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Fordham 21st Annual Conference on Intellectual Property Law and Policy: Performance Rights in Copyright: Public, Private or "Digital"? Cablevision: How It and Its Doctrines Have Fared Around the World

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April 5, 2013

Key Cablevision doctrines

- Did Cablevision's remote storage digital recorder (RS-DVR) service directly infringe studio copyrights?
  - Causation/volition: who makes the playback copies?
  - Are numerous individual transmissions of performances sent from different copies performances "to the public"?
- Not discussed:
  - Who is responsible for effecting the transmissions?
  - Contributory liability
  - Fair use
  - Liability for buffer copying

Who makes the playback copies?

Causation/volition:

- “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." *CoStar Group, Inc. v. LoopNet, Inc.*, 373 F.3d 544, 550 (4th Cir.2004)
- “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." *Prosser and Keeton on Torts* § 42, at 273 (5th ed.1984)

Who makes the playback copies?

- “There are only two instances of volitional conduct in this case: Cablevision's conduct in designing, housing, and maintaining a system that exists only to produce a copy, and a customer's conduct in ordering that system to produce a copy of a specific program. In the case of a VCR, it seems clear — and we know of no case holding otherwise — that the operator of the VCR, the person who actually presses the button to make the recording, supplies the necessary element of volition, not the person who manufactures, maintains, or, if distinct from the operator, owns the machine.”
- “In determining who actually "makes" a copy, a significant difference exists between making a request to a human employee, who then volitionally operates the copying system to make the copy, and issuing a command directly to a system, which automatically obeys commands and engages in no volitional conduct. Here, by selling access to a system that automatically produces copies on command, Cablevision more closely resembles a store proprietor who charges customers to use a photocopier on his premises, and it seems incorrect to say, without more, that such a proprietor "makes" any copies when his machines are actually operated by his customers.”

Are the transmissions of the performances “to the public”?

- Per *WNET, Thirteen v. Aereo, Inc* 2013 WL 1285591 (2nd.Cir.Apr, 1, 2013):
- First and most important, the Transmit Clause directs courts to consider the potential audience of the individual transmission. If that transmission is “capable of being received by the public” the transmission is a public performance; if the potential audience of the transmission is only one subscriber, the transmission is not a public performance.
- Second and following from the first, private transmissions-that is those not capable of being received by the public-should not be aggregated. It is therefore irrelevant to the Transmit Clause analysis whether the public is capable of receiving the same underlying work or original performance of the work by means of many transmissions.
- Third, there is an exception to this no-aggregation rule when private transmissions are generated from the same copy of the work. In such cases, these private transmissions should be aggregated, and if these aggregated transmissions from a single copy enable the public to view that copy, the transmissions are public performances.
- Fourth and finally, “any factor that limits the potential audience of a transmission is relevant” to the Transmit Clause analysis.

Relevant Authorities

- Cartoon Network LP, LLLP v. CSC Holdings, Inc., 536 F. 3d 121(2nd Cir. 2008)
- RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd,, [2010] SGCA 43 (1 December 2010)
- National Rugby League Investments Pty Limited v Singtel Optus Pty Ltd, [2012] FCAFC 59, reversing Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2), [2012] FCA 34
- Rogers Communications Inc. v. SOCAN, 2012 SCC 35
- SOCAN v CAIP 2004 SCC 45
- ITV Broadcasting Ltd & Ors v TVcatchup Ltd & Anor [2011] EWHC 2977 (Pat) (14 November 2011)
- ITV Broadcasting Ltd and Others v TV Catch Up Ltd CJEU Case C-607/11
- *WNET, Thirteen v. Aereo, Inc* 2013 WL 1285591 (2nd.Cir.Apr, 1, 2013), affirming American Broadcasting Companies v. Aereo, Inc., 874 F. Supp. 2d 373 (S.D.N.Y.2012)
- Fox Television Stations, Inc. v. BarryDriller Content Systems, PLC 2012 WL 6784498 (C.D.Cal.,Dec. 27, 2012)
- In re Cellco Partnership, 663 F. Supp. 2d 363 (S.D.N.Y. 2009)

RecordTV Pte Ltd v TV Singapore Pte Ltd, [2010] SGCA 43 (1 December 2010)

- Did RecordTV's iDVR time shifting service which enabled users to record, playback, and a view free over-the-air TV infringe broadcaster copyrights in their broadcasts and programs?
- It operated in three modes:
  - SIS-one copy for every subscriber;
  - Mixed-multiple copies unless demand was too high; and
  - Mixed Mode-copies for each subscriber.

Who makes the playback copies?

- The Court held that the subscribers made the copies.
- 1) "the Judge departed from the view adopted by the court in *Cartoon Network*. He held that *no* difference existed between "making a request to a human employee, who then volitionally operate[d] the copying system to make the copy, and issuing a command directly to a system, which automatically obey[ed] commands and engage[d] in no volitional conduct"".
  - "If *Cartoon Network* (*supra*) stands for the proposition that the only conduct sufficient to trigger direct liability is "volitional conduct" by a "human employee", it can be anticipated that absurd results will ensue. Commercial services involved in the business of content reproduction will be able to circumvent direct liability by replacing human employees with computers or robots. This cannot be correct." per trial judge, [2009] SGHC 287.

Who makes the playback copies?

- The user selecting what to copy and when makes the user the copier.
- " the iDVR is simply a digital version of the traditional DVR/VCR. Its functionality is essentially the same as that of the latter."
- "Our second reason for affirming the Judge's decision on the First Issue (namely, that RecordTV did not copy the MediaCorp shows) is that RecordTV's iDVR not only serves the same purpose as the traditional DVR/VCR (*viz*, to allow time-shifting), but is also a significant technological improvement over the latter with tangible benefits to users, in that RecordTV's iDVR is more convenient and user-friendly than the traditional DVR/VCR."

Are the communications “to the public”?

- “the relevant question that ought to have been posed was not whether RecordTV’s iDVR service was available to “the public” as comprising any group of Registered Users…that Registered Users who are legally entitled to watch and record the MediaCorp shows can be regarded as “the public” for this purpose), which was the question that the Judge appeared to have asked himself when he said at of the Judgment that “[i]t should not matter that [RecordTV’s] service [was] available only to [R]egistered … [U]sers, when *any member of the public* with an Internet connection [could] register for free” [emphasis in original].
- Rather, the question should have been whether a particular MediaCorp show had been transmitted to the public. Since Registered Users could only view those MediaCorp shows which they had requested to be recorded, those shows were communicated to the relevant Registered Users privately and individually. The aggregate of private communications to each Registered User is not, in this instance, a communication to the public.”
- Consistent with *Cablevision?* SIS, Mixed Mode, Multiple Mode?

National Rugby League Investments Pty Limited v Singtel Optus Pty Ltd, [2012] FCAFC 59

- Did the “TV Now” service time shifting service which enabled individual subscribers to record and watch TV programming infringe copyright?
- The service makes 4 copies of each broadcast program; one per format in which it may be viewed by the user.

Who makes the playback copies?

- Singtel Optus jointly with users. Court does not follow *Cablevison*.
- "Whatever utility the volitional conduct concept has in distinguishing the two forms of infringement (given the need to do so in US jurisprudence), its adoption in this country would, in our view, require a gloss to be put on the word “make” in… the Act…
- It equally is not apparent to us why a person who designs and operates a wholly automated copying system ought as of course not be treated as a “maker” of an infringing copy where the system itself is configured designedly so as to respond to a third party command to make that copy: see generally the criticism of *Cartoon Network* in Ginsburg, at 15-18.”
- “The system performs the very functions for which it was created by Optus. Even if one were to require volitional conduct proximate to the copying, Optus’ creating and keeping in constant readiness the TV Now system would satisfy that requirement…. what Optus actually does has –a nexus sufficiently close and causal to the illegal copying that one could conclude that the machine owner ... trespassed on the exclusive domain of the copyright owners: *CoStar Group Inc v LoopNet Inc* 373 F3d 544 at 550 (4th Circ. 2004). We would note this was quoted in *Cartoon Network* at 130.”

Who makes the playback copies?

- Joint liability based on common design.
- "If one focussed 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. 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 of a football match for the subscriber. Without the subscriber's involvement, nothing would be created; without Optus' involvement nothing would be copied. They have needed to act in concert to produce – they each have contributed to – a commonly desired outcome…
- In consequence, they could both properly be said to be jointly and severally responsible for the act of making the copies."

Are the communications “to the public”?

- Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2), [2012] FCA 34
- The communications are not “to the public”.
  - “In *Cartoon Network* 536 F 3d at 137-139, the Second Circuit Court of Appeals considered that the characteristic that the potential audience of any copy communicated by a service like TV Now was limited to the individual user, denied its capacity to be a transmission to the public…
  - Here, I am of opinion that no communication “to the public” can occur if the user made the recording he or she communicates by clicking the “play” button, “solely for private and domestic use by watching or listening to the material broadcast at a time more convenient then the time when the broadcast is made” within the meaning of s 111 [the format shift exception]…
  - a communication made by the user to himself or herself of the film that he or she recorded is not made “to the public”. It is a communication that can only be made by the person who made the recording.”

Rogers Communications Inc. v. SOCAN, 2012 SCC 35

- Does an online music service like iTunes that offers on-demand streams communicate them “to the public”?
  - “The appellants’ remaining argument is based on American jurisprudence. This argument must also be dismissed. They mainly rely on the decision of the Court of Appeals for the Second Circuit in *Cartoon Network v. CSC Holdings, Inc.*, 536 F.3d 121 (2008), in which it was held that the potential audience of *each point-to-point transmission* must be considered to determine whether a given transmission is “to the public”. The Second Circuit Court of Appeals found in that case that the transmissions were not “to the public”.
  - This case is of no assistance to the appellants. The Court of Appeals for the Second Circuit relied on the specific language of the U.S. “transmit clause”. It held that the language of the clause itself directs considering who is “capable of receiving” a particular “transmission” or “performance”, and not of the potential audience of a particular “work” (p. 134). Quite to the contrary, our *Copyright Act* speaks more broadly of “communicat[ing] a work to the public”… The difference in statutory wording between the relevant provisions of the American legislation and of the Canadian *Copyright Act* is sufficient to render the U.S. decisions of no assistance in the interpretive exercise engaged here.”

Are on-demand communications “to the public”?

“Focusing on each individual transmission loses sight of the true character of the communication activity in question and makes copyright protection dependant on technicalities of the alleged infringer’s chosen method of operation. Such an approach does not allow for principled copyright protection. Instead, it is necessary to consider the broader context to determine whether a given point-to-point transmission engages the exclusive right to communicate to the public. This is the only way to ensure that form does not prevail over substance.”

Are on-demand communications “to the public”?

- “Ultimately, in determining the extent of copyright, regard must be had for the fact that “[t]he *Copyright Act* is usually presented as a balance between promoting the public interest in the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator” (*Théberge v. Galerie d’Art du Petit Champlain inc.*, 2002 SCC 34 (CanLII), 2002 SCC 34, [2002] 2 S.C.R. 336, at para. 30). **This balance is not appropriately struck where the existence of copyright protection depends merely on the business model that the alleged infringer chooses to adopt rather than the underlying communication activity.** Whether a business chooses to convey copyright protected content in a traditional, “broadcasting” type fashion, or opts for newer approaches based on consumer choice and convenience, the end result is the same. The copyrighted work has been made available to an aggregation of individuals of the general public.” (emphasis added)

SOCAN v CAIP 2004 SCC 45

- "Caching" is dictated by the need to deliver faster and more economic service, and should not, when undertaken only for such technical reasons, attract copyright liability.
- A comparable result has been reached under the U.S. *Digital Millennium Copyright Act*, which in part codified the result in *Religious Technology Center v. Netcom On-line Communication Services, Inc.*, 907 F.Supp. 1361 (N.D. Cal. 1995), where it was observed, at pp. 1369-70:
  - These parties, who are liable under plaintiffs' theory, do no more than operate or implement a system that is essential if Usenet messages are to be widely distributed. There is no need to construe the Act to make all of these parties infringers. Although 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.
- See also M. B. Nimmer, *Nimmer on Copyright* (loose-leaf ed.), vol. 3, at p. 12B-13."

American Broadcasting Companies v. Aereo, Inc., 874 F. Supp. 2d 373 (S.D.N.Y.2012)

Did Aereo's service which "rented" each subscriber an antenna, transcoder, and hard disk to enable them to watch or to record and watch free over-the-air broadcast TV directly infringe studio copyrights?

Are the transmissions of the performances "to the public"?

> "Despite this creative attempt to escape from the express holding of *Cablevision,* for the reasons discussed below this Court finds itself constrained to reject the approach Plaintiffs urge. Contrary to Plaintiffs' arguments, the copies Aereo's system creates are not materially distinguishable from those in *Cablevision,* which found that the transmission was made from those copies rather than from the incoming signal. Moreover, Plaintiffs' attempt to distinguish *Cablevision* based on time-shifting fails when confronted with the reasoning of that case, particularly considering that the Second Circuit's analysis was directly focused on the significance of Cablevision's copies but did not say one word to suggest that time-shifting played any part in its holding."

Who would be responsible for the infringing conduct?

"Finally, Aereo has argued that it cannot be held liable for copyright infringement because it does not engage in "volitional conduct" sufficient to impose such liability, contending that it is Aereo's users, rather than Aereo itself, who direct the operation of Aereo's system…Because the Court concludes that Plaintiffs have failed to demonstrate they are likely to succeed in establishing that Aereo's system results in a public performance, the Court need not reach the issue of whether Aereo escapes liability because it is "the consumer, not Aereo, who makes the transmissions that Plaintiffs complain of.""

WNET, Thirteen v. Aereo, Inc 2013 WL 1285591 (2nd.Cir.Apr, 1, 2013)

- "The same two features are present in Aereo's system. When an Aereo customer elects to watch or record a program using either the "Watch" or "Record" features, Aereo's system creates a unique copy of that program on a portion of a hard drive assigned only to that Aereo user. And when an Aereo user chooses to watch the recorded program, whether (nearly) live or days after the program has aired, the transmission sent by Aereo and received by that user is generated from that unique copy. No other Aereo user can ever receive a transmission from that copy. Thus, just as in Cablevision, the potential audience of each Aereo transmission is the single user who requested that a program be recorded."

WNET, Thirteen v. Aereo, Inc 2013 WL 1285591 (2nd.Cir.Apr, 1, 2013)

- Per Judge Chin (in dissent):
- "Aereo's "technology platform" is, however, a sham. The system employs thousands of individual dime-sized antennas, but there is no technologically sound reason to use a multitude of tiny individual antennas rather than one central antenna; indeed, the system is a Rube Goldberg-like contrivance, over-engineered in an attempt to avoid the reach of the Copyright Act and to take advantage of a perceived loophole in the law. After capturing the broadcast signal, Aereo makes a copy of the selected program for each viewer, whether the user chooses to "Watch" now or "Record" for later. Under Aereo's theory, by using these individual antennas and copies, it may retransmit, for example, the Super Bowl "live" to 50,000 subscribers and yet, because each subscriber has an individual antenna and a "unique recorded cop[y]" of the broadcast, these are "private" performances. Of course, the argument makes no sense. These are very much public performances."

Fox Television Stations, Inc. v. BarryDriller Content Systems, PLC 2012 WL 6784498 C.D.Cal.,Dec. 27, 2012)

- Did BCS' service which "rented" each subscriber an antenna, transcoder, and hard disk to enable them to watch or record and watch free over-the-air broadcast TV directly infringe studio copyrights?
- *Are the transmissions of the performances "to the public"?*
  - "Assuming that Defendants accurately describe their technology—which Plaintiffs dispute—Second Circuit law would support Defendants' position, because cases there have held that where a transmission of a work over the internet is made from a copy of a work made at the direction of and solely for use by single user, there is no public transmission. But, that Second Circuit law has not been adopted in the Ninth Circuit, and this Court would find that the Ninth Circuit's precedents do not support adopting the Second Circuit's position on the issue. Instead, the Court would find that Defendants' transmissions are public performances, and therefore infringe Plaintiffs' exclusive right of public performance."

Are the transmissions of the performances “to the public”?

- “The statute provides an exclusive right to transmit a performance publicly, but does not by its express terms require that two members of the public receive the performance from the same transmission. The statute provides that the right to transmit is exclusive “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.” 17 U.S.C. § 101. Again, the concern is with the performance of the copyrighted *work,* irrespective of which copy of the work the transmission is made from. Very few people gather around their oscilloscopes to admire the sinusoidal waves of a television broadcast *transmission.* People are interested in watching the *performance* of the *work.* And it is the public performance of the copyrighted work with which the Copyright Act, by its express language, is concerned. Thus, *Cablevision's* focus on the uniqueness of the individual copy from which a transmission is made is not commanded by the statute.”

Questions

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