HIGH COURT OF AUSTRALIA

GLEESON CJ
GUMMOW, HEYDON, CRENNAN AND KIEFEL JJ

COPYRIGHT AGENCY LIMITED APPELLANT

AND

STATE OF NEW SOUTH WALES RESPONDENT

Copyright Agency Limited v State of New South Wales [2008] HCA 35
6 August 2008
S595/2007

ORDER

1. *Appeal allowed.*

2. *Orders of the Full Court of the Federal Court of Australia, made on 5 June 2007, in respect of questions 5 and 6, set aside. In place of those orders, questions 5 and 6 answered as follows:*

   (5) No.

   (6) Does not arise.

3. *Respondent to pay the appellant's costs of the appeal and of the proceedings before the Full Court of the Federal Court of Australia.*

On appeal from the Federal Court of Australia

Representation

D K Catterns QC with M R J Ellicott for the appellant (instructed by Banki Haddock Fiora)

D M Yates SC with J R Baird for the respondent (instructed by Crown Solicitor (NSW))

CATCHWORDS

Copyright Agency Ltd v New South Wales

Intellectual property – Copyright – Crown use – Statutory licence scheme – Where survey plan lodged for registration at Lands and Property Information Division of Department of Lands (NSW) – Surveyor owned copyright in survey plan – Once registered, survey plan reproduced and communicated to the public for the services of the State of New South Wales – Whether statutory licence scheme in *Copyright Act* 1968 (Cth), Pt VII, Div 2 applied to authorise State to reproduce survey plan and communicate it to the public, and provided for terms upon which those acts could be done – Whether surveyor taken to have impliedly licensed reproduction and communication to the public of survey plan apart from statutory licence scheme – Comparison with provision for Crown use in foreign jurisdictions.

Words and phrases – "Crown use", "equitable remuneration", "for the services of the State", "implied licence".

Copyright Act 1968 (Cth), Pt VII, Div 2.

1 GLEESON CJ, GUMMOW, HEYDON, CRENNAN AND KIEFEL JJ. The appellant, Copyright Agency Limited ("CAL"), is a "relevant collecting society" for the purposes of Pt VII, Div 2 of the *Copyright Act* 1968 (Cth) ("the Act")[1]. Members of CAL include members of the Australian Consulting Surveyors Association ("the Surveyors' Association") who produce survey plans of land and strata in the State of New South Wales ("the State").

2 Members of the Surveyors' Association, or their employees, are owners of the copyright in survey plans created by them. The survey plans are "artistic works" protected by the Act (s 10(1)). The copyright in these works includes the exclusive rights to reproduce the survey plans in a material form (s 31(1)(b)(i)) and to communicate[2] them to the public (s 31(1)(b)(iii))[3].

3 The Copyright Tribunal of Australia ("the Tribunal") referred certain questions of law to a Full Court of the Federal Court of Australia (Lindgren, Emmett and Finkelstein JJ) ("the Full Court"). These questions arose between CAL and the State in an application to the Tribunal by CAL requesting determination of the terms upon which the State could copy the abovementioned survey plans and communicate them to the public[4].

4 The State registers surveyors to ensure that survey plans prepared by them meet the requirements of the State for the defining of boundaries of land parcels in the State. The State also registers survey plans through its Department of Lands. A division of that Department, called Lands and Property Information ("LPI") (formerly the Land Titles Office), provides land administration services to the State, including the registration of land titles and survey plans, both of

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1 See s 182C and ss 153F and 182B of the Act.

2 In relation to a work, "communicate" means "make available online or electronically transmit (whether over a path, or a combination of paths, provided by a material substance or otherwise)" (s 10(1) of the Act).

3 The exclusive right of "communication to the public" derives from the implementation by the Parliament of Art 8 of the World Intellectual Property Organization ("WIPO") Copyright Treaty of 1996 (effective from 6 March 2002) by enacting the *Copyright Amendment (Digital Agenda) Act* 2000 (Cth).

4 After 30 July 1998, the date on which the *Copyright Amendment Act (No 1)* 1998 (Cth) relevantly came into operation.

which are integral to the Torrens System. Registers maintained by LPI record any alterations in land ownership and any changes to the boundaries of land.

The legislation

5 It is convenient to outline the relevant provisions of the Act before turning to the issue arising in this appeal. Part VII of the Act (ss 176-183F) provides for Crown copyright (Div 1) and the use of copyright material by the Crown (Div 2) where the expression "the Crown" includes a reference to the government of a State (s 10(1))[5]. The appeal concerns government use of copyright material.

6 Consideration of government use of copyright material must start with the recognition that, subject to Pt VII, the Act "binds the Crown" (s 7). The Crown in Australia was not liable for infringement of copyright before the introduction of Pt VII, Div 2 of the Act[6]. This circumstance reflected the rule of statutory construction, that the Crown is not bound by a statute unless the statute says so expressly, or by necessary implication. That rule, reconsidered and restated by this Court in *Bropho v Western Australia*[7], has now given way to the more flexible approach exemplified in *Australian Competition and Consumer Commission v Baxter Healthcare Pty Ltd*[8].

7 Section 7, which predated those developments, was first introduced following legislative developments which commenced with the *Crown Proceedings Act* 1947 (UK) and resulted in the abrogation of Crown immunity in the United Kingdom in respect of copyright infringement. In its terms, s 7 highlights the fact that Pt VII, Div 2 provides for an exception (and defence) to infringement provisions which would otherwise apply to the Crown.

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5 Section 10(1) relevantly provides: "***the Crown*** includes the Crown in right of a State …". Provision also is made for the Territories of the Commonwealth.

6 This followed recommendations made by the Copyright Law Review Committee in 1959 ("the Spicer Committee"). The Act came into operation on 1 May 1969.

7 (1990) 171 CLR 1; [1990] HCA 24.

8 (2007) 81 ALJR 1622; 237 ALR 512; [2007] HCA 38.

8 In the Second Reading Speech on the Bill for what became the Act, the Attorney-General (Mr N H Bowen QC) said[9]:

> "The Bill puts beyond doubt that the Crown is bound by the copyright law. Provision is made, however, [in Pt VII] for the use of copyright material for the services of the Commonwealth or the States upon payment of compensation to the owner of the copyright."

9 Before turning to the relevant sections in Pt VII, it also needs to be noted that an act is "deemed to have been done with the licence of the owner of a copyright if the doing of the act was authorized by a licence binding the owner of the copyright" (s 15). This provision can encompass a consent or permission to use work subject to copyright, which is consonant with, or independent of, any contractual promise in respect of that work[10].

10 Pt VII, Div 2 (ss 182B-183F) is headed "Use of copyright material for the Crown". The phrase "copyright material" is defined (s 182B(1)) in terms which include not only literary, dramatic, musical and artistic works but copyright in published editions, sound recordings, cinematograph films, television and sound broadcasts and works included in them. The present litigation is concerned with the use of "copyright material", being survey plans, as "artistic works". References in these reasons to "works" should be read with this in mind and do not qualify the broader definition of "copyright material".

11 The State did not suggest that any of the fair dealing provisions (ss 40-42) or other provisions in Pt III, Div 3 (ss 43-44F) which provide that certain acts do not constitute an infringement, had any application to the uses of the survey plans described below. In cases where these provisions do apply, Pt VII, Div 2 respecting Crown use and equitable remuneration is not engaged.

12 The Act further provides that a State, doing any acts within the copyright, must inform the owner of the copyright unless it appears to the State that it would

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9 Australia, House of Representatives, *Parliamentary Debates* (Hansard), 16 May 1968 at 1536.

10 *Concrete Pty Ltd v Parramatta Design & Developments Pty Ltd* (2006) 229 CLR 577 at 583 [10] per Gummow ACJ, 595-596 [59] per Kirby and Crennan JJ, 612 [121] per Hayne J, 632 [165] per Callinan J; [2006] HCA 55.

be contrary to the public interest to do so (s 183(4))[11]. Terms for the doing of such acts by a State are to be fixed by agreement between the State and the copyright owner or, in default of agreement, by the Tribunal (s 183(5)).

13 Putting aside for one moment the special position of governments, the idea that an exception to infringement of copyright might be made if a notice is given by a user of copyright material to an owner of the copyright and if the user pays certain specified royalties, is not new[12]. However, current statutory licence schemes, which will be discussed in more detail later, are comparatively complex and have been subject to continual legislative amendment as new technologies which simplify copying have emerged.

14 Specific statutory exceptions to infringement are also well known. The long-established fair dealing exception first included in the *Copyright Act* 1911 (UK)[13], is a familiar example. Current statutory exceptions to infringement are legion[14]. Some exceptions give rise to a right to use copyright material without payment of remuneration; these are often referred to as "free use" provisions. Other exceptions are the foundation for statutory licensing schemes which permit use on condition that remuneration is paid by users to owners. The licences are often described as "compulsory" and the schemes are often collectively referred to as "remunerated use" provisions.

The 1998 amendments

15 Amendments to the statutory licence scheme for government use were made in 1998[15]. The amendments apply to "government copies"[16] and provide

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11 Provision for the form of that notice is made by reg 25 of the Copyright Regulations 1969 (Cth).

12 See the proviso to s 3 of the *Copyright Act* 1911 (UK) which was in force until 1957.

13 Section 2(1)(i).

14 Copyright Law Review Committee, *Simplification of the Copyright Act 1968, Part 1: Exceptions to the Exclusive Rights of Copyright Owners*, (1998).

15 *Copyright Amendment Act (No 1)* 1998 (Cth), Sched 4.

16 A "government copy" is defined in s 182B as a reproduction in a material form of copyright material made under the Crown use provision of s 183(1).

for payment of equitable remuneration[17] on the basis of sampling, rather than individual notices to copyright owners, where a declared collecting society (s 153F) is operating (ss 182B and 183A-183F). The remuneration for government copies is as agreed between government and the relevant collecting society or as determined by the Tribunal (ss 153K and 183A).

16 The key provision is s 183A. The Explanatory Memorandum to the Copyright Amendment Bill 1997 (Cth) explained the introduction of s 183A as part of a package of amendments designed[18]:

> "to streamline the system for owners of copyright in works and other subject matter to be paid when their materials are copied by Commonwealth, State and Territory governments.
>
> The amendments will enable the governments to avail themselves of an administratively simple procedure for calculating and making payments of equitable remuneration to copyright owners for the use of their copyright materials by the governments.
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> …
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> The amendments … will vary the operation of s 183(4) and 183(5) of the Act to permit payments for the reproduction of copyright materials by a government to be made [on] the basis of sampling, rather than the present method of full record-keeping under s 183, where there is a declared copyright collecting society. A relevant collecting society … in relation to all government copies or a class of government copies, will distribute the equitable remuneration to the owners of copyright in the material that has been copied and will hold in trust the remuneration for non-members who are entitled to receive it."

17 The operation of s 183A may be summarised as follows.

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17 The phrase "equitable remuneration" has its origins in the 1948 Brussels Revision of the *Berne Convention for the Protection of Literary and Artistic Works* 1886 (the "Brussels Act") Art 11bis(2). See generally Lahore, *Copyright and Designs* at [28,035].

18 Explanatory Memorandum to the Copyright Amendment Bill 1997 (Cth) at 39 [149]-[150], [152].

18 If there is a "relevant collecting society" in operation in relation to a government copy, ss 183(4) and (5) are stated not to apply (s 183A(1)) and the interests of the copyright owner are instead afforded protection by s 183A(2). This provides that the government must pay the collecting society equitable remuneration for the making of government copies during a particular period using a method (s 183A(2)):

> "(a) agreed on by the collecting society and the government; or
>
> (b) if there is no agreement – determined by the Tribunal under section 153K."

19 These provisions alleviate the administrative burden of giving notice and fixing terms for each individual "government copy" under ss 183(4) and (5). Notification of the making of copies instead occurs by a process of "sampling". The method of working out equitable remuneration must take into account the estimated number of copies made for the services of the government during the period and specify the sampling system to be used for that purpose (s 183A(3)). This applies whether the method is agreed on by the collecting society and government or determined by the Tribunal (s 183A(5)).

20 Equitable remuneration must be paid by the Commonwealth or State to the collecting society in the manner agreed by the parties or ordered by the Tribunal (s 183B(1)). Where not paid, the remuneration is recoverable by the collecting society as a debt due to the society in a court of competent jurisdiction (s 183B(2)).

21 A company limited by guarantee may become a "relevant collecting society" for the purposes of s 183A by application under s 153F. If the Tribunal is satisfied of certain matters, including that the society's rules permit the relevant copyright owners to be members (ss 153F(6)(b) and (c)) and include provision for the distribution of remuneration (s 153F(6)(e)(iii)), it may declare the company to be a collecting society in relation to all or a class of government copies. Where such a declaration is in force, the company will be a "relevant collecting society" (s 182C). CAL meets this description as it has been declared to be a collecting society for the purposes of Pt VII, Div 2 of the Act for each owner of copyright in works, other than a work included in a sound recording or a cinematograph film.

22 The operation of the 1998 amendments is dependent on a number of other provisions of the Act. Examples in Pt VII, Div 2 include the provision for the powers of collecting societies to carry out sampling (s 183C), annual reports and

accounting (s 183D), the alteration of the rules of the collecting society (s 183E) and the making of applications to the Tribunal for the review of distribution arrangements (s 183F). Applications and references to the Tribunal are also dealt with by Subdiv E of Pt VI, Div 3 (ss 153E-153KA). Provision is made, for example, for applications for the review of a collecting society's distribution arrangement (s 153KA) and applications to the Tribunal to revoke a declaration of a collecting society (s 153G).

Facts

23 CAL applied to the Tribunal to determine a method of calculating equitable remuneration payable to it by the State for the making of digital copies of survey plans (s 183A(2)) and also to fix the terms upon which the State may communicate the survey plans to the public (s 183(5)). Because s 183(1) excepts those acts from infringement if done for the services of the State, CAL did not contend that the State was infringing the copyright in survey plans. Accordingly, in this appeal this Court is not considering s 183(1) as a statutory defence to infringement but as the foundation of a statutory licence scheme.

24 Sub-sections 183(1) and (5) of the Act provide:

> "(1) The copyright in a literary, dramatic, musical or artistic work or a published edition of such a work, or in a sound recording, cinematograph film, television broadcast or sound broadcast, is not infringed by the Commonwealth or a State, or by a person authorized in writing by the Commonwealth or a State, doing any acts comprised in the copyright if the acts are done for the services of the Commonwealth or State.
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> …
>
> (5) Where an act comprised in a copyright has been done under subsection (1), the terms for the doing of the act are such terms as are, whether before or after the act is done, agreed between the Commonwealth or the State and the owner of the copyright or, in default of agreement, as are fixed by the Copyright Tribunal."

25 The Tribunal heard the application, received evidence and submissions and made findings of fact. The Tribunal explained the importance of survey plans within the Torrens System:

> "A **Survey Plan** contains survey information that is essential to the creation of a new title or the redefinition of the land contained in an existing title. When a boundary is to be created by a surveyor in a Survey Plan, it must comply with the legislative requirements and the surrounding Survey Plans. The title and the Survey Plan are inextricably linked. Thus, registration of a Survey Plan is central to the grant of title under the Torrens System.
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> …
>
> [Survey plans] must be created and registered whenever land is subdivided and new land parcels are created, or when any dealings affecting the land are created (including encumbrances such as easements or leases)."

26 The Tribunal acceded to the parties' request that a case be stated to the Full Court under s 161 of the Act for the determination of 11 questions of law. To enable proper consideration of the issues encompassed by the questions, a selection of registered survey plans (referred to by the Full Court as the "Relevant Plans") were put before the Full Court.

27 On the basis that the State is not itself the copyright owner of any Relevant Plan under consideration, question 5 of the stated case asked:

> "… is the State, other than by operation of s 183 of the Act, entitled to a licence to:
>
> (i) reproduce that [Relevant Plan]; and
>
> (ii) communicate that [Relevant Plan] to the public,
>
> within the meaning of the Act?"

28 Question 6 asked:

> "If the answer to 5 is 'yes' in relation to any Relevant Plan, what are the terms of the licence?"

29 In this Court the State did not challenge the Full Court's decisions adverse to it, that the Relevant Plans were neither first published by, or under the direction or control of, the State (s 177) nor made by, or under the direction or control of, the State (s 176). Accordingly, the appeal in this Court has proceeded on the basis that survey plans attract the protection of the Act as artistic works (within the meaning of the Act), surveyors are the owners of copyright in those

artistic works, and only questions 5 and 6 are relevant to the issues sought to be agitated in this Court.

Government uses of survey plans

30 It has already been noted that the instrumentality of the State charged with the administration of the system of registration of land is LPI. Survey plans show how a parcel of land is positioned on the earth's surface and land in the State may not be subdivided so as to permit transfer of a legal estate in a parcel of land in the subdivision unless a plan is registered in accordance with Pt 23, Div 3 of the *Conveyancing Act* 1919 (NSW) ("the Conveyancing Act"). Such plans must conform to the requirements of Sched 5 to the Conveyancing (General) Regulation 2003 (NSW) made pursuant to s 202 of the Conveyancing Act. These requirements are conveniently set out by Emmett J in his reasons for decision in the Full Court[19], which obviates the need to repeat them here. An obligation to make copies of plans available to the public once they are registered is imposed under ss 198 and 199 of the Conveyancing Act.

31 Further, only a survey plan prepared by a registered surveyor is registrable under s 135F of the *Real Property Act* 1900 (NSW) ("the Real Property Act"). In order for a person to be registered as a surveyor, he or she must obtain a relevant four-year University degree and other professional qualifications. In addition to the preparation of registrable survey plans, surveyors' activities include subdivision and regional planning, surveying for strata titles, pipeline surveys, electricity transmission line surveys, engineering surveys and irrigation surveys.

32 When a survey plan is lodged for registration with LPI, numerous checks are carried out. If the survey plan complies with all relevant legislative requirements it proceeds to registration. Upon registration, the survey plan is scanned into a database, and copies of it are sent to the relevant council and authorities and to LPI's office in Bathurst.

33 The practical consequence of registration of a survey plan is that whilst copies are available over the counter, electronic copies of the plans are made available to LPI staff, government agencies, councils, relevant authorities, information brokers and members of the public. The Real Property Regulation 2003 (NSW) and the Conveyancing (General) Regulation 2003 (NSW) prescribe the fees payable to LPI for access and copying. Information brokers have

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19 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 224-225 [46].

numerous clients and a sample contract between an information broker and LPI was in evidence. LPI acts "as a wholesaler [of the information] to the information brokers" and various fees per transaction were to be found in Sched C to the sample contract. The obligations of the information broker under the sample contract included the active marketing and promotion of its business.

The decision of the Full Court

34 In relation to question 5, CAL argued before the Full Court that the State's only authority to copy and make available the Relevant Plans derived from s 183(1) of the Act. Emmett J (with whom Lindgren and Finkelstein JJ agreed respecting questions 5 and 6 of the stated case) accepted that the copying and the making available of those plans was done "for the services of the … State"[20] within the meaning of s 183.

35 In 1863, the Torrens System of land ownership was established in New South Wales under the *Real Property Act* 1862 (NSW) which commenced operation on 1 July 1863. The current legislation governing the Torrens System in New South Wales is the Real Property Act. In that context Emmett J recognised that the Torrens System of land is based on statutory ownership and proper survey[21]. His Honour dealt with relevant statutory requirements to be found in the Real Property Act, which include a requirement that the Registrar-General cause a Register to be maintained (ss 31B and 32(1)) as a public record which must be available for inspection on payment of a prescribed fee (s 96B(1)), and from which certified copies of registered instruments must be furnished to the public, also upon payment of a prescribed fee (s 115(1))[22].

36 His Honour also considered the statutory requirements in the *Strata Schemes (Freehold Development) Act* 1973 (NSW) ("the Strata Freehold Act"), the *Strata Schemes (Leasehold Development) Act* 1986 (NSW) ("the Strata Leasehold Act"), the *Community Land Development Act* 1989 (NSW) and the Conveyancing Act, all of which legislation contains requirements in respect of

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20 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 243 [153].

21 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 218-219 [13].

22 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 219 [14]-[16].

the registration of plans[23]. For example, under s 198(1) of the Conveyancing Act the Registrar-General is required to keep an index of the registers kept under that Act. On payment of a prescribed fee the Registrar-General may provide a copy or permit inspection of the whole or part of the index (s 198(2) of the Conveyancing Act). His Honour noted that survey plans fall into two categories: Deposited Plans (DPs), which represent a subdivision or consolidation of land and include community plans, and Strata Plans (SPs), which represent a subdivision of land under the Strata Freehold Act or the Strata Leasehold Act[24].

37 It appears that the system for the lodgement and registration of survey plans in connection with the Torrens System has, since its inception, involved lodgements with LPI (and formerly with the Land Titles Office). Originally this was done across a counter but since about 2002 survey plans can be lodged electronically[25].

38 After dealing extensively with the State's use of survey plans after lodgement and prior to registration, Emmett J next identified the detail of the State's various uses of survey plans on and subsequent to registration[26]:

> "(a) The original Survey Plan is dated and sealed and the new title is issued;
>
> (b) The plan examiner registers the Survey Plan, by affixing the Registrar-General's seal, and issues the title;
>
> (c) The electronic plan records held on the Document and Integrated Imaging Management System (DIIMS) are updated to reflect registration and the survey plan is "charted", meaning that it is added to the LPI's charting maps, along with the relevant information such as the DP or SP number and an indication of the new subdivisional lines;

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23 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 220-225 [22]-[46].

24 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 227 [57].

25 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 228-229 [66].

26 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 230-231 [76].

(d) The registered original Survey Plan is scanned into DIIMS, from where it may be accessed by the public and government authorities;

(e) Copies of the Survey Plan are sent to the relevant council and authorities (that is, water and telephone) as required by relevant statutory instruments; and

(f) An electronic copy of the Survey Plan is sent to LPI Bathurst."

39 It should be mentioned that a working copy of the original survey plan is made prior to formal registration and a back-up copy is made after registration. Despite finding that the uses of the plans by the State, as identified by his Honour, were "for the services of" the State within the meaning of s 183(1), the Full Court found for the State and answered "yes" to question 5 on the basis that[27]:

> "Whether or not s 183 has the effect that the doing of the acts, because they are done for the services of the State, are deemed not to be an infringement of copyright, a surveyor must be taken to have licensed and authorised the doing of the very acts that the surveyor was intending should be done as a consequence of the lodgment of the Relevant Plan for registration."

40 The Full Court ordered that question 6 be answered[28]:

> "The licence is for the State to do everything that, under the statutory and regulatory framework that governs registered plans, the State is obliged to do with, or in relation to, registered plans."

41 In this Court it is common ground between the parties that the words "or authorised" should be inserted after the word "obliged" in the answer to question 6.

Appeal to this Court

42 The issue in this appeal is whether the Full Court erred in finding that the State had a licence to reproduce the Relevant Plans and to communicate them to

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27 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 244 [156].

28 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 244 [158].

the public, independently of s 183 of the Act. It is important to recognise that the issue is limited to the copying of registered survey plans and the terms upon which they may be communicated to the public. Uses made of the survey plans which are antecedent to the two uses in question were not the subject of any claim for remuneration or for the fixing of terms. The antecedent dealings were described as the dating and sealing of the plans and their registration.

43 CAL contended that s 183 is a statutory licence scheme leaving no room for the implication of a licence to copy the plans, or communicate them to the public. That argument was supported by reference to the whole of Pt VII, Div 2 and by pointing to the lack of necessity for an implied licence when there was an express statutory licence available.

44 The State submitted that, in the circumstances described above, it is not dependent on s 183 to except it from infringement because it has an implied licence, binding on the owners of copyright in the plans, to do everything that it is required to do under the statutory and regulatory framework which governs such plans. Implicit in the argument was the proposition that the State has free use of the plans under that implied licence.

45 The circumstances said by the State to support the implication of the licence were that it is an important State function to provide and maintain public records of landholdings, which includes legal obligations to provide copies of registered plans on request to the public. Furthermore, surveyors typically charge their clients for survey plans which they prepare in accordance with statutory and regulatory requirements knowing the use to which survey plans will be put by the State. The State sought to maintain the decision of the Full Court[29] that assent by a surveyor to the submission of a survey plan prepared by him or her, for registration, authorised the State to do all and any of the acts described above which might otherwise constitute an infringement[30].

46 The points of difference between the parties cannot be resolved without noting relevant distinctions between the various uses of the survey plans made by the State. On the one hand, the State uses the plans in direct response to lodgement of the survey plans by an applicant to effect, if appropriate, registration, and to issue title. This includes making a working copy of the plans.

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29 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 243 [155].

30 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 243 [157].

These uses are directly connected with private contracts for reward between surveyors and their clients for the preparation of plans for the specific purposes of lodgement, registration and the issue of title. On the other hand, there are uses of survey plans by the State which flow from registration and which involve copying the plans for public purposes or communicating them to the public via a digital system.

47 Whilst CAL is seeking remuneration and terms only in respect of those latter uses, the submissions did not always distinguish between the two types of uses. As will be explained in these reasons, the statutory licence scheme applies in the circumstances of this case to authorise the State to make copies of the survey plans after registration, for public purposes and for communication to the public, and provides for terms upon which that can be done. The scheme is compulsory in the sense that an owner cannot complain of the permitted use, but the use is allowed on condition that it be remunerated.

Legislative history

48 The emergence and refinement of statutory licence schemes has been a distinct part of the modern development of copyright law reflecting the competing economic interests of copyright owners and others with a legitimate interest in "being able to use copyright material on reasonable terms"[31]. The quest to maintain the balance between a public policy encouraging creativity and a public policy of permitting certain uses on some reasonable basis[32] continues to

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31 Second Reading Speech of the then Attorney-General, Mr N H Bowen QC, on the Copyright Bill 1968, Australia, House of Representatives, *Parliamentary Debates* (Hansard), 16 May 1968 at 1527.

32 Identified in Copyright Law Review Committee, *Report of the Committee Appointed by the Attorney-General of the Commonwealth to Consider what Alterations are Desirable in The Copyright Law of the Commonwealth*, (1959) (the "Report of the Spicer Committee") at 8-9 [13].

preoccupy the legislature[33], particularly as modern techniques for copying, especially digital electronics, are "both immensely efficient and easy to use"[34].

49 There are now several licence schemes[35] in the Act which have developed in tandem with improved techniques for copying works. These include the scheme in Pt VA (copying and communication of broadcasts by educational institutions and institutions assisting people with disabilities), Pt VB (reproducing and communicating works by educational institutions and institutions assisting people with disabilities)[36] and Pt VC (retransmission of free-to-air broadcasts). It has been remarked, in relation to the common features of the statutory licence scheme for government use in Pt VII and other statutory licence schemes, that[37]:

> "In most, but not all, cases the users are readily identifiable, because they are significant entities such as radio broadcasters, recording companies and educational institutions. Copyright owners, on the other hand, are often more disparate, and it is only when they are organised collectively that they are really able to participate successfully in these schemes. Collective management of rights through collecting societies has become more prevalent in recent years. … Indeed, the educational copying schemes under Pts VA and VB of the *Copyright Act 1968* (Cth), the retransmission scheme under Pt VC, and the government reproduction scheme under Pt VII, Div 2 recognise the role of such societies explicitly and are predicated on the assumption that users will be represented by such bodies."

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33 Copyright Law Review Committee, *Copyright and Contract*, (2002). See also Copyright Law Review Committee, *Simplification of the Copyright Act 1968, Part 1: Exceptions to the Exclusive Rights of Copyright Owners*, (1998).

34 Cornish and Llewelyn, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*, 6th ed (2007) at 540 [14-10].

35 See generally, Ricketson and Creswell, *The Law of Intellectual Property: Copyright, Designs & Confidential Information*, vol 2, ch 12; Lahore, *Copyright and Designs*, vol 1 at [28,005].

36 See *Copyright Agency Ltd v University of Adelaide* (1999) 96 FCR 62.

37 Ricketson and Creswell, *The Law of Intellectual Property: Copyright, Designs & Confidential Information*, vol 2 at [12.5].

50 Before the modern rise of increasingly complex statutory licence schemes, provisions in respect of exceptions to infringement and statutory licences were comparatively simple. Section 8 of the *Copyright Act* 1912 (Cth) ("the 1912 Act"), simply provided that the *Copyright Act* 1911 (UK)[38] ("the 1911 Act") should, subject to any modifications in the 1912 Act, be in force in the Commonwealth. As noted, the 1911 Act provided exceptions to infringement which included "[a]ny fair dealing with any work for the purposes of private study, research, criticism, review, or newspaper summary"[39]. As also noted, the 1911 Act contained a simple proviso that after the expiration of a period of years from the death of the author of a published work in which copyright subsisted there would be deemed to be no infringement by reproduction of the work provided that the reproducer gave a notice in writing (and paid certain prescribed royalties) to the owner[40]. It was also provided that (after the death of an author) a compulsory licence could be obtained on an application to the Privy Council[41], although that latter provision was used rarely.[42]

51 Two related developments in the middle of the 20th century, one general, one more specific, constitute the setting in which the Spicer Committee was appointed to reconsider inevitable tensions between the rights of copyright owners and the public need for reasonable access to copyright works.

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38 Contained in a schedule to the 1912 Act.

39 Section 2(1)(i).

40 The proviso to s 3 read:

> "after the expiration of twenty-five years, or in the case of a work in which copyright subsists at the passing of this Act thirty years, from the death of the author of a published work, copyright in the work shall not be deemed to be infringed by the reproduction of the work for sale if the person reproducing the work proves that he has given the prescribed notice in writing of his intention to reproduce the work, and that he has paid in the prescribed manner to, or for the benefit of, the owner of the copyright royalties in respect of all copies …".

41 Section 4.

42 Report of the Spicer Committee at 15 [44].

52 First, Art 7 of the Brussels Act[43], provided that the term of copyright protection shall be for the life of the author and 50 years after the date of the author's death. That raised the prospect that compulsory licensing under s 3 of the 1911 Act could continue long after any real economic interests in preventing copying had dissipated[44]. For that reason, and following the *Report of the Copyright Committee*[45] in the United Kingdom (the "Gregory Committee") before it, the Spicer Committee favoured removing general compulsory licensing provisions as they stood in the 1911 Act and as they applied in Australia, as a precondition for ratifying the Brussels Act[46].

53 Secondly, the specific abolition of Crown immunity for copyright infringement in the United Kingdom inevitably raised the question in Australia of following suit and simultaneously establishing a possible basis upon which some or all Crown use of copyright material might occur without the risk of infringement.

54 That was the background to the Spicer Committee's consideration of the position of the Crown and the question of whether, and to what extent, it should be liable for copyright infringement.

The Spicer Committee

55 When it came to the topic of government use under its general remit to advise[47], the Spicer Committee had before it the recommendation of the Gregory Committee that the Crown should be empowered to reproduce copyright material

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43 As defined at fn 17.

44 Report of the Spicer Committee at 13 [38(b)].

45 (1952) Cmd 8662.

46 Report of the Spicer Committee at 13 [38(b)].

47 Report of the Spicer Committee at 7 [1] states that the Spicer Committee was appointed to advise:

> "which of the amendments recently made in the law of copyright in the United Kingdom should be incorporated into [Australian] copyright law and what other alterations or additions, if any, should be made to the copyright law of Australia".

"for the services of the Crown" but only for the purposes of defence and essential communications[48]. The Gregory Committee's recommendations were not implemented in the *Copyright Act* 1956 (UK) nor were they adopted by the Spicer Committee.

56 The meaning of the formula "for the services of the Crown", as it occurred in s 46(1) of the *Patents Act* 1949 (UK), was considered in *Pfizer Corporation v Ministry of Health*[49]. A majority in the House of Lords held that the formula, of some antiquity, was not limited to the internal activities of government departments but included use by government departments in the fulfilment of duties imposed on them by legislation, and that the expression was broad enough to cover provision of products to the public[50].

57 In any event, with an echo of s 51(xxxi) of the Constitution, the Spicer Committee made its recommendation for government use of copyright material in the following terms:[51]

> "The Solicitor-General of the Commonwealth has expressed the view that the Commonwealth and the States should be empowered to use copyright material *for any purposes of the Crown, subject to the payment of just terms* to be fixed, in the absence of agreement, by the Court. A majority of us agree with that view. *The occasions on which the Crown may need to use copyright material are varied and many*. Most of us think that it is not possible to list those matters which might be said to be *more vital to the public interest* than others. At the same time, the rights of the author should be protected by provisions for the payment of just compensation to be fixed in the last resort by the Court." (emphasis added)

58 Four relevant observations can be made about the Spicer Committee's recommendation. First, no overt consideration was given to distinguishing Crown use which might be subject to equitable remuneration and Crown use which might be subject to fair dealing provisions or a free use exception.

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48 *Report of the Copyright Committee*, (1952) Cmd 8662 at 30 [75].

49 [1965] AC 512.

50 [1965] AC 512 at 535 per Lord Reid, 543-544 per Lord Evershed, 551-552 per Lord Upjohn.

51 Report of the Spicer Committee at 77 [404].

Secondly, the public policy concept of "user pays" which is now familiar was not in contemplation. Thirdly, the Spicer Committee knew of the Crown use provisions recommended by the Gregory Committee but the majority of its members eschewed following these somewhat narrow recommendations. Fourthly, the Spicer Committee was conscious of, and considered, the role of collecting societies[52] under subsisting statutory licence schemes.

59 The Spicer Committee also recommended the institution of the Copyright Tribunal with jurisdiction to determine disputes between persons or organisations requiring licences and owners of copyright material[53].

Div 2 of Pt VII: the statutory licence scheme for government use

60 When enacted almost a decade later, s 183(1) of the Act followed a form of provisions governing the rights of the Commonwealth and the States to use inventions subject to the payment of compensation[54]; this course had been expressly suggested by the Spicer Committee[55].

61 What is important in respect of the submissions made in this case is that no distinctions are made in s 183(1) between government uses obliged by statute and/or government uses which may be "vital to the public interest" on the one hand, and government uses which reflect considerations more closely resembling commercial uses, on the other.

62 Whilst it is not difficult to understand a preference for a policy framed with an eye to such distinctions, no such policy is evinced in the clear and express terms of s 183(1).

63 Section 183(3) provides that an authority may be given by the State to a person to do any acts comprised in the copyright before or after the acts have been done and notwithstanding that the person has a licence binding on the copyright owner to do the acts. This suggests that an authority, consent or

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52 Report of the Spicer Committee at 65 [340], 68 [357].

53 Report of the Spicer Committee at 68-72 [356]-[378].

54 *Patents Act* 1952 (Cth) Pt XIV; now see *Patents Act* 1990 (Cth) Ch 17, Pt 2.

55 Report of the Spicer Committee at 77 [405].

permission given by a government instrumentality to another person, to do acts within the copyright, may co-exist with a licence covered by s 15 of the Act.

64 An agreement or licence fixing terms upon which a person other than the Commonwealth or a State may do acts comprised in the copyright will not be operative under s 183(1), unless the agreement or licence has been approved by the relevant Attorney-General (s 183(6)).

65 Under s 183(8), an act done under s 183(1) does not constitute publication of a work. This preserves for copyright owners the running of time in respect of the first publication. It also operates to preserve the ownership of copyright in works or other subject matter which otherwise would vest in the Commonwealth or a State.

66 Finally, in recognition of separate statutory licence arrangements for educational uses, s 183(11) provides that copying or communication of a work for the educational purposes of an educational institution of, or under the control of, a State is "deemed not to be an act done for the services of … [the] State". Pt VB, Div 5 (ss 135ZU-135ZZA) establishes its own equitable remuneration system with respect to use by educational and other institutions. Section 183(11) emphasises the similarity of purpose in the different statutory licence provisions.

67 A consideration of ss 183 and 183A supports the submission by CAL that Pt VII, Div 2 of the Act lays out a comprehensive licence scheme for government use of copyright material. The statutory provisions are detailed and discussed earlier in these reasons under the headings "The legislation" and "The 1998 amendments".

68 The purpose of the scheme is to enable governments to use material subject to copyright "for the services of the Crown" without infringement. Certain exclusive rights of the owner of "copyright material" are qualified by Parliament in order to achieve that purpose. It is the statutory qualification of exclusive rights which gives rise to a statutory *quid pro quo*, namely a statutory right in the copyright owner (here a surveyor) to seek "terms" upon which the State (excepted from infringement by the legislature) may do any act within the copyright (s 183(5)) and to receive equitable remuneration for any "government copies" (s 183A).

69 With reference to the use by the Spicer Committee of the constitutional expression "just terms", it may be added that CAL conducted its case in this Court on the footing that the statutory scheme afforded "just terms" to copyright owners.

70 There is nothing in ss 183(1), 183(5) or 183A, or other provisions relating to the statutory licence scheme, which suggests that governments may make, or take the benefit of, arrangements which would have the effect of circumventing those provisions as they apply to the copying, and the communication to the public, of registered survey plans.

The position elsewhere

71 The competing policy considerations arising from copyright ownership and the needs of governments to access copyright material have been resolved elsewhere in different ways.

United Kingdom

72 There are a number of statutory exceptions to infringement permitting certain similar public uses of copyright material (ss 47-50 of the *Copyright, Designs and Patents Act* 1988 (UK) (the "1988 UK Act")). First, any copyright in material, which is open to public inspection pursuant to a statutory requirement or in a statutory register, will not be infringed by copying so much of the material as contains factual information provided that any copying is done by or with the authority of the person making the material open to public inspection or maintaining the register, and provided that the copying is "for a purpose which does not involve the issuing of copies to the public"[56]. Secondly, copyright in material which is open to public inspection will not be infringed by the copying or the issuing of copies to the public if this is by or with the authority of the person making the material open to the public and is for the purpose of enabling the material to be inspected at a more convenient time or place[57]. In the White Paper titled "Intellectual Property and Innovation"[58] it had been said that the proposed legislation would "overcome the present obstacle to the copying of planning application documents by affected parties". Thirdly, copyright in material, which is open for public inspection pursuant to a statutory requirement or which is placed on a statutory register which contains information about matters of general scientific, technical, commercial or economic interest, will not be infringed by copying or issuing of copies to the public, by or with the

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56 Section 47(1), 1988 UK Act.

57 Section 47(2), 1988 UK Act.

58 Cmnd 9712 at 48 [8.15].

authority of the person making the material open to public inspection or maintaining the register, for the purposes of disseminating that information[59].

73 There is a further exception for material communicated to the Crown in the course of public business by or with a licence of the owner, where the Crown owns or controls a document or other material embodying the work. Such material may be copied by the Crown or the Crown may issue copies to the public for the purposes for which the work was communicated to it, without infringement, subject to any agreement to the contrary[60]. Such provisions appear to cover the Crown when copying or issuing copies to the public which involve a profit at the copyright owner's expense[61].

74 There are also exceptions relating to the copying of public records[62] and other acts specifically authorised by Acts of Parliament[63].

New Zealand

75 The *Copyright Act* 1994 (NZ) binds the Crown (s 13) and provides for the use of copyright material for the services of the Crown upon payment of equitable remuneration to the copyright owner as agreed or determined (s 63). However, the definition of use for the services of the Crown is more confined than Div 2 of Pt VII of the Australian statute. The scheme is engaged only where acts are done for the purposes of national security or during a period of emergency (s 63(1)(a)) or in the interests of public safety or health (s 63(1)(b)). Consistently with its confined scope, no provision is made for sampling or collecting societies.

76 There are further exceptions. These exceptions are generally similar in form to the provisions of the 1988 UK Act described above. For example, provision is made for the copying of material on a statutory register (s 61) and for

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59 Section 47(3), 1988 UK Act.

60 Sub-sections 48(1), (2) and (5), 1988 UK Act.

61 Garnett, Davies and Harbottle, *Copinger and Skone James on Copyright*, 15th ed (2005) at 536-537 § 9-129.

62 Section 49, 1988 UK Act.

63 Section 50, 1988 UK Act.

the copying of material communicated to the Crown in the course of public business (s 62) in terms that closely follow ss 47 and 48 of the 1988 UK Act. There is no requirement for payment of remuneration to the copyright owner in respect of these exceptions to the New Zealand scheme.

United States of America

77 Before intervention by the Congress in 1960[64], the United States government (but not its employees and agents) maintained as an aspect of sovereignty an immunity from suit for copyright infringement[65]. The Indian Tribes appear still to maintain an immunity from suit as an aspect of their sovereignty[66]. The position of the States depends upon the fluid condition of the jurisprudence respecting the measure of immunity from suit in federal courts given by the Eleventh Amendment to the United States Constitution[67]. In *Patry on Copyright*[68], it is stated:

> "There is … no exemption from liability for states or their instrumentalities aside from limitations resulting from sovereign immunity. In light of this potential liability, fair use is occasionally asserted as a defense for unauthorized government copying." (footnote omitted).

Canada

78 In Canada the position respecting the continued existence of Crown immunity appears unsettled[69] but there are statutory royalty systems with respect to copyright use by educational institutions and use of photocopying machines

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64 By a law now found in 28 USC §1498(b).

65 *Turton v United States* 212 F 2d 354 at 355 (1954); *Towle v Ross* 32 F Supp 125 at 127 (1940).

66 *Bassett v Mashantucket Pequot Tribe* 204 F 3d 343 at 356-358 (2000).

67 *Nimmer on Copyright*, vol 3 §12.01 [E][2][b] at 12-42.

68 vol 4 § 10:73 at 10-218.

69 McKeown, *Fox on Canadian Law of Copyright and Industrial Designs*, 4th ed (2006) at 18–9 - 18–10 [18:4].

installed in educational institutions, libraries, archives and museums[70]. There are also some limited exceptions to infringement in respect of a disclosure, or the making of a copy of material, which is authorised by a specific Act of Parliament[71].

79 These comparative considerations emphasise the general reach of s 183(1) of the Act and the deliberate choice of the Parliament to combine the exception to infringement, for government use, with a remuneration scheme, rather than to frame the exception as a fair dealing, or otherwise as a free use.

Implied licence

80 The State contended that there was no need for it to be excepted from infringement under s 183(1), because an antecedent question posed by s 36(1) is whether any of its acts of reproducing survey plans or communicating them to the public is done "without the licence of the owner". Essentially, the licence relied upon by the State was said to be implied by the conduct of a surveyor permitting survey plans to be registered in the knowledge of the uses to which they would be put.

81 There is no doubt a licence can be implied in different ways as recognised by this Court in *Concrete Pty Ltd v Parramatta Design & Developments Pty Ltd*[72]:

> "A non-exclusive licence to use architectural plans and drawings may be oral or implied by conduct, or may be implied, by law, to a particular class of contracts, reflecting a concern that otherwise rights conferred under such contracts may be undermined, or may be implied, more narrowly, as necessary to give business efficacy to a specific agreement between the parties. A term which might ordinarily be implied, by law, to a particular class of contracts may be excluded by express provision or if it is

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70 McKeown, *Fox on Canadian Law of Copyright and Industrial Designs*, 4th ed (2006) at 23–12.1 - 23–18 [23:3], 23–24 - 23–27 [23:5].

71 See eg s 32.1 of the *Copyright Act* RSC 1985 c 42.

72 (2006) 229 CLR 577 at 595-596 [59] per Kirby and Crennan JJ; see also Gummow ACJ at 584 [16].

inconsistent with the terms of the contract. In some instances more than one of the bases for implication may apply." (footnotes omitted)

82 The rationale for implying a licence in a contractual setting, explained by Jacobs J in *Beck v Montana Constructions Pty Ltd*[73] bears repeating:

> "[T]he engagement for reward of a person to produce material of a nature which is capable of being the subject of copyright implies a permission, or consent, or licence in the person giving the engagement to use the material in the manner and for the purpose in which and for which it was contemplated between the parties that it would be used at the time of the engagement."

83 Such considerations influenced the Full Court's finding that the circumstances here gave rise to an implied licence[74].

84 There are a number of facts which distinguish the position here from the position of the architect considered in *Concrete Pty Ltd v Parramatta Design & Developments Pty Ltd*[75]. It can be noted that the uses made by the State of survey plans, for the purposes of an individual applicant seeking registration of those plans and issue of title, are not dissimilar to the uses under consideration in the implied licence cases. These are not the dealings in respect of which CAL seeks determination of terms under s 183(5) of the Act, or the payment of equitable remuneration pursuant to s 183A.

85 In relation to uses of the State which are not related to the private interests of an applicant, for registration and issue of title, but which can be conveniently described as public uses, a number of different considerations apply. First, whilst a surveyor's client pays the surveyor for the preparation of survey plans, a surveyor is not permitted by LPI to affix a copyright notice. However, there is nothing in the conduct of a surveyor in preparing plans for registration which involves abandoning exclusive rights bestowed by the Act, particularly since the statutory licence scheme qualifies those exclusive rights on condition that remuneration be paid for permitted uses.

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73 [1964-5] NSWR 229 at 235.

74 *Copyright Agency Ltd v New South Wales* (2007) 159 FCR 213 at 243-244 [152]-[157].

75 (2006) 229 CLR 577.

86 Secondly, a surveyor cannot practise his or her profession, insofar as it touches land boundaries, without consenting to the provision of survey plans for registration knowing the uses, subsequent to registration, to which the plans will be put.

87 Thirdly, an application on behalf of a surveyor for equitable remuneration in relation to government uses of survey plans which involve copying and communication of the plans for, and to, the public, subsequent to registration, does not undermine or impede the use by the surveyor's client of the survey plans for the purposes for which they were prepared, namely lodgement for registration and issue of title.

88 Fourthly, neither a surveyor nor a surveyor's client could be expected to factor into remuneration under any contract of engagement between them, such copying for public uses as may be engaged in by the State.

89 Fifthly, the State imposes charges for copies issued to the public.

90 Sixthly, there is nothing in the express terms of s 183(1) (or its history) which could justify reading down the expression "for the services of the … State" so as to exclude reproduction and communication to the public pursuant to express statutory obligations.

91 These considerations all militate against implying a licence, as a matter of law, into all contracts between surveyors and their clients, in favour of the State, which is a stranger to such contracts. They also militate against the founding of any licence in an authority or consent given by the surveyors to the State, independently of the contracts between the surveyors and their clients.

92 Finally, and importantly, a licence will only be implied when there is a necessity to do so[76]. As stated by McHugh and Gummow JJ in *Byrne v Australian Airlines Ltd*[77]:

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76 *Concrete Pty Ltd v Parramatta Design & Developments Pty Ltd* (2006) 229 CLR 577 at 584 [13]-[14] per Gummow ACJ, 606 [96] per Kirby and Crennan JJ.

77 (1995) 185 CLR 410 at 450 per McHugh and Gummow JJ; [1995] HCA 24; see also *Breen v Williams* (1996) 186 CLR 71 at 91 per Dawson and Toohey JJ, 102-103 per Gaudron and McHugh JJ, 124 per Gummow J; [1996] HCA 57.

"This notion of 'necessity' has been crucial in the modern cases in which the courts have implied for the first time a new term as a matter of law."

93 Such necessity does not arise in the circumstances that the statutory licence scheme excepts the State from infringement, but does so on condition that terms for use are agreed or determined by the Tribunal (ss 183(1) and (5)). The Tribunal is experienced in determining what is fair as between a copyright owner and a user. It is possible, as ventured in the submissions by CAL, that some uses, such as the making of a "back-up" copy of the survey plans after registration, will not attract any remuneration.

Conclusion and orders

94 The appeal should be allowed. The orders of the Full Court made in respect of questions 5 and 6 should be set aside. Question 5 should be answered "No". Question 6 does not arise.

95 The State should pay CAL's costs of the appeal and of the proceedings before the Full Court of the Federal Court of Australia.