

# Uncharted Waters: Storm on the Horizon for Online Pirates

**Robert Todd, Paul Dimitriadis and Lachlan Wright, Ashurst, report on amendments to section 115A of the *Copyright Act 1968* (Cth), which have given courts new and improved powers to require internet service providers and search engines to block access to websites and other online locations that infringe copyright.**

It would hardly be an article about Australia's website blocking laws without a pirate pun or two.

This *Arrrrr*...title is no exception. **Avast ye pirates: A win for copyright owners**

In a move that has been hailed as a win for copyright owners, the *Copyright Act 1968* (Cth) (the Act) has been amended to expand the powers given to courts to deal with the scourge of online piracy by numerous copyright infringers overseas.

The amendments, which were passed with bipartisan support under the *Amendment (Online Infringement) Bill 2018*, and which came into force on 10 December 2018, considerably amended the scope and application of the measures provided for by section 115A of the Act, including by:

- introducing a rebuttable presumption that the website or online location that is the subject of a proceeding brought pursuant to section 115A is located outside of Australia (thereby reducing the

evidentiary burden on copyright owners);<sup>1</sup>

- altering the threshold for the grant of injunctive relief to ensure the legislation's applicability to online locations that are shown to have the "primary effect" (and not just the "primary purpose") of infringing or facilitating the infringement of copyright in Australia or elsewhere;<sup>2</sup>
- enabling copyright owners to seek injunctions requiring online search engine providers (other than those that are exempted) to take such steps as the court considers reasonable to remove search results that refer users to impugned websites or other online locations; and<sup>3</sup>
- clarifying that injunctions may be the subject of flexible conditions, to allow copyright owners to block additional domain names, URLs and IP addresses without the parties having to attend court.<sup>4</sup>

As with the previous regime, section 115A provides that Carriage Service

Providers (CSPs) and Search Engine Providers (SEPs) are not liable for any costs in relation to court proceedings unless they enter an appearance (for example, to resist the grant of injunctive relief).

## A treasure trove of amendments: What's new?

### Reducing the burden

The amendments significantly reduce the burden on copyright owners who wish to bring an action against the operator of an allegedly infringing website or other online location by introducing a rebuttable presumption that the online location is based overseas. The amendment addresses a key criticism of the previous version of section 115A, which required rights holders to undertake the complex exercise of proving the location of infringing online locations that may employ proxy servers and other techniques to disguise their geo-location.

<sup>1</sup> *Copyright Act 1968* (Cth) s 115A(5A).

<sup>2</sup> *Ibid* s 115A(1)(b).

<sup>3</sup> *Ibid* s 115A(2).

<sup>4</sup> *Ibid* s 115A(7).

Feature of Legislation	Old s 115A	New s 115A
<b>Online Location</b>	Applicant was required to establish that the website or online location was located outside of Australia.	Applicant entitled to rely upon a rebuttable presumption that the website or online location is located outside of Australia.
<b>Test for infringement</b>	The injunction regime applied to websites and other online locations that were shown to have the "primary purpose" of infringing, or facilitating the infringement of copyright.	The injunction regime applies to websites and other online locations that can be shown to have either the "primary purpose" or "primary effect" of infringing, or facilitating the infringement of copyright.
<b>Scope of respondents</b>	The court was limited to requiring only CSPs (such as ISPs) to take action against infringing websites by way of injunction.	The court can also require search engine providers (SEPs) to take such steps as the court considers reasonable to remove search results that refer users to impugned websites or other online locations.
<b>Scope of Court orders</b>	No provision for flexible injunctions. New websites or online locations that the parties became aware of after the proceedings could only be added to the orders for injunctive relief by a court (assuming no agreement was reached out of court).	Injunctions may be the subject of flexible conditions, to allow copyright owners to block additional domain names, URLs and IP addresses without the parties having to attend court to amend the relevant orders.

The effect of this amendment was recently illustrated in *Australasian Performing Right Association Ltd v Telstra Corporation Limited* [2019] FCA 751 (*APRA v Telstra*), where APRA did not have to establish that the relevant online locations were located outside of Australia, because there was no evidence led to the contrary.

### Primary effect test

The amendments also broaden the scope and application of the injunction regime to ensure that websites and other online locations that can be shown to have the “primary effect” of infringing, or facilitating the infringement of copyright, may be dealt with. This is significant because under the previous scheme some overseas online locations that facilitated large scale infringement, such as file-hosting websites, could avoid being ensnared by an injunction because it was difficult to establish the “primary purpose” of the website (including, for example, because of the difficulties inherent in proving the intention of the website operator or users of that website).

The new threshold test will ensure that a broader range of overseas websites and file-hosting services (such as cyber-lockers) fall within the scope of the section such that action can be taken to protect rights holders.

The increase and scope was recently illustrated in *Roadshow Films Pty Limited v Telstra Corporation Limited* [2019] FCA 885 (*Roadshow v Telstra*), where an operator of a target online location attempted to argue that his website did not infringe or facilitate the infringement of copyright because his website did not host copyrighted material and only provides indexed and catalogued links to third party websites. Nicholas J quickly dispensed of this argument, finding that the primary purpose and effect of the website was to facilitate copyright infringement.

Despite the increase in scope, it is intended that websites that are operated for a legitimate purpose, but which might contain a small percentage of infringing content, will not be ensnared by the revised regime.

However, despite *APRA v Telstra* and *Roadshow v Telstra* being the first two cases decided since the amendments, it still remains to be seen how the “primary effect” test will be applied in practice to more ambiguous websites.

### Search engine providers (SEPs)

The amendments have significant ramifications for search engines given that the amendments allow a court to require a SEP to take such steps as the court considers reasonable to, for example, remove, demote or disable search results for sites that refer users to online locations blocked under the scheme.

Previously the court was limited to requiring only carriage service providers (such as ISPs) to take action against infringing websites through the injunction regime. However this limitation was widely criticised given that search engine search results leading to various infringing websites often remained live and were available to be clicked on and used by Australian users.

In the ordinary course, the regime will be applied to large search engine providers operating in Australia, including Google, Yahoo! and Bing. However, under the amendments, the relevant Minister has the power to declare, by legislative instrument, that particular online SEPs, or classes of online SEPs, be exempt from the scheme, including smaller operators, such as entities that offer internal (intranet) search functions and entities that provide search functionality that is limited to their own sites or to particular content or material (such as real estate, employment websites or library databases).

### Flexible injunctions

To prevent the operators of overseas websites (and other online locations) from circumventing injunction orders by using a different domain name or creating a different URL for the purpose of providing a pathway to infringing content, the court is empowered to grant injunctions that have flexible terms and conditions. According to section 115A(2B), such injunctions can apply to domain names, URLs and IP addresses that come into existence after an

injunction is granted provided that the parties agree to add those additional pathways to the terms of the injunction.

The flexibility has been enshrined in the amendments for the purpose of resolving any ambiguity with respect to the previous injunction regime and comes with the added benefit of saving the parties and the court the time and expense of having to return to court to amend injunction orders.

For the avoidance of any doubt, the Explanatory Memorandum to the *Amendment (Online Infringement) Bill 2018* specifies that any injunctions issued by a court are limited in application to Australia, meaning that a court cannot, for example, require a SEP to block search results worldwide.

### Navigating uncharted waters: The way forward

Proponents of the amendments claim they improve the adaptability and responsiveness of the relevant provisions of the Act.

The amendments are also in line with steps taken by regulators in other jurisdictions to place greater responsibility upon SEPs and other intermediaries for copyright infringement, a trend that is expected to continue (see for example, the EU Directive on Copyright in the Digital Single Market).

However, given the cost and expense of prosecuting proceedings for an injunction, the regime provided for under section 115A may ultimately only be engaged with as a last resort. Provided that the relevant parties reach agreement on which sites to block, and the impugned website or overseas location does not resist the measure, a section 115A injunction is moot.

In the ordinary course, copyright owners that wish to avail themselves of the mechanisms under section 115A should seek advice and engage in correspondence with relevant stakeholders as early as possible. It may be that a commercial outcome can be reached cost effectively through negotiation and without the need to prosecute an injunction against a pirate.