

Copyright protection of databases under Australian law – Nine Network Australia Pty Ltd v IceTV Pty Ltd [2007] FCA 1172

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On 9 August 2007, the Federal Court of Australia rejected a claim by Nine Network Australia Pty Ltd ("Channel Nine") that an electronic program guide developed by IceTV Pty Ltd ("IceTV") infringed copyright subsisting in Channel Nine's television program schedules. The case, widely perceived as a "David and Goliath battle", was appealed to the Full Federal Court. The decision of Bennett J, as it currently stands, provides further guidance when determining whether copyright will subsist in a factual compilation and whether such copyright has been infringed by way of reproduction.

It is the aim of this article to outline the approach Australian courts have adopted in order to protect factual compilations, such as databases, from reproduction, to summarize and analyse the major facts and findings of the case in the light of its legal background¹, and to briefly comment on the decision and its relevance in practice.

Legal background of the Federal Court decision

There has been debate for some time over how databases as factual compilations can be adequately protected from reproduction by law. Unlike the EU, which has established a *sui generis* legal regime for the protection of databases², the Australian courts have chosen to rely on the law of copyright – although this approach has involved noteworthy difficulties. Those difficulties stem from applying a legal regime, originally intended and developed to protect creativity, to compilations of facts that lack a "creative" component, in the normal sense of the word. The

two major issues that have been and that are still dealt with by Australian courts in this context, lie in determining both the scope of what is protected by copyright and when an infringement of such copyright has occurred. These two issues were at the centre of the decision in *Channel Nine v IceTV*.

Subsistence of copyright in factual compilations

Compilations in general can be protected as literary works (s 10 of the *Copyright Act 1968 (Cth)* ("*Copyright Act*"). As is the case generally with respect to subsistence, literary works must be "original" in order to attract protection under the *Copyright Act*. The term "originality" conjures notions of creativity, skill or labour which must have been expended on a work³. The crux of the issue that arises when considering factual compilations is that they often appear to lack any elements of creativity or innovation. Can they nevertheless be "original"? It must be kept in mind that the test of originality intends to ensure that the threshold for protection is neither too low nor too high. It aims at striking a balance between the competing interests of the creators of work and third parties who want to access and use the creator's works⁴. So, what is the test of originality in relation to factual compilations? Do they need an element of creativity in order to be "original"?

The leading Australian case dealing with the test of originality in relation to factual compilations in the form of databases has been *Desktop Marketing Systems v Telstra Corporation ("Desktop")*⁵. In that case, Telstra issued proceedings against Desktop

Marketing Systems Pty Ltd alleging that it had produced marketing CD-ROMs containing phone directories by copying entries from Telstra's White and Yellow Pages directories. The question arose as to whether the relevant entries in Telstra's White and Yellow Pages directories were "original" works. The judges asked whether, in the case of factual compilations, the test of originality and authorship can be satisfied by nothing more than labour and expense, or whether, as under US law⁶, an "intellectual effort" or a "creative spark" in respect of the form and arrangement of the compilation or in respect of the selection of the elements included was required⁷. The judges unanimously concluded that under Anglo-Australian authority the test of originality in relation to compilations of facts does not require elements of creativity in their selection and arrangement. In addition, by relying on a number of earlier Australian and English cases the judges developed various other principles that provide guidance when determining whether a factual compilation does satisfy the test of originality required under the *Copyright Act*. The principles of relevance to the *Channel Nine v IceTV* decision included the following:

- the concept of originality for a literary work is correlative with that of authorship and therefore does not require novelty, inventiveness or creativity⁸;
- the test for "originality" is whether the work was not copied, but rather originated from the putative author⁹;

- the test must be applied to the work as a whole, not to its individual parts¹⁰; and
 - ordinarily, a compilation will be "original" for copyright purposes if the author has exercised skill, judgement or knowledge in selecting the material or in presenting or arranging the material or if the author has undertaken substantial labour or incurred substantial expense in collecting the information¹¹.
- infringement of a factual compilation is tested by reference to the interest which copyright is intended to protect in the particular case (which in *Desktop* was found to be the labour and expense of gathering together the contact details of all the individuals in question, as opposed to the labour and expense of arranging the details in a certain form)¹²;
 - the copyright owner has no monopoly over the subject-matter. Others may produce the same result, provided they do so independently¹³;
 - copying is not an "all or nothing" test. The degree of copying can be taken into account, that is, the degree to which the copyright work was not copied but originated with the putative author and the amount of that author's contribution to bringing a new work into being¹⁴; and
 - copyright in a factual compilation will only be infringed if a substantial part of the copyright work is taken. The question of whether the part taken is "substantial" is to be determined by reference to the originality of the part of the work taken¹⁵.

Factual background of the case

IceTV provides a subscription based interactive electronic program guide for television, the so-called "IceGuide". Once uploaded on subscribers' devices, the IceGuide displays details of the television programs scheduled to be broadcast in the coming week by all free to air television stations, including stations within the Nine Network, in a table format. For this purpose, IceTV entered into agreements with the ABC and SBS which provided IceTV with program information for all their broadcast programs. As commercial networks did not enter into similar agreements with IceTV, IceTV endeavoured and, Bennett J concluded, managed to build an electronic program guide which displays all free to air television station programs without infringing third party intellectual property rights, namely those of Channel Nine, Channel Seven and Channel Ten.

The copyright at issue was the copyright subsisting in a television station's own broadcasting program schedules, in this case Channel Nine's "Weekly Schedules". The Weekly Schedules in question were set out in a table format and contained the program starting times, program titles, (where relevant) episode titles for each day, additional program information, format information, classifications, consumer advice information, and program or episode synopses. Once compiled, two to three weeks before the scheduled broadcast, Channel Nine supplied its Weekly Schedules to the so-called "Aggregators" and notified the Aggregators of any subsequent changes to the program schedules in the form of late change notices. The Aggregators also collected program schedules from other free to air television stations and aggregated all the information received in television program guides ("Aggregated Guides"). These Guides were then made available to the public in publications such as "TV Week" and

Together, these principles seem to reflect a relatively low threshold for the protection of factual compilations under copyright law.

Infringement of copyright subsisting in factual compilations

The second major question that arises in the context of copyright protection for factual compilations is the question of infringement. Pursuant to sections 36 (1), 31(1)(a)(i) and 14 (1)(b) of the *Copyright Act*, amongst other things, copyright in an original literary work is infringed if a person, not being the owner of the copyright and without a licence, reproduces or authorizes the reproduction of the protected work or of a substantial part of the work. Whilst this principle appears relatively clear when applied to works and other subject matters generally, in the context of factual compilations, a conflict arises with the principle that facts cannot be protected under the *Copyright Act* per se. So, what is the test for infringement of copyright in a factual compilation? If one person has compiled facts in a certain way, does that mean that someone else who compiles the same facts in the same or in a very similar way is necessarily reproducing the protected work in the sense of s 31(1)(a) of the *Copyright Act*? In *Desktop*, the Court found that a copyright infringement had occurred and established the following principles:

Channel Nine heavily relied on the *Desktop* decision during argument in *Channel Nine v IceTV*, and the Court applied many of the principles established in *Desktop*. However, Bennett J in *Channel Nine v IceTV* also distinguished the present case from *Desktop* in a number of ways - and in doing so, found that copyright had not been infringed in this instance, thus developing further guidance in this area. The following sections of this article will summarize the facts of the *Channel Nine v IceTV* case and analyse the Court's reasoning.

on websites such as the "Yahoo!7 TV Guide".

Channel Nine's claim

Channel Nine claimed that IceTV's electronic program guide infringed copyright in its television schedules. It asserted that:

- copyright subsists in its program schedules as literary works in the form of compilations within the meaning of s 10(1) of the *Copyright Act*; and
- this copyright was infringed by IceTV reproducing the program time, title and date of broadcast information from the publicly available Aggregated Guides.

The decision of the Federal Court of Australia

In her judgement, Bennett J sitting as a single judge of the Federal Court, dealt with the two issues outlined above, i.e., whether copyright subsists in Channel Nine's program schedules and whether IceTV was infringing that copyright by reproducing a substantial part of that copyright.

The scope of the copyright subsisting in Channel Nine's compilations

As a first step, the Court established the relevant work in which copyright subsisted. The Court found that out of the various program schedules that Channel Nine produces, only the Weekly Schedules were of relevance to the proceedings as they were the only program schedules which IceTV had had (limited) access to through the Aggregated Guides.

The Court further found that the Weekly Schedule as a compilation of all its elements constitutes an original literary work in which copyright

subsisted. On the question of originality, Bennett J referred to the test established in *Desktop* per Sackville J that a compilation will be an "original" literary work for copyright purposes if the compiler "*has exercised skill, judgement or knowledge in selecting the material for inclusion in the compilation... or in presenting or arranging the material or [if the compiler] has undertaken substantial labour or incurred substantial expense in collecting the information*"¹⁶. The Court concluded that Channel Nine owned copyright in the Weekly Schedule as an original work by reason of two separate types of skill and labour: firstly, what Bennett J calls the "preparatory" skill and labour expended in *gathering the material* for inclusion in the compilation and secondly the skill and labour expended in the *form of presentation or arrangement* of the compilation¹⁷. In this regard Bennett J distinguished the case heard before her from *Desktop*. In *Desktop*, the judges had found only one relevant area of skill and labour, namely the labour of collecting, verifying, recording and assembling the data. According to Bennett J, the facts in the *Channel Nine v IceTV case* were different from the facts in *Desktop*: in *Desktop* the form of the compilation necessarily followed from the collection and the nature of the work - there was only one way of arranging the information, that is in alphabetical order - whereas in the case before her different modes of arrangement and expression of the program schedules were available¹⁸. Based on this, Bennett J stated that in *Desktop* only the skill and labour involved in the collection, verification, recording and assembling of the data could be found to be originating from the putative author, whereas the skill of arranging the information was not relevant for the purpose of determining copyright protection¹⁹.

The Court rejected Channel Nine's assertion that copyright also subsisted in individual parts of the Weekly Schedules such as the compilation of

program time and title information only. Clearly this finding was of key importance given that the size of the copyright work in question often impacts on how easy it is to prove that a substantial part has been taken for the purposes of establishing infringement. The Court reasoned that the *Copyright Act* provides for the subsistence of copyright in compilations of information, not mere information per se²⁰. Relying on *Desktop*²¹ and the English case of *Ladbroke (Football) Ltd v William Hill (Football) Ltd*²² in which the relevant compilation was a fixed odds football betting coupon, Bennett J stated that for copyright purposes, a compilation is to be considered as a whole²³. She further based this view on the argument that although parts of the Weekly Schedules, in particular time and title information, might be of primary importance to the public "*the purpose of the Weekly Schedule is to impart the totality of that information to the Aggregators and in turn, to the public*"²⁴. Her last argument leading to the denial of copyright subsisting in parts of the Weekly Schedules was that the Weekly Schedule is only of commercial value to Channel Nine as a whole²⁵. On the basis that news as opposed to its expression in material form do not attract copyright protection, the Court also rejected Channel Nine's allegation that the late change notices attract their own copyright over a week-long period²⁶.

The Court's reasoning is in line with the previously established principles in relation to the subsistence of copyright in factual compilations. It strongly confirms that in each case the skill and labour involved in making a factual compilation are to be considered carefully and that the skill and labour expended constitute an important factor in determining whether a work is original. It further reinforces the concept that mere facts cannot be the subject of copyright protection but that it is the compilation itself as a whole that may attract copyright protection.

Copyright in the Aggregated Guides

Having established that copyright subsisted in the Weekly Schedules, the Court considered whether copyright subsisted in the Aggregated Guides. This was necessary as IceTV had never had direct access to any of the Weekly Schedules when preparing its particular form of arrangement. IceTV had only had access to information contained in the Weekly Schedules through the Aggregated Guides which re-arranged the information provided in the Weekly Schedules and collated it with other information. Channel Nine had argued that the Aggregators simply put "a layer of fresh copyright"²⁷ on the Weekly Schedules and that the "copyright in the consolidated version"²⁸ of the Weekly Schedules reverts to Channel Nine once the late change notices are incorporated into the Aggregated Guides. The Court disagreed with that submission and found that the Aggregated Guides are in themselves original literary works that differ in form and content from the Weekly Schedules and attract copyright as they are a product of the skill and labour of the Aggregators and their clients²⁹. The Court based its conclusion on the finding that the Aggregators "de-compiled" the Weekly Schedules and produced their own new compilations in which they, and not Channel Nine, owned the copyright³⁰. This conclusion acknowledges the previously established principle that the owner of copyright has no monopoly over the subject-matter and that different persons using the same facts may each own the copyrights in their factual compilations.

According to the Court, the Aggregators' copyright did not destroy Channel Nine's copyright but resulted in only the preparatory skill and labour expended by Channel Nine being relevant to the question whether copyright had been breached³¹. This is a necessary conclusion from the fact that IceTV never saw any of the

Weekly Schedules in their particular form of arrangement.

Did IceTV infringe Channel Nine's copyright?

Pursuant to sections 31 (1)(a)(i), 36 (1) and 14 (1)(b) of the *Copyright Act*, copyright subsisting in an original literary work is infringed if a person, not being the owner of the copyright and without a licence, reproduces or authorizes the reproduction of the protected work or of substantial parts of the work. This requires both an objective similarity and a causal link between the original work and the allegedly infringing work³².

The causal link is established if it can be shown that the putative author of the potentially infringing work has copied the original work or a substantial part of it as opposed to having independently created the potentially infringing work. There is no set rule as to how much of a copyright work has to be taken in order to make it a substantial part. The main rule is that "substantiality" depends on quality rather than quantity³³. In addition to this main rule, Bennett J also relied on the principle established in *Desktop*, that the term "substantially" is to be defined by reference to the originality of the part of the work taken which again depends on the skill and labour involved³⁴. Bennett J combined those two principles and stated that "*in determining whether a defendant has taken a substantial part in quality of a work, the impact of the copying on the interest protected by the copyright is relevant*"³⁵. As outlined above, Bennett J found that the relevant skill and labour in this case was Channel Nine's preparatory skill and labour in gathering the material to be included in the Weekly Schedules. On this basis, the question for the Court was, whether IceTV had appropriated a substantial part of the information collected by Channel Nine and therefore infringed Channel Nine's copyright in the Weekly Schedules, or whether it had compiled its electronic

program guide by collecting the necessary information through its own skill and labour in which case no copyright would have been infringed.

The difficulty in establishing the causal link usually lies in the question of proof. In this case, Channel Nine submitted that because the time and title information contained in the IceGuide corresponded in nearly 100% of cases with the time and title information contained in its Weekly Schedules and because IceTV had had access to the Weekly Schedules by way of the Aggregated Guides there was room for the inference that IceTV had "copied" the Weekly Schedules in the sense necessary to establish an infringement³⁶. IceTV on the other hand submitted that it had not copied the Weekly Schedules but created its IceGuide independently. The court examined in great length the method used by IceTV to compile its electronic program guide and found that IceTV had gathered the information for its electronic program guide using its own skill and labour and without copying substantial parts of the Weekly Schedules. The Court accepted IceTV's allegations and evidence that it had gathered the information included in its electronic program guide in the following way: In a first step, an IceTV employee had been watching television for a three week "torture" period while taking notes of the relevant program information. On that basis IceTV had created templates showing program names, channels, times, genres classifications, etc. about the programs screened by Channel Seven, Channel Nine and Channel Ten in Sydney and Melbourne 24 hours each day. In a second step, these templates were used to "predict" the program of those channels for the future on the assumption that "*the structure of television broadcasting is such that the daily content of the commercial broadcasters for a particular day in this week is likely to be substantially replicated on the same day next week or on the same day in two weeks time*"³⁷. Those predicted schedules

were then compiled in the form of a database and subsequently compared to the program times and titles contained in the Aggregated Guides. Where the IceTV database differed from the Aggregated Guides, it was amended accordingly, taking into account the late changes made to the Aggregated Guides. Subsequently, IceTV added its own synopses.

The Court acknowledged that IceTV took "slivers" of information from the Aggregated Guides which were the skill and labour of Channel Nine³⁸. It also acknowledged that taking only parts of information from the Weekly Schedules generally had the potential to amount to the taking of a substantial part of the relevant copyright work³⁹. However, in this case, Bennett J concluded that the taking of the "slivers" did not amount to a reproduction of a substantial part of the Weekly Schedules⁴⁰. Channel Nine failed to show that the quality of the time and title information copied by IceTV was of such importance in the context of the Weekly Schedules that the taking of the "slivers" constituted a copying of a substantial part of the Weekly Schedules⁴¹. This is clearly a key finding and, arguably, could be open to possible challenge on the basis of different evidence. The Court also found that, relevantly, the IceGuide significantly differed from the Aggregated Guides and the Weekly Guides in form and content⁴².

Final comment

Since *Desktop*, this is the first case to provide further guidance on the subject of copyright protection of databases. Recently, only two other Australian cases, *Seven Network (Operations) Ltd v Media Entertainment and Arts Alliance*⁴³ and *Nominet UK v Diverse Internet Pty Ltd*⁴⁴, have dealt with this subject, affirming *Desktop*, without giving further guidance.

As shown, the *Channel Nine v IceTV* decision reaffirms previously established principles in relation to the

protection of databases, most importantly the following:

- the scope of copyright in factual compilations is determined by the skill and labour involved in creating the compilation;
- for copyright purposes, a compilation is to be considered as a whole; and
- the owner of copyright has no monopoly over the subject-matter and copyright infringement can be avoided by independently collecting, and compiling facts contained in other copyright works.

The *Channel Nine v IceTV* decision also develops the law in relation to factual compilations in the form of databases one step further in that it deals in detail with the question of the infringement of the copyright. The question of infringement was not a central issue in *Desktop* as Desktop Marketing Systems had widely admitted to have taken all of the subscriber details and most of the headings from Telstra's work. The decision of the Federal Court in *Channel Nine v IceTV* shows that the threshold to prove an infringement of copyright in a compilation is quite high although, the question of what constitutes a substantial part of the compilation for the purposes of infringement continues to be a key factor.

The approach adopted by the Federal Court of Australia in *Desktop* and *Channel Nine v IceTV* appears to strike a reasonable balance between the need to protect factual compilations from reproduction on the one hand and the necessity not to restrain authors from using facts contained in other copyright works on the other hand. As shown by the two cases, the threshold for showing that

copyright subsists in factual compilations is rather low, but as established in *Channel Nine v IceTV* the test for establishing infringement may go some way towards redressing this.

However, Channel Nine has lodged an appeal against the decision and it remains to be seen whether the Full Court of the Federal Court will approve of the approach adopted so far in determining the scope of copyright protection for factual compilations in the form of databases.

¹ This article does not address IceTV's cross claim for unjustified threats for which the Court refused to grant leave

² EU Directive 96/9/EC on *Legal Protection of Databases* (1996)

³ Lahore J and Rothnie W, *Copyright and designs* (Butterworths, subscription service), at [10,000]

⁴ Ricketson S & Creswell C, *The law of intellectual property: copyright, designs and confidential information* (Lawbook Co, subscription service), at [7.35]

⁵ [2002] FCAFC 112

⁶ In *Feist Publications Inc v Rural Telephone Service Co Inc* 499 US 340 (1991) the US Supreme Court has held that the test of originality does require at least some minimal degree of creativity.

⁷ *Desktop Marketing Systems Pty Ltd v Telstra Corporation Ltd* [2002] FCAFC 112 per Lindgren J at [18]

⁸ *Ibid*, per Lindgren J at [160]

⁹ *Ibid*, per Lindgren J at [160], per Sackville J at [379]

¹⁰ *Ibid*, per Lindgren J at [160]

¹¹ *Ibid*, per Sackville J at [409]

¹² *Ibid*, per Lindgren at [223]

¹³ *Ibid*, per Lindgren at [26 and 107] relying on Latham CJ's judgement in *Victoria Park Racing and Recreation Grounds Co Ltd v Taylor* (1937) 58 CLR 479 at 498

¹⁴ *Ibid*, per Lindgren at [96]

¹⁵ *Ibid*, per Sackville at [409].

¹⁶ *Nine Network Australia Pty Ltd v IceTV Pty Ltd* [2007] FCA 1172 at [29]

¹⁷ *Ibid*, at [46 and 56]

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¹⁸ Ibid, at [55]

¹⁹ Ibid, at [51]

²⁰ Ibid, at [41]

²¹ *Desktop Marketing Systems Pty Ltd v Telstra Corporation Ltd* [2002] FCAFC 112 per Lindgren J at [99], [152] and [160]

²² [1964] 1 WLR 273

²³ *Nine Network Australia Pty Ltd v IceTV Pty Ltd* [2007] FCA 1172 at [37]

²⁴ Ibid, at [42-43]

²⁵ Ibid, at [40 and 43]

²⁶ Ibid, at [72]

²⁷ Ibid, at [76]

²⁸ Ibid, at [86]

²⁹ Ibid, at [91]

³⁰ Ibid, at [90]

³¹ Ibid, at [91 and 93]

³² Ricketson & Creswell, *The law of intellectual property: copyright, designs and confidential information*, at [9.85]

³³ Lahore J and Rothnie W , *Copyright and designs* (Butterworths, subscription service), at [34,120]

³⁴ *Nine Network Australia Pty Ltd v IceTV Pty Ltd* [2007] FCA 1172 at [45]

³⁵ Ibid, at [199] (relying on Lahore J and Rothnie W , *Copyright and designs* (Butterworths, subscription service), at [34,130])

³⁶ Ibid, at [166]

³⁷ Ibid, at [142]

³⁸ Ibid, at [193]

³⁹ Ibid, at [206]

⁴⁰ Ibid, at [211, 212]

⁴¹ Ibid, at [192]

⁴² Ibid, at [204]

⁴³ [2004] FCA 637

⁴⁴ [2004] FCA 1244