

# CAMLA COMMUNICATIONS LAW BULLETIN

Communications & Media Law Association Incorporated

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## Special Music Industry Edition

## COVID: The Day(s) the (live) Music Died

**Chris Johnson**, Director of Legal Services at APRA AMCOS, helps explain licensing obligations in a streaming environment.

It's an insight of limited utility to recognise that the COVID-19 pandemic and its associated State- and Territory-based lockdowns have wrought havoc on both the personal and professional lives of most Australians. But what's less apparent is that the last 18 months has been an existential crisis for those relying on the public performance of music for their livelihood.

As public squares across Australia emptied of shoppers, concert goers, clubbers, drinkers and diners, and as ergonomic chairs sat empty in deserted offices, the income created by that activity for live and recorded music performances collapsed. A performance income lacuna.

As a result, musicians, songwriters, record companies and music publishers have sought out alternative ways to both connect with their audiences and to continue to eke out income from the exploitation of their music. Enter the live stream.

From the empty stages of lifeless venues to the closed-door intimacy of bedroom studios, musicians have been playing into the dead eye of a camera lens in an attempt to keep their art fresh, their fingers limber, their voices clear, their fans fulfilled and their stomachs full. At the same time, music promoters have looked to video to substitute the physical stage for a virtual one.

But replacing the real for the reel (boom!) has its challenges. Not insignificantly, it has changed the licensing of music from the simple to the complex, the well-worn to the novel, the easily understood to the often misunderstood.

Moving a performance of music from a live stage to a live stream or a recorded audio-visual film is a perfect solution in circumstances where live audiences are impossible or where venue capacity constraints make online access a prerequisite for viability. However, this seemingly simple act triggers a whole new set of permissions and licensing arrangements to those applicable to a conventional stage performance.

Traditionally, a live performance of music requires permission from the owner of the copyright in the musical works comprised in that performance – a public performance licence. If a sound recording is used on stage, the performance may also trigger the need for a licence from the copyright owners to publicly perform that sound recording – often, the record companies or their representative like the Phonographic Performance Company of Australia (PPCA). As a result of rights management organisations like APRA AMCOS, venue owners and promoters

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CAMLA

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# Editors' Note

*What makes a great song?*

In the opening bars of this special music edition of the CLB, we dive into the world of music licensing where we see major labels focussing their attention on social media advertising and the antics of influencers. **John Fairbairn** and **Sheenal Singh** (MinterEllison) cover this issue in their article *Not in Sync* and **Chris Johnson** (APRA AMCOS) shares his insights on licensing obligations in a streaming environment. **Anita Cade**, **Ted Talas** and **Helen Wei** (Ashurst) look into the recent Roblox case and the use of music in new digital user platforms. We round out the first verse with a note **Ash Fehrenbach** and the team at RPC have written on the UK's *Tunein v Warner* case and the global challenge of protecting copyright works in a digital world.

Moving to the chorus – well, there's nothing catchier than copyright infringement. **Kosta Hountalas** (HSF) reminds us that love isn't always in the air with his in-depth review of the Federal Court's decision on whether an American music duo infringed the 1977 Strictly Ballroom theme song. **HSF** also look at where Clive Palmer went wrong in his re-write of Twisted Sister's 1984 hit "We're not going to take it".

Verse two is where we start to push the boundaries. The team from **Davies Collison Cave** ask us to question the legal status of viral sea shanties and **Ellen Anderson** (Addisons) gives us the latest on the Taylor Swift v Scooter saga. Will they get back together? From the sounds of things, never ever.

A good tune should always teach the listener something. Through the efforts of the Young Lawyers Committee, CAMLA presented two 101 webinars. **Nick Perkins** (Ashurst) and **Antonia Rosen** (News Corp) moderated a discussion with **Sue Chrysanthou SC** (153 Phillip Barristers) and **David Sibtain** (Level 22 Chambers) on the tort of injurious falsehood. And **Belyndy Rowe** (Sainty Law) reports on the Sports Law 101 webinar on 22 September with a fantastic line up of speakers: **Tim Fuller** (Gadens), **Simon Merritt** (Lander & Rogers), **Calli Tshipidis** (Foxtel Group and YL Committee Chair). We have also recently hosted webinars on AdTech, the Telecommunications Ombudsman, and Sports Broadcasting, on which we will report in the next edition. Thanks to all who were able to attend and we look forward to bringing you more of these events in the coming months!

Finally, a great song will tell a story. To that end, we are delighted to bring you an exciting line up of interviews with giants in the Australian music and legal industry including **Dan Rosen**, **Damian Rinaldi**, **Brett Oaten** and **Mark Holden** who each share their own story and passion for music.

We hope you enjoy reading this edition as much as we did putting it together. Thank you to all our brilliant contributors.

**Eli and Ash**

can be licensed on a "blanket" basis for all musical works that may be used in any performances on their stages, which would include the vast majority of the world's commercially available music. Whatever the song being performed at a licensed venue, it is usually covered under a blanket APRA AMCOS licence, and the fees distributed to the owners of those musical works and sound recordings. Recently, both APRA AMCOS and PPCA have granted those rights to venues and events via a joint licensing initiative, OneMusic Australia.

However, as soon as an artist, a venue or a promoter decides to live stream or video record their performance for use online, the arrangements that have been a staple for the public performance of live music for generations are quickly upended.

So, here's a quick guide to what's required for those that want to live stream or record commercial music for the purposes of streaming those performances online.

## 1. Is it being live streamed or recorded?

First, live streaming.

In Australia, the right to use musical works with visual images - what's known as the synchronisation right – is highly valued and tightly held by the owners of that right – the writers and music publishers. This is also the case for record companies and the synchronisation of their recordings. The use of music in films, TV shows, concert films and advertisements has been a reasonably lucrative source of income for songwriters, musicians, publishers and record companies for many years. However, recently, there has been a level of uncertainty and consternation globally over the question of whether an audio-visual live stream of a live performance activates the synchronisation right, such that it requires a synchronisation licence from the owners of that right. An audio-visual live stream, in its purest form, is a real-time communication of audio-visual material online. As it's "real time" there is some question as to

whether or not the reproduction or copying right, and therefore the synchronisation right, has been exercised. This is a discussion (or debate) that will, no doubt, continue as live streaming matures.

In any case, what the producers of the live stream will definitely need is a communication to the public right for the musical works that are included in the live stream and, if used, for any sound recordings that have been used. In many cases, the streaming platform will hold a licence that will allow for the communication of music via that platform, particularly if delivered over an established service such as YouTube or Facebook (Meta). However, live streaming on an unlicensed platform (for example, a musician's own website) will require a communication licence for, at least, the musical works from APRA AMCOS.

The fact is that pure, live and real time streaming is unusual, as often there's a strong desire to capture the performance for replay later. This

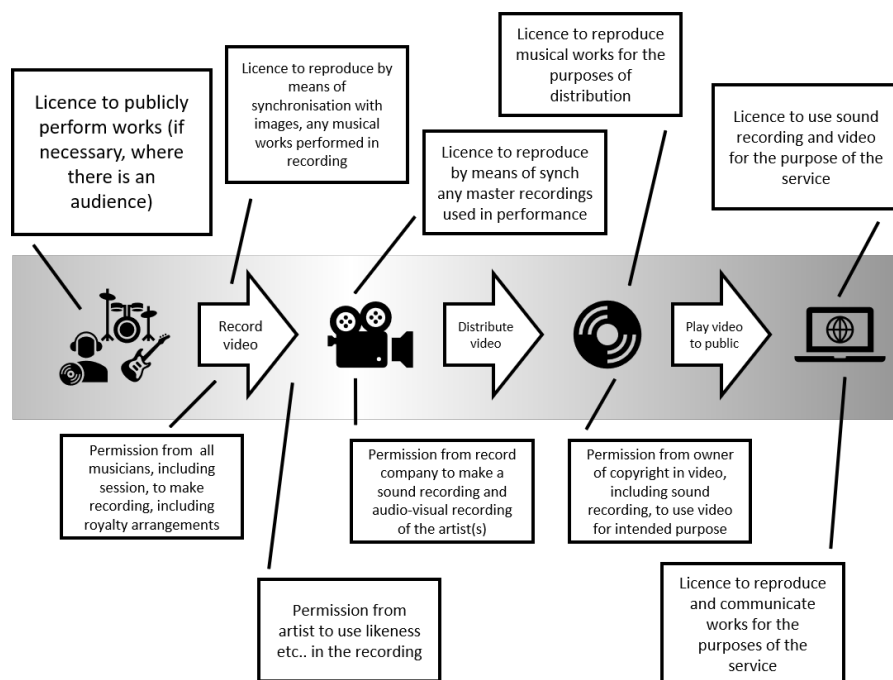
is particularly the case for event promoters looking to maximise audiences online over time.

And it's in the audio-visual recording of the performance where the act of synchronisation becomes undeniable and the process more complex.

As shown on the right, an audio-visual recording triggers a web of rights that belong to songwriters, musicians, publishers, record companies and collecting societies. The 'one stop shop' for the licensing of live public performance of music in a venue, for instance, from a OneMusic Australia licence, can turn into a cavalcade of different people, organisations and permissions for live streaming.

The rights required and how one may obtain rights for the audio-visual recording of music are shown below:

#### Anatomy of the permissions required for an audio-visual recording for online use



Right?	What is it?	Who do I need to talk to?
<b>Public performance right for musical works and any sound recordings</b>	This may be required where there's an audience for the performance that is being recorded	In Australia, this is available from OneMusic Australia
<b>Performer recording right</b>	This is the right to make a recording of a musician, if that right is held by someone other than the musician	This right is a contractual right that is held by a performer's record company, so permission should be sought from them where a performer is under such a contract
<b>Permission to use a performer's likeness etc.. and moral rights</b>	This is the right for a musician to have a say in how their image and performance are being used	This is typically controlled by the musician or performer themselves
<b>Synchronisation right for the musical work</b>	This is the right to place, or fix, images in synchronisation with musical works that are protected by copyright	The owners of the synchronisation right for musical works are typically the writers and/or the music publishers, so permission should be sought from them. This right is not generally held by APRA AMCOS or OneMusic Australia
<b>Synchronisation right for master recording</b>	This is the right to place, or fix, images in synchronisation with previously recorded tracks that are protected by copyright	The owners of the synchronisation right for recordings are typically the record companies, so permission should be sought from them
<b>Cinematograph film right</b>	This is the right to use the copyright comprised in the cinematographic recording of the performance for the purpose that is required	The owners of this right are the people who did all things necessary to produce the film, and could be the production company, the camera operator or funder
<b>Distribution right</b>	This is the right to copy the musical works and sound recordings in the cinematographic recording for the purposes of distributing it to others	If not already captured under the synchronisation licence, or not already licensed by the distributor (for instance YouTube) then this is available from AMCOS and PPCA
<b>Communication to the public right</b>	This is the right to communicate the musical works and sound recordings comprised in the live stream or recording online	If not already licensed by the platform (for instance Facebook or YouTube) then this is available from APRA AMCOS (musical works) and for sound recordings PPCA and/or record companies

## 2. Is money being made?

In traditional public performance licensing, the question as to whether or not the performance is intended to make money directly is not one that determines whether or not the performance can proceed. In most cases, the way the licence fees are calculated for a free live performance differs slightly from income generating ones, but it does not stop the show or, generally, trigger any alternative licensing processes.

But this question is a significant one for performances that are live streamed or recorded.

Like any other communication of music protected by copyright online, the live streaming of performances in real-time over the internet requires the platform, website or service to be licensed for that communication. In Australia, most large online services offering such functionality are licensed for such a communication, and whether it's a commercial performance (whether that be by placing advertisements, selling tickets or offering subscriptions) is not necessarily fatal to coverage under those licences. In most cases, the performance will be subject to 'take down' from the service, but that's a reality for any live stream delivered on those services and not specific to commercial use.

However, in practice, pure, real-time live streaming is rare - particularly in a commercial context. And if a musical performance is to be recorded for a commercial purpose

(including a delayed, or on-demand 'live' stream), then additional permissions for that recording need to be sought.

For the reproduction of musical works, and, if necessary, any sound recordings used in a recording, a synchronisation licence should be secured from the owners of those rights - the writers and music publishers for each and every musical work and the record company for sound recordings. Also, the right to make a recording of the musicians themselves needs to be secured from the owners of those rights - which, in many cases is the performer's record company. In both cases, the fact that it's a commercial exploitation will likely have a significant impact on whether the recording can proceed and, if so, how much it will cost to do so.

## 3. What platform is it being used on?

As noted above, whether an online platform, service or website is licensed makes a difference as to the permissions and licences required for someone wishing to deliver a live stream or a video recording online.

A real-time, live stream of a music performance online will be covered for communication rights for licensed platforms, services or websites, but, for unlicensed web locations, a communication licence will be necessary. This is the same for audio-visual recordings of music performances, provided that the synchronisation rights were previously secured by the maker

of that recording. For recordings, the platform, service or website will also need to be additionally licensed for any supplementary reproductions made as a result of the operation of that service (so called, "mechanicals").

The ability to shift performances online has provided the music industry with not only the opportunity to reach greater audiences, but also the ability for musicians to remain connected with their audiences (and keep some money flowing) during what has been a public performance cataclysm. And the fact that the end of this pandemic is in sight will not bring an end to the need or desire for the streaming of music performances online. However, the replacement of live performances with virtual ones does not come without its challenges. Reasonably efficient, well-understood and long-standing live music licensing arrangements are, at lightning speed, being transitioned to an environment potentially requiring myriad permissions and licences that were never built for rapid deployment or large-scale application. As a result, those wishing to pivot online may find themselves having to deal with much greater complexity.

But the music industry has always been in the front row when dealing with technological advances, and there's little doubt that it will again rise to the challenge. In the meantime, for those wanting to get music performances online, it may take a little more effort, a bit more time and a lot more knowledge.

# ELECTRONIC COMMUNICATIONS LAW BULLETIN

CAMLA is pleased to offer our members the Communications Law Bulletin in electronic format.

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# Interview: Brett Oaten

**Jessica Norgard**, Senior Legal Counsel at nbn, delves into the glamorous world of media and entertainment law with **Brett Oaten**, Principal Solicitor/Founder at Brett Oaten Solicitors. Having started his own media and entertainment firm at the ambitious age of 27, Brett Oaten has gone from strength to strength and now represents some of the most prominent artists, labels and events nationally and internationally. Despite not being able to play a note himself, his love for the music industry emanates through the computer screen and it's clear that this passion fuels both his work and outside life.

**JESSICA NORGARD:** You started your own specialist media and entertainment practice in 1992 - tell us about what inspired you to start your own firm, and a little bit about the practice?

**OATEN:** I've always been an almost obsessive music fan. When I was a young lawyer at Baker McKenzie I started writing for the street press and other magazines, and then started managing artists where I learnt a lot about the music industry. That's where I decided that I really enjoyed the intersection between these two areas so I tried to get a job with entertainment firms at the time. When none was interested, I decided to open my own firm (at 27) - which, in retrospect, is a bit mad!

To a large degree there is no such thing as thing as "entertainment law". There is very specific commercial knowledge about how record deals, royalties and film distribution arrangements work, but really what you are is a general commercial lawyer who deals with a particular type of client. The main types of law we advise on are intellectual property, contracts, employment, brand protection, and deal /agreement work but given our clients are mainly in the music, film or TV areas, there are also a number of important artistic sensibilities to navigate and cater to as a lawyer.

There is less magic to it than many people think, but given you are often working with people who would prefer not to have a lawyer you've really got to present the advice in a way that is helpful and adds to their business. You need to help them navigate the tricky landscape given that most artists don't pursue arts to be a business person.



The firm is an entertainment and media firm which houses 10 lawyers and works across music, film, TV, general personality work, advertising, media, start up and tech work. Our clients tend to be creative industries of one kind or another. We do not do any litigation. It's typically not as glamorous as some people seem to think, but I really like it.

**NORGARD:** Appreciating that "typical" is a bit of a misnomer in a world dictated by urgent client needs, what does a typical day at the "office" look like?

**OATEN:** I tend to get to work very early and put some time into working out a to-do and priorities list. Even if those lists get blown out quickly, it's a very useful exercise. I'm the sole Principal of the firm so I spend about 70% of my time doing legal work and the remainder "running the business". I spend a lot of time on the phone to clients getting instructions and having strategic conversations, preparing advices and documents and then

keeping in touch with the other lawyers to see what they are working on and helping them move forward on matters. I've always tended to get in early and leave early to be home for family time, and for a long time, in non-pandemic years, I've worked four days per week.

**NORGARD:** What do you consider to be some of the most interesting aspects of your role?

**OATEN:** I really like that the work is varied and changing all the time. I've run this practice for a long time and no year has ever felt like the year before. I work with an incredibly diverse list of clients some of whom are very sophisticated users of legal services and some who have almost zero interest in talking to lawyers. I really love working with my colleagues and seeing them develop and playing a part in that. Initially I set up my firm to do work that I really wanted to do. In the later part of my career, the thing I've enjoyed the most is that I have the flexibility to run my life how I want to run it.

**NORGARD:** What important developments do you see as being on the horizon for the entertainment and media legal landscape?

**OATEN:** I don't really know what the developments will be in the legal landscape – the black letter law is quite a small part of my day job. In terms of the commercial sphere – the last 20 years have seen huge developments from the decline of CDs to the Napster/illegal file sharing era to the streaming era, so I'm sure that there will continue to be incredible technological developments that provide more ways for artists to present themselves and monetise their career. Our job is to be on top of and understand these developments so that we can help clients maximise those opportunities. It's interesting and varied and incredibly satisfying. I'm really interested in music and the music industry so staying on top of those developments comes naturally

to me. I'm a big reader and read as much industry commentary as I can and try and keep apprised of the culture – for example, TikTok is now a hugely influential music discovery platform and it's really interesting to see how artists and labels are using it – but that's not a secret, you would need to be living under a rock to not appreciate the rise of TikTok!

**NORGARD:** If you could have one wish for change in the media and entertainment area, what would it be?

**OATEN:** There has been a lot of publicity of late around working conditions in Australian major label record companies. Going forward I would hope that everybody has better working conditions than it appears they have had in many circumstances.

**NORGARD:** Many artists have been affected by the pandemic – has this affected the type / trend of advice that you've been asked to give?

**OATEN:** Obviously the pandemic has had a catastrophic effect on events and on artists that perform live. Contrary to general understanding, most artists make most of their money from performing – so we act for lots of artists and a significant number of music festivals in Australia (almost none of which has been able to be conducted in pandemic times). We've had to give a lot of advice around cancellations, plus the consolidation in the live events space in Australia. It's sad that we have to do that work because a vibrant open future where we can all play, perform and congregate would be much better, so hopefully we don't have to give that advice for too much longer.

**NORGARD:** Do you have any advice for people looking to follow in your footsteps?

**OATEN:** If you really want to do something, go for it. You don't want to be wondering what it would have been like to have taken a chance on something. In retrospect, starting my own firm at 27 was quite ridiculous but it's been great, and the consequences of failure would only have been that I would have had to get another job! If this is an area that you want to work in, it's small and you will have to try and make moves that get you closer and closer to where you want to go. My experience has been that people who really want to do this kind of work, get there.

My personal view is that you want to love your job, but you want to love everything else that you do more than your job – so it's important to keep perspective.



**Jessica Norgard**, Senior Legal Counsel at nbn

COMMUNICATIONS AND MEDIA LAW ASSOCIATION

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*CAMLA members are invited to join the  
Communications and Media Law Association  
Annual General Meeting via Zoom on:*

**THURSDAY 25TH NOVEMBER 2021  
AT 5.45 PM**

*CAMLA Board 2022 nominations forms and proxy forms are  
available at: <https://www.camla.org.au/downloads/>*



# The Legal Status of Viral Sea Shanties

By Miriam Zanker, Lachlan Sadler and Jodie Goonawardena – Davies Collison Cave

Of all the ways for 2021 to start, few would have predicted that one of the first viral trends of the new year would be sea shanties; songs that were once sung on sailing vessels as a way of livening up repetitive busywork.

Late last year, Nathan Evans shared a video of himself on the social media platform TikTok singing a sea shanty called *Soon May the Wellerman Come*, and the video was quickly transformed into a viral hit, with various versions of the video clocking up millions of views and other artists layering their own vocals and instrumentation over the original recording.

As well as providing a welcome distraction from many other more sombre events going on around the world, the sudden rise of sea shanties in popular discourse, particularly in the context of the countless videos being uploaded to TikTok, raises some interesting questions regarding copyright law and licences granted to social media platforms.

## Copyright in sea shanties

The first thing to note is that historical sea shanties, which generally trace their origins to the 19<sup>th</sup> century, are very unlikely to still be protected by copyright. There are three independent “works” which may be protected by copyright in relation to a sea shanty: the lyrics, the sheet music (as an embodiment of the melody and any instrumentation), and any recording of the performance of the sea shanty itself. However any such protection in relation to historical sea shanties is likely to have now expired. (Under Australian law, there are differing rules about copyright duration, depending on the type of works, when the works were created, and when the author died. If the works were published before 1955 or the author died before that date,

the work is likely to now be out of copyright.)

Any sea shanty written in the 19<sup>th</sup> century is therefore likely to be in the public domain, meaning that it is no longer protected by copyright and the exclusive rights which previously vested in the copyright owner (such as the right to reproduce the work or to perform the work) can now be exercised by anyone. *Soon May the Wellerman Come*, for example, which concerns whaling, is understood to have originated in around 1870 by an unknown author. For literary works with unknown authors first published prior to 1955, copyright lasted for only 50 years after creation. This means that the literary works comprising the lyrics to the *Soon May the Wellerman Come* sea shanty are now in the public domain under Australian copyright law.

That means that any musicians performing their own original version of the song, whether on TikTok or elsewhere, may be off the hook for copyright infringement.

## Layered recordings under copyright law

But what about TikTok users who ‘layer’ their own music over other users’ videos?

The short answer is that, absent a licence from the author of the original video, this could constitute an infringement of copyright. This is because, while the lyrics and any sheet music to any sea shanties are likely to be in the public domain, a rendition of a sea shanty, such as the original video uploaded by Nathan Evans, is nevertheless likely to be protected separately under copyright law as a sound recording (in the case of the audio) and a film (in the case of the combination of the moving images and audio). Others are free to perform their own rendition of the sea shanty, but they would not

ordinarily be entitled to reproduce or communicate to the public Nathan Evans’ original video, without first obtaining permission.

There are exceptions to this rule under various copyright regimes around the world. America, for example, has a relatively robust ‘fair use’ doctrine, which permits ‘derivative works’, being works based upon pre-existing works that have been recast or transformed in some way. This exception has been held to apply to ‘reaction videos’ on YouTube, and may therefore also cover layered TikTok videos, provided that the added element is sufficient to ‘transform’ the work.

Australian law has no such fair use doctrine, and layered new vocals on a previous work are unlikely to come within our more limited fair dealing laws (although there is an argument that, say, layering a video of Kermit the Frog singing a sea shanty on top of previous videos, as some creative TikTok users have done, might be protected as parody or satire).

## Layered recordings under TikTok’s Terms of Service

If left to the position under copyright legislation alone, it’s safe to say that TikTok sea shanty remix artists would at least be in murky waters in terms of copyright infringement under Australian law, if they had not sought permission from the copyright owner. However, this is where TikTok’s Terms of Service come into play.

Under TikTok’s Terms of Service, users who upload videos to the social media platform retain their copyright and any other intellectual property rights in the material. However, the Terms of Service also provide that users grant to TikTok an “unconditional, irrevocable, non-exclusive, royalty-free, fully transferable (including sub-licensable), perpetual worldwide licence to use, modify, adapt,

reproduce, make derivative works of, publish and/or transmit, and/or distribute” any content uploaded to the service. Effectively, this means that TikTok receives a licence to do essentially whatever it wants with the content, without paying royalties to the original uploader.

The Terms of Service also explicitly provide that other users of the platform receive a similar licence which enables them to “view, access, use, download, modify, adapt, reproduce, make derivative works of, publish, and/or transmit” videos uploaded to the platform in “any format and on any platform”, for the purpose of generating their own content for “non-commercial purposes”. This is an acknowledgement of the ‘remix culture’ that permeates TikTok and internet culture in general, whereby users take material uploaded by others and use it to create new content, either by remixing it, adding new material, or simply reacting to it.

Therefore, anyone who uploads a video to TikTok grants a licence to other users of the platform to use their work to create their own content, whether on TikTok or another platform. As such, even if an artist wished to prevent other users from building upon their original video, it is unlikely that they would be able to do so without challenging the legality of TikTok’s Terms of Use, which is a whole other kettle of fish.

An important limitation is that this licence only applies to non-commercial purposes. The situation would be much fishier if a musician took a TikTok video and used it to generate income, even if they were doing so based on an addition to the original content. This would be unlikely to fall within the licence granted by TikTok’s Terms of Use, and may also not be considered ‘fair’ under fair use and fair dealing exceptions, given the commercial nature of the activity. TikTok, on the other hand, under the Terms of

Service, is free to commercialise the video without seeking permission from the original uploader.

## Moral rights in sea shanties

Under Australian law, authors of copyright works are also granted certain moral rights, including the right to be attributed as the author of the work and to prevent use of the work that is “derogatory” towards the author’s reputation. Republishing a video (such as the original sea shanty video by Nathan Evans) without crediting the author may be a violation of these rights.

Once again however, TikTok’s Terms of Service seem to have the answer, providing that users of its platform “hereby waive and agree never to assert any and all moral rights” in relation to content they upload to the service. While Australian copyright law does not explicitly contemplate the waiver of moral rights, it does provide that an artist can authorise conduct that would otherwise be an infringement of their moral rights. Therefore, while the legality of such a broad waiver of rights has not been tested in the courts, the prevailing view is that a clause such as this could be effective in preventing an author from enforcing their moral rights.

Therefore, even if another TikTok user republishes a sea shanty video without crediting the original musician, the original artist is unlikely to be in a position to rely upon his or her moral rights against the uploader or TikTok.

## The final note

The sea shanty craze is an interesting microcosm of some of the broader intellectual property issues facing internet remix culture and social media platforms in particular. The interplay between copyright law and TikTok’s Terms of Service can have significant consequences, and it is important that users of social media services understand the far-reaching licences that they grant to other users, and the social media platform itself, when they upload content to TikTok.

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**Nicola McLaughlin**, Kay and Hughes



# Interview: Mark Holden

**Mark Holden** is an Australian music industry legend. From Countdown to “Touchdown!” on Australian Idol, he is well recognised as a cultural reference point for multiple generations. But many might be surprised to learn that before he was on our screens with “Never Gonna Fall in Love Again” and “I Wanna Make You My Lady”, the Carnation Kid was three years into a law degree at the University of Adelaide. Mark left his studies behind to pursue his passion for music in 1975. After a career that took him to LA and back, including writing for The Temptations and Vanessa Amorosi, he finished his law degree in 2001, took the Bar Exam, and in 2008 became a barrister specialising in criminal and family law, which he now balances with his musical pursuits. **Isabella Boag-Taylor**, Associate at Bird & Bird, called Mark to chat about his many insights into the music industry, the legal challenges it faces, and his dual careers in music and the law.

**ISABELLA BOAG-TAYLOR:** When I was researching for this article, I found that the law is much more of a common thread for you than people might assume. You first studied law at the University of Adelaide in 1972 but left just before your final exams to launch your debut album and become a Countdown phenomenon. After returning to Australia from LA in 1996, you recommenced studying whilst simultaneously working to kickstart Vanessa Amorosi’s career. Then, after finishing as a judge on the inaugural run of Australian Idol, you decided to become a barrister. I’m interested to know – if you were already studying law, what drew you to the music industry, and was music or the law your first love?

**MARK HOLDEN:** Music was my first love. Unbeknownst to me at that time, my family has been musicians for generations. Both my parents were musical. Dad sang in the house, and Mum played the piano. I loved music but I didn’t realise that it could be a profession – I never thought of it that way. I got into music because my older brother played in a band with one of the Brewster brothers (who went on to form The Angels). In between my law lectures, I would go down to the refectory in the technical college and practise on the piano in the basement. Eventually, I decided to audition for Ernie Sigley on *Adelaide Tonight*. He took me under his wing, and in 1974 I went on a national talent show as an original songwriter. John Bromell offered me a publishing deal in Sydney, so I had to transfer my law degree to UNSW whilst I was making my first album. Juggling was



a struggle – I was performing in *Joseph and the Amazing Technicolor Dreamcoat* and hanging out with John Paul Young. Unsurprisingly, my taxation and corporations law courses were the straws that broke the camel’s back (that, and maybe the article for the student paper that I wrote titled *F\*\*\* Law*). I decided to leave my law degree to pursue music full time.

**BOAG-TAYLOR:** It sounds like you were basically forced to embark on a music career just to get out of doing your corporations law exams! I have read that you credit your legal studies in the 90s with your best

song writing – saying it helped “free up” the creative part of your brain. Are you able to speak a bit more about the relationship between your creative and legal interests, how they coexist?

**HOLDEN:** Well, I squeezed my creative brain for 15 years in Los Angeles. Anyone can be a songwriter, but being a hit songwriter is an entirely different proposal. And even fewer people can make a living from it. So I really squeezed my brain to make it work. When I came back to Australia in the 90s with a wife and a baby, I had no idea what I was going to do. I decided to go back and finish

my law degree. I really enjoyed it the second time around – I could see the extraordinary value of the laws we have in Australia, which are so much better than a good deal of the world. It was difficult in my forties to engage again and start from scratch but I got back into it. By that time, I hadn't used the song writing side of my brain for a while, but when I met Vanessa, the songs just popped out. Maybe part of it was the fact that I had started again, in a sense. That's the extraordinary thing about art.

**BOAG-TAYLOR:** You've spoken about how the legal profession is an opportunity to advocate for people and make a difference in their lives when they are facing adversity. There are also many power imbalances in the music industry (for example, the recent copyright controversy surrounding Taylor Swift's rerecording of her masters, and Megan Thee Stallion taking her label to court over the "unconscionable" terms of her contract). From your unique position, what do you see as the major legal challenges facing the music industry?

**HOLDEN:** When I went back to university, my intellectual property lecturer was against the concept of copyright. He took the very stern view that there shouldn't be such a thing. My response to him as a songwriter was, "There are people like me, and many of us, for whom copyright is incredibly important, even if it's a creature of statute and not a natural thing."

I once had a conversation with the late Michael Gudinski about the changes that have come through in the music industry, and the way the business used to be structured. When he and I were coming up, music came in a cardboard box that was put on the back of a truck, then on an airplane, and unpacked in a country town. The artist and the record company were on one side, and the songwriter and publisher were on the other. For a record to come out, the record company had to actually manufacture a physical thing, as well as artwork, booklets

– all that cost a lot of money. So in those days there was justification for the statutory rate scheme, where less than 10% of the income generated from the record went to the owners of the copyright in the song. I said to Michael, "How can we now accept the status quo, with the songwriter and publisher still only left with less than 10% of the income, when the whole issue around the physical cost of making a record has disappeared for the record label?"

**BOAG-TAYLOR:** Of course – because streaming is everything now. What is it like to be an artist and songwriter whose music has appeared on both physical records and streaming services?

**HOLDEN:** In 1999, I cowrote the song "Absolutely Everybody" with Vanessa Amorosi, which was a hit in 20 countries around the world. Not long after that, Spotify was invented in Sweden. I own my own publishing, which means that when "Absolutely Everybody" is streamed today, my half share of the song writing credit on that song gives me 0.00015 dollars per stream. When that song is streamed 1 million times, I earn 150 dollars. And 10% is collected by a publisher in Europe. For comparison, in 1978, my album *Encounter* sold 80,000 copies. At that time, I was being paid 5% (which is an absolutely tiny amount) but it meant I earned \$35,000 from my very first record. In 1978, I used \$30,000 of that money to pay for my grandparent's house in Adelaide. One album made me enough cash to pay for a house at 24.

I have always felt that we need more innovation in the law. For example, the concept of copyright persisting seventy years after the death of the author is absurd. My very first hit was called "Never Gonna Fall In Love Again". It was written by Eric Carmen, who based both that song and a little song called "All by Myself" on the symphonies of Sergei Rachmaninoff. That meant that although Rachmaninoff died in 1943, his grandchildren received income from the 20 million copies of "All by Myself" sold by Celine

Dion. Is that the point of copyright? I always thought it was to provide the *creators* with some kind of living.

**BOAG-TAYLOR:** The bulk sale of publishing rights by artists has been at the forefront of the discussion recently, with musicians such as Bob Dylan and David Crosby cutting deals. How difficult is it to retain your publishing rights as an artist?

**HOLDEN:** People like Bob Dylan own their publishing from the start, but not everyone has the wisdom to do that. For some, striking a publishing deal is the only way to earn money, and to make the contacts you need to push ahead in the industry. It took me until I wrote "Lady Soul" for The Temptations to manage to hold onto my own publishing rights – and that was six years after I started in the industry. Publishing is a nickel and dime business, it's about collecting all the tiny streams of money.

**BOAG-TAYLOR:** Many people would assume that there is a degree of overlap between your experience as an accomplished live performer and your role as a barrister. What skills have you gained in the music industry that have been helpful to your legal career?

**HOLDEN:** My role as a barrister is often about managing people and managing projects. Whilst I appear solo in the Magistrates Court, if it's big and serious then once I get the work I will find the best QC for the job. Bringing a team of people together is very central to the work of song writing, recording, and artist management. But in terms of being a performer? There's no comparison. Of course in court there is the same intensity and anxiety, but in criminal and family law people's lives are on the line. If you make a bad record, maybe you don't get picked up, or you lose some money. In law the stakes are so much higher. So the comparison is more in terms of the song writing and record making – both, like law, are about problem solving. You have to find the right people for the work, and get the best ideas in the room. Fortunately, the Victorian Bar is an amazingly open environment where you can walk

into a colleague's chambers and just ask a question.

**BOAG-TAYLOR:** Yes, and 'junior' lawyers are often junior not just in legal experience, but also in life experience. Does having some pretty extraordinary life experience give you a different perspective?

**HOLDEN:** Coming to the legal profession later in life allowed me to have the confidence to back myself without worrying what people think. One of my funniest moments in court was when the Magistrate announced, "I wish you'd stop lecturing me" and I replied, "I believe I have to." Life experience really gives you something to offer your clients. In music cases, sometimes it feels like the legal profession doesn't quite understand what it means to have your musical creation – something that is incredibly meaningful to you – adjudicated. I am lucky my musical endeavours haven't ended up in litigation.

I have also been lucky in my career to be able to pursue cases that I really care about on a pro bono or

no win no fee basis. I fought for two years for an Indigenous woman to get the care of her grandchild that had been born in prison. All I made after two years was 800 dollars, but I didn't care - we got the child back. It is one of my proudest moments.

Kyle Sandilands once asked me to be a judge on his "Trial by Kyle" show – I was apparently the only lawyer he knew that he actually liked. So you could say I passed up an opportunity to be appointed to the bench!

**BOAG-TAYLOR:** I'm sure there are plenty of law students staring down their final exams, hoping they can become music sensations instead. Do you have any advice for people who have dual interests in the creative industries and legal profession?

**HOLDEN:** That's an interesting one, because when I first started at law school, about 30% of the people I studied with ended up going into something creative. The advice I would give is: as tough as it is, and as difficult as it is – whatever it is that you want to do – if you do it well enough and long enough, the money

finds you. I am living proof of that! I'm a journeyman songwriter, not a virtuoso, and by sheer willpower and by working hard, the opportunities came to me. As a young man, I would never have imagined the career that I've had.



**Isabella Boag-Taylor**, Associate at Bird & Bird

## A Discussion with TIO Judi Jones

In her capacity as the leader of the nation's highest volume complaint handling service, the Telecommunications Industry Ombudsman (TIO) Judi Jones joined CAMLA for a webinar to discuss out of the courtroom dispute resolution and the future of the TIO in the ever changing regulatory landscape. Chaired by Joel Von Thien from Clayton Utz, the TIO outlined its remit (namely, to deal with individual and systemic complaints related to phone and internet, assist with Land Access objections, provide fair and independent dispute resolution services, and implement benchmarks set by the Government) as well as the dispute resolution process for members and complaints.

Ms Jones, who is stepping down from the role in 2022, indicated that the future looks positive for the TIO with new Terms of Reference being introduced next year, a transformation project on the cards and a potential role in regulating digital platforms complaints.

Some further interesting facts coming out of the seminar:

- The TIO also publishes data publicly which provides information and analysis to stakeholders and supports the evolution of the regulatory frameworks. Last financial year, the TIO was pleased to see a 6.1% decrease in the number of complaints – however it still fielded 119,000 complaints from individuals and small businesses. The main culprits

for complaints were poor customer service and billing issues. There was also a sharp increase in the number of complaints regarding lack of accessibility / the provider being uncontactable.

- The new Terms of Reference include the ability to 'join' members who aren't party to the complaint.
- The TIO is undertaking a transformation project "Echo" designed to simplify the way consumers and members engage with the TIO.

A resounding thank you to Clayton Utz for hosting the event and to the TIO for sharing these insights with CAMLA and its members.



# PAUL FLETCHER

## GOVERNING IN THE INTERNET AGE



## CAMLA WEBINAR

WEDNESDAY 10 NOV 6:00 PM

Join The Hon. Paul Fletcher MP, Minister for Communications, Cyber Safety & the Arts in conversation with Rebecca Lindhout, Special Counsel, McCullough Robertson to discuss the Minister's new book, *Governing in the Internet Age*.

Paul Fletcher has worked on internet policy issues for twenty-five years. In *Governing in the Internet Age*, he outlines the key challenges the internet has posed for governments as they seek to preserve their sovereignty, protect their citizens from harm, and regulate neutrally between traditional and online business models.

Register at [www.camla.org.au/seminars](http://www.camla.org.au/seminars)

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# Taylor Swift is 'Fearless': The Rights to an Artist's Music

**Ellen Anderson, Solicitor at Addisons, comments on the copyright dispute between Taylor Swift and the new owners of her original master recordings.**

In April 2021, singer-songwriter Taylor Swift released a re-recorded version of one of her first albums, 'Fearless', in an attempt to gain control of the intellectual property rights attached to the recording of the album (known as the 'master recording').

'Fearless' was originally released in 2008 when Swift was 18 years old, after signing a record deal with Big Machine Label Group (**Big Machine**) in 2006. Swift recorded six albums under her contract with Big Machine, which came to an end in 2018. Swift has never owned the rights to the master recordings of these albums.

It is common for artists (especially lesser-known artists, as Swift was at the time) to sign over the intellectual property rights to the master recordings of their music to a record label in exchange for the record label paying to have the music recorded, as well as distributing and promoting the music.

Under American copyright law, two types of copyright subsist in a song:

1. the substance of the song, including the music and lyrics; and
2. the recording of the song.<sup>1</sup>

Swift, being the singer-songwriter of her music, owns the rights to the substance of the songs on her albums while Big Machine owned the rights to the master recordings. Big Machine was acquired by Ithaca Holdings in 2019, which then reportedly sold the rights to Swift's master recordings to a private equity company, Shamrock Holdings, for around \$300 million.<sup>2</sup> Swift claims she was not aware that the rights to the master recordings had been sold.

As the owners of the master recordings, Shamrock Holdings can earn money

from the royalties and licensing fees for Swift's older music, and also have the power to decide where and how the music recordings are used, for example, in TV shows and movies, on streaming platforms or in advertisements.

However, there was a provision in Swift's contract with Big Machine which allowed her to re-record her music from November 2020. This meant Swift could release a re-recording of her first six albums (to which she owns the substantive rights) in an attempt to gain some control over the rights to the master recordings of those albums by creating new sources of copyright owned by her. This does not stop Shamrock Holdings from owning and benefiting from the rights to her original recordings.

In 2018, Swift signed a contract with Republic Records and Universal Music Group, which gave her ownership of the master recordings of any new music she recorded with them. At the end of 2020, Swift began re-recording 'Fearless' and in April 2021, 'Fearless (Taylor's Version)' was released.

## Australian context

In an Australian context, it is certainly possible for an artist to be in a similar position to Swift. Under Australian copyright law, there are multiple sources of copyright which subsist in a song including the composed musical work, the lyrics (considered to be a literary work)<sup>3</sup> and a separate copyright in the recording of the song (defined as a 'sound recording' in the *Copyright Act 1968* (Cth)).<sup>4</sup> Subject to contractual arrangements, this means that it is possible for a number of people to claim copyright ownership over different elements of a song.<sup>5</sup>

The 'maker' of the sound recording is the owner of the copyright to that recording<sup>6</sup> subject to rights of any performers in a recording of a live performance of the song. Where it is unclear who the 'maker' is, an important consideration is who made the arrangements for the recording to be made. For example, and again subject to any agreement, in the traditional case where a record label pays for the recording cost, it is likely to be the owner of the copyright for such a recording.<sup>7</sup>

However, with recent developments in technology, it is becoming increasingly common for artists to record their music themselves and release it online, without the need for a record label to record, promote and distribute the music. Companies known as 'digital aggregators' can also assist musicians in publishing their music onto streaming platforms while allowing them to remain independent and retain valuable control over the music.<sup>8</sup>

In Swift's case, whether releasing re-recorded music makes a substantive difference in taking back control of the intellectual property rights to the master recordings of her music is the subject of debate. It remains likely that at least some of the fans of the original recordings will not be aware of or listen to the new recordings, and that the owner of the rights to the original recordings will continue to be sought after to license the rights to third parties. Nevertheless, Swift's decision to re-record her music has certainly helped shine a light on how intellectual property rights to an artist's music may be controlled and distributed by third parties.

<sup>1</sup> Title 17 of the United States Code, Copyright Act of 1976, §102(a).

<sup>2</sup> ABC, 'Taylor Swift drops Love Story, first track from the re-recorded Fearless album', ABC (online, 12 February 2021) <<https://www.abc.net.au/news/2021-02-12/taylor-swift-prepares-to-unveil-re-recording-of-fearless-album/13148740>>.

<sup>3</sup> *Copyright Act 1968* (Cth), s 31(1).

<sup>4</sup> *Copyright Act 1968* (Cth), s 85.

<sup>5</sup> *Copyright Act 1968* (Cth), ss 35, 97.

<sup>6</sup> *Copyright Act 1968* (Cth), ss 22(3), 97.

<sup>7</sup> *Copyright Act 1968* (Cth), ss 22(3), 97(3).

<sup>8</sup> Cameron Wilson, 'Here's Why You Can't Listen To Some Of Your Favourite Songs On Music Streaming Services', ABC (online, 17 June 2020) <<https://www.abc.net.au/news/science/2020-06-17/song-unavailable-music-streaming/12355514>>.

# Interview: Dan Rosen

**Ashleigh Fehrenbach**, co-editor, interviews **Dan Rosen** to talk about his career, law and the music industry. Dan is the President of Warner Music Australasia. Prior to coming to that role, he has worn many seriously impressive hats: media tech lawyer, award winning musician, government advisor, Fulbright scholar, CEO of ARIA and PPCA. As a passionate advocate for the rights of artists and labels, Dan is on the board of Creative Partnerships Australia which is dedicated to fostering the country's creative culture and also works with the Creative Economy Taskforce to help the rebuild the music industry since the pandemic. It's impossible to think of someone better placed to share their insights on how the Australian music legal industry has changed and what the biggest challenge is for musicians today.



Obviously now, peering behind the Wizard of Oz curtain and seeing how the thing runs I know more, but from working on the industry side both at ARIA and at Warner, the pleasant surprise is that most of the industry is made of passionate music people. The vast majority of people are in the industry for the right reasons. They love music, want to support artists and help artists with their careers.

lot of M&A and IPOs for technology companies which was exciting. Through that, I met the Minister for Communications and IT at the time, Richard Alston, who asked me to come and be an advisor. I took a one-year leave of absence from Minters. I'm not sure whether I ever officially resigned...

It was when I was working for the Minister that I won Triple J's Unearthed. That was a funny period because Richard was the Minister in charge of the ABC, and I'd won an ABC radio contest. That was an interesting morning at the office.

After Canberra, I did a Masters of Law at NYU in New York then joined a Nasdaq listed tech company. I then started work with ARIA and now Warner, so my working life has been a combination of law, policy and technology combined with a passion for being an artist and playing music. All of those threads came together with ARIA and now even more so with Warner.

**FEHRENBACH:** Can you tell me more about your time as an advisor to the Minister of Communications and IT and one key skill you learnt during your time there?

**ROSEN:** It was an incredible role for a young person to be able to sit in the Minister's office and be a fly on the wall. There are so many big decisions that are being made. It was an incredible opportunity to be sitting there at the birth of the internet and broadband in Australia. It was a really interesting period where big media companies like Telstra were being privatised. I got to understand how the "machine" of government works.

**ASHLEIGH FEHRENBACH:** Hi Dan - on behalf of our readers, thank you so much for chatting to us for our special music edition of the Communications Law Bulletin. I'm delighted to be speaking with you.

**DAN ROSEN:** My pleasure.

**FEHRENBACH:** Before we come to your current role as President of Warner Music Australasia, I'd like to explore your music background. You were in a band called 'Second Dan' that won Triple J's Unearthed competition. Can you tell us a bit about your impressions of the music industry back then compared to now?

**ROSEN:** It's a good question. Back then, it was okay if you only knew the music industry from the point of view of an artist trying to "make it". You want people to be interested in your music, to get it on the radio. Each thing that you do is a little victory. I was such a fan of Triple J, so hearing your song on Triple J for the first time, getting to play in front of an audience who knew some of your music and few of the bigger festivals - it's just a childhood dream that kind of came true. I didn't think too much about the business side.

It's very different being on the other side but still great to be around music and be around passionate music people.

**FEHRENBACH:** It sounds like music was an early passion that you've successfully followed throughout your career?

**ROSEN:** There's a Steve Jobs commencement speech where he talks about "you can only connect the dots in reverse". I think that's kind of how I feel when I was working at MinterEllison or working for the government. Suit by day and changing in my car to play gigs at night. It all felt a bit random. Looking back now, it all makes sense. There's some method in the madness.

**FEHRENBACH:** You've touched on my next question already in mentioning ARIA and MinterEllison. Could we get a whistle-stop tour of where you had worked before Warner?

**ROSEN:** I studied law and commerce at Monash University and I joined MinterEllison as an articled clerk. It was the first tech boom in the late 90s, early 2000s so I was doing a



I think the biggest skill I learnt during that time was listening. Another great bit of advice that the Minister gave me was to remember that people are talking to you because of your role, not because of you and who you are, and not to lose perspective when you are in a position of influence or power.

**FEHRENBACH:** Coming back to Australia after your time in the States, what did you see as the biggest legal challenge out there for artists?

**ROSEN:** Piracy and copyright was, and still is, a massive challenge. The industry was being ravaged by piracy. When I first started at ARIA and would go back down to Canberra, I would tell anyone that would listen - you've got to hold the tech giants to account and they need to take responsibility for what's happening on their platforms. If we can't protect intellectual property online as the world moves online, then there's going to be no business. Music is first but we are just a canary in the coal mine. Next will be film and sport and government secrets.

It wasn't like I came up with that theory, but over time it proved to be true. We were gradually able to convince the various members of government, Attorney Generals, Ministers of Communications and Prime Ministers that they needed to protect copyright. We needed to make it easier for people to do the right thing by investing in new business models - but the government also needed to make it harder for people to do the wrong thing by cracking down on illegal sites and file sharing that were decimating the industry.

**FEHRENBACH:** It sounds like it was a case of the law not keeping up with the pace of technology?

**ROSEN:** Yes. That's why it's so important for the law to be principles based. If someone claims that you should protect your property offline, why should that be any different online? We would have arguments with policy makers who would say that intellectual property should be free, it should be given away. We would say, well, why should artists and creatives give their intellectual

property away for nothing just because it's an intangible asset rather than a tangible one? Would you tell a real estate person to give their property away for free?

It was a big learning curve but I'm happy to say that we have been able to come out the other side. I think everybody now recognises that the tech platforms do need to take responsibility for what happens online.

**FEHRENBACH:** During your time as CEO of ARIA and the PPCA what was the biggest change you saw in the music legal landscape?

**ROSEN:** Digital transformation! In the ten years I was there we went from an industry that was 85% physical - selling CDs - to 85% streaming. The way that people consumed music had completely transformed the industry.

**FEHRENBACH:** It was announced just over a year ago that you would be stepping into the role of President of Warner Music Australasia effective from February this year. With over half a year behind you now, can you share what a typical day looks like for you?

**ROSEN:** It is quite varied which is great. There's time spent on artist development whether it is trying to sign new artists, work with existing talents, or promoting new artists. I'm absolutely loving it, it's very exciting.

At ARIA I was able to get close to the industry, but in this job I'm able to be closer to the creative process and to the artists. It's a massive privilege.

**FEHRENBACH:** How has the pandemic shifted the focus of your role, and perhaps the type of work that you are doing?

**ROSEN:** It was definitely challenging. I was new to the role, so trying to build a new culture and team virtually was difficult. There was enormous mental strain on employees and our artists from the pandemic. Particularly for our artists because of not being able to perform, not being able to even get into studios with other people or write with other people. On top of that, there was huge financial hardship for artists.

It's been a really challenging period for the music industry, as well as the whole community. A lot of time is spent checking in on the wellbeing of your staff and your artists and giving them as much support as you possibly can. But hopefully gigs will start happening soon and we can get some joy back into our hearts.

**FEHRENBACH:** Couldn't agree more! I think it is fair to say that you have executed on the whole 'dream job' thing quite well - do you have one piece of advice that you would share with your younger self in the beginning stages of your career?

**ROSEN:** I've got to say I feel very, very privileged that I could continue to indulge my passions when I could have easily not. There are definitely challenging times when you're not sure if you're on the right path. I think the only advice is to do things that you are interested in. Try to hone your inner voice and instinct. The more you do that the easier it is, and each leap becomes a little bit easier. That, and have a few people around you whose advice you trust and who can help you if you get to a fork in the road.

**FEHRENBACH:** Lastly, what song would you like played whenever you enter a room?

**ROSEN:** 'It's a Long Way to the Top'.

**FEHRENBACH:** Dan, thanks so much for your time. We're very grateful for your insights.



**Ashleigh Fehrenbach**, Senior Associate at Reynolds Porter Chamberlain LLC and co-editor of the Communications Law Bulletin

# 2021 CAMLA Young Lawyers Injurious Falsehood 101 event

On Monday 9 August 2021, the CAMLA Young Lawyers Committee hosted another webinar in their 101 series – this time on the tort of injurious falsehood. The event was generously hosted by Level 22 Chambers.

We were lucky to have barristers **Sue Chrysanthou SC** (153 Phillip Barristers) and **David Sibtain** (Level 22 Chambers) as panellists. Sue and David were knowledgeable, engaging and highly entertaining, giving useful insight not only on the elements of the tort, but the practical issues that face practitioners on both the plaintiff and defendant sides. The event was expertly moderated by CAMLA Young Lawyers **Antonia Rosen** (Legal Counsel, News Corp) and **Nicholas Perkins** (Senior Associate, Ashurst).

Sue and David gave a concise overview of the law of injurious falsehood and the day-to-day issues facing practitioners in these claims. With both panellists regularly appearing in injurious falsehood and defamation claims it was great to hear about how these claims differ, and the issues concerning injunctive relief in both cases.

Some of the key topics discussed were:

- The elements of injurious falsehood.
- How to prove the elements of malice and actual damage.
- The difference between defamation and injurious falsehood.
- Obtaining injunctions in injurious falsehood matters.

- What plaintiffs and defendants should do to strengthen or defend a claim.
- The possible impacts of reforms to the Defamation Act on claims for injurious falsehood.

The Young Lawyers Committee is very grateful to Sue and David for generously giving their time and insights. We'd also like to thank Nicholas and Antonia for moderating the event, and **Claire Roberts** (Eleven Wentworth Chambers) and **Calli Tsipidis** (Legal Counsel, FOX SPORTS Australia – Foxtel Group) for their time helping to organise the webinar.

A recording of the Injurious Falsehood 101 event can be accessed by CAMLA members at the CAMLA website.



# Risks and Roblox: Music Publishers Settle Lawsuit in Relation to User Generated Content

**Anita Cade**, Partner, **Ted Talas**, Senior Associate, and **Helen Wei**, Law Graduate, comment on the use of music in digital user platforms, looking at cases such as Roblox, the challenges such platforms present for music rights holders, and possible solutions.

## Introduction

The gaming industry has thrived throughout the COVID-19 pandemic as people have turned to video games for entertainment and social connection when stuck inside during lockdowns.

A key beneficiary of this growth has been Roblox. For the benefit of readers over the age of 13, Roblox is an online platform that allows users to create video games and share and play them with other Roblox users online.

In this article, we take a look at recent copyright lawsuit against Roblox filed by the National Music Publishers' Association in the United States. This lawsuit, while ultimately settled, is a timely reminder both of the legal risks of user generated content but also the unique opportunities platforms that facilitate user generated content can create for rightsholders.

## Music on Roblox

As of September 2021, Roblox has over 48 million daily active users. A key part of Roblox's popularity stems from the fact it allows users to code their own, user-created games – called “universes” – and then share and play these games with other people online. When developing games in Roblox, users can upload their own images, videos, music and other creative assets to the platform to build into their games. Roblox users can also use Roblox to sell the games they create and stream gameplay to other users.

Music has also become a key ingredient to the success of Roblox. During the COVID-19 pandemic, Roblox began hosting unique immersive virtual concerts on its platform to drive user engagement (and in-game purchases) and enable artists to directly connect with music fans. In November 2020, Lil Nas X

performed a series of live concerts on Roblox that gathered over 33 million views to promote his song ‘HOLIDAY’. Earlier this year, Roblox hosted a virtual concert experience featuring the band Twenty One Pilots which allowed Roblox users to determine the band's setlist through voting and purchase limited edition merchandise for their in-game characters.

In addition to live concerts, a number of artists, such as Ava Max, have debuted new music at virtual listening parties on Roblox.

Furthermore, the Roblox game creation system includes functionality which allows users to, for a fee (paid in Robux), upload music to the platform. Once a song is uploaded to Roblox, it becomes an asset stored within Roblox's central content library and other users can choose to incorporate – or synchronise – into the games they develop. Users can also share and comment on music in the asset library and purchase in-game items, such as “Boomboxes” which enable users to listen to music while spending time on Roblox. Unsurprisingly given Roblox's user base, much of the music uploaded to Roblox is commercial music or, to use Roblox's language, “the hottest jams”.

Roblox largely pushes the responsibility for clearing this music onto its users, most of whom are children. When uploading assets (including music) to Roblox, the user is required to represent and warrant they are authorised to upload the content “without the obligation to pay royalties to any third party, including without limitation... a musical work copyright owner (e.g., a music publisher)”. Under the Roblox Terms of Use, users also agree to “respect the intellectual property rights of others”.

## The NMPA lawsuit

In June 2021, the National Music Publishers' Association (NMPA), filed a lawsuit on behalf of major music publishers in the United States claiming that Roblox had engaged in copyright infringement by reproducing and publicly performing musical works without a licence as part of providing the Roblox platform.<sup>1</sup> The infringement was said to arise from Roblox copying and performing unlicensed musical works uploaded to the platform by Roblox users. The NMPA also claimed that Roblox was secondarily liable for the infringing acts of Roblox users under US copyright law (similar to authorisation liability under the *Copyright Act 1968* (Cth)).

While the NMPA acknowledged the contractual arrangements between Roblox and users uploading content to the platform, it argued these contractual protections were a mirage in circumstances where the significant majority of Roblox users were children who, in reality, were unlikely to have obtained licences from the necessary rightsholders in respect of music uploaded to Roblox. The NMPA alleged Roblox turned a blind eye to this in order to profit from music on the platform.

Further, the NMPA also argued that Roblox was aware that users regularly uploaded unlicensed commercial music to the platform. Indeed, it encouraged this conduct. Under Roblox's content moderation policies, every file uploaded to the platform, including music, is carefully vetted by Roblox's content moderation team to ensure the material is safe and age-appropriate. Content moderation is a major selling point of Roblox. The NMPA

<sup>1</sup> ‘Complaint for direct copyright infringement, contributory infringement, and vicarious copyright infringement – Demand for jury trial’ (9 June 2021) <<https://storage.courtlistener.com/recap/gov.uscourts.cacd.822912/gov.uscourts.cacd.822912.1.0.pdf>>



also pointed out it was regularly common for Roblox to suspend users for breaches of its community guidelines. However, it very rarely suspended users on the basis of copyright infringement despite the wide availability of unlicensed music on the platform and some users uploading hundreds of songs to the asset library.

In the complaint filed with the United States District Court for the Central District Court of California, NMPA puts its case in the following terms:

*Roblox purports to create a "safe" online environment for its users, consisting mostly of children under the age of 13. In truth, Roblox actively preys on its impressionable user base and their desire for popular music, teaching children that pirating music is perfectly acceptable.*

The NMPA sought a range of relief from the Court include declaratory relief, injunctions and damages in the sum of at least USD\$200 million.

### The settlement

On 27 September 2021, Roblox announced it and the NMPA had agreed a settlement the NMPA's copyright infringement lawsuit.<sup>2</sup>

While the full details of the settlement are not public, Roblox announced that, as part of the settlement, it would create an industry-wide licensing mechanism which publishers can use to license content to Roblox, together with scope for individual publishers to negotiate licensing deals with Roblox. Following the settlement, a Roblox representative said the company was "committed to partnering with the music industry, as a whole, to create an exciting new social era of the music business which engages fans and artists in an unprecedented way in the metaverse".

The Roblox settlement closely follows the NMPA settling a copyright infringement lawsuit against the streaming platform Twitch. That lawsuit related to the unlicensed streaming of music by Twitch streamers, again highlighting the risks of user generated content. Similar to

the Roblox settlement, in settling the Twitch lawsuit, Twitch and the NMPA agreed to a new licensing partnership to create new opportunities for music publishers on the platform.<sup>3</sup>

The NMPA lawsuits against Roblox and Twitch are a good reminder of the legal risks that can arise from enabling user generated content without appropriate controls or licences. However, the settlement of these lawsuits also underscores that music publishers appreciate that platforms like Roblox and Twitch create new opportunities to exploit rights in musical works and connect with certain key demographics. Even if these platforms may have a history of facilitating copyright infringement, it is clear that publishers see them as indispensable partners in the digital future.

<sup>2</sup> Roblox, 'NMPA and Roblox Strike Industry-wide Agreement' (27 September 2021) <<https://corp.roblox.com/2021/09/nmpa-roblox-strike-industry-wide-agreement/>>

<sup>3</sup> NMPA, 'NMPA and Twitch announce agreement' (21 September 2021) <<https://www.nmpa.org/nmpa-and-twitch-announce-agreement/>>

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# TuneIn Tuned Out by Court of Appeal

By **David Cran** (Partner), **Alessandro Cerri** (Senior Associate) and **Ashleigh Fehrenbach** (Senior Associate) - RPC

Whilst the internet provides the music industry with a new system for delivering the latest and greatest material to eager listeners, in doing so it creates significant new challenges in the world of copyright protected works.

Earlier this year in the UK, the Court of Appeal refused TuneIn Inc's appeal of a 2019 judgment finding that it had infringed the copyright of Warner and Sony by linking to online radio stations.<sup>1</sup> This case attracted a lot of media attention in 2019, particularly in the music industry, when TuneIn, a US-based digital radio aggregator, was found by the UK High Court to have infringed the copyright of Warner Music and Sony Music Entertainment (which, between them, account for about 43% of the global market for digital sales of recorded music).

TuneIn had argued that TuneIn Radio was nothing more than a directory or search engine, which indexed and aggregated links to digital radio stations which were already freely available online, and that a finding against it would "break the internet".

However, the Court considered that TuneIn was different from a conventional search engine as (amongst other things) users could stream music from the various radio stations directly on TuneIn's website (as a 'one-stop shop', rather than being forwarded on) and TuneIn played its own advertisements.

The High Court therefore found that TuneIn's links, which it had repackaged and commercialised, amounted to a "communication to the public" for the purposes of copyright infringement, and - where

the relevant radio station was not licensed in the UK - this was a communication to a "new public" which was not authorised by the copyright owner.

Only the links to radio stations which were licensed in the UK by Phonographic Performance Limited, which is the UK's music licensing company for over 120,000 performers and recording rightsholders (e.g. BBC Radio 2 and Classic FM) were found not to be infringing, as TuneIn was simply connecting UK users to licensed UK radio stations.

TuneIn appealed to the UK Court of Appeal, which handed down its judgment in March earlier this year essentially upholding the High Court's judgment, to the record labels' great relief.

This decision, although unsurprising, highlights to a certain extent the tension between music licensing, which is still carried out to a large extent on a territory-by-territory basis by local collecting societies, and the increasingly globalised music streaming landscape.

## Impact for Australia

In the past, Australian courts' consideration of online copyright infringement focussed on third party services linking to content available online in circumstances where those third party services have not obtained the rights holders' consent. We saw this play out in *Universal Music Australia Pty Ltd v. Sharman License Holdings Ltd* [2005] FCA 1242 (**Kazaa**) and *Universal Music Australia Pty Ltd v Cooper* (2005) FCR 1 (**Cooper**).

In Kazaa, over 30 copyright owners sued the companies and individuals involved in providing

Kazaa software. The applicants alleged that by providing P2P file-sharing software (and through all their other activities), the respondents authorised the copyright infringement by the users of the software. The Federal Court found that a number of the respondents did authorise infringement. However, they did not engage in other forms of infringement or illegality alleged by the applicants, for example, including direct infringement, conspiracy, misleading conduct under the *Trade Practices Act 1974* (now *Competition and Consumer Act 2010*) or unconscionable conduct.

In Cooper, the Full Federal Court upheld a ruling that the operator of a website that contained hyperlinks to unauthorised MP3 music files on third party websites had authorised the infringement of the copyright in those sound recordings. The company's internet service provider and one of its company directors were also found liable.

The challenge of the internet being used to facilitate mass copyright infringement is a global one. The two cases above demonstrate that Australian courts are most likely to approach liability by analysing whether or not the third-party service authorised the infringement, as opposed to whether or not it amounts to a secondary communication to the public of publicly available licensed material. Given that Justice Birss' reasoning focussed on decisions of the Court of Justice of the European Union, only time will tell whether the *TuneIn* decision will be considered and adopted here.

<sup>1</sup> *TuneIn Inc v (1) Warner Music UK Limited; (2) Sony Music Entertainment UK Limited* [2021] EWCA Civ 441

# Copyright Owners “Don’t Have to Take it”: Federal Court of Australia Awards Substantial Remedy for Copyright Infringement, Plus Double Damages for Flagrancy

**Sue Gilchrist**, Partner and Head of Intellectual Property in Australia, **Aaron Hayward**, Senior Associate, and **Sophie Yates**, Solicitor, Herbert Smith Freehills, comment on the Federal Court’s recent *Universal Music v Palmer* decision.

The Federal Court’s recent decision in *Universal Music v Palmer*, in which Mr Palmer was ordered to pay AU\$1.5 million for his unauthorised use of the song *We’re Not Gonna Take It*, reaffirms that the Court is prepared to award significant financial remedies to intellectual property owners whose rights are infringed.

## Key Takeaways

- The \$500,000 in compensatory damages and \$1 million in additional damages awarded against Mr Palmer reaffirms that the Court will award additional damages in an amount appropriate to punish and deter serious infringements of intellectual property, even where that award dwarfs the actual loss suffered by the rights owner and the amount of compensatory damages awarded.
- A party’s response to allegations of copyright infringement and their conduct after the original infringement, including the manner in which they conduct their defence to the proceedings, have critical implications for the assessment of additional damages.
- Damages on the basis of the “user principle”, or hypothetical licence fee, are available for copyright infringement in Australia, even when the parties would not have agreed on an actual licence. This appears to resolve any lingering uncertainty on this issue following the 2007 Full Court decision in *Aristocrat*.

## Background

In the run up to the 2019 Federal election, aspiring Australian politician Clive Palmer instructed his team to record and make use of the jingle *Aussies Not Gonna Cop It (ANGCI)* across twelve television advertisements for his United Australia Party (UAP). The music and lyrics were lifted from the chorus of the 80’s hit by glam metal band Twisted Sister, *We’re Not Gonna Take It (WNGTI)*.

The launch of UAP’s campaign sparked impassioned reactions from Twisted Sister fans. Publicly, the band members made it clear on Twitter that they had not endorsed the use of the song; privately, they raised concerns with Universal Music, which held the copyright subsisting in the music and lyrics and which confirmed the works had not been licensed to the UAP.

Universal sent a cease and desist letter to Mr Palmer, in response to which Mr Palmer denied any unauthorised use. Instead, he mounted an energetic counterattack on radio and social media, alleging the Twisted Sister song had “stolen” from the 18th century carol *O Come All Ye Faithful*. Mr Palmer’s team also threatened to sue Universal for \$10 million. Universal commenced proceedings soon after.

## The Proceedings: Infringement

In Court, Mr Palmer advanced various arguments that were ultimately held to lack merit, including that:

- no copyright subsisted in the musical or literary works (lyrics) of WNGTI, or alternatively did not protect what was copied, because WNGTI was itself copied from *O Come All Ye Faithful*. Mr Palmer advanced this position, including by relying on expert evidence, notwithstanding that he had earlier instructed his team to negotiate a licensing arrangement for use of the original works (only to baulk at the price and conditions that Universal required);
- the lyrics of ANGCI were an original poetic work of his, the words having come to him in a moment of “deep contemplation”, inspired by his watching of the film *Network* and shaped by his keen interest in poetry. These arguments were rejected as, variously, “fanciful”, “smack[ing] of recent invention”, “disingenuous” and “preposterous”. Mr Palmer’s oral evidence on this topic was inconsistent with contemporaneous documents, such as emails between Mr Palmer and his team which referred to the UAP videos by reference to WNGTI, as well as his own affidavit evidence; and
- even if the UAP advertisements reproduced a substantial part of the copyrighted works, Mr Palmer’s use was permissible as a satirical fair dealing under section 41A of the Act.

Unsurprisingly, Katzmann J found that ANGCI infringed the copyright in both the music and lyrics of WNGTI.<sup>1</sup>



Mr Palmer was ordered to pay compensatory damages in the amount of \$500,000, assessed on the basis of the “user principle”, or a notional licence fee for use of the works, and additional damages in the amount of \$1,000,000.

### The Notional Licence Fee: Assessment of Compensatory Damages

The applicability of the user principle in Australia in recent years has been controversial, in light of the 2007 Full Court decision in *Aristocrat*,<sup>2</sup> in which the Court was not satisfied that the parties would have in fact offered or taken a licence, and held that the user principle was unavailable as a consequence. More recently, Yates J in *Winnebago*<sup>3</sup> found that *Aristocrat* was not binding authority, at least in relation to areas other than copyright infringement, and held that the user principle was available in an action for passing off.

Katzmann J’s decision in *Universal* has dispelled any remaining uncertainty as to the application of the principle, holding that the Full Court’s remarks in *Aristocrat* are not binding. Her Honour undertook a thorough review of the authorities, including the position in the UK<sup>4</sup> and New Zealand,<sup>5</sup> and noted (as did Yates J in *Winnebago*) that a contrary view would involve a “significant divergence from longstanding English authority”. As a result, although the parties agreed that they would not have been able to reach agreement on an actual licence, Katzmann J rejected Mr Palmer’s argument that Universal was entitled only to nominal damages.

Interestingly, although Mr Palmer had obtained a quote for the licence of the copyright works to the tune of \$150,000 plus GST, Katzmann J assessed the notional licence fee in

the order of \$500,000. That figure was reached on the basis of evidence from industry witnesses as to what they expected Universal would have required, taking into account that:

- WNGTI was a popular and valuable commodity for Universal;
- Mr Palmer derived considerable value from his use of WNGTI;
- WNGTI had not been used in Australian advertising previously, though it had been used overseas;
- the licence was for a controversial political figure;
- the works were deployed prominently in multiple advertisements, available on a wide variety of platforms, for six months;
- although the hypothetical licence extended only to the chorus of WNGTI (since that was what had been copied), that was the song’s most memorable feature; and
- there was a risk people would associate WNGTI with UAP and Mr Palmer.

Katzmann J accepted, however, in line with the New Zealand Court of Appeal in *Eight Mile Style*, that certain factors were not relevant to this assessment, namely:

- the fact that the online advertisements (eg YouTube) were not geoblocked, given the limited interest of the advertisements to audiences outside Australia;
- the lack of any ability for Universal to exercise quality control; and
- the fact that the song was used by Mr Palmer in particular, for a cause that Universal would never have endorsed. This stood

in contrast to the fact that the type of use more generally (ie for political purposes) had an “inherent divisive quality”, which was relevant to the assessment.

As a result, the amount awarded was lower than the estimates offered by Universal’s employees of \$750,000 to \$1 million, each of which considered one or more of these extraneous factors.

### Flagrancy and Deterrence: The Award of Additional Damages

Additional damages are assessed in light of the flagrancy of the infringement, the conduct of the infringing party, the need to deter similar infringements, and having regard to the benefit derived by reason of the infringement.

Mr Palmer’s conduct both before and after the infringements had critical implications for the quantum of additional damages. Katzmann J rejected Mr Palmer’s arguments that he honestly believed that his use of the works was lawful, and that he had not derived any benefit from his use of the works on account of UAP not winning any seats in the 2019 election. Instead, her Honour held that “a substantial award of additional damages” was called for, in light of that facts that:

Mr Palmer flagrantly disregarded Universal’s copyright, in particular in that he used the works despite having failed to obtain a licence on his terms;

- Mr Palmer engaged in a high-handed and baseless counterattack against Mr Snider upon receiving the cease and desist letter, which included an empty threat to sue Mr Snider in defamation. This behaviour continued even during the trial when Mr Palmer falsely tweeted that Mr Snider admitted he did not write WNGTI;

1 *Universal Music Publishing Pty Ltd v Palmer (No 2)* [2021] FCA 434

2 *Aristocrat Technologies Australia Pty Ltd v DAP Services (Kempsey) Pty Ltd* [2007] FCAFC 40.

3 *Winnebago Industries Inc v Knott Investments Pty Ltd (No 4)* [2015] FCA 1327.

4 *Force India Formula One Team Ltd v 1 Malaysia Racing Team Sdn Bhd* [2012] EWHC 616.

5 *Eight Mile Style, LLC v New Zealand National Party* [2017] NZHC 2603; *The New Zealand National Party v Eight Mile Style, LLC* [2018] NZCA 596.

- the unauthorised use was upsetting to Mr Snider and, notwithstanding the publicity of the case, it was possible there were some fans for which he could not “set the record straight”;
- Mr Palmer was not remorseful;
- Mr Palmer gave false evidence;
- Mr Palmer deliberately frustrated the discovery of documents sought by Universal and resisted, without explanation, the production of a large tranche of relevant documents that were eventually produced; and
- Mr Palmer’s net worth, of over \$1 billion, and his claim in cross-examination that he did not care about having to pay \$180,000 to Universal, provided an important yardstick in determining the amount of the damages that would furnish an appropriate level of punishment and deterrence.

### Additional Damages a Real Prospect in Australian IP Cases

This is not the first copyright infringement case in which additional damages have been awarded in an amount significantly higher than the compensatory damages. For example:

- In *Microsoft v CPL* (2018)<sup>6</sup> the Court required the Respondents collectively to pay \$2,000,000 additional damages, over and above the \$256,658 compensatory damages, in light of the respondents’ flagrant conduct and deliberate destruction of records in an attempt to conceal the extent of the infringement.
- While significantly smaller in absolute terms, the award of \$50,000 in additional damages in *PKT v Peter Vogel Instruments* (2019)<sup>7</sup> was nearly 17 times greater than the \$3,000 in compensatory damages that had been awarded in relation to the two unauthorised sales the applicant’s software, which was held to be justified because of

the “quite flagrant infringement” those sales involved.

- In relation to songs in particular, the Court has previously awarded \$150,000 in additional damages, four times the \$35,000 in compensatory damages awarded, for the unauthorised use by a bar of sound recordings publicly performed at the venue.<sup>8</sup> The Court was satisfied of the Director’s contumelious disregard for the applicant’s copyrights, her failure to engage 20 letters and 18 emails sent by the applicant in connection with their asserted rights, and the significant period of 6 years of unauthorised use.

These authorities demonstrate the Court’s willingness to award additional damages, even in amounts that greatly exceed the notional value of the dispute, where it considers it to be appropriate to punish the infringer’s conduct or deter similar infringements from occurring in the future.

The focus in *Universal* on Mr Palmer’s conduct after receiving Universal’s letter of demand, which has also been present in other decisions, including each of those referred to above, also emphasises the importance of responding appropriately to copyright infringement allegations. As *Universal* shows, in appropriate cases even matters that might be regarded as “procedural” (and therefore be more relevant to costs), such as broad pleadings, false or misleading evidence, or unsatisfactory provision of discovery, may also be relevant to the question of additional damages. While Mr Palmer’s conduct in this regard was extreme, for any party, continuing to engage in the conduct complained of, ignoring demands from rights owners, or raising spurious defences may result in a much higher monetary award.

<sup>6</sup> *Microsoft Corporation & Ors v CPL Notting Hill Pty Ltd & Ors* (No.4) [2018] FCCA 2465.

<sup>7</sup> *PKT Technologies Pty Ltd v Peter Vogel Instruments Pty Ltd* [2018] FCAFC 1587.

<sup>8</sup> *Phonographic Performance Company of Australia Pty Ltd & Ors v Hairy Little Sista Pty Ltd & Anor* [2018] FCCA 279.

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# Not In Sync: Music Licensing in the Age of Influencer Advertising

## Labels and Publishers Zero in on Copyright Infringement in Social Media Advertising

**Sheenal Singh**, Senior Associate at MinterEllison and **John Fairbairn**, Partner at MinterEllison, comment on the unauthorised use of sound recordings on platforms.

Sony Music Entertainment (**Sony**) made headlines recently by filing back-to-back copyright infringement lawsuits in the US against the fitness apparel and social media marketing marvel, Gymshark, and the energy drinks brand, Bang Energy, for allegedly using sound recordings without a licence in a range of ads posted on platforms such as TikTok and Instagram.

These proceedings follow on from a similar lawsuit filed by Universal Music Group (**UMG**) against Bang Energy, alleging that it had infringed copyright in UMG-controlled sound recordings and musical works in a number of TikTok posts.

None of these lawsuits joined the social media or user-generated content (**UGC**) platforms (together, **Platforms**) on which the impugned content was posted, or individual users.

In this article, we take a brief look at those lawsuits, which indicate the boundaries of the arrangements between rightsholders and the Platforms, or at least what rightsholders are not prepared to tolerate, with respect to music use. In particular, while personal or non-commercial use of music on a number of major Platforms has become less controversial, the commercial exploitation of music in the age of influencer advertising has arisen as the latest area of conflict.

### The Age of Influencer Advertising

As the popularity of UGC and social media platforms continue to rise, they have become increasingly attractive to advertisers.

In addition to traditional advertising, these Platforms include an increasingly sophisticated do-it-yourself approach to content creation by a particular type of user, namely, the 'influencer'. Influencers are private individuals (and sometimes, organisations) who have cultivated a significant and active audience online, who are recruited to collaborate with brands to promote and endorse products and services in a range of ways. These include sponsored posts, stories and reels heavy with dancing and lip-syncing. They need not be famous, but they must have a following.

As a form of advertising, 'influencer' advertising largely relies on the currency of influence, the power of affect, relatability and shareability for maximum impact. The power of this form of advertising is that it is not as overt as traditional advertising, and it will often seek to appear as more organic - as if it was not in fact promotional in nature. Influencers have become prominent on a number of well-known Platforms, but most notably Instagram and TikTok.

Influencers' blurring of the lines between what is personal and what is promotional became a topic of

interest in Australia this year for other reasons. In particular, the Australian Association of National Advertisers introduced a stricter code of ethics to govern social media advertising.<sup>1</sup> Among other things, where influencers accept money or free products or services in exchange for promoting a brand, the code requires the influencer to make that clear and obvious to the audience (for example, by including '#ad' on a post).

Influencer content has not only broken away from traditional approaches to advertising and endorsements, but also traditional music licensing practices in advertising. There are well established practices for the licensing of the use of music in traditional audio visual advertising, which can be a lucrative source of licensing revenue for rightsholders, and ensures they can control the goods and services with which (sometimes even the persons with whom) their music is associated. However, the process is less established for influencer advertising. Typically, if music is to be included in an audio-visual ad, the relevant rights have to be licensed, including the right to synchronise (or 'sync') a sound recording and the underlying musical work, into a piece of advertising for the intended use. From an Australian perspective, at least with traditional media formats like television, it typically falls on the producers of the content to clear the sync right for the music embedded in the advertisement, whereas the broadcaster, at least with respect

<sup>1</sup> Sophie Aubrey, "'So many are unethical': Influencers forced to face up to the rules of advertising" *Sydney Morning Herald* (1 May 2021) <<https://www.smh.com.au/lifestyle/life-and-relationships/so-many-are-unethical-influencers-forced-to-face-up-to-the-rules-of-advertising-20210428-p57n6d.html>>.



to the underlying works, typically obtains the necessary licence to exercise the right to communicate that music to the public.

Various Platforms and influencers seem to be challenging that paradigm. First, the creators of the content are decentralised, and the distinction between a content creator and a consumer is blurred. Second, while the Platform provides tools to allow non-professional users to create and upload content (including in some cases, providing tools to include music), those tools are also available to advertisers and influencers alike – at one level, many Platforms do not distinguish between these types of users.

There has long been a debate about the extent to which the owners of the Platforms can or should be responsible for copyright compliance with respect to what users share and post. From the rightsholders' perspective, they cannot feasibly license users on an individual basis, and so the owners of the Platforms are the logical licensee if they want their users to be free to share whatever content they like. However, Platforms have traditionally asserted that they do not control what their users share and so cannot be responsible if users use copyright material without a licence. Putting this debate to one side, it is clear that

adapting the traditional approach to music licensing in this environment has not been straightforward, and it becomes more difficult to allocate and police responsibility for clearing music rights with respect to UGC, particularly given that the way these Platforms are used by businesses and consumers continually evolves.

### Rightsholders and Platforms

While there were tensions initially, the relationship between music rightsholders and at least some Platforms has become more co-operative. By way of example, the likes of Facebook, YouTube and TikTok have taken up licences with a number of publishers, labels and collecting societies overtime following a number of compliance initiatives in different jurisdictions. Facebook (which owns Instagram) struck a series of licensing deals in 2017 and 2018 with UMG,<sup>2</sup> Sony/ATV Music Publishing,<sup>3</sup> the Warner Music Group (WMG)<sup>4</sup> and APRA AMCOS in Australia.<sup>5</sup> In the last year or so, TikTok also finalised licensing agreements (some reportedly being short-term in nature) with a number of rightsholders including the US National Music Publishers' Association,<sup>6</sup> Sony<sup>7</sup> and ICE<sup>8</sup> in Europe.

Relevant to the issues considered here, in mid-2020, TikTok restricted business accounts on its platform (i.e., accounts used for marketing,

advertising, sponsorships or publicity), so that they could only use a limited library of tracks already cleared for commercial use.<sup>9</sup> A larger suite of commercial tracks remained available to ordinary, 'personal' accounts.

Although the precise terms of these licences are not public (particularly the extent of sync components, if any) they may draw a distinction between commercial and non-commercial uses of the music licensed by several rightsholders to platforms like TikTok and Facebook/Instagram. Whatever non-commercial uses are licensed, or at least tolerated, the lawsuits indicate that rightsholders take a view that commercial uses are not covered, which is what the Sony and UMG lawsuits target. Further, these lawsuits indicate that rightsholders appear to be looking to the businesses behind the commercial uses in terms of enforcement, rather than the Platforms, at least in the first instance.

### The Lawsuits

Filed in April, July and August 2021 respectively, the UMG<sup>10</sup> and Sony lawsuits<sup>11</sup> follow the increased activity of the Recording Industry Association of America in policing copyright infringement on social media sites<sup>12</sup> and they broadly raise the same issues.

- 2 "Facebook and Universal Music Group strike unprecedented global agreement" *Universal Music* (21 December 2017) <<https://www.universalmusic.com/facebook-universal-music-group-strike-unprecedented-global-agreement/>>.
- 3 "Facebook and Sony/ATV Music Publishing Announce Licensing Agreement" *Variety* (8 January 2018) <<https://variety.com/2018/biz/news/facebook-and-sony-atv-music-publishing-announce-licensing-agreement-1202656832/>>.
- 4 "Facebook signs 'holistic' licensing deal with Warner Music Group" *Music Business Worldwide* (9 March 2018) <<https://www.musicbusinessworldwide.com/facebook-signs-global-licensing-deal-with-warner-music-group/>>.
- 5 Brynn Davies, "APRA AMCOS strikes landmark licensing deal with Facebook, songwriters to be remunerated for music usage" *The Music Network* (15 August 2018) <<https://themusicnetwork.com/apra-amcos-strikes-landmark-licensing-deal-with-facebook-songwriters-to-be-remunerated-for-music-usage/>> and "APRA AMCOS strikes a deal with Facebook for licensed music use on platform" *Media Week* (16 August 2018) <<https://www.mediaweek.com.au/apra-amcos-deal-facebook-licensed-music-on-platform/>>.
- 6 Murray Stassen, "TikTok inks global deal with music publishers (who previously threatened to sue it)" *Music Business Worldwide* (23 July 2020) <<https://www.musicbusinessworldwide.com/tiktok-inks-global-multi-year-deal-with-music-publishers/>> and "NMPA and TikTok announce global multi-year partnership agreement" *NMPA* (23 July 2020) <<https://www.nmpa.org/nmpa-and-tiktok-announce-global-multi-year-partnership-agreement/>>.
- 7 Andrew Hutchinson, "TikTok Announces New Agreement with Sony Music, Solidifying Music Industry Connection", *Social Media Today* (2 November 2020) <<https://www.socialmediatoday.com/news/tiktok-announces-new-agreement-with-sony-music-solidifying-music-industry/588232/>>.
- 8 Chris Cooke, "TikTok ends its beef with ICE, agrees licensing deal" *CMU* (27 November 2020) <<https://completemusicupdate.com/article/tiktok-ends-its-beef-with-ice-agrees-licensing-deal/>>.
- 9 Andrew Hutchinson, "TikTok Changes Rules on Music Usage by Businesses" *Social Media Today* (11 March 2020) <<https://www.socialmediatoday.com/news/tiktok-changes-rules-on-music-usage-by-businesses/577734/>> and TikTok, "How to elevate your videos with TikTok's Commercial Music Library" <<https://www.tiktokforbusiness europe.com/resources/how-to-elevate-your-videos-with-tiktoks-commercial-music-library>> (accessed 21 September 2021).
- 10 *UMG Recordings, Inc. et al v. Vital Pharmaceuticals, Inc. et al* Case #0:21-cv-60914 (United States District Court, Southern District of Florida, filed 28 April 2021).
- 11 *Sony Music Entertainment et al v. Vital Pharmaceuticals, Inc et al* Case #1:21-cv-22825 (United States District Court, Southern District of Florida, filed 3 August 2021); *Sony Music Entertainment et al v. Gymshark Limited et al* Case #2:21-cv-05731 (United States District Court, Central District of California, filed 15 July 2021).
- 12 Peter Suci, "Social Media's Latest Copyright Crackdown" *Forbes* (14 July 2020) <<https://www.forbes.com/sites/petersuci/2020/07/14/social-medias-latest-copyright-crackdown/?sh=7ef3fc281da9>>.

Importantly, the nature of influencer advertising, which is clearly commercial in nature, is a critical part of the complaints. Those complaints also turn on an argument that the platforms in question are not licensed, and do not license their users, with respect to the sync, reproduction and or distribution of that music for “commercial” or “non-personal” purposes. The two Sony proceedings only relate to alleged infringement of a number of popular commercial sound recordings, while the UMG proceeding concerns infringement of copyright in both the sound recording and underlying musical works.

In summary, based on publicly available information, at this stage the complaints:

1. Largely focus on commercial sound recordings allegedly used without a licence in hundreds of promotional posts featured on TikTok and or Instagram. The posts broadly fall into two categories: those created and posted by the defendants, and those created and posted by the influencers at the defendants’ request (which are then sometimes also reposted by the defendants on their own accounts);
2. Allege both direct and contributory or vicarious infringement of copyright by the defendants. On the latter, the rightsholders’ argument hones in on the extent to which the defendants assist with, cause and or have the ability and authority to control the promotional content created by the influencers (as well as benefit from them financially);
3. Assert the importance of influencer advertising to each of Gymshark and Bang Energy’s brand identity and success;
4. Rely on how influencer advertising works in conjunction with the particular functionalities of the platforms: it promotes a

cycle of sharing and at least in the case of TikTok, Sony argues that users are able to search for videos based on the songs contained in them (therefore, the brand can get the attention of users who would not otherwise be aware of those products); and

5. Importantly, rebut the argument that the platforms provide the use of those songs with a licence. In doing so, the rightsholders draw attention to:

(a) TikTok’s Terms of Service<sup>13</sup> which provides that: “NO RIGHTS ARE LICENSED WITH RESPECT TO SOUND RECORDINGS AND THE MUSICAL WORKS EMBODIED THEREIN THAT ARE MADE AVAILABLE FROM OR THROUGH THE SERVICE” (whatever the extent or application of TikTok’s reported music licensing deals, the starting point is that it appears to place the responsibility for music clearances on the user); and

(b) Instagram/Facebook’s Music Guidelines which state: “Use of music for commercial or non-personal purposes in particular is prohibited unless you have obtained appropriate licenses.”<sup>14</sup>

Amongst other things, UMG and Sony are seeking injunctive relief, as well as \$150,000 in statutory damages (or such other proper amount) per copyright work infringed.

### What Next?

At the time of writing this article, the defendants in the Sony lawsuits do not appear to have filed an answer to the complaints, while UMG and Bang Energy look to be heading towards a mediation (Bang Energy’s answer filed in that proceeding is not publicly available). If the lawsuits proceed to judgment, the US district courts will potentially have an opportunity

to consider, amongst other things, the underlying arrangements with respect to influencer advertising, the functionalities and terms of use of the platforms (particularly as they relate to secondary liability for copyright infringement), and, potentially, the terms of the platforms’ music licensing deals.

From an industry perspective, these proceedings reflect a desire by music rightsholders to prevent the unauthorised commercial exploitation, as opposed to personal uses, of their copyright, and to some extent, protect their ability to control how their music is used in a commercial context and the sync licensing revenue that they have historically received for the use of music in advertising.

With the interests of rightsholders, several online Platforms, brands and influencers potentially in conflict, it will be interesting to see where the boundaries between commercial and non-commercial use will be drawn, and the extent to which rightsholders can control the commercial use of their music on these platforms.

## Contributions & Comments

Contributions and Comments are sought from the members and non-members of CAMLA, including features, articles, and case notes. Suggestions and comments on the content and format of the Communications Law Bulletin are also welcomed.

Contributions in electronic format and comments should be forwarded to the editors of the Communications Law Bulletin at: [clbeditors@gmail.com](mailto:clbeditors@gmail.com)

<sup>13</sup> TikTok, “Terms of Service” <<https://www.tiktok.com/legal/terms-of-service?lang=en>> (accessed 15 September 2021).

<sup>14</sup> Facebook, “Music Guidelines” <[https://www.facebook.com/legal/music\\_guidelines](https://www.facebook.com/legal/music_guidelines)> (accessed 15 September 2021).

# Interview: Damian Rinaldi

**Sasha Ognjanova**, Graduate Lawyer, Legal and Business Affairs at Sony Music Entertainment Australia, sits down with **Damian Rinaldi**, Founder and Principal, Sonic Lawyers & Sonic Rights Management, to talk about his career at the forefront of music law. Damian is an internationally experienced executive, legal and business adviser and IP rights manager, predominantly in the music industry and, among other things, manages the estate of the late AC/DC frontman Bon Scott. Prior to his current role, Damian was the Head of Legal & Business Affairs at Alberts, and VP, Legal & Business Affairs at Sony Music Entertainment Australia. Damian is also a past President of the Copyright Society of Australia.



For many years after that, though, the dream of being a music lawyer felt unattainable. I was in a large firm in Perth, and didn't know anyone who genuinely did copyright work, let alone music business work – because in those days, virtually nobody in Perth did. My first recording agreement was for a band with whom my own band played often – they had been told by the record company to get independent legal advice and I was the only lawyer they knew. They were an incredible band, but also a bunch of stoners, and the wry

juxtaposition of the ivory tower law firm and the Perth alternative music scene led to many funny moments.

Knowing that I was never going to make it as a music lawyer staying at the firm, I tried to cobble together any relevant experience and take steps all designed to edge me closer to my goal. I offered to do the legal work for our band, and through that, the label to which we signed. I joined the board of the local music industry association. Through friends and colleagues, I started building the beginnings of a network of people who were already doing my dream job (working in a record company). Most importantly, I relocated from Perth to Sydney – my network was saying to me “if you're really serious, you'll need to move to Sydney, because that's where the music business is based”. That was in 1996!

Having moved to Sydney, I became the very first hire of Banki Haddock Fiora, who did APRA's legal work. However, my first assignment was to be seconded out to Telstra Multimedia, the incubator part of Telstra based in North Sydney. That in turn led to being poached by the US software company Oracle (yes, of Oracle v Google fame!). I spent 3 years in pure tech and loved it, so much so that I had pretty much abandoned the music law aspiration.....until I saw an ad in the paper for a business affairs role at Sony Music. To be frank, I had put the ad in the in-tray and left it there for about 2 weeks, but eventually applied and got the job. It turned out that Sony needed a reasonably experienced lawyer with a demonstrated interest in music, and my tech background would be a bonus given music companies were just starting to think digital. Lucky for me!

**OGNJanova:** What is a 'day in the life' of a music lawyer at Sonic Lawyers?

**RINALDI:** Models, jacuzzis, midnight-to-dawn parties....honestly, if I see one more velvet rope, I reckon I'm gonna puke! But there's also a glamorous side...

[Back in the real world] Because our firm's background is largely in-house, and because of our extensive industry experience, we tend to interact with our clients more as part of their virtual in-house team - part of their “brains trust”. Breaking it all down, a day in the life is about tapping into that deep experience and deep relationships across the music industry to leave clients and their business partners better off.

The other “day in the life” aspect not to forget is that we also have a rights management business separate to the

**SASHA OGNJANOVA:** How did you get into music law; which came first the music or the law?

**DAMIAN RINALDI:** Tough question to kick off! Which came first, the chicken or the egg?! Probably the law, but as always, it's a bit more complicated than that.

I'd been dabbling in both music and law at UWA, playing in bands and chipping away at the law degree. My lightbulb moment came when I was reading the liner notes of a CD I'd just bought which had “Legal” buried in the credits, and the name of the band's lawyer (that CD, by the way, was “Copper Blue” by US band Sugar – I still play it whenever I need to block out noisy neighbours!). Up to that point I'd always assumed that music and law were mutually exclusive, but that CD suggested otherwise.



law firm, so we spend a considerable part of the day managing clients such as the estate of former AC/DC frontman Bon Scott. In a way, we are running a mini-music company for those types of clients.

**OGNJANOVA:** You have held positions such as Head of Legal & Business Affairs of music rights management company J. Albert & Son, General Manager of Legal & Business Affairs at Sony Music Entertainment Australia and President of the Copyright Society of Australia. Can you tell us more about your previous roles and experiences both on a local and international level?

**RINALDI:** Happy to. I spent my first four years gaining general commercial law experience at what was then the national law firm Phillips Fox. I moved to Sydney to be closer to IP generally and music specifically, and found myself (not unhappily) in a detour that included Telstra and Oracle, both of which had very large legal teams, and in the case of Oracle, a genuinely global one too. A music opening appeared at Sony Music, and I spent close to a decade there in Sydney and London, following by the best part of another decade with Alberts.

Sony Music Australia was a fantastic experience – as the general counsel, I was a direct report to the CEO and was in a group of general counsel in key territories around the world for Sony Music. International business affairs conferences were always a major highlight, where one could finally drink at the well of shared experience and come back refreshed and revived. Sony UK was enjoyable too, being in the epicentre of some of the greatest modern music ever, but it was also a much bigger company, and the energy levels there were just different compared to Australia.

When my family returned to Australia, I joined Alberts, whom I'd known from my Sony days. Not that I remembered saying it, but my wife insists that I'd previously said "I'd love to work for Alberts", which seemed a strange thing to say as they hadn't had a full-time business affairs role there before I

joined. Nevertheless, what seemed appealing, and proved to be so, was being the "global general counsel" of an Australian-based music company which, through the success of artists such as AC/DC, exported to every corner of the earth. You see a news story about a mudslide in a remote part of Brazil, and the neighbour/rescuer being interviewed will have an AC/DC T-shirt on! Having charge of those catalogues meant doors were always open to meeting interesting people and expanding networks, something that has since proved very valuable in the Sonic Lawyers years (I still act for Alberts in relation to their music catalogues, by the way).

**OGNJANOVA:** Music law is quite a unique and niche area of law to be involved in. Having worked in the IT and telecommunications industries for companies such as Oracle Corporation and Telstra, how did you find the transition into music law and was your prior legal background useful?

**RINALDI:** A very niche area indeed! When asked "what sort of law do you do?", the answer "music" gets all manner of quizzical looks. There are only a handful of lawyers in Australia and NZ who would say they predominantly do music law. That said, in the US, I know lawyers who specialise not just entirely in music law, but in (say) just the music publishing portion of music law.

Although IT/telecoms and music both deal with copyright, I was probably not as prepared for the transition as I expected it to be. The two sectors were, in truth, quite different from each other, on many levels. At Oracle, if you were young and had been there for more than 3 years, you were assumed to be lacking ambition – ambitious employees were constantly in and out the door, on to the next lucrative dotcom opportunity. When I joined Sony, the person in the office next to me had been there for 15 years, and the guy on the other side, for 25 years.

Then there were the negotiation "rules of engagement". In IT/telecoms, contract negotiations could be wars of attrition, with no sense of win-win. Conversely, in music,

because the industry is so small and tight-knit, it was far too risky to be making enemies. I recall, soon after I started at Sony, the then general counsel said "this artist wants to renegotiate his deal – we'll probably need to give him more money and higher royalties and accept less albums". "Can't we just say 'no, you signed the agreement, that's deal done'?" Only afterwards did I come to understand that cajoling creative services from an artist requires an ongoing sense of empathy and not just pointing to the signed contract.

It was interesting that, just as I transitioned from tech to music, my boss was expanding his GC role to include "new technology". As mentioned earlier, I suspect it was because of my experience in tech and interest in music that he employed me, as his profile was the other way around and mine complemented his.

How the software industry managed copyright proved very useful to me as the music industry transitioned from physical to digital. When consumers bought music, they purchased an elaborate CD with multi-page booklet, photos, artwork – the whole box and dice. When companies licensed software from Oracle, they also received a CD, but apart from a few words explaining what was on the CD, there was no other "fanfare" – all the value was stored on the CD, intangible. It turned out that the software industry was well ahead of the music industry in understanding this IP intangibility, but through downloads and now streaming, the music industry has well and truly caught up, to the point where I sometime mourn the disappearance of available album artwork and liner notes.

**OGNJANOVA:** With the benefit of hindsight and your extensive experience, what is your advice for young lawyers hoping to pursue a career as a music lawyer?

**RINALDI:** If you had asked me 10 years ago for advice on pursuing a music lawyer career, I would have said "DON'T!". The music industry was on a steep decline from 2005-2015 as sales decreased and streaming was yet to reach critical

mass. Thankfully, streaming is now the dominant consumption format and the industry is in better health.

The first tip I'd give is that, like any industry that's appealing, you really have to want to be involved in music. If your heart isn't in it, you're better off going into an area of law for which the demand and financial returns are greater. I moved from Perth to Sydney to do music law, so when hiring, I am generally looking for someone who is demonstrably committed to making an impact in the industry. I once had an applicant for a record company role who ticked most boxes but, curiously, had not listed "music" amongst their many interests. When I pointed this out, they said "yeah, I guess music's just always in the background somewhere." "Like a buzzing fridge?", I asked. "Yes" was the reply. Wrong answer!

The music industry has very particular business practices and structures, with its collecting societies, industry associations, and intertwining but distinct copyrights. For someone looking to break in who's up against an experienced music lawyer, it's almost impossible to bluff your way through. Thinking about my own experience and those of others I've encountered, there are broadly three avenues to becoming a music lawyer:

*Being employed directly into a music lawyer role:* This was my experience, and usually involves the employer advertising or recruiting because they have too much work for current resourcing, and the candidate having enough "adjacent" legal experience (mine was in tech and IP) to suggest the possibility of a smooth transition, coupled with a demonstrated desire and ambition to move into music law as an end destination.

*Taking a non-music law role and then moving into a music law role in the same organisation:* This may either be in a support role (intern, receptionist, PA, licensing manager) or joining a larger firm which includes music law but initially working in another department. If you use the opportunity to get in the "line of sight", impress the employer

and show initiative, you will be well placed if a music law role comes up. You're an example of that Sasha!

*Working in the music industry as a non-lawyer and developing your own clientele:* Typically, you would be an artist manager, music journalist or other music industry player, possibly on the side of your lawyer "day job", and then through the contacts you've made, hang your shingle out and develop your own clientele who prefer you because they know you personally and trust you. My music industry colleagues Brett Oaten and David Vodicka both did this – Brett's side hustle was artist management and David's was running an indie label.

**OGNJANOVA:** You have been at the forefront of some of the major turning points in the music industry, including the move from physical to digital music consumption. What practical and legal challenges did these technological advances bring to the music industry and your work?

**RINALDI:** The move from physical to digital was an interesting one, because the narrative at the time (and even more so, how history has written it) was that the music industry was slow to react to digital and resisted it every step of the way. My experience at Sony was anything but that. Having first tried to set up their own competing services, Sony and the other labels were desperate for a legitimate digital service to be available to compete with the likes of Napster and Kazaa. The stumbling block was that they had difficulty reaching agreement with APRA AMCOS on payment of publishing royalties. To be fair to APRA AMCOS, they in turn were in a difficult position themselves because they didn't want to set a bad rate precedent for every other country. Nevertheless, that, coupled with the delay in iTunes setting up in Australia, meant that by the time iTunes did launch it was well overdue.

Music has always been the "canary in the coalmine" of technological change due to its comparatively smaller file size compared to (say) films, which means that the music industry is always the industry that

has no template and has to hack the road through the jungle.

At a more micro level, the shift from physical to digital brought with it some interesting issues, particularly in relation to legacy artist agreements. Cunning artist lawyers and managers tried to argue that digital sales did not fall within the usual wholesale royalty base and should instead be treated as miscellaneous income and be split equally between label and artist, which was much more favourable to the artist. Also, the burden of paying for publishing royalties shifted from labels to DSPs as they (and not the labels) were the ones doing or overseeing the reproduction of recordings – this was a very foreign concept for labels and took a while to become accepted industry practice.

**OGNJANOVA:** It's great to see that you volunteer as a panel lawyer for the Arts Law Centre of Australia. I think it's really important that upcoming artists have access to free or low cost specialised legal services through these organisations. Do you think artists are aware of the basic rights and obligations related to their work? What are the most common legal issues that artists encounter and at what point should an artist engage a lawyer?

**RINALDI:** I think the Arts Law Centre and the Copyright Council both do a fantastic job of providing practical information for those who aspire to make a living out of music. Whether artists are aware of their rights and obligations is perhaps another question. I remember not so long ago dealing with one of the world's premier artists who, all these decades later, still appeared to be unclear about the difference between records and publishing!

Exactly when an artist should engage a lawyer is often a direct function of their ability to afford to pay a lawyer versus other competing priorities for their limited funds. Ideally though, the artist-lawyer relationship should be "home base" for the artist – managers, labels, publishers may all come and go, but the artist should have the bedrock of a solid, reliable lawyer who will always be there for them.

**OGNJANOVA:** COVID-19 has certainly been an incredibly difficult time for artists who have been unable to tour due to the pandemic. From a legal perspective, has COVID-19 brought on a new set of challenges and if so, how have you navigated through them during this period?

**RINALDI:** One practical shift during COVID has been execution of documents. Most music companies were still keen on “wet ink”, but COVID has pretty much blown that out of the water, and I don’t think we’ll ever quite revert. I think recording and publishing agreements have generally been well equipped to handle scenarios where the artist’s obligations need to be suspended. Where I think things have become very interesting is in the live performance space – COVID has been disastrous for that sector of the music industry, and as lawyers, we’ve needed to find ways to keep our clients afloat, whether it’s pro bono advice, extended payment terms or the like. That said, for parts of the industry less affected, such as recorded music, there have been times during lockdowns when it’s seemed (and my colleagues have said likewise) that it’s rarely been busier.

**OGNJANOVA:** Are there currently any reforms or lobbying proposals that you hope will come into effect in the following years and do you have any involvement in this?

**RINALDI:** One of the unfortunate by-products of COVID has been that reforms and lobbying have taken a backseat while governments have tackled the crisis of the day, and some industry bodies have been winding back their lobbying activities as a result.

In March 2018, the Department of Communications and the Arts released its Copyright Modernisation Consultation Paper addressing key proposals for the reform (or rather “modernisation”) of Australia’s copyright laws and regulations. I checked the Department’s website recently and am none the wiser as to where the Government is at with its proposals. I’m not personally a big fan of a US-style “fair use” regime, as my experience dealing

with the US situation has been that it creates far more uncertainty and unpredictability for rightsholders. I do, however, believe that a robust and workable regime for orphan works could be a win-win all round, as the current uncertainty can result in creative works going ignored or neglected.

**OGNJANOVA:** Piracy and streaming were obviously major disruptors to the music industry. Do you anticipate any other notable technological changes and general developments to the industry?

**RINALDI:** You’re right that online piracy, primarily through the early file-sharing services, decimated the industry. However, that spurred the Australian music industry to lobby Apple to launch iTunes in Australia, which in turn provided a legitimate alternative to the Kazaas of the world. Spotify then made streaming so easy that it was preferable to piracy. It also “liberated” music from the physical medium, and consequently we have very few record stores anymore.

I think the streaming revolution was the biggest change, in that it heralded a shift for consumers from owning to renting. Critical mass has been reached now seemingly, so I think the next period will be one of maturation and consolidation in that regard.

The flow of money through the system is, however, still very fiddly and labour-intensive. Blockchain and NFTs have been buzzwords and gimmicky, but once they find their “true calling” in the music industry, I suspect they will make a difference.

I also think that globalization will continue, particularly with pressure on traditional national societies from private operators.

Finally, low interest rates globally have led to investors seeing music rights not only as a cool form of investment, but also one with a comparatively higher rate of return. The glut of catalogue acquisitions over the last 2 years has been unprecedented, and heralds perhaps the last bastion of commerciality.

**OGNJANOVA:** With your predictions about the future of the music industry in mind, how do you see the role of lawyers in this space changing over next 5 years?

**RINALDI:** Having been in the music business proper for over 20 years now, and law for closing in on 30 years, I’ve seen more than a few changes. One has to bear in mind that, when I joined Sony in 2000, CDs had been the dominant format for over 10 years, and music sales had during my entire lifetime been tied up in physical units. Since then, we’ve tackled Napster, Kazaa, ringtones, 360 deals, downloads and arguably the most existential change of all, the shift from consumers buying to renting music (i.e streaming services). In all those changes, the lawyers have been front and centre, inventing the new wheel so that the rest of the business can try it out. Given that the music business is always the canary in the coalmine, I don’t think music lawyers will ever see a day where they get to put their feet up and say “let someone else create the model for that”. Music companies and artists alike will continue to expect more and more thought leadership from their lawyers to make sure new opportunities are viable and sustainable. As one of my music company bosses once said to me: “Damian, my job is to ask the questions, and your job is to give me the answers!”



**Sasha Ognjanova**, Graduate Lawyer, Legal and Business Affairs at Sony Music Entertainment Australia



# Sports Law 101 Roundup

**Belyndy Rowe**, Senior Associate at Sainty Law, reports on the Sports Law 101 webinar in September.

On 22 September, while most people were still catching their breaths after the spectacle of the Tokyo Olympics, the CAMLA Young Lawyers dug deep and went *Faster, Higher, Stronger – Together* with Sports 101. Our panel featured some of the best people in the industry.

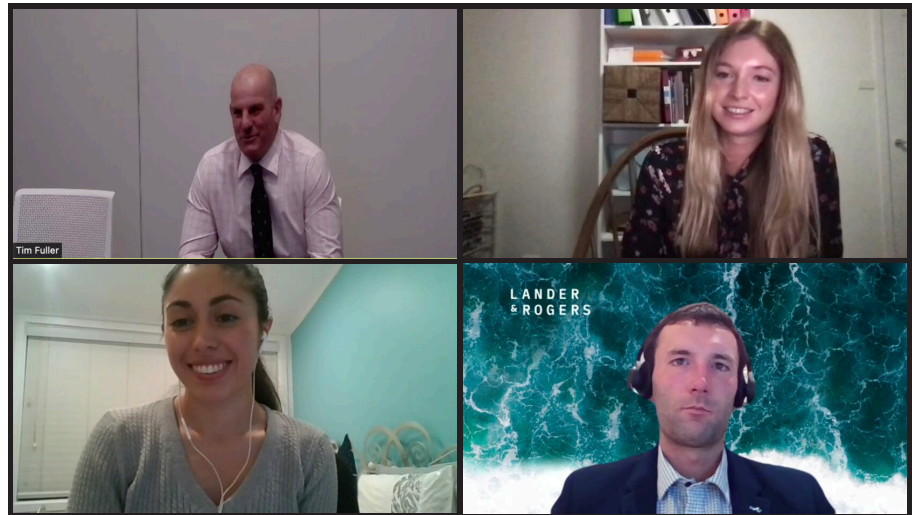
**Tim Fuller**, Special Counsel at Gadens, author of esteemed sports law courses and ex professional NRL player.

**Simon Merritt**, Senior Associate at Lander & Rogers, national champion dinghy sailor, and former Victorian Institute of Sport athlete.

**Calli Tsipidis**, Legal Counsel at Foxtel Group, devoted Rabbitohs supporter, and current Chair of the CAMLA Young Lawyers Committee.

Tim burst out of the blocks, providing invaluable insights on the operation of the Court of Arbitration for Sport and its recent dismissal of the appeals of the World Anti-Doping Agency and Sport Integrity Australia which confirmed Australian swimmer Shayna Jack's reduced two-year period of ineligibility to compete in the sport. Tim discussed the challenges of a system that requires athletes to explain how they came into contact with a banned substance, and the need for clearer processes in assessing 'intention' in anti-doping cases.

Simon took up the running by discussing the hot button issue of the duty of care that



sport governing bodies and clubs owe their athletes who suffer concussion or experience mental health issues. Simon predicted that we will see liability for athlete concussion at the forefront of litigation for the next 10 years. However, our medical understanding of concussions will need to improve before litigation can proceed with any certainty. Simon also tackled the contentious topic of disciplining players who commit off-field indiscretions and concluded that it is critical for governing bodies and clubs to identify the legitimate interest the club is trying to protect and act accordingly.

Calli powered the team to the finish line, providing insights into her work with on-screen talent and ambassador deals across the Foxtel Group, and the complexities of exploiting an athlete's name, image and likeness. Calli explained that although we don't have a right of publicity in Australia, other areas of law can be used to protect an athlete's image. Calli discussed the increasing significance of morality clauses in endorsement

contracts and the correlation with the increased exposure of athletes across social and other platforms. Calli said these clauses need to balance the athlete's right to share their views with the sponsor's legitimate interest in disassociating themselves from an athlete to protect their brand and reputation.

This event produced plenty of content for the highlight reel, with a strong team performance from our passionate panel members and impartial umpiring from moderator Nicola McLaughlin. We wrapped up with predictions for the upcoming NRL and AFL finals. Tim took the prize by predicting the Mighty Dees' triumph. All other tips were way off the mark.

The CAMLA Young Lawyers Committee had great fun pulling this event together. Thank you to our panel, Cath and the CAMLA Board for your support, and the Young Lawyers event subcommittee: Jessica Norgard, Dominic Keenan, Nicola McLaughlin, Calli Tsipidis and Belyndy Rowe.

# Love is in the Air (and s 31 of the Copyright Act)

A case note on *Boomerang Investments Pty Ltd v Padgett* [2020] FCA 535

**Kosta Hountalas**, Solicitor, Herbert Smith Freehills, comments on the *Love is in the air* judgment and the relationship of lyrics to a musical work.

## Introduction

It is not every day that Australian copyright law is subject to exciting new precedent (or, for that matter, the inimitable, instructive and always entertaining reasoning of Perram J). The recent Federal Court copyright tussle of *Boomerang Investments & Ors v Padgett & Ors*<sup>1</sup> involved a number of copyright and moral rights infringement claims under the *Copyright Act 1968* (Cth) (**Copyright Act**) in respect of the classic Australian tune by John Paul Young, *Love is in the Air*. This case note summarises some of Perram J's findings, particularly in relation to the work in suit and the specific allegations of infringement. His Honour's analysis of the role of lyrics, in particular, will interest copyright practitioners and rights managers alike. A short summary of his Honour's subsequent reasons in *Boomerang Investments Pty Ltd v Padgett (Reasons Revision Application)* [2020] FCA 882 (**Reasons Revision Application**) also looks at the unsuccessful attempt by the Applicants to have his Honour's substantive reasons varied to rectify what the Applicants claimed to be a misapprehension of fact.

## Factual background

*Love is in the Air* was composed by Johannes van den Berg (better known as Harry Vanda) and the late George Young in 1977, the most well-known performance of which was sung by John Paul Young (**Love**). The alleged infringing musical works were the song *Warm in the Winter* by

US band Glass Candy (**Warm**) and an adaptation of *Warm* written by Glass Candy for Air France (**France**).

The roles of the parties to the proceedings can be summarised as follows:

### Applicants

- (a) Boomerang Investments Pty Ltd (**Boomerang**) is the party that instigated the infringement claims in relation to *Warm* and *France*, having derived certain title to certain aspects of the copyright in *Love* from J Albert & Sons Pty Limited (**Alberts**) (the original publishers of *Love*).
- (b) The Australasian Performing Right Association (**APRA**) and the Australasian Mechanical Copyright Owners Society Ltd (**AMCOS**) are collecting societies to which certain rights in *Love* had been assigned or licensed, respectively. They were joined to the proceedings in response to submissions made by the Respondents that certain of the exclusive rights under which the claims were brought, and standing to sue, were in fact held by those collecting societies rather than Boomerang.<sup>2</sup>
- (c) Mr Vanda and Mr Young (by his representatives) are the authors of *Love* who alleged that changing the lyric from "love is in the air" to "France is in the air" was prejudicial to their honour or reputation<sup>3</sup> (the **Moral Rights Claim**).

### Respondents

- (d) John Padgett and Lori Monahan are the two current members of Glass Candy and the composers of both *Warm* and *France*. Padgett and Monahan were alleged to have either been responsible for, or had authorised, the streaming and downloading of *Warm* from digital platforms such as Spotify and YouTube, and downloads from 'italiansdoitbetter.com' (**IDIB Website**) and 'italiansdoitbetter.bigcartel.com' (**Big Cartel Website**). Air France was similarly alleged to have authorised the infringement of *Love* by including *France* in online advertisements that were streamed from YouTube (collectively, the **Online Platform Claims**).<sup>4</sup>
- (e) Kobalt Music Publishing Australia Pty Ltd (**Kobalt**) is the relevant Australian subsidiary of US music publisher, Kobalt Services America, Inc, to which Padgett and Monahan licensed the copyright in *Warm* via Padgett's personal publishing company, Italians Do It Better, Inc. Kobalt was alleged to have authorised the infringements listed above at paragraph (d).<sup>5</sup>
- (f) Air France is the party who used *France* as part of a marketing campaign called 'France is in the Air', and was alleged to have authorised the streaming of *France* as part of its commercials on YouTube, as well as playing *France* as its phone customer service 'on hold' music (the **Music-on-hold Claim**).

<sup>1</sup> [2020] FCA 535 (*Boomerang*).

<sup>2</sup> *Ibid*, [26].

<sup>3</sup> *Ibid*, [394].

<sup>4</sup> The Air France infringement claims are largely outside the scope of this case note. See *Boomerang*, [221]–[269] for Perram J's analysis of *France* and the musical work in *Love*.

<sup>5</sup> See *Boomerang*, [381]–[392]. Whilst outside the scope of this case note, the case against Kobalt failed because Kobalt's collection of Australian royalties in respect of *Warm* was not enough to make it liable for secondary infringement, and Perram J ultimately found that Kobalt was not the owner or licensee of the relevant rights.

The main complexity in this case arises from the way the copyright in *Love* had been split and assigned to different parties, often multiple times since the work was created. Relevantly and pursuant to s 196(2) of the Copyright Act, copyright may be assigned and such an assignment may be limited in any way, which includes the assignment of a particular exclusive right to one person, whilst assigning another right to another person. For example, in the case of a musical work, the reproduction right in s 31(1)(a) (i) could be assigned to one person and the public performance right in s 31(1)(a)(iii) assigned to another person.

The operation of s 196(2)(a) is such that this delineation of assignable rights is not limited to the categories of rights in the Copyright Act. The assignor can essentially ‘carve up’ these rights into even thinner slices. For example, in relation to the reproduction right in a musical work, the copyright owner may wish to assign the digital reproduction of a musical work (eg for purchasable downloads of the musical work) to one person, whilst assigning the physical reproduction (eg making copies of CDs containing the musical work) to another person.

Due to the ‘carve up’ of the rights in *Love*, the Applicants had to lead extensive evidence on their standing to sue in respect of certain rights in *Love*. This was a particular issue for the Music-on-hold Claim. As discussed below, this claim involved the assignment of a particular right which existed as a standalone right at the time but was subsequently subsumed by the communication right by way of amendments to the Copyright Act.

## Issues

In considering whether *France* was an infringing work, the judge focused on the following issues:

- (a) whether the sung lyric in *France*, ‘*France is in the air*’ (that is, including its accompanying music) is objectively similar to the sung lyric and music accompanying ‘*love is in the air*’ in *Love*;
- (b) whether the sung lyric in *France* is causally connected to *Love*; and
- (c) whether the part taken in *France* is a substantial part of *Love*.

### Objective similarity and causal connection

Perram J was ultimately satisfied that there was a causal connection<sup>6</sup> and so this section focuses on objective similarity and substantiality.

The most prominent lyrics in *Love* are ‘*love is in the air*’. As well as being the title to the song, these words are sung in three aural variations:

- (a) each ‘*love is in the air*’ in the verses to *Love* (**H1**);<sup>7</sup>
- (b) the first ‘*love is in the air*’ in each chorus (**H2**);<sup>8</sup> and
- (c) the second ‘*love is in the air*’ in each chorus (**H3**).<sup>9</sup>

The infringement allegations with respect to objective similarity were two-fold. Firstly, the Applicants alleged that certain parts of *Warm*<sup>10</sup> were objectively similar to H1, H2 and H3. These were effectively the sung lines of ‘*love is in the air*’ in *Love* and ‘*love’s in the air*’ in *Warm*. The second allegation was in relation to a longer portion of the verses in *Love*,<sup>11</sup> which was alleged to have been taken and reproduced in *Warm*.<sup>12</sup> Perram J ultimately rejected the Applicants’ second allegation on the basis that these longer portions sounded entirely different.<sup>13</sup>

His Honour similarly rejected the Applicants’ claims in respect of H2 and H3, but accepted that the sung line ‘*love’s in the air*’ in *Warm* was objectively similar to H1.<sup>14</sup>

### Originality and substantiality

At the heart of the dispute on substantiality was whether, or to what extent, the relevant sung words may be taken into account as part of the musical work, rather than being solely assessed as a literary work.<sup>15</sup> This was a crucial issue for both parties as Perram J was not satisfied that the line ‘*love is in the air*’ was sufficiently original to be considered a substantial part of the literary work in *Love*.<sup>16</sup> Even though there was no doubt that the lyrics of *Love* as a whole were an original literary work, given that the infringement claims were grounded in only a substantial part of *Love*, it was that substantial part (ie ‘*love is in the air*’) that needed to be sufficiently original for copyright to subsist. Perram J considered that obvious, commonplace or prosaic statements were not sufficiently original to be considered a substantial part, for the purpose of assessing infringement,<sup>17</sup> and ultimately held that the line ‘*love is in the air*’ was not an original literary work.<sup>18</sup>

His Honour went on to consider whether the sound of the words ‘*love is in the air*’ when sung should be taken into account when analysing copyright in the musical work of *Love*. Instead of only focusing on the lyrics as a literary work and the accompanying music as a musical work, his Honour accepted that the sung lyrics were to be considered as part of the musical work.<sup>19</sup> In other words, the human voice was to be considered an instrument

6 Perram J considered the causal connection in significant detail, which included a comprehensive review of submissions containing evidence that spanned over 15 years (see *Boomerang*, [110]–[193]).

7 See <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2020/2020fca0535/83>, 0:00–0:02, 0:08–0:10.

8 See <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2020/2020fca0535/87>, 0:00–0:03.

9 See <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2020/2020fca0535/87>, 0:04–0:07.

10 See <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2020/2020fca0535/95>, 0:00–0:03, 0:07–0:10.

11 See <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2020/2020fca0535/83>, which is the entire relevant portion of *Love*.

12 See <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2020/2020fca0535/95>, which is the entire relevant portion of *Warm*.

13 *Boomerang*, [109].

14 *Ibid*, [104].

15 *Boomerang*, [65].

16 *Ibid*, [216].

17 *IceTV Pty Limited v Nine Network Australia Pty Limited* (2009) 239 CLR 458, [43].

18 *Boomerang*, [216].

19 *Ibid*, [72].



capable of producing music, whilst simultaneously being a 'device for communicating information by means of symbols conveyed phonically'.<sup>20</sup>

It could be argued that such a conclusion is unsurprisingly practical – sung lyrics almost always have a discernible melody that, if played on a piano for example, would constitute a musical work. However, there was no authority in Australia to bind the Court in this case one way or another.<sup>21</sup> In the United Kingdom, the introduction of the *Copyright, Designs and Patents Act 1988* (UK) (**CDP Act**) brought with it a statutory carve-out to the definition of musical work, by excluding 'any words or action intended to be sung, spoken or performed with the music'.<sup>22</sup> On the other hand, §102(a)(2) of the US Copyright Act<sup>23</sup> explicitly includes 'any accompanying words' in the category of musical works.

Submissions from both the Applicants and Glass Candy on the proper construction of the Copyright Act and its history were not enough to persuade Perram J either way,<sup>24</sup> however his Honour considered the following passage by Judge Baker QC in *Williamson Music Ltd v Pearson Partnership* (**Williamson**) to be instructive:<sup>25</sup>

I should here say something about my understanding of the relationship between the words and the music. It is, I think, misleading to think of them in mutually exclusive compartments. The words by themselves are or may be the subject of literary copyright. But those same words when sung are to me part of the music. After all one gets enjoyment from hearing a song sung in a language with which one is totally unfamiliar. The enjoyment could well be

diminished if the vocal line were replaced by another instrument, e.g., the piano or a flute [...].<sup>26</sup>

However, his Honour also considered Blackburne J's cautionary comments in *Hayes v Phonogram Limited*.<sup>27</sup> In that case, Blackburne J, addressing submissions to his Honour on the correct application of *Williamson*, held that:

[...] one must beware of confusing the way in which the work is performed with the work itself. In the case of a song where the words take the form of rap lyrics, the fact that the performer expresses the lyrics in a particular manner, giving emphasis to their rhythmic or alliterative qualities in some distinctive manner, does not mean that the words become part of the musical work. Equally, the fact that the musical component of a song reflects the meaning and mood conveyed by the words of the song does not mean that the words somehow become a part of the musical work.<sup>28</sup>

Drawing on Blackburne J's statement, Perram J observed that the question before him was not whether 'love's in the air' sung by Ms Monahan is objectively similar to 'love is in the air' sung by John Paul Young, but rather whether the relevant portion of Warm including the melody of the sung lyrics is objectively similar to the corresponding portion of Love.<sup>29</sup>

The net result of this analysis was that Perram J was prepared to take the relevant sung lyrics into account as comprising the musical work, as distinct from the literary work, when identifying the work in suit. This was the first time in Australia that a court has made such a distinction.

## Online Platform Claims

Once it had been established that Warm (and therefore France) had been copied from Love, the focus of enquiry turned to the alleged acts of infringement. As a starting point, Perram J held that Padgett and Monahan were not responsible for the actions of the online platforms, as these sites were operated by their owners, and not Padgett or Monahan.<sup>30</sup> On the other hand, Padgett had made Warm available on the IDIB Website and Big Cartel Website and accordingly, Perram J held that Boomerang and AMCOS have a case against Glass Candy for facilitating the download of Warm from those websites because neither IDIB or Padgett had permission from Boomerang or AMCOS.

As to online music platforms such as Spotify and YouTube, they are parties to blanket licence agreements with collecting societies, which, through the communication right granted by APRA and the reproduction right granted by AMCOS, authorise the licensee, *inter alia*, to make songs available for streaming or download. However, these grants of licence need to be viewed alongside s 14 of the Copyright Act. That is, a reference to infringement by doing an act comprised in the copyright of a work<sup>31</sup> includes, by s 14, a reference to the doing of such an act in relation to a substantial part of the work.<sup>32</sup> The fact that online music platforms such as Spotify and YouTube were authorised to do an act comprised in the copyright of Love (insofar as such an act involved streaming or downloading) meant they were duly authorised to do such acts in respect of a substantial part of Love.

As Perram J accepted that certain parts of Warm were copies of a

20 Ibid, [66]–[67].

21 Ibid, [73].

22 CDP Act, s 3(1).

23 Title 17 of the United States Code, Copyright Act of 1976.

24 *Boomerang*, [73].

25 Ibid, [74].

26 [1987] FSR 97, [109].

27 [2002] EWHC 2062 (Ch) (*Hayes*).

28 Ibid, [60].

29 *Boomerang*, [76].

30 Ibid, [30].

31 CRA, s 36(1).

32 *Boomerang*, [17].

substantial part of Love, his Honour held that a licence authorising certain acts in respect of Love would permit those acts in respect of Warm,<sup>33</sup> and stated that:

[i]n each case this is because the online music service had permission from APRA to communicate a substantial part of Love or from AMCOS to make a copy of a substantial part of Love. Since the Applicants' case is that Warm infringes because it contains a substantial part of Love the case, insofar as it concerns online music services who hold APRA and AMCOS licences, cannot succeed.<sup>34</sup>

As his Honour had earlier noted, '[t]o put it in a way which will offend purists but hopefully illustrate the problem at hand, proving that selling Warm to the public is really the same as selling a little bit of Love is pointless against a vendor who has the right to sell both.'<sup>35</sup>

As the online platforms' primary infringement liability could not be established, it followed that Glass Candy could not be held liable for authorising such infringement, as there can be no secondary liability without primary liability.<sup>36</sup>

The case in relation to France effectively followed suit. The allegation was that the Air France commercial that contained France was made available for streaming by Air France via its YouTube channel. However, as was the case with Warm, YouTube had permission from the Applicants to make Love available to stream.<sup>37</sup>

### Music-on-hold Claim

This particular claim appears to have arisen from the fact that Air France does not operate flights to or from Australia, and nor does it have a

physical presence in Australia.<sup>38</sup> The act of infringement was said to have occurred when persons in Australia called Air France's customer service line and were put on hold, at which point France was being played as the 'on-hold' music from the country France.<sup>39</sup>

A key part of Perram J's analysis of this allegation involved an interrogation of the history of the rights in Love. In respect of the Music-on-hold Claim, the relevant right was the right to transmit works to the subscribers of a 'diffusion service' (**Diffusion Service Right**), which has been held by the High Court of Australia to be the relevant right required to play music on hold.<sup>40</sup> However, the inclusion of the Diffusion Service Right in the relevant assignment of the rights in Love to APRA was complicated by the fact the Diffusion Service Right no longer exists as a separate right in the Copyright Act, having been subsumed into the 'communication right' created by the *Copyright Amendment (Digital Agenda) Act 2000* (Cth) (**Amendment Act**).

Perram J's finding in relation to the Diffusion Service Right was that in 1972, Mr Vanda and Mr Young each entered into agreements with APRA whereby they assigned certain rights to APRA in any works they might compose in the future (**1972 APRA Assignment**).<sup>41</sup> These rights were defined as 'Performing Rights' and relevantly included the Diffusion Service Right.<sup>42</sup> Despite the repeal of the Diffusion Service Right in 2001 pursuant to the Amendment Act, the transitional provisions of that act provide as follows:

A licence, contract or arrangement (including an assignment of copyright) that was in force immediately before

the commencing day continues to have effect on and after that day in so far as it relates to the broadcasting right or cable transmission right in a work or other subject-matter, but subject to any contrary intention, as if the Copyright Act had not been amended by this Act, and the Copyright Act applies in relation to the licence, contract or arrangement accordingly.<sup>43</sup>

The net result in respect of the Diffusion Service Right in Love was that it was assigned to APRA in 1977 when Love was composed, pursuant to the 1972 APRA Assignment, which included rights in musical works composed in the future. As such, APRA had standing to sue for the Music-on-hold Claim and was entitled to an injunction restraining Air France from playing France as its on-hold music.

### Moral Rights Claim

Mr Vanda and the estate of George Young submitted that France 'involved the material distortion of or material alteration to Love' by substituting the lyrics 'love is in the air' for 'France is in the air', and that such substitution was prejudicial to their honour or reputation.<sup>44</sup> The Moral Rights Claim ultimately failed by virtue of s 195AX of the Act, which provides that '[i]t is not an infringement of an author's moral right in respect of a work to do, or omit to do, something outside Australia.' Perram J concluded that, whilst France had been copied from Love, the copying did not occur in Australia. His Honour went on, however, to set out what his reasons would have been, were he wrong on the application of s 195AX.<sup>45</sup> Ultimately, had the claim not failed the territorial limitation of s 195AX, Perram J would have accepted the moral rights claim in respect of France.<sup>46</sup>

33 Ibid, [374]–[376].

34 Ibid, [374].

35 Ibid, [18].

36 Ibid, [30].

37 Ibid, [21].

38 Ibid, [22].

39 See *Boomerang*, [278]–[305] for Perram J's analysis of the rights ownership in Love, which, except for the Moral Rights Claim, was relevant to each of the Applicants' infringement claims.

40 *Telstra Corporation Limited v Australasian Performing Right Association Limited* (1997) 191 CLR 140.

41 *Boomerang*, [281].

42 Ibid.

43 Amendment Act, Sch 2, cl 3. However, see *Boomerang*, [281]–[284] for Perram J's hypothetical question which, although unnecessary to decide in this instance, may have required determination if the 1972 APRA Assignment had not explicitly included the Diffusion Service Right.

44 *Boomerang*, [394].

45 Ibid, [400]–[411].

46 Ibid, [410].

## The Reasons Revision Application

In a subsequent directions hearing where Perram J was to hear the parties on short minutes of order giving effect to his Honour's substantive reasons for judgment, counsel for the Applicants indicated that they would submit an application to have his Honour's substantive reasons varied to rectify what the Applicants claimed to be a misapprehension of fact. At the *Reasons Revision Application* hearing, the Applicants' submissions (which were limited to the Online Platform claims involving YouTube, iTunes, Spotify, Apple Music, Google Play and Soundcloud) were two-fold:

- (a) Firstly, the Applicants submitted that Perram J had overlooked certain exclusion clauses in the APRA and AMCOS blanket licenses that each of the online platforms was party to. Specifically, the Applicants claimed that the effect of these clauses was such that these blanket licences did not grant the right to reproduce or communicate a substantial part of Love 'with words that [were] not approved or normally associated with' Love or which were 'in association with new or substituted lyrics [...] unless the making of the new or substituted lyrics [was] authorised by the copyright owner'.<sup>47</sup>
- (b) Secondly, if their first submission was rejected, the Applicants alternatively sought to have their case re-opened.

His Honour stated that he had not considered the exclusion clauses in the APRA and AMCOS blanket licences because the arguments based on them were not being put to him. The exclusion clauses were raised in the context of determining which of the Applicants held the relevant rights, and therefore had standing to sue.<sup>48</sup> His Honour was not, however, directed to

the exclusion clauses for the purpose of deciding the Online Platform Claims. According to his Honour, the Applicants had their chance to raise this argument, which should have been in reply to Glass Candy's submissions (which were subsequently adopted by Air France and Kobalt) that the APRA and AMCOS blanket licenses precluded a finding of primary infringement against the online platforms, which in turn precluded a finding of secondary infringement, or authorisation, against Glass Candy. His Honour held that:

[t]o have dealt with the argument now sought to be raised by the Applicants would have involved the Court in (a) formulating an argument for the Applicants which they had not formulated for themselves; and (b) reaching my own views about that argument without hearing from the Respondents (with the ever-present risk of self-persuasion). The first step would have involved a departure from the adversarial mode of trial which is foundational to civil procedure. The second would have involved me in a breach of the rules of procedural fairness.<sup>49</sup>

The Applicants' alternative submission that their case ought to be re-opened was similarly rejected by Perram J. His Honour reasoned that:

- (a) if the Applicants' case were to be re-opened, the Respondents would need to be afforded the opportunity to be heard on that case;<sup>50</sup> and
- (b) there was no doubt that this specific issue was squarely before the Court during the substantive hearing, and the Applicants did not seek to rebut the Respondents' submissions in this respect. His Honour considered that it would be unfair to now permit the matter to be re-visited.<sup>51</sup>

The Reasons Revision Application was therefore refused.

## Concluding comments

The significance of this case lies in two key findings by Perram J.

First, in considering whether there is infringement of a musical work, you cannot treat the lyrics as something separate. In the case of songs, the lyrics can be relevant to an assessment of reproduction of a musical work. Although Perram J cautiously explained that the sung lyrics would still need to be viewed as just one part of the entire musical work, rights holders now may have a clearer way of assessing whether their musical work has been copied by the way a song is sung. His Honour's reference to Blackburne J's passage in *Hayes* suggests that this may not be the case in a song with rap lyrics, for example, where an emphasis on the lyrics' 'rhythmic or alliterative qualities in some distinct manner, does not mean that the words become part of the musical work'.<sup>52</sup> In any event, it will be interesting to see where courts will draw the line between lyrics that form part of the musical work and lyrics that do not.

Secondly, in considering whether a claim can be made for infringement in a musical work, the arrangements between an alleged infringer and music collecting societies will be relevant. In particular, at least as the licences from APRA and AMCOS were construed in this case, the licences may well permit an online platform to communicate infringing works. It follows that if a person authorises an online music platform to make such a musical work available for stream or download, that person will also not be liable – for without a primary contravention, no infringing act is authorised.

As at the date of publication two subsequent decisions have been handed down (on costs<sup>53</sup> and the scope of the injunction issued against Air France<sup>54</sup>), and a much-anticipated decision on damages, including damages for what was held to be flagrant infringements, is pending.

<sup>47</sup> *Reasons Revision Application*, [4].

<sup>48</sup> *Boomerang*, [320]. This particular contention was that a 2005 assignment deed from Alberts to APRA had not effectively assigned the right to sue in respect of copies of Love which infringed copyright.

<sup>49</sup> *Reasons Revision Application*, [9].

<sup>50</sup> *Ibid*, [11].

<sup>51</sup> *Ibid*, [12].

<sup>52</sup> *Hayes*, [60].

<sup>53</sup> *Boomerang Investments Pty Ltd v Padgett (Costs of the Liability Phase)* [2021] FCA 385.

<sup>54</sup> *Boomerang Investments Pty Ltd v Padgett (Scope of Injunction)* [2020] FCA 1413.



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