright Act of 1998*, Pub L No 105-304, 112 Stat 2860. These were the provisions regarding anti-circumvention of technological protection measures ('TPM') and protection of electronic rights management information ('ERMI'), and 'safe harbour' provisions for online service providers.

42 US Department of Commerce, 'Copyright Policy, Creativity, and Innovation in the Digital Economy' (Green Paper, US Department of Commerce, July 2013) 15 <<http://www.uspto.gov/news/publications/copyrightgreenpaper.pdf>>, citing US House of Representatives, Committee on the Judiciary, 'WIPO Copyright Treaties Implementation and On-Line Copyright Infringement Liability Limitation' (HR Rep No 105-551, 1998) pt 1, 9: 'The treaties do not require any change in the substance of copyright rights or exceptions in US law'. Note that the Copyright Office is undertaking a study to assess the state of US law recognising and protecting the making available right. The study will consider the feasibility and necessity of amending US law to strengthen and clarify this area: see US Copyright Office, 'Study on the Right of Making Available: Comments and Public Roundtable' (Notice No 2014-04126, Library of Congress, 79 Fed Reg 37, 2014) 10571. According to the US Register of Copyright and Director of the US Copyright Office, the general consensus of stakeholders is that there is no need for specific legislative action: see Register's Perspective on Copyright Review, 114<sup>th</sup> Congress, *Hearing Before the Committee on the Judiciary House of Representatives* (2015) 3–41 (statement of Maria Pallante, Register of Copyrights and Director, US Copyright Office) <[http://judiciary.house.gov/\\_cache/files/9855f607-e28b-4ff9-b2f6-7a1106d4ce48/114-22-94408.pdf](http://judiciary.house.gov/_cache/files/9855f607-e28b-4ff9-b2f6-7a1106d4ce48/114-22-94408.pdf)>.

43 17 USC § 101 (2012).

44 Carrie Bodner, 'Master Copies, Unique Copies and Volitional Conduct: *Cartoon Network's* Implications for the Liability of Cyber Lockers' (2013) 36 *Columbia Journal of Law & the Arts* 491, 495.



to the *US Copyright Act*, a performance is ‘public’ ‘even though the recipients are not gathered in a single place, and even if there is no proof that any of the potential recipients were operating the receiving apparatus at the time of the transmission’.<sup>45</sup> The report goes on to explain that ‘[t]he same principles apply whenever the potential recipients of the transmission represent a limited segment of the public, such as the occupants of hotel rooms or the subscribers of a cable television service’.<sup>46</sup>

This broad conceptualisation of ‘public’ is reflected in the case of *Columbia Pictures Industries Inc v Redd Horne Inc* (*‘Redd Horne’*),<sup>47</sup> decided in 1984, which held that a video rental store’s use of private booths containing individual televisions to rent tapes to customers was a ‘performance to the public’, because the same copy of the work was repeatedly performed, even though it was performed to different members of the public at different times. In *Redd Horne*, a customer would select a video cassette and the store employee would play it on a centrally-located video cassette player and transmit the performance to a monitor in the room. In *Columbia Pictures Industries Inc v Aveco Inc*,<sup>48</sup> decided in 1986, the defendant operated a business similar to the defendant in *Redd Horne*, except here the video cassette player was located in each room and the customer would take the cassette into the room and play it themselves. The Court held that, like the defendant in *Redd Horne*, Aveco ‘was willing to make a viewing room and video cassettes available to any member of the public with the inclination to avail [him/her]self of this service. It is this availability that made [the *Redd Horne*] stores public places, not the coincidence that the video cassette players were situated in the lobby’.<sup>49</sup> In other words, it was the public availability of the service that brought the provisions of the *US Copyright Act* into operation.

### **C The RS-DVR Cases (in brief)**

Fast forward into the new millennium, these legislative provisions and their interpretations have been tested in disputes regarding the legalities of disruptive technologies such as RS-DVRs in the cloud. The key appellate decisions from the US and Australia are *Cartoon Network LP v CSC Holdings Inc* (*‘Cablevision’*)<sup>50</sup> of the US Court of Appeals for the Second Circuit, *Aereo*<sup>51</sup> of the US Supreme Court, and *Optus*<sup>52</sup> of the Full Court of the Federal Court of Australia.

45 US House of Representatives, Committee on the Judiciary, ‘Copyright Law Revision’ (HR Rep No 94-1476, 1976) 64–5.

46 Ibid.

47 749 F 2d 154 (3<sup>rd</sup> Cir, 1984).

48 800 F 2d 59 (3<sup>rd</sup> Cir, 1986).

49 Ibid 63.

50 536 F 3d 121, 138 (2<sup>nd</sup> Cir, 2008).

51 134 S Ct 2498 (2014).

52 (2012) 201 FCR 147.

## 1 Cablevision

In the *Cablevision* case, Cablevision subscribers could request that a program be recorded using the RS-DVR service, and if so, a copy of that program was created for the customer on a portion of Cablevision's remote hard drive assigned solely to that customer. Cablevision was a cable company that held a licence to make the initial transmission of the copyright owners' content to its cable subscribers, but it did not hold licences for the reproduction or subsequent transmission of that same content via its RS-DVR service. The parties here agreed to drop any claims of fair use and secondary infringement under contributory liability principles, but relied solely on the question of direct liability for infringement of the reproduction right and public performance right.<sup>53</sup>

The US Court of Appeals for the Second Circuit held that the copies produced on the RS-DVR service were volitionally 'made' by the RS-DVR customer, and that Cablevision's contribution to this reproduction by providing the system did not warrant the imposition of direct liability.<sup>54</sup> This finding was made in accordance with the precedent set by *Religious Technology Center v Netcom On-Line Communication Services Inc* ('*Netcom*'),<sup>55</sup> where the Court held that a key consideration was the volitional conduct that caused the copy to be made (the 'volition test').<sup>56</sup>

In applying the 'Transmit Clause', the Second Circuit did not reach a conclusion as to whether the subscriber or Cablevision volitionally 'performed' the work.<sup>57</sup> The Court disposed of the question by finding that the performance was not made 'to the public', holding that 'capable of receiving the performance' refers not to the performance of the underlying work being transmitted, but to the particular transmission at issue.<sup>58</sup> Therefore, private transmissions not capable of being received by the public should not be aggregated as this 'obviates any possibility of a purely private transmission', and would make Cablevision's liability 'depend, in part, on the actions of legal strangers'.<sup>59</sup> In other words, 'unique individual transmissions would be considered private performances, except where the transmissions were being generated from a "master copy"'.<sup>60</sup> This aspect of the

53 *Cartoon Network LP v CSC Holdings Inc*, 536 F 3d 121, 124 (2<sup>nd</sup> Cir, 2008).

54 *Ibid* 131–5.

55 907 F Supp 1361 (ND Cal, 1995).

56 The volition test will be discussed further in Part VII of this article.

57 *Cartoon Network LP v CSC Holdings Inc*, 536 F 3d 121, 134 (2<sup>nd</sup> Cir, 2008).

58 *Ibid* 135. In other words, it was necessary to examine 'who precisely is "capable of receiving" a particular transmission of a performance' (ie the potential audience of the individual transmission).

59 *Ibid* 136.

60 *Ibid* 138. The Court carved out an exception to this 'no-aggregation' rule where private transmissions were being generated from the same copy of the work because 'the use of a unique copy may limit the potential audience of a transmission' and noted that 'in general, any factor that limits the potential audience of a transmission is relevant'. This interpretation was made in light of the finding in *Redd Horne* that the performance of tapes in private booths by a video rental store was 'public', because the *same* copy of the work was repeatedly performed.

ruling, although not expressly rejected, was implicitly overturned by the Supreme Court in *Aereo*.<sup>61</sup>

## 2 Aereo

The defendant in *Aereo* sought to capitalise on the *Cablevision* ruling by building a ‘copyright-avoiding’ business model.<sup>62</sup> Unlike *Cablevision*, the Aereo system featured functionalities similar to both a RS-DVR and a streaming service that captured and relayed free-to-air broadcasts. A subscriber was able to watch a TV show with a second or two delay on their computer or internet-enabled device (the ‘watch’ function) or record it for later watching (the ‘record’ function). The Aereo system featured thousands of dime-sized antennas installed next to each other to receive broadcast television channels. When a subscriber chose to watch or record a program, Aereo’s server would assign one of the antennas and a transcoder (which converts signals into different file formats) to the subscriber. It then tuned into the program that the user wished to watch or record, transcoded the data, sent it to an Aereo server and saved it into a hard drive in a directory reserved for that particular Aereo user. In reliance on the *Cablevision* precedent that unique individual transmission not made from a ‘master copy’ would not be considered public performances, Aereo’s position was that the broadcasts were received from subscribers’ own ‘individual’ dime-sized antenna and stored in their ‘personal’ directory on Aereo’s central system.<sup>63</sup> In seeking a preliminary injunction, the plaintiffs in *Aereo* limited the allegations of infringement to the public performance right (through the availability of the ‘watch’ function). The ‘record’ function and the reproduction right were not under consideration. On appeal from the Second Circuit, the Supreme Court held Aereo liable for performing the TV programs to the public. In coming to its decision, the Supreme Court relied heavily on the similarities of Aereo’s functions to that of cable or community antenna television (‘CATV’) providers. The Court emphasised that Congress’ primary purpose in amending the *US Copyright Act* in 1976 was to overturn the Supreme Court’s holdings in *Fortnightly Corp v United Artists Television* (‘*Fortnightly*’)<sup>64</sup> and *Teleprompter Corp v Columbia Broadcasting Systems* (‘*Teleprompter*’)<sup>65</sup> which held that a CATV provider was more like a viewer than a broadcaster, and therefore its actions fell outside the scope of the *US Copyright Act*. As Aereo’s activities were ‘substantially similar’ to those of the CATV companies, Aereo was not simply an equipment provider but a ‘performer’.<sup>66</sup> Irrespective of the number of discrete communications and the

61 134 S Ct 2498 (2014).

62 See Rebecca Giblin and Jane C Ginsburg, ‘On Aereo and “Avoision”’ (2014) 32(4) *Copyright Reporter* 14; Rebecca Giblin and Jane C Ginsburg, ‘We Need to Talk About *Aereo*: Copyright-Avoiding Business Models, Cloud Storage and a Principled Reading of the “Transmit” Clause’ (Columbia Law and Economics Working Paper No 480, Columbia Law School, 2014) <<http://ssrn.com/abstract=2443595>>.

63 See *WNET Thirteen v Aereo Inc*, 712 F 3d 676, 682–3 (2<sup>nd</sup> Cir, 2013).

64 392 US 390 (1968).

65 415 US 394 (1974).

66 *Aereo*, 134 S Ct 2498, 2506 (2014).

technological differences in how the signals were routed to the subscriber, Aereo was performing them ‘to the public’. Therefore, the findings on both elements of ‘performance’ and ‘to the public’ were largely based on Aereo’s functional similarities to cable systems.

### 3 *Optus*

In Australia, the case of *Optus*<sup>67</sup> was brought by the National Rugby League (NRL) and the Australian Football League (AFL) — parties whose lucrative licensing deals for the live online streaming of their sports events were disrupted by the availability of the Optus TV Now service. The functionalities of Optus TV Now were similar to Aereo, allowing both time-shifting and ‘almost live’ viewing to users of certain devices.<sup>68</sup> Optus TV Now, however, utilised a single TV antenna and a number of digital format receivers (known as DVB-T) for each free to air channel in every capital city where TV Now was being offered. Upon the request of a subscriber who clicked ‘record’ on their electronic program guide, Optus would capture and digitally convert the signal received at the scheduled time into four specifications designed for playback on different types of subscriber devices.<sup>69</sup> When a subscriber clicked the ‘play’ button for the recorded program, Optus’s server would look up the recording ID associated with the subscriber’s ID in their database, and send the compatible version of the recording to a subscriber’s device.<sup>70</sup>

At the trial stage of the proceedings, Rares J of the Federal Court of Australia held that the user of the service was the maker of the copies when he or she clicked the ‘record’ button on the system, as he or she was solely responsible for creation of those copies.<sup>71</sup> As a result, exercise of the reproduction right by users was exempt from copyright liability under s 111 of the *Copyright Act*. Section 111 provides that a person who ‘makes a cinematograph film or sound recording of a broadcast solely for private and domestic use by watching or listening to the material broadcast at a time more convenient than the time when the broadcast is made’ does not infringe copyright.<sup>72</sup> Without a primary copyright infringer, Optus could not be liable under secondary liability principles for ‘authorising’ infringement by its users.<sup>73</sup> In considering the communication to the public right (which encompasses the right to ‘make available’ to the public), Rares J considered s 22(6) of the *Copyright Act*, which provides that ‘[f]or the purposes of this Act, a

67 (2012) 201 FCR 147.

68 *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2)* (2012) 199 FCR 300, 312 [26]. Note that ‘almost live’ streaming with a two-minute delay was only available to subscribers using Apple devices.

69 *Ibid* [27]–[30].

70 *Ibid* 314 [35].

71 *Ibid* 322 [63].

72 *Copyright Act* s 111.

73 The basis for authorisation liability principles under Australian law are the provisions in the *Copyright Act* which provides that copyright is infringed by a person who does or *authorises* the doing of one of the exclusive rights held by the copyright owner: see *Copyright Act* ss 36(1), 101(1). Authorisation liability is discussed further in Part VIII of this article.

communication other than a broadcast is taken to have been made by the person responsible for determining the content of the communication'.<sup>74</sup> Rares J was of the view that s 22(6) and the expression 'the person responsible' for determining the content of the communication was an 'artificial construct' to determine liability for copyright infringement where more than one party is effecting that communication.<sup>75</sup> His Honour held that the Optus TV Now service operated such that the user who selected the program to be recorded was the person determining the content to be played back to him or her.<sup>76</sup> A user who was communicating the content to himself or herself was therefore not communicating 'to the public'.<sup>77</sup>

The Full Federal Court unanimously reversed Rares J's decision.<sup>78</sup> The case was decided in the plaintiffs' favour solely on the basis of the reproduction right. As this was considered sufficient to resolve the appeal, it was unnecessary to consider the right to communicate to the public.<sup>79</sup> The Court considered that Optus's role in the making of a copy (ie capturing the broadcast and then embodying it in a hard disk) was 'so pervasive that, even though entirely automated, it cannot be disregarded' in identifying who does the copying.<sup>80</sup> The Court expressly rejected the volitional conduct standard from *Cablevision*, stating that 'its adoption in this country would, in our view, require a gloss to be put on the word "make"'.<sup>81</sup> As a result, the Court's preferred view was that both Optus and the subscriber, acting together, were the makers of the copies, and therefore they were jointly and severally responsible for the act.<sup>82</sup> This finding, in turn, disqualified Optus from taking advantage of the s 111 time-shifting exception. Optus, a commercial provider of the TV Now service, was not exempt from infringing copyright because it was not doing so 'solely for private and domestic use'.<sup>83</sup>

## D Overlooking the Act of Making Available

Before delving into a more detailed analysis of the making available right in relation to 'near to interactive' services, it is worth pausing to summarise the basis upon which these cases were decided. In the *Optus* case, the trial judge's finding on the act of making available under the communication to the public right hinged on his initial finding that the user was the 'maker' of the copies of broadcast content. The Full Federal Court overturned the decision and found

74 Ibid s 22(6).

75 *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2)* (2012) 199 FCR 300, 329 [92].

76 Ibid 328 [90].

77 Ibid 332 [106].

78 *Optus* (2012) 201 FCR 147.

79 Ibid 152 [7].

80 Ibid 165 [67].

81 Ibid 164 [63]. It was not apparent to the Court 'why a person who designs and operates a wholly automated copying system ought of course not be treated as a "maker" of an infringing copy where the system itself is designed so as to respond to a third party command to make the copy': at 165 [64].

82 Ibid 167 [77]–[78].

83 Ibid 168–9 [82]–[87].

infringement of the reproduction right, but did not address the communication to the public right.

Although the Second Circuit in *Cablevision* considered both the reproduction right and the public performance right, the public performance claim was dismissed because it was not made ‘to the public’. The conduct that brought about the performance — the *act* of performing — was not addressed. As the Second Circuit explicitly noted in *Cablevision*, their conclusion ‘that the customer, not Cablevision “does” the copying does not dictate a parallel conclusion that the customer, and not Cablevision, “performs” the copyrighted work. The definitions that delineate the contours of the reproduction and public performance rights vary in significant ways.’<sup>84</sup> Yet, the Court chooses to circumvent this analysis, and focus on the public/private nature of the performance.<sup>85</sup>

The US Supreme Court’s *Aereo* decision, on the other hand, may be lauded as one that focuses on the practical outcome and is not distracted by technological contrivance.<sup>86</sup> However, it is difficult to ascertain the principles to emerge from this case. When is a technology so ‘cable-like’ that it publicly performs?<sup>87</sup> The volition approach of the dissenting judges, although not explicitly rejected, was simply not mentioned by the majority.<sup>88</sup>

The approach taken by the Courts in each case is summarised in Table 1 below.

**Table 1. Summary of the case outcomes**

	<b>Reproduction right</b>	<b>Performance/Communication to the public right</b>
Cablevision	✗ No volitional conduct by defendant	✗ Performance not ‘to the public’ ? Volition of performance not addressed

84 *Cartoon Network LP v CSC Holdings Inc*, 536 F 3d 121, 134 (2<sup>nd</sup> Cir, 2008).

85 *Ibid* 135.

86 See *WNET Thirteen v Aereo Inc*, 712 F 3d 676, 697 (2<sup>nd</sup> Cir, 2013). Judge Chin in his dissent, described Aereo as a ‘Rube Goldberg-like contrivance, over-engineered in an attempt to avoid the reach of the *Copyright Act*’ and specifically designed to fit the confines of the *Cablevision* ruling.

87 See *Aereo*, 134 S Ct 2498, 2516–17 (2014). As Scalia J in his dissent argues:  
[T]he Court provides no criteria for determining when its cable-TV-lookalike rule applies [ ... it is] nothing but th’ol’ totality-of-the-circumstances test (which is not a test at all but merely assertion of an intent to perform test-free, ad hoc, case-by-case evaluation). It will take years, perhaps decades, to determine which automated systems now in existence are governed by the traditional volitional-conduct test and which get the Aereo treatment. (And automated systems now in contemplation will have to take their chances.) The Court vows that its ruling will not affect cloud-storage providers and cable television systems ... but it cannot deliver on that promise given the imprecision of its result-driven rule.

Note that even though the Supreme Court considered Aereo to be ‘like cable’, Aereo was not able to acquire a compulsory license for rebroadcasting: see Transcript of Proceedings, *American Broadcasting Companies Inc et al v Aereo Inc* (United States District Court for the Southern District of New York, Judge Nathan, 23 October 2014), applying *WPIX Inc v ivi Inc*, 691 F 3d 275, 279 (2<sup>nd</sup> Cir, 2012)). A similar outcome would be likely in Australia: see *Phonographic Performance Company of Australia Ltd v Commercial Radio Australia Ltd* (2013) 209 FCR 331.

88 *Aereo*, 134 S Ct 2498, 2510 (2014).

Aereo	?	Not an issue on appeal	✓	Aereo is the functional equivalent of cable
Optus TV	✓	Optus is the ‘maker’ of the copy	?	Not addressed

In short, the Courts did not delve into the question of whether the defendant carried out the initial act of making available to the public (under the relevant provision implementing the right). Of course, courts are not obliged to consider all possible grounds for liability, and need only find infringement of an exclusive right of the owner. However, as this article will explain, where an assessment of the act of making available is undertaken by the courts (either expressly or otherwise), the assessment is inappropriately dictated by the making of copies. In these cases, the interpretations of the Courts have overlooked the potential of the making available right, a right proposed specifically to deal with the challenges posed by digital communications on the internet. This is apparent when we consider the discussions of the drafters of the *Internet Treaties* on the making available of copyright material using ‘near to interactive’ content delivery service — services which may require some choice on the part of users.

## V THE ‘ACT’ OF MAKING AVAILABLE USING ‘NEAR TO INTERACTIVE’ SERVICES

Cloud-based RS-DVR systems that capture, store and stream free-to-air television broadcasts specifically, were not at the forefront of these drafters’ minds when the *WCT* and *WPPT* were being debated and acceded to. Therefore, the preliminary discussions leading up to the accession to the *Internet Treaties* do not, and should not be expected to, provide a conclusive answer to the issues raised in *Aereo* and *Optus*. Nonetheless, these discussions give us an indication of the drafters’ aims in introducing a broad making available right. They show that at the international level, the act of making available was considered broad enough to encompass technologies which had the *effect* of making copyright works available to the public, even if the interactions of users were necessary to bring about that effect.

### A Making Available Using ‘Near to Interactive’ Content Delivery Services

As the Basic Proposal for Draft Treaty No 2 regarding the rights of performers and producers of phonograms explains, the ‘expressions “may access” and “from a place and at a time individually chosen” cover directly all situations that are

interactive'.<sup>89</sup> Although the relationship between art 8 of the *WCT* and services somewhat similar to subscription-based services was raised by several delegates in the 1996 WIPO Diplomatic Conference, this was not clarified.<sup>90</sup> The Basic Proposal for Draft Treaty No 2 (the *WPPT*) was more explicit, stating:

There are, however, systems and services based on particular technical arrangements and programming structures which make it possible to access the fixed performances provided by the service *without such access being fully interactive*. Such services are offered on a subscription basis. From the point of view of the members of the public these services are 'near to interactive'. In many cases the only difference between interactive and 'near to interactive' is in the time required for access. For both members of the public and rightholders, *the shorter the delay, the closer the effect of such practices is to those of services that enable immediate access*. ... The proposed right of making available of fixed performances in Article 11 is intended to cover both directly interactive ways of making available and services *with similar effects*, as described above.<sup>91</sup>

Therefore, in accordance with the objectives of the drafters, the effect of an act of making available should be interpreted broadly to cover 'near to interactive' content delivery services.

## B The Act of Making Available

Our analysis of the scope of the making available right, however, should not end at its effect. It is still necessary to identify the relevant *act* of making available, because copyright law grants owners exclusive rights over specified 'acts', not over 'uses' of their works.<sup>92</sup> The question is this: at what point does one exercise the exclusive right of the copyright owner to 'make available' to the public?

As the notes to the proposed art 8 presented at the Diplomatic Conference explain, it was envisaged that:

89 WIPO, 'Basic Proposal for the Substantive Provisions of the Treaty for the Protection of the Rights of Performers and Producers of Phonograms to be Considered by the Diplomatic Conference' (Paper presented at the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, Geneva, 2–20 December 1996, WIPO Doc CRNR/DC/5) 54 <[http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=2483](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=2483)>, cited in Ficsor, *The Law of Copyright and the Internet*, above n 4, 245 ('*Basic Proposal for Draft Treaty No 2*').

90 See WIPO, *Summary Minutes*, above n 31, 43.

91 WIPO, *Basic Proposal for Draft Treaty No 2*, above n 89, 54–6 [11.06], [11.08] (emphasis added).

92 See for example, the wording of s 31 of the *Copyright Act*, which provides that 'copyright, in relation to a work, is the exclusive right ... to do all or any of the following acts ...' Cf Giblin and Ginsburg, 'Asking the Right Questions', above n 16, 34. Giblin and Ginsburg argue that:

Given the significant (and increasing) potential for arbitrary outcomes to the 'who does?' analysis, we consider that a better approach would centre inquiry on whether, after full reflection on the contributions of each party, the use should be permitted — instead of allowing ancillary considerations to determine liability.

However, an approach which emphasises the 'use' may perhaps again be too outcome-focused, and does not assist us in developing our understanding of what 'acts' are covered.



What counts is the *initial act* of making the work available, not the mere provision of server space, communication connections, or facilities for the carriage and routing of signals. It is irrelevant whether copies are available for the user or whether the work is simply made perceptible to, and thus usable by, the user. ... [T]he relevant acts of communication include cases where members of the public may have access to the works from different places and at different times. The *element of individual choice* implies the interactive nature of the access.<sup>93</sup>

In other words, the making of a copy or a subsequent dealing with any copy made, although facilitating the making available of the copyright owner's content, is not necessarily the trigger of an exercise of the right to 'make available'. What matters is the initial act of making the work available, despite an 'element of individual choice' by users.<sup>94</sup>

## VI DISTINGUISHING THE MAKING OF COPIES

The making of copies could be part of a process of making content available, but making a work available to the public does not necessarily require the making of copies. As Mihály Ficsor, former Deputy Director General of the WIPO,<sup>95</sup> notes, the introduction of the making available right under the 'umbrella solution' marked the first time that the principle of relative freedom of legal characterisation<sup>96</sup> crossed the traditional borders between 'copy-related rights' and 'non-copy-related rights'.<sup>97</sup> Copy-related rights cover 'acts by means of which copies are made available to the public, typically for "deferred" use, since the act of making available and the perception' of that which the work expresses (ie the actual 'use') by members of the public occur at a later time.<sup>98</sup> Non-copy-related rights, 'on the

93 International Bureau of WIPO, 'Records of the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions' (WIPO Publication No 348 (E), Geneva, December 1999) 204, cited in Ficsor, *The Law of Copyright and the Internet*, above n 4, 243 (emphasis added).

94 See Andrew Christie and Eloise Dias, 'The New Right of Communication in Australia' (2005) 27(2) *Sydney Law Review* 237, 249 (noting that other types of communication encompassed by art 8 could occur at a point in time later than that of a making available). See also *Roadshow Films Pty Ltd v iiNet Ltd* (2011) 194 FCR 285, where the Full Court of the Federal Court of Australia held that the plaintiff's films were made available to the public online via peer-to-peer file-sharing software BitTorrent each time the computer (including the peer-to-peer program and the shared file) was connected to the internet and available to other BitTorrent users (Emmett J at 321 [154], Jagot J at 363–4 [328] and Nicholas J at 436 [666]).

95 Ficsor is recognised as having played a decisive role in the preparation, negotiation, completion and adoption of the *WCT* and the *WPPT*: see Forward by Dr Kamil Idris (then Director General of WIPO) in Ficsor, *The Law of Copyright and the Internet*, above n 4, vii–viii.

96 The 'principle of relative freedom of legal characterisation' of acts covered by international copyright obligations is perhaps best explained using examples. As Ficsor notes, in some countries the right of public performance may cover public performance, broadcasting and communication to the public, whereas in other countries the right of communication to the public is a general right covering all three categories of performance, broadcasting and communication. International copyright obligations were adhered to under this principle, so long as the minimum level of protection for such acts concerned were duly respected: Ficsor, *The Law of Copyright and the Internet*, above n 4, 497–8.

97 *Ibid* 498–9 [C8.08].

98 *Ibid* 498.

other hand, cover acts through which works and objects of related rights are made available for direct ... use (perceiving, studying, watching, listening to) by the members of the public.<sup>99</sup> These include the right of public performance and right of communication to the public by wire. Ficsor elaborates on this point, noting that the actual extent of use is not determined at the moment of making available by the person/entity that carries out the act of making available, but is determined by the member of the public's virtual negotiation with the system.<sup>100</sup>

One of the early cases on the making available right to emerge in Australia, *Universal Music Australia Pty Ltd v Cooper* ('Cooper'),<sup>101</sup> shows how the line between a making available and the making of copies can be hard to draw. In *Cooper*, record companies brought copyright infringement claims against the proprietor of a website on which users would post links to MP3 files containing sound recordings. Tamberlin J of the Federal Court of Australia considered whether the provision of links to music files stored elsewhere on the internet constituted a making available of the sound recordings to the public.<sup>102</sup> Tamberlin J explained that the sound recordings had 'initially been made available to the public by being placed on the remote websites', and therefore they could be accessed via an alternative route by directly accessing the remote websites.<sup>103</sup> When one clicked on a link, the MP3 file would be transmitted directly from the host server to the user's computer, and as a result, the sound recording was made available from the host server of the remote website, not Cooper's website.<sup>104</sup>

These findings accord with the proposition that the operative act is the *initial act* of making available, as discussed in the preparatory documents to the *WCT* and *WPPT*.<sup>105</sup> However, in arriving at his conclusion, Tamberlin J nevertheless takes note of the existence of copies. In support of his decision, he explains that 'the evidence indicates that no music sound recordings are actually stored on the Cooper website',<sup>106</sup> and that the MP3 file 'does not pass through or via or across the Cooper website'.<sup>107</sup> Perhaps these observations were made to highlight the fact that the initial making available was conducted from the remote website by a third party (and not by the defendant Cooper).

99 Ibid.

100 Ibid 499.

101 (2005) 150 FCR 1.

102 Ibid 15–16.

103 Ibid 16 [64].

104 Ibid 16–17 [65]. Note that the finding on Cooper's liability for authorising infringement was affirmed in *Cooper v Universal Music Australia Pty Ltd* (2006) 156 FCR 380. The finding of primary liability for the 'making available' right was not an issue on appeal.

105 See also Ficsor, 'Svensson and the CJEU's "New Public" Theory', below n 186 and accompanying text. Cf Sam Ricketson and Jane C Ginsburg, *International Copyright and Neighbouring Rights: Berne Convention and Beyond* (Oxford University Press, 2<sup>nd</sup> ed, 2005) vol 1, 748 [12.61]. Ricketson and Ginsburg consider that linking may be a form of indirect making available, if we consider the 'place' in the phrase 'from a place and at a time individually chosen by [members of the public]' in art 8 of the *WCT* and arts 10 and 14 of the *WPPT* to mean the networked 'place', such as a website. In other words, the 'place' selected by the user would be the source of the making available.

106 *Cooper* (2005) 150 FCR 1, 16 [64].

107 Ibid 16 [65].

Yet, these comments may be misconstrued to mean that the making available of copyright material requires, as a preliminary step, the making available of copies. If we take the technologies in *Optus* and *Aereo* for example, each of these services offered to the public the ability to access free-to-air broadcast television through an online service available at a time and place of their choosing. Copies of copyright material were not available to users, but the ability to capture the broadcast signals and to make copies of the programs was available to subscribers of the service. In other words, the act of making available in each of these cases, I would argue, occurred *before* the making of copies.

In proceedings prior to the appeal to the Full Federal Court, Rares J, a single judge of the Federal Court in *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd [No 2]*,<sup>108</sup> considered whether the making available right had been exercised. Consideration of the making available right was restricted to acts that occurred post-copying — ie after a copy of the program selected by the subscriber had been made on the system. Rares J did not consider the initial act of making broadcast programs available, but considered whether the copies that were made on the system were being communicated when the user clicked the ‘play’ button.<sup>109</sup> Here, the act of making available was tied to the making available of a copy (which arguably was also *an act* of making available, though not *the initial act* of making available), and because the user was the ‘maker’ of the copy, the ‘maker’ of the communication was also held to be the user.<sup>110</sup>

This finding that a user, by choosing what to record through the system, is the sole maker of the communication (by making available) is at odds with the view expressed in the Diplomatic Conference that making available would entail some ‘element of individual choice’ by users.<sup>111</sup> Furthermore, it is not in line with Ficsor’s explanation that the actual extent of use after the making available could be determined by the member of the public’s ‘virtual negotiation’ with the system.<sup>112</sup> A decision which conflates the right of reproduction and right to make available to the public by focusing on the making of copies has clear implications — it brings the right of communication to the public by making available into conflict with ‘users’ rights to make a copy of certain content for personal time-shifting purposes.<sup>113</sup> Time-shifting for personal and domestic use is specifically exempt from copyright infringement under s 111 of the *Copyright Act*. Under the *US Copyright Act*, the scope of copyright owners’ exclusive rights is tempered by an open-ended fair use exception.<sup>114</sup> In the US, the Supreme Court held in *Sony*

108 (2012) 199 FCR 300.

109 Ibid 327 [86].

110 Ibid 329–30 [94]–[95].

111 Records of the Diplomatic Conference, above n 93.

112 Ficsor, *The Law of Copyright and the Internet*, above n 4, 498–9 [C8.08].

113 The conceptualisation of copyright free-use exceptions as user rights is not universally accepted. Nevertheless, it has been recognised by the Canadian Supreme Court in *CCH Canadian Ltd v Law Society of Upper Canada* [2004] 1 SCR 339. See also L Ray Patterson and Stanley W Lindberg, *The Nature of Copyright: A Law of Users’ Rights* (University of Georgia Press, 1991); Julie E Cohen, ‘Panel I: Intellectual Property and Public Values — The Place of the User in Copyright Law’ (2005) 74 *Fordham Law Review* 347.

114 17 USC § 107 (2006).

*Corporation of America v Universal City Studios Inc* ('Betamax'), that the making of individual copies of television shows for the purposes of watching at a more convenient time was fair use, and therefore not an infringement of copyright.<sup>115</sup>

Rares J's finding on the act of making available was not addressed by the Full Federal Court in *Optus*, because the decision was overturned solely on the basis of the reproduction right.<sup>116</sup> However, Rares J's approach to the making available right (an approach put forward by the rights-holders)<sup>117</sup> arguably set the baseline for the Full Federal Court's decision on the reproduction right. In other words, the Full Federal Court could be inclined to find that a defendant is the 'maker' of copies and therefore liable for an exercise of the reproduction right, because to find otherwise would supposedly negate the owners' right to communicate their works to the public by making available.

Although such assumptions are not apparent on the face of the judgments, their potential to influence the analysis should not be underestimated. In *Cablevision* for example, the parties had agreed to drop any claims of fair use.<sup>118</sup> Nevertheless, as Professor Jane Ginsburg observes, because the users were engaged in a higher-tech form of 'time-shifting', and under the *Betamax* case time-shifting was not infringing, the calculus may have informed the Court's assessment of 'who' made a copy under the claim of infringement of the reproduction right.<sup>119</sup> In short, an approach that conflates who is the 'maker' of a reproduction with who is making available could skew the analysis of each right and the outcome of a case. This approach inappropriately reduces the legal question to a binary decision as to which right should be given primacy: is it the 'users' right' to make copies for time-shifting, or the owner's right to make available to the public?

This binary question is a fallacy; courts do not have to make such a choice. The ability of users or subscribers of a service to make copies of copyright content for their private and domestic time-shifting purposes on cloud services (under fair use or under s 111 of the *Copyright Act*) need not be diminished in order to protect copyright owners' exclusive right to make available to the public. It was open to the courts to conclude that the copy was volitionally made by the user, but the initial making available of the content, on the other hand, was volitionally conducted by the service provider.

115 464 US 417 (1984). In addition, the manufacturer, Sony, not liable for contributory infringement because the Betamax VCRs were capable of 'substantially non-infringing uses', and in this case the private, non-commercial time-shifting of television programs satisfied this standard: at 442.

116 (2012) 201 FCR 147, 152 [7].

117 *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd [No 2]* (2012) 199 FCR 300, 327 [86].

118 536 F 3d 121, 124 (2<sup>nd</sup> Cir, 2008).

119 Jane C Ginsburg, 'Recent Developments in US Copyright Law — Part II, Caselaw: Exclusive Rights on the Ebb?' (Working Paper No 08152, Columbia Law School, 30 August 2008) 16.

## VII A NEW VOLITION (OR CAUSATION) STANDARD FOR THE MAKING AVAILABLE RIGHT

Before the proliferation of diverse online content-delivery services, distinguishing the exercise of an owner's making available right from an act of reproduction would have been a simpler task. Today, online activities tend to implicate a number of rights.<sup>120</sup> Whether something is 'like cable' or 'like a copy shop' will be increasingly difficult to ascertain and court decisions are at risk of morphing into arbitrary line-drawing exercises.<sup>121</sup> Determining who is making a copy and who is making content available in this context is not an easy task, and this is where the volition test developed in the United States may provide a useful analytical framework. Although the Full Federal Court rejected the volition test as a mere 'gloss' over the word 'make' in relation to the making of copies,<sup>122</sup> its utility beyond the question of 'who' does the act of copying should be considered fully.

The origin of the volition test is found in the case of *Netcom*.<sup>123</sup> Deciding in 1995 on the primary liability of an Internet Service Provider (ISP) for the actions of its customers, the District Court held that '[a]lthough copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party'.<sup>124</sup> The Fourth Circuit applied the *Netcom* decision in *CoStar Group Inc v LoopNet Inc* ('*CoStar*'),<sup>125</sup> stating that 'something more must be shown than mere ownership of a machine used by others to make illegal copies. There must be actual infringing conduct with a nexus sufficiently close and causal to the illegal copying that one could conclude that the machine owner himself trespassed on the exclusive domain of the copyright owner'.<sup>126</sup> In applying the volition test, the

120 In some instances, courts have attempted to determine which right is the most economically significant: see, eg, *MyVideo Broadband SRL v CELAS GmbH*, District Court of Munich, No 7 O 4139/08 (25 June 2009); *Entertainment Software Association v Society of Composers, Authors and Music Publishers of Canada* [2012] 2 SCR 231 (the Canadian Supreme Court upheld the distinction between the rights of reproduction and communication to the public, holding that the internet delivery of a permanent copy of a video game containing musical works did not amount to a 'communication'). For more on the relationship between the rights of making available and reproduction in the EU, see Sari Depreeuw and Jean-Benoît Hubin, 'Study on the Making Available Right and its Relationship with the Reproduction Right in Cross-Border Digital Transmissions' (Report, European Union, 2014) <[http://ec.europa.eu/internal\\_market/copyright/docs/studies/141219-study\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/studies/141219-study_en.pdf)>.

121 See Richard A Posner, 'Book Review: Reasoning by Analogy' (2006) 91 *Cornell Law Review* 761, 771:

To suppose that the cable television case can rationally be decided by determining whether cable television is more like a homeowner's putting up an antenna than it is like hiring an orchestra to perform copyrighted music is absurd. A rational resolution of the issue requires discerning the purpose of giving the owner of a copyrighted work the exclusive right to perform it.

On the 'copy shop' analogy, see *Aereo*, 134 S Ct 2498, 2507 (2014) (rejecting the dissent's reliance on the analogy at 2514). The majority, however, compares *Aereo* with a valet parking service: at 2510.

122 *Optus* (2012) 201 FCR 147, 164–5 [63].

123 907 F Supp 1361 (ND Cal, 1995).

124 *Ibid* 1370. The Court found that, with regard to material posted by users, an ISP or bulletin board provider was not directly liable for the automatic reproduction of a copyright work on its facilities.

125 373 F 3d 544 (4<sup>th</sup> Cir, 2004).

126 *Ibid* 550.

Second Circuit in *Cablevision* noted that ‘the purpose of any causation-based liability doctrine is to identify the actor (or actors) whose “conduct has been so significant and important a cause that [he or she] should be legally responsible”’.<sup>127</sup>

In other words, the volition test may be considered as copyright’s equivalent to the causation requirement under tort law, and here, the importance of comparing the cause and effect of the system should not be understated.<sup>128</sup> While courts may be more familiar with applying the volition test to the making of copies,<sup>129</sup> the act of making available is more of a moving target, particularly as technology develops. In these circumstances, it is important that courts are open to applying the volition test with some level of flexibility, adapting it to the digital age.<sup>130</sup> The volition test, as stated in *Netcom* and *CoStar*, perhaps requires some refinement before being applied to acts of making available using ‘near to interactive’ services. Before asking who is volitionally carrying out the act however, we need to identify what this ‘act’ is, and whether that act constitutes an exclusive right of the copyright owner — ie making available to the public or communication to the public, or the making of a reproduction.

With the relevant act in mind, the volition test requires us to break the chain of causation down and to consider the volitional acts leading up to the alleged infringement with some level of granularity. However, in assessing responsibility for exercising the right to make available to the public, we are not concerned with distinctions such as where a copy is stored or whether the performance or communication is made from a single copy or a multitude of copies. We are concerned with whether the act falls within the exclusive rights of the copyright owner.

## **A The Making Available of Copyright Content over a System**

How then should the volition test be applied to the making available right, particularly where an automated system is involved? The Courts in *Optus* and *Aereo* come close to applying the volition test, taking note of relevant facts

127 536 F 3d 121, 132, quoting W Page Keeton et al (eds), *Prosser and Keeton on the Law of Torts* (West Publishing, 5<sup>th</sup> ed, 1984) 273.

128 Terry Hart criticises the volition test due to the courts’ undue focus on the word ‘volition’ and lack of attention to the causation element, and calls for use of the term ‘proximate causation’: Terry Hart, ‘Symposium: Series Finale for *Aereo*, but Will There Be a Spin-Off?’ on *SCOTUSblog* (26 June 2014) <<http://www.scotusblog.com/2014/06/symposium-series-finale-for-aereo-but-will-there-be-a-spin-off/>>; Terry Hart, ‘Making Copies! Retiring the Volitional Conduct Test in Favor of Proximate Causation’ on *Copyhype* (7 April 2014) <<http://www.copyhype.com/2014/04/making-copies-retiring-the-volitional-conduct-test-in-favor-of-proximate-causation/>>. Note that the plain meaning of ‘volition’, which according to the Oxford English Dictionary is ‘[t]he action of consciously willing or resolving; the making of a definite choice or decision with regard to a course of action; exercise of the will’, prima facie does not have a clear causation element: Oxford University Press, *volition*, n (2015) Oxford English Dictionary (online) <<http://www.oed.com/>>.

129 See, eg, *Cablevision*, 536 F 3d 121, 132 (2<sup>nd</sup> Cir, 2008).

130 Cf Ginsburg’s prediction that the volition standard (as applied in *Cablevision*) ‘could herald the development of business models designed to elude copyright control over the exploitation of works, particularly in a technological environment in which pervasive automation is increasingly foreseeable’: Ginsburg, ‘Exclusive Rights on the Ebb’, above n 119, 15.

and applying principles that underpin the concept of volition. In other words, the Courts' respective findings could have supported a principled application of the volition test to the making available right (or, subject to some reservations explained later in this article, the US public performance right).

## 1 Making Available through the Optus TV Now Service

The Full Federal Court in *Optus* dismisses the volition test<sup>131</sup> but proceeds to apply the principles of causation underlying the test, referring to the term 'causative agency' when describing Optus' role in causing a copy to be made through a complex automated service.<sup>132</sup> This resulted in a finding that Optus was responsible (solely or jointly with the subscriber) for the act of making the copies.<sup>133</sup> At several points in the decision, the Full Federal Court made observations regarding the system's design, including for example:

Optus is not merely making available its system to another who uses it to copy a broadcast. Rather it captures, copies, stores and makes available for reward, a programme for later viewing by another. ... Optus not only has solicited subscriber utilisation of its Service, it has also designed and maintained a sophisticated system which can effectuate the making of recordings wanted for viewing by subscribers.<sup>134</sup>

These observations support a finding that the system was designed to make the programs, as selected by the subscribers, available to them online at the time and place of their choosing. When a subscriber clicked the 'record' button on the TV Now service, the subscriber was causing a copy to be made of the particular program selected. However, the key function or value of the system was not the making of copies, but the capture of free-to-air broadcasts and the channeling of broadcasts to subscribers' online devices. The copies of the programs, made at the behest of the subscribers, were merely ancillary to the functions of the system as a whole. Unfortunately, the Court failed to appreciate this distinction but made these observations merely to support its finding that Optus was the 'maker' of the copies. As a result, the reproduction right was used as a proxy to find Optus liable for exercising the right to 'make available' to the public.

A finding that Optus, through the TV Now system, was responsible for the making available of the television programs is open on the language of the *Copyright Act*. Section 22(6) of the Act provides that 'a communication ... is taken to have been made by the person responsible for determining the content of the communication'.<sup>135</sup> The terms 'the communication' may seem to refer to

131 (2012) 201 FCR 147, 164–5 [63].

132 Ibid 167 [76]: 'If one focused not only upon the automated service which is held out as able to produce, and which actually produces, the copies but also on the causative agency that is responsible for the copies being made at all, the need for a more complex characterisation is suggested'.

133 Ibid. The Court held that: 'The subscriber, by selecting the programme to be copied and by confirming that it is to be copied, can properly be said to be the person who instigates the copying. Yet it is Optus which effects it. Without the concerted actions of both there would be no copy made ...'

134 Ibid 166 [68], 167 [75] (citations omitted).

135 *Copyright Act* s 22(6).

a particular transmission of a work. However, to ‘communicate’ is defined to mean ‘make available online or electronically transmit ... a work or other subject matter’<sup>136</sup> and therefore s 22(6) could be read, in effect, to say ‘a making available is taken to have been made by the person responsible for the content of the making available [or the content being made available]’.

It may not have been possible to pinpoint each individual program that would be captured by the TV Now system before the user pressed ‘record’, but as explained, the broad concept of making available does not require that a transmission of a work actually take place. It merely requires that the work be made accessible, and there is no requirement that it is actually accessed. Simply put, publicly providing a system specifically designed to capture copyright protected broadcasts and making the recordings accessible via the internet through PCs or various other mobile devices would be an exercise of the making available right. On this broader reading of s 22(6), it is possible to conclude that Optus was responsible for making free-to-air broadcast television programs available to the public through its TV Now system.

## 2 Public Performance through the Aereo Service

Similarly, the US Supreme Court in *Aereo* recognised that ‘one can “transmit” or “communicate” something through a set of actions’.<sup>137</sup> However, instead of analysing precisely which set of actions volitionally taken by Aereo warranted copyright liability, the Court simply found Aereo too similar to cable companies. Although the Court refrains from applying the volition standard, in effect, the Court’s conclusion is that Aereo (through a set of actions) was volitionally performing the TV broadcasts to the public. The Court does note the technological differences between cable systems and Aereo. The television signals sent by cable ‘in a sense, lurked behind the screen, ready to emerge when the subscriber turned the knob’, while in Aereo’s case the ‘turn of the knob’ involved ‘a click on a website’ which would activate machinery intercepting and rerouting the signals over the internet.<sup>138</sup> However, the Court simply dismisses these differences as irrelevant, given Aereo’s similarities with cable.

Before criticising the Supreme Court’s decision further however, it bears repeating that the United States does not have an explicit right to ‘make available’ to the public, but relies on the rights of reproduction, distribution and public performance to give effect to the relevant provisions of the *WCT* and *WPPT* under the ‘umbrella solution’.<sup>139</sup> The Transmit Clause in particular,<sup>140</sup> provides that to perform a work

136 *Copyright Act* s 10(1).

137 134 S Ct 2498, 2509 (2014) (emphasis in original).

138 *Ibid* 2507.

139 See 17 USC § 106.

140 Note that the distribution right (17 USC § 106(3)) may encompass mere offers to make works available for download (a concept again tied to the transfer of copies). However, lower courts are divided on the issue, which has not been conclusively decided in the US: Jane C Ginsburg, ‘Letter from the US: Exclusive Rights, Exceptions, and Uncertain Compliance with International Norms: Part II (Fair Use)’ (Working Paper No 503, Columbia Law School, 16 December 2014) 5.



publicly means ‘to transmit or otherwise communicate ... by means of any device or process’ to the public.<sup>141</sup> The definition does go on to say that a performance may be ‘to the public’ ‘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’.<sup>142</sup> However, ‘capable’ in the definition appears to refer to the question of whether it is ‘to the public’.<sup>143</sup> Taking this literal reading<sup>144</sup> of the Transmit Clause, one would conclude that a performance does not occur just because the public is capable of receiving a work through the system; an actual performance has to occur. On the other hand, it is arguable that a purposive reading<sup>145</sup> of the Transmit Clause (with the objective of giving effect to art 8 of the *WCT* in mind) should give way to a broader interpretation of a transmission or communication. This broader interpretation would take into account the capacity of members of the public to receive the transmission or communication.

Despite the lack of an express right to ‘make available’ to the public in the legislation, the US Supreme Court appears to equate the mere offering of the service to an infringement of the public performance right.<sup>146</sup> At the outset of the majority opinion, Breyer J states: ‘We must decide whether respondent Aereo, Inc., infringes this exclusive right by selling its subscribers a technologically complex service that allows them to watch television programs over the internet at about the same time as the programs are broadcast over the air. We conclude that it does’.<sup>147</sup> Here, the Court assumes that the mere ‘selling’ of the service that ‘allows’ the public to view the programs would trigger an infringement of the

141 17 USC § 101.

142 17 USC § 101 states:

To perform or display a work ‘publicly’ means—

- (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.

143 Note that the ‘to the public’ requirement is discussed more fully below in Part IX of this article.

144 A literal approach to statutory interpretation is one which accepts that the words of the statute, if precise and unambiguous, ‘best declare the intention of the lawgiver’ and should be understood in their ‘natural and ordinary sense’: *Sussex Peerage Case* (1844) 8 ER 1034, 1057. See also *People ex rel Wood v Sands*, 102 Cal 12, 36 Pac 404 (1984). For a critical discussion of literal meaning in legal interpretation, see Brian Flanagan, ‘Revisiting the Contribution of Literal Meaning to Legal Meaning’ (2010) 30 *Oxford Journal of Legal Studies* 255.

145 A purposive approach to statutory interpretation is one which takes into account the ‘mischief and defect’ which Parliament sought to remedy by introducing the statute: *Heydon’s Case* (1584) 76 ER 637, 638. See also *United States v Monia*, 317 US 424, 432 (1943), where Frankfurter J stated:

A statute, like other living organisms, derives significance and sustenance from its environment, from which it cannot be severed without being mutilated. ... The meaning of such a statute cannot be gained by confining inquiry within its four corners. Only the historic process of which such legislation is an incomplete fragment — that to which it gave rise as well as that which gave rise to it — can yield its true meaning.

See generally Richard A Posner, ‘Legislation and Its Interpretation: A Primer’ (1989) 68 *Nebraska Law Review* 431, 441 ff; Claude T Coffman, ‘Essay on Statutory Interpretation’ (1979) 9 *Memphis State University Law Review* 57.

146 Ginsburg, ‘Letter from the US’, above n 140.

147 *Aereo*, 134 S Ct 2498, 2503 (2014).

public performance right, without actual transmissions.<sup>148</sup> The Court raises the public availability of Aereo's service in order to find it substantially similar to cable systems, and it is easy to criticise this decision as being outcome-focused and lacking clarity. However, the Transmit Clause, as drafted, does not support the more precise and structured analysis proposed here. The Supreme Court did not have the opportunity to explicitly consider the volitional acts taken by Aereo to make the copyright content available to the public. Therefore, as Ginsburg notes, the *Aereo* decision narrows the gap between US law and international norms, but leaves questions unanswered.<sup>149</sup>

## **B Other 'Content Neutral' Cloud-Based Storage Lockers**

A concern voiced in commentary and criticisms against the US Supreme Court's *Aereo* decision is that it is unduly broad, and will negatively impact cloud-based services.<sup>150</sup> The Court itself, particularly in oral arguments, showed an interest in how its decision might affect 'the cloud'.<sup>151</sup> In its written opinion, the Supreme Court states it does not believe that this 'limited holding' would have the effect of discouraging the emergence of different kinds of technologies, noting that it has 'not considered whether the public performance right is infringed when the user of a service pays primarily for something other than the transmission of copyrighted works, such as the remote storage of content'.<sup>152</sup> The basis for this belief is that the performance is not 'to the public'.<sup>153</sup>

A preliminary question that should be asked, however, is whether copyright content is being 'made available' at all (in volitionally exercising the public performance or communication right). The user who stores and makes electronic files accessible on a content neutral cloud-based storage locker would be volitionally effecting a transmission or the making available of a work. The 'act' of making available is carried out by the user who has stored the content on the cloud system, because the system does not make any content available to the user, it is simply making an online storage space available.

Despite reservations about the volition test, Gibling and Ginsburg argue that a key factor to consider is what the members of the public are paying for in accessing

148 Ginsburg, 'Letter from the US', above n 140.

149 Ibid.

150 See, eg, Matthew Schruers, 'Symposium: *Aereo* Copyright Decision Creates Uncertainty for the Cloud' on *SCOTUSblog* (26 June 2014) <<http://www.scotusblog.com/2014/06/symposium-aereo-copyright-decision-creates-uncertainty-for-the-cloud/>>.

151 Transcript of Proceedings, *Aereo* (Supreme Court of the United States, 13461, Roberts CJ, Scalia, Kennedy, Thomas, Ginsburg, Breyer, Alito, Sotomayor and Kagan JJ, 22 April 2014). See page 15, for example, where Breyer J asks how the parameters of the public performance right should be worded in this case, 'because we have to write words, are we somehow catching other things that really will change life and shouldn't, such as the cloud?' Note that the word 'cloud' makes an appearance 38 times in the court transcript.

152 *Aereo*, 134 S Ct 2498, 2510 (2014).

153 This is discussed in greater detail in Part IX of this article.

the service.<sup>154</sup> One may ask whether the service provider is making copyright-protected material available, or just providing access to ‘dumb pipes’ indifferent as to the content being made available for transmission or storage.<sup>155</sup> While a subscriber would, in the case of both *Aereo* and *Optus*, be selecting the content to be recorded and streamed to them, the pool of content that can be selected for recording at any given time is already dictated by the system which captures the signals, and how it is designed. In contrast, with storage lockers such as Dropbox, Gibling and Ginsburg argue that ‘the service for which the members of the public are paying is not the opportunity to receive transmissions of performances of particular works offered by the service, but rather to store whatever content the users post — whatever its source — and make it accessible remotely’.<sup>156</sup> Therefore, according to Gibling and Ginsburg, it is ‘the content neutrality [of a service] that justifies a conclusion that the service is not *publicly* performing’.<sup>157</sup>

Note however, that ‘content neutrality’ is again used to determine whether the performance is ‘to the public’. Yet, it is not entirely clear why the content neutrality of a system would justify a finding that a transmission or a making available is private; the relationship between ‘content neutrality’ and the ‘public’ nature of the service is not apparent. The content neutrality of a system would, on the other hand, clearly support a finding that the *act* of making available is not carried out. In other words, this factor would show that the service provider is merely making storage space available for whatever users wish to store online; it is not making copyright content available to its users.

## VIII SECONDARY LIABILITY

The assessment above, however, does not mean that the providers of cloud storage systems that facilitate the reproduction and making available of infringing

154 Rebecca Gibling and Jane C Ginsburg, ‘We (Still) Need to Talk About *Aereo*: New Controversies and Unresolved Questions After the Supreme Court’s Decision’ (2015) 38 *Columbia Journal of Law & the Arts* 109, 155:

Whether the transmission is ‘to the public’ should be assessed by reference to what kind of service the public is paying for: streaming of copyrighted content on demand on the one hand, or access to ‘my stuff’ on the other, when ‘my stuff’ includes ‘my’ previously-acquired lawfully-made copy or unrestricted right of access to the works.

And at 154:

If the service is proposing the content (including content originally proposed by the primary transmission service whose content the defendant service is retransmitting), then the (re) transmitter knows what it is offering, even though it may not know which particular works the user will select from among the offerings. To the extent these services are instead merely transmitting or allowing users to access third party content that the services are not proposing, they might be deemed mere equipment providers ... But to require that each transmission manifest specific intent to deliver particular content simply invites technological workarounds to limit human intervention to the fullest extent possible.

155 Scalia J in dissent argues that although cable systems started out as ‘dumb pipes that routed signals from point A to point B’, by the time of the *Teleprompter* decision, cable companies were performing ‘the same functions as broadcasters by deliberately selecting and importing distant signals, originating programs and selling commercials’: *Aereo*, 134 S Ct 2498, 2515 (2014).

156 Gibling and Ginsburg, ‘We (Still) Need to Talk About *Aereo*’, above n 154, 124.

157 *Ibid* 124 n 102 (emphasis added).

copyright material can escape liability. In these circumstances, principles of secondary liability would come into play. Under US copyright law, a defendant who is not directly infringing copyright may nevertheless be secondarily liable for the actions of others under the principles of contributory liability or vicarious liability developed by the courts.<sup>158</sup> Contributory liability has its origins in tort law and provides that ‘one who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a “contributory” infringer’.<sup>159</sup> Vicarious liability, on the other hand, developed from agency principles and provides that a defendant who has the right and ability to supervise infringing activity and has an obvious and direct financial interest in the infringing activity is subject to liability.<sup>160</sup>

In Australia, principles of authorisation liability stem from provisions in the *Copyright Act* which provide that copyright is infringed by a person who does or *authorises* the doing of one of the exclusive rights held by the copyright owner.<sup>161</sup> To ‘authorise’ has been interpreted by the courts to mean ‘sanction, approve, [or] countenance’,<sup>162</sup> and the factors taken into account by the courts in assessing authorisation liability (including the level of control held by the defendant and reasonable steps that could have been taken) have since been codified in the *Copyright Act*.<sup>163</sup> Although expressed differently across jurisdictions, in general, these secondary liability principles entail a multifactorial assessment of whether there is some level of knowledge, control and/or financial interest on the part of the defendant that would warrant responsibility (ie copyright liability) for the infringing acts of other parties, where the defendant has not itself engaged in the infringing acts.<sup>164</sup>

In his *Aereo* dissent, Scalia J of the US Supreme Court appears to take a more principled approach, applying the volition standard to the public performance right

158 See *Betamax*, 464 US 417, 435 (1984).

159 *Gershwin Publishing Corp v Columbia Artists Management Inc*, 443 F 2d 1159, 1162 (2<sup>nd</sup> Cir, 1971). On ‘material contribution’, see *Perfect 10 Inc v Visa International Service Association*, 494 F 3d 788 (9<sup>th</sup> Cir, 2007), where the Court held that the mere processing of payments made to infringing websites by Visa and Mastercard, and the collection of fees for such services, could not be said to materially contribute to infringement. Infringement requires reproduction, alteration, display and distribution of the plaintiff’s images, and here it was money (not infringing material) which passed through the defendant’s networks.

160 *Shapiro, Bernstein and Co v HL Green Co Inc*, 316 F 2d 304 (2<sup>nd</sup> Cir, 1963).

161 *Copyright Act* ss 36(1), 101(1).

162 *University of New South Wales v Moorhouse* (1975) 133 CLR 1, 20.

163 *Copyright Act* ss 36(1A), 101(1A). Section 101 provides:

- (1A) In determining, for the purposes of subsection (1), whether or not a person has authorised the doing in Australia of any act comprised in a copyright subsisting by virtue of this Part without the licence of the owner of the copyright, the matters that must be taken into account include the following:
- (a) the extent (if any) of the person’s power to prevent the doing of the act concerned;
  - (b) the nature of any relationship existing between the person and the person who did the act concerned;
  - (c) whether the person took any other reasonable steps to prevent or avoid the doing of the act, including whether the person complied with any relevant industry codes of practice.

164 See, eg, *Metro-Goldwyn-Mayer Studios Inc v Grokster Ltd*, 545 US 913 (2005); *Roadshow Films Pty Ltd v iiNet Ltd* (2012) 248 CLR 42.

and considering the importance of maintaining a distinction between primary and secondary liability.<sup>165</sup> The aim, Scalia J notes, is not to excuse the defendant from accountability, ‘but to channel the claims against them into the correct analytical track’.<sup>166</sup> Scalia J does not come to a conclusion on the application of contributory liability principles in *Aereo*, but notes that *if* secondary liability for public performance and reproduction and primary liability for reproduction is not found, then ‘what we have before us must be considered a “loophole” in the law’.<sup>167</sup> He continues that ‘[i]t is not the role of this Court to identify and plug loopholes. It is the role of good lawyers to identify and exploit them, and the role of Congress to eliminate them if it wishes’.<sup>168</sup>

A tentative characterisation of Aereo’s conduct as falling into a legal ‘loophole’, however, assumes that a finding of non-infringement regarding the reproduction right would tend to follow a non-infringement finding on the public performance right. As this article has argued, this is not necessarily the case. Primary and secondary liability for each exclusive right, and the acts which allegedly fall within those rights, should be assessed independently.

## IX ‘THE PUBLIC’ AS A LIMITING PRINCIPLE

The volition test has been criticised because the question of ‘who does the act?’ may be easily engineered to turn on arbitrary findings.<sup>169</sup> This criticism of the test (as applied in *Cablevision*) is valid only if the principles continue to develop in a way which fails to appreciate what it means to ‘make available’ to the public. As this article has shown, the volition test is capable of operating as a sensible limiting principle on the making available right.

Before concluding, it is worth exploring the other limiting principles that have been applied or proposed by the courts, including the Court of Justice of the European Union (CJEU), which often hinge on a determination of whether the communication or transmission is private or public. The argument here is not that the public/private distinction is irrelevant. However, the public/private distinction tends to overtake the entire analysis of whether the right of making available to the public has been exercised, when it simply ought to be *a part* of the analysis.<sup>170</sup>

165 See *Aereo*, 134 S Ct 2498, 2512 (2014). Scalia J argues that ‘[t]he distinction between direct and secondary liability would collapse if there were not a clear rule for determining whether *the defendant* committed the infringing act’, and that the ‘volitional-conduct requirement supplies that rule’: at 2514.

166 Ibid.

167 Ibid 2517.

168 Ibid.

169 Gibling and Ginsburg, ‘We (Still) Need to Talk About *Aereo*’, above n 154, 144–5.

170 Note that in the absence of clear guidelines in the *Berne Convention* and *Internet Treaties*, ‘the precise demarcation between “public” and “private” remains a matter for determination by national legislation, subject to the implied qualification that this line should not be set in such a way as to prejudice’ the author’s public performance or communication to the public rights: Ricketson and Ginsburg, above n 105, 705.

## **A Australia and the EU: ‘Copyright Owners’ Public’ or ‘New Public’**

The making available right has been harmonised throughout the European Union (EU) under the *Information Society Directive* of 2001.<sup>171</sup> Article 3(1) implements terms identical to art 8 of the *WCT*, and requires member states to protect the right of communication to the public, ‘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.’

In the case of *Nils Svensson v Retriever Sverige AB* (‘*Svensson*’),<sup>172</sup> which was initiated in Sweden but referred to the CJEU for a preliminary ruling,<sup>173</sup> journalists brought an action against the Retriever, a personalised information aggregator that would search the internet through various search engines and create a list of links for the customer. The plaintiff journalists, whose articles had been published on major Swedish news sites that were openly accessible to the public, alleged that the Retriever was infringing their right of communication to the public by making the works available. The CJEU applied the two cumulative criteria: (1) an ‘act of communication’ of a work; and (2) the communication of that work to a ‘public’.<sup>174</sup> In terms of the first criteria, an ‘act of communication’, the CJEU held that ‘this must be construed broadly’ in order to ensure ‘a high level of protection for copyright holders.’<sup>175</sup> It held that here, ‘the provision, on a website, of clickable links to protected works published without any access restrictions on another site, affords users of the first site direct access to those works’ and was therefore an ‘act of communication’.<sup>176</sup> However, the CJEU held that the defendant’s actions did not satisfy the second criteria, ie the provision of online access through a link was not a communication ‘to the public’.

In this instance, the link merely takes one to the online location of the copyright work, which is openly accessible to the public. A conclusion that the provision of a publicly accessible link is a ‘communication’ of a copyright work, but the communication is not ‘to the public’, *prima facie*, seems counterintuitive. However, the criteria applied by the court should be understood as a three, not two, step test. In an intermediate step, one must determine whether the relevant communication at issue uses the same technical means as the initial communication. Where the communication uses the same technical means (e.g. in *Svensson*, where the

171 *Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society* [2001] OJ L 167/10, art 3.

172 *Nils Svensson, Sten Sjögren, Madelaine Sahlman, Pia Gadd v Retriever Sverige AB* (Court of Justice of the European Communities, C-466/12, 13 February 2014) (‘*Svensson*’).

173 Under art 267 of the *Treaty on the Functioning of the European Union*, opened for signature 13 December 2007, [2012] OJ C 326/49 (entered into force 1 December 2009) (‘*TFEU*’), the CJEU has jurisdiction to issue preliminary rulings on the interpretation of EU treaties upon request by courts or tribunals of member states.

174 *Svensson* (Court of Justice of the European Communities, C-466/12, 13 February 2014) [16].

175 *Ibid* [17].

176 *Ibid* [18]–[20].

content was accessed through the internet), it must be directed to a ‘new public’.<sup>177</sup> A new public is ‘a public that was not taken into account by the copyright holders when they authorised the initial communication to the public’.<sup>178</sup> In *Svensson*, the links were not directed to a new public, because the press articles were already freely available to the public on the original website. In contrast, the test led to a different outcome in *ITV Broadcasting Ltd v TVCatchup Ltd*.<sup>179</sup> This CJEU case involved an internet service that had functions similar to Optus TV Now. In this instance, because TVCatchup provided subscribers with access through a technical means different from the initial communication, the communication did not have to be directed to a ‘new public’.

The European concept of a ‘new public’ shares similarities with the concept of the ‘copyright owner’s public’ in Australia. The High Court of Australia in *Telstra Corporation Ltd v Australian Performing Right Association Ltd*,<sup>180</sup> applying the pre-Digital Agenda broadcast and diffusion rights, held that playing music-on-hold through the telephone handsets of individuals was a transmission ‘to the public’.<sup>181</sup> In this case, the High Court considered the cumulative effect of one-to-one communications through telephones. In response to the defendant’s contention that these were private communications, the Court held that the relevant question is: ‘Is the audience one which the owner of the copyright could fairly consider a part of his [or her] public?’<sup>182</sup>

The concept of ‘copyright owner’s public’ (or ‘new public’ in the EU) is susceptible to circular reasoning, and arguably provides no meaningful definition except to say that a communication or transmission to *that* public is within the owner’s exclusive right.<sup>183</sup> Australian courts have attempted to refine the concept by emphasising that it has to be *fairly* considered a part of the copyright owner’s public, by taking into account the character of the audience and any financial damage the copyright owner would suffer.<sup>184</sup> However, the application of this concept tends to highlight the commercial nature (if any) of the defendant’s operations. It is unclear how this ‘commercial use’ consideration fits into the assessment as a clear limiting principle; commercial use is not an express requirement for the exercise of a

177 Note that this ‘new public’ theory was first developed in *Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SA* (C-306/05) [2006] ECR I-11519 (‘SGAE’).

178 *Svensson* (Court of Justice of the European Communities, C-466/12, 13 February 2014) [24].

179 (Court of Justice of the European Communities, C-607/11, 7 March 2013).

180 (1997) 191 CLR 140.

181 See Explanatory Memorandum, Copyright Amendment (Digital Agenda) Bill 1999 (Cth) 32 [50]: The new right of communication to the public encompasses the making available of copyright material on-line, so as to provide protection to copyright material made available through on-demand, interactive transmissions. An example of the exercise of this right would be the uploading of copyright material onto a server which was connected to the Internet.

182 *Telstra Corporation Ltd v Australian Performing Right Association Ltd* (1997) 191 CLR 140, 155–6.

183 Kimberlee Weatherall, ‘An End to Private Communications in Copyright? The Expansion of Rights to Communicate Works to the Public: Part 2’ (1999) 21 *European Intellectual Property Review* 398, 402.

184 *Ibid*, citing, eg, *Ernest Turner Electrical Instruments Ltd v Performing Right Society Ltd* [1943] Ch 167.

copyright owner's exclusive rights.<sup>185</sup> Furthermore, the public/private distinction under EU jurisprudence carries an additional layer of complexity because one must question whether the defendant is using the same or different technical means as the initial communication, before asking whether the communication is 'to the public'. The result is unprincipled and convoluted decision-making by the courts based on seemingly arbitrary factors, without a clear explanation of why the defendant's *particular acts* should be considered an exercise of the copyright owner's exclusive rights.<sup>186</sup>

## B US: 'Owner' or 'Possessor'

The US Supreme Court, in what appears to be an attempt to shield cloud lockers like Dropbox from their decision (a concern aired at the hearing),<sup>187</sup> explains that subscribers who 'receive performances in their capacities as "owners" or "possessors" of the underlying works' would not be performing to the public due to their 'relationship to the underlying work'.<sup>188</sup> The Court elaborates on this point, using examples:

When, for example, a valet parking attendant returns cars to their drivers, we would not say that the parking service provides cars 'to the public.' We would say that it provides the cars to their owners. We would say that a car dealership, on the other hand, does provide cars to the public, for it sells cars to individuals who lack a *pre-existing relationship* to the cars. Similarly, an entity that transmits a performance to individuals in their capacities as owners or possessors does not perform to 'the public,' whereas an entity like Aereo that transmits to large numbers of paying subscribers who lack any prior relationship to the works does so perform.<sup>189</sup>

Copyright is a form of intangible personal property, with 'property' referring not to a particular object but to the relationship between a person and a copyright

185 Cf Copyright Convergence Group, 'Highways to Change: Copyright in the New Communications Environment' (Report, August 1994) 19, 29 ('[The CCG] recommends that it [sic] provision be inserted into the Act which deems transmissions of copyright material which are made for a commercial purpose to be transmissions to the public.')

186 Note that Mihály Ficsor is highly critical of the 'new public' theory emerging from *SGAE* and as applied in *Svensson*, describing it as erroneous and 'in conflict with the *Berne Convention* (and equally with the *TRIPS Agreement* and the *WCT*)', as 'it is an error to speak about *communication to a new public* when the right is about a *new act of communication to the public*' (emphasis in original): Mihály Ficsor, 'Svensson and the CJEU's "New Public" Theory: What the EU May Learn from the US to Avoid Judicial Lapses' (Paper presented at the Intellectual Property and Policy Conference, Fordham Intellectual Property Law Institute, Cambridge University, 8 April 2015) <[http://fordhamipconference.com/wp-content/uploads/2015/04/Update-Ficsor-Mihaly-3B-Copyright-Session-3B\\_Ficsor\\_Svensson\\_from\\_new-angles.pdf](http://fordhamipconference.com/wp-content/uploads/2015/04/Update-Ficsor-Mihaly-3B-Copyright-Session-3B_Ficsor_Svensson_from_new-angles.pdf)>. See also Mihály J Ficsor, 'Svensson: Honest Attempt at Establishing Due Balance Concerning the Use of Hyperlinks — Spoiled by the Erroneous "New Public" Theory' on Mihály J Ficsor, *Copyright See-Saw* (5 May 2014) <[http://www.copyrightseesaw.net/archive/?sw\\_10\\_item=68](http://www.copyrightseesaw.net/archive/?sw_10_item=68)>.

187 Transcript of Proceedings, *Aereo* (Supreme Court of the United States, 13461, Roberts CJ, Scalia, Kennedy, Thomas, Ginsburg, Breyer, Alito, Sotomayor and Kagan JJ, 22 April 2014).

188 *Aereo*, 134 S Ct 2498, 2502, 2510 (2014).

189 *Ibid* 2510. See also *ibid* 2502 (emphasis added).



work.<sup>190</sup> Using terms such as ‘owns’ or ‘possesses’ to refer to a digital information product does not clarify what rights attach to the intellectual property. The reality, as Giblin and Ginsburg observe, is that ‘[w]hat makes the possession “mine” may result from a license agreement, or from a fair or tolerated use, such as format-shifting a hardcopy CD to a digital file’.<sup>191</sup> The rights that you have to files placed in Dropbox or music lockers depend on the property rights and express or implied licence rights attached to the works.<sup>192</sup> In other words, the court treated the subscriber’s entitlement of access as a possessory relationship.<sup>193</sup> By glossing over an assessment of what rights a user has in relation to the copyright work, the Supreme Court’s cryptic statement appears to have no purpose other than to quell its concern that the decision will have a broader effect on new technologies, particularly remote cloud services.<sup>194</sup>

In conclusion, the public/private distinction is relevant to the final conclusion and outcome of a case, but making it *the only* limiting factor places too much pressure on the requirement, particularly as advances in communication technology cause the line between what is public and private to blur.<sup>195</sup> Therefore, courts should be more cautious about taking an over-broad approach to whether copyright works have been ‘made available’ or transmitted. Before asking ‘who’ is doing the act, it is first necessary to understand what ‘the act’ is and how it may cause copyright content to be ‘made available’ to the public.

## X CONCLUSION

The drafters of the *WCT* and *WPPT* had a broad vision as to what they intended to achieve by introducing the making available right, but in the course of national implementation, it seems that their concept of making available has been lost. This is evident as courts struggle to apply the concept to cloud-based services

190 Anne Fitzgerald and Brian Fitzgerald, *Intellectual Property: In Principle* (Lawbook, 2004) 12.

191 Giblin and Ginsburg, ‘We (Still) Need to Talk About *Aereo*’, above n 154, 155.

192 It is interesting to note that although the concept of ‘digital first sale’ has not fared well in the courts (see, eg, *Capitol Records LLC v ReDigi Inc*, 934 F Supp 2d 640 (SD NY, 2013)), the Supreme Court seems to be introducing an analogous concept here of the rights of users to make use of copies of works that they have purchased and which they are ‘owners’ or ‘possessors’ of. Nevertheless, it is unlikely that the first sale doctrine was contemplated by the courts in making this statement.

193 Ginsburg, ‘Letter from the US’, above n 140.

194 See *Aereo*, 134 S Ct 2498, 2510–11 (2014):

We agree that Congress, while intending the Transmit Clause to apply broadly to cable companies and their equivalents, did not intend to discourage or to control the emergence or use of different kinds of technologies. But we do not believe that our limited holding today will have that effect. ... We have said that [the public] does not extend to those who act as owners or possessors of the relevant product. And we have not considered whether the public performance right is infringed when the user of a service pays primarily for something other than the transmission of copyrighted works, such as the remote storage of content.

195 See Copyright Convergence Group, above n 185, 18 (‘New services which will be available in the near future, such as “on-demand” services, will mean that the distinction between the concepts of “public” on one hand and “domestic” or “private” on the other will become blurred. ... A comprehensive definition of the public remains elusive.’)

such as RS-DVRs, confusing the act of making available to the public with the making of copies even though the use of copies is not a prerequisite to an exercise of the making available right. Courts and litigants have taken the *act* of making available for granted and chosen to rely on the ‘public’ aspect of a communication or a performance as a limiting principle. As this article has shown, this approach is undesirable as it puts undue pressure on the public/private distinction of electronic communications, a line which grows increasingly tenuous as internet technologies advance at a rapid rate. By conflating the exercise of two separate rights, courts risk developing interpretations which favour either copyright owners on the one hand, or users and service providers on the other. These interpretations lack a nuanced consideration of whether an act of making available or reproduction is volitionally exercised by each party. As a result, the activities of copyright owners, users and cloud technology innovators are subject to unclear, unpredictable and seemingly ad hoc rules.

Therefore, this article calls for an approach that aligns domestic law with the policy perspectives articulated at the international level. It is an approach to the making available right which does not take the *act* of making available for granted. In doing so, we need to understand what making available means and how it may be exercised through the design of an automated system that makes copyright material available to the public. This article is not an exhaustive account of all possible systems or services that may carry these functions, but proposes the questions that should be asked in determining whether the making available right has been volitionally exercised:

1. Who has designed the system?
2. How is the content being made available? In other words, how is the act of making available carried out?
3. What is being made available? Is the system ‘content-neutral’ or does it specifically accommodate copyright-protected content?
4. Is it being made available to the public?

The right of a copyright owner to make their works available to the public is embedded in our respective laws, whether expressly as part of the Australian communication to the public right or given effect by the US public performance right. As the cases illustrate however, the intermediate steps (questions 2 and 3) are not given adequate attention. By ignoring what it means to ‘make available’, the courts are foregoing an opportunity to decide these cases in a principled manner.

As digital technologies and consumer services develop, courts are uniquely positioned to respond to the tensions arising in copyright law. Given the opportunity, Australian courts should recognise that the act of making available warrants independent recognition, apart from acts of reproduction. The approach that is open to US courts, on the other hand, is not as straightforward. In order to give effect to the making available right in the US, courts have had to rely on analogies with outdated technologies such as cable television services to mask an

artificial construction of the Transmit Clause. Without legislative implementation of a making available right, it will become increasingly challenging for US courts to provide a clear and principled interpretation of the Transmit Clause, and to provide predictable legal rules for innovators and developers of cloud-based technologies.<sup>196</sup>

196 Since the editing of this article for publication, the US Copyright Office has released its final report on the making available right: US Copyright Office, *The Making Available Right in the United States: A Report of the Register of Copyrights* (23 February 2016) <[http://copyright.gov/docs/making\\_available/](http://copyright.gov/docs/making_available/)>. The Copyright Office expresses a view that the current exclusive rights in the statute 'collectively meet and adequately provide the substance of the making available right' (despite some inconsistencies in lower court decisions) (at 4, 74) and hopes that its analysis will be useful to the courts and other stakeholders (at 81). It notes that under the *Aereo* case 'volition' can extend to a 'making available' through the system, as opposed to requiring 'volition' for the individual selection of works (at 47). Furthermore, the US Copyright Office makes a broader observation that bolsters the need for clearer analysis of the act of making available. It finds that across the various jurisdictions and models of implementation, there is still a great deal of uncertainty and inconsistency as courts struggle to apply the right to new and emerging technologies (at 73).