

Parallel importation: lower prices or cultural sabotage?

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Parallel importation is back on the political agenda. The Commonwealth Attorney-General, Daryl Williams, re-introduced the controversial legislation last March and the bill is due to be debated in the Spring session of Parliament.

Under the present provisions of Australia's *Copyright Act*, copyright owners, usually publishers, are able to control who is legally permitted to import books and other items for commercial purposes. The historical basis for this was the division of the English-language publishing market between Great Britain and the United States, in which Australia was part of the British publishing market.

In 1991 the *Copyright Act* was amended to allow for others to import books, if the local rights-holder failed to publish within thirty days. This is often referred to as the 'thirty-day rule'. It applied only to books published after 1991, not to other print material.

In 1998 the Act was further amended to allow the parallel importation of CDs and other sound recordings.

The Attorney-General sought to relax restrictions on parallel importation of books after a 1999 report of the Australian Competition and Consumers

Commission alleged that the high prices of Australian books was a result of import restrictions. The ACCC recommended the introduction of parallel importation in the book market.

Supporters of parallel importation say that it will increase competition and drop prices. The Australian Booksellers' Association and the Australian Digital Alliance (of which ALIA is a member) supported the proposed legislation.

Opponents of parallel importation say that compact disc prices have not significantly dropped and that the lifting of restrictions will adversely affect local publishing and printing (while benefiting multinational publishers).

They argue that parallel importation will also affect the incomes of Australian authors because overseas publishers will flood the Australian market with remaindered Australian stock. The Australian Publishers' Association and the Australian printing industry (which benefits from the existing situation by printing overseas titles) oppose parallel importation. However, there are some booksellers and publishers who do not support this position.

A Senate committee inquiry investigated the issue last year. The Committee

found a lack of hard evidence for arguments on both sides, with disagreement on most subordinate issues. Predictably, the Government members endorsed the bill while Labor Party and Australian Democrat members produced minority reports opposing it.

The new bill will free up books, including electronic books, serials, sheet music and computer software.

In an interesting article in the *Melbourne Age* on 6 August, barrister Simon Minahan, who practises in intellectual property and commercial law, questions whether parallel importation will improve software availability and prices.

He refers to the ability of copyright owners to impose contractual provisions and technological barriers which cannot be circumvented legally.

He also points out that the recent case, which the ACCC successfully brought against the restrictive practices of Warner Music Australia and Universal Music Australia, was won under Trade Practices regulation and not directly under the *Copyright Act*. He doubts that the parallel importation bill will improve the situation for prospective software importers 'faced with aggressive and cashed-up licensed local distributors'. ■

What's new in ICT

Easier internet choice for consumers

The Australian Communication Authority (ACA) has released guidelines to assist consumers in making informed decisions when selecting an Internet Service Provider (ISP).

The five main areas covered by the guidelines are price, billing, performance, help and installation, communication and security of service. Further information is available at: <http://www.aca.gov.au/consumer/isp/index.htm>.

Information Technology Online (ITOL) grants

ITOL is a Commonwealth Government grant program administered by the National Office for the Information Economy (NOIE) designed to accelerate the national adoption of e-business solutions, especially by small to medium enterprises (SMEs). The latest round of ITOL is aimed at encouraging the wider adoption of security measures and infrastructure to underpin the take up of e-commerce. Applications are invited for projects that will improve or promote the security of transactions.

A further round of grants will open in October. Details of the program are available at: <http://www.noie.gov.au/itol/>.

OECD Guidelines to promote a culture of security

The Organisation for Economic Co-operation and Development (OECD) has developed new international guidelines aimed at fostering 'a culture of security'. The *Guidelines for the security of*

information systems and networks urge all users of information technology, including governments, business and individuals, to adhere to and implement, nine basic principles.

Further information and the text of the guidelines is available at: <http://www.oecd.org/EN/document/0,,EN-document-0-nodirectorate-no-12-33186-0,00.html>.

Six month report

Recently released figures from The Office of the Federal Privacy Commissioner (OFPC) indicate a significant increase in enquiries and complaints since the private sector amendments to the *Privacy Act* came into effect last December.

OFPC has identified four main concerns:

- Inappropriate disclosure of personal information — that is, the disclosure without the person's knowledge or consent.
- The ability to access personal information — particularly health information.
- Bundled consents — pressure on consumers to consent to many uses of personal information in order to obtain goods or services.
- Unnecessary collection of personal information — collection of more information by organisations than is required to provide goods or services. ■