RecordTV Pte Ltd *v* MediaCorp TV Singapore Pte Ltd and others
[2010] SGCA 43

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Decision Date : 01 December 2010

Tribunal/Court : Court of Appeal

Coram : Chan Sek Keong CJ; Andrew Phang Boon Leong JA; V K Rajah JA

Counsel Name(s) : Alban Kang Choon Hwee, Koh Chia Ling and Ang Kai Hsiang (ATMD Bird & Bird LLP) for the appellant; Davinder Singh SC, Dedar Singh Gill, Paul Teo Kwan Soon and Roe Yun Song (Drew & Napier LLC) for the respondents.

Parties : RecordTV Pte Ltd — MediaCorp TV Singapore Pte Ltd and others

Copyright – Groundless threat

Copyright – Infringement

Words and Phrases

[LawNet Editorial Note: The decision from which this appeal arose is reported at [2010] 2 SLR 152.]

1 December 2010 Judgment reserved.

V K Rajah JA (delivering the judgment of the court):

Introduction

1 This is an appeal by the appellant, RecordTV Pte Ltd ("RecordTV"), against the decision of a High Court judge ("the Judge"), who dismissed its claim against the respondents, MediaCorp TV Singapore Pte Ltd, MediaCorp TV12 Singapore Pte Ltd, MediaCorp News Pte Ltd and MediaCorp Studios Pte Ltd (collectively referred to as "MediaCorp"), for making groundless threats to bring legal proceedings for copyright infringement. The Judge also held, *vis-à-vis* MediaCorp's counterclaim against RecordTV for copyright infringement, that RecordTV was liable in its use of an Internet-based digital video recorder ("iDVR") to record shows broadcast by MediaCorp.

2 This appeal raises an important policy issue as to how the courts should interpret copyright legislation in the light of technological advances which have clear legitimate and beneficial uses for the public, but which may be circumscribed or stymied by expansive claims of existing copyright owners. Bearing in mind that the law strives to encourage both creativity and innovation for the common good, in a case such as the present one, how should the courts strike a just and fair balance between the interests of all affected stakeholders, *viz*, consumers, content providers as well as technology and service vendors? If the law is not clear as to whether the use of improved technology which is beneficial to society constitutes a breach of copyright, should the courts interpret legislative provisions to favour the private rights of the copyright owner or the public's wider interests? This is the problem that we face and have to resolve in the present case. In the normal course of events, when enacting a statute, the Legislature balances the rights and interests of all affected stakeholders after considering the social costs and the economic implications. Where the statute is not clear, however, the courts have to perform this difficult task. In the present case, the Judge struck the balance in favour of MediaCorp, the copyright owner, by giving an expansive interpretation to the

relevant provisions of the Copyright Act (Cap 63, 2006 Rev Ed). His detailed reasons can be found in *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd and others* [2010] 2 SLR 152 ("the Judgment").

The facts

Parties to the dispute

3 RecordTV was the owner of an Internet-based service that allowed its registered users (referred to hereafter as either "Registered Users" or a "Registered User", as the context requires) to request the recording of MediaCorp's free-to-air broadcasts in Singapore. The broadcasts were recorded on RecordTV's iDVR, which functioned just like a traditional digital video recorder ("DVR"), *viz*, a Registered User could select a programme to record, play back and/or delete. The main difference between RecordTV's iDVR and a traditional DVR was that the former was a remote-storage DVR. This meant that the recording was made at RecordTV's premises, with the Registered Users operating the iDVR system remotely from home or elsewhere via a web browser.

4 MediaCorp is a state-owned group of commercial media companies in Singapore. It is the nation's largest media broadcaster and provider, and broadcasts a variety of free-to-air television programmes in Singapore. For present purposes, MediaCorp is also the copyright owner of the various free-to-air broadcasts and films particularised below (referred to hereafter as either the "MediaCorp shows" or a "MediaCorp show", as the context requires), whose copyright RecordTV is alleged to have infringed:

Broadcaster	**Channel**
First respondent	Channel 5, Channel 8 and Channel U
Second respondent	Central and Suria
Third respondent	Channel NewsAsia

Copyright owner(s) of film	**Film**
First and fourth respondents	My Sassy Neighbour III
	Live the Dream
	Dear, Dear Son-in-Law
	Say It If You Dare III
Third respondent	Amazing Asia
	Correspondent's Diary

RecordTV's iDVR service – a time-shifting service

5 RecordTV's iDVR service operated as follows. Members of the public had to first register with RecordTV (*ie*, they had to become Registered Users) before they could use its iDVR free-of-charge.

Access to the iDVR was restricted to those Registered Users who were legally entitled to view and record the MediaCorp shows, all of which (as just mentioned) were broadcast on a free-to-air basis (see cl 3A of RecordTV's terms of use ("the Terms of Use"), [note: 1] which is discussed in greater detail at [49] below). These Registered Users were, in the main, Registered Users based in Singapore who held valid television licences. In this regard, it should be noted that all members of the public in Singapore who hold valid television licences are in effect licensed by MediaCorp to view the MediaCorp shows as the Media Development Authority ("MDA") has granted a licence to MediaCorp to provide, *inter alia*, free-to-air broadcasts in Singapore, and this MDA-granted licence requires MediaCorp to provide shows to persons in Singapore who hold valid television licences without requiring the payment of any subscription fees in return. By virtue of s 114 of the Copyright Act, persons in Singapore who hold valid television licences can also make copies of the MediaCorp shows for their own "private and domestic" use.

6 Reverting to RecordTV's iDVR service, upon a successful registration with RecordTV and a subsequent log-in using a unique username and password, a Registered User was able to access a database which listed the shows available for recording using RecordTV's iDVR, namely, the MediaCorp shows scheduled for broadcast over the coming week on Channel 5, Channel 8 or Channel NewsAsia (this database was compiled by RecordTV using information from the public websites of the respective channels). The Registered User would select from this database the MediaCorp shows which he wanted to have recorded and enter the selected shows into a playlist. After making his selection, the Registered User would issue a request for RecordTV's iDVR to record the desired shows. This request would be updated in the iDVR's internal database. A control programme in RecordTV's recording computers, which were located away from the Registered User's computer, would continuously monitor the iDVR's internal database to check whether a request had been made. If the control programme detected that a Registered User had made a request for a particular MediaCorp show to be recorded, it would instruct the iDVR to record the said show.

7 RecordTV operated several television tuners (one per television channel) from which its iDVR captured and recorded those MediaCorp shows which Registered Users had requested to be recorded. Depending on the mode of storage in which the iDVR operated (which could be the "Single Instance Storage" ("SIS") mode, the "Mixed" mode or the "Multiple Copy" mode (see [9] below)), either one copy or multiple copies of the recording of a MediaCorp show would be stored in RecordTV's recording computers. After the recording had been made, the Registered User who had requested for the recording would be able to play it back on his computer.

8 It is important to note that each recording of a MediaCorp show could only be retrieved by the Registered User who had requested that that particular show be recorded. This recording would be "streamed" to the Registered User, rather than "downloaded" onto his computer (as to the difference between "streaming" and "downloading", see the Judgment at [97]–[98]; see also [62] below). The Registered User would then be able to view the recording until either RecordTV or the Registered User himself removed that recording from the latter's playlist. It was the practice of RecordTV to delete all recordings of the MediaCorp shows from its recording computers 15 days after the date of recording (which would also be the date of broadcast of the respective shows). In effect, RecordTV provided a time-shifting service to the Registered Users by means of its iDVR, such that a Registered User could view, for a period of up to 15 days after the date of broadcast, a MediaCorp show recorded at his request.

9 RecordTV's iDVR had three different phases of operation during its lifespan. When it was first launched in July 2007, it operated in the SIS mode. This mode of file storage involved the storage in RecordTV's recording computers of one copy of the time-shifted recording of a MediaCorp show, regardless of the number of recording requests made for that show. By July 2008, RecordTV's iDVR

was operating in the "Mixed" mode for Channels 5 and 8, and in the "Multiple Copy" mode for Channel NewsAsia. The "Mixed" mode was a hybrid mode of storage whereby multiple copies of the recording of a MediaCorp show were created based on the number of Registered Users who had requested the recording of that show. If, however, system resources were insufficient, then only one copy of the recording would be made. As for the "Multiple Copy" mode, it involved the making and storage of multiple copies of the recording of the same MediaCorp show, such that that show could be played back from different files. Finally, sometime around August to September 2008, RecordTV's iDVR was reconfigured to operate solely in the "Multiple Copy" mode for all channels. The one similarity among all three phases was that RecordTV would not make a recording of a MediaCorp show if it did not receive a recording request for that show. It should be noted that the third phase of operation of RecordTV's iDVR (*ie*, the phase during which only the "Multiple Copy" mode of storage was used) was implemented only after RecordTV had commenced its action against MediaCorp.

Litigation between the parties

10 The dispute between RecordTV and MediaCorp crystallised when the latter issued cease-and-desist letters to the former objecting to the former's introduction in July 2007 of its time-shifting service by means of its iDVR. MediaCorp alleged that the use of the iDVR infringed its copyright in the MediaCorp shows. In response, RecordTV commenced an action against MediaCorp for, *inter alia*, making groundless threats to bring legal proceedings for copyright infringement (see s 200(1) of the Copyright Act). MediaCorp in turn filed a counterclaim seeking, *inter alia*, injunctive relief for copyright infringement. At the conclusion of a long trial, the Judge reserved judgment. He eventually dismissed RecordTV's claim and allowed MediaCorp's counterclaim against RecordTV for copyright infringement. Dissatisfied with the Judge's decision, RecordTV appealed to this court.

Our approach in this appeal

11 In the present appeal, we are only concerned with MediaCorp's copyright in the MediaCorp shows in terms of the right to: (a) make copies of (*ie*, reproduce); (b) communicate to the public; and/or (c) authorise the copying and/or the communication to the public of those shows. The Judge found that RecordTV, in providing its iDVR service to Registered Users who held valid television licences such that they could access the MediaCorp shows on a time-shifted basis, had not infringed MediaCorp's right to reproduce those shows. However, he found that RecordTV had communicated the MediaCorp shows to the public and had also authorised them to copy the same, and was therefore liable for copyright infringement. He further held that RecordTV could not rely on any of the safe harbour or fair dealing provisions under, respectively, Pt IXA and s 109 of the Copyright Act to escape liability for copyright infringement. In view of his ruling that MediaCorp's counterclaim against RecordTV for copyright infringement was made out, the Judge dismissed RecordTV's claim against MediaCorp for making groundless threats to bring infringement proceedings. In this appeal, we shall adopt the same approach as the Judge and likewise assess the merits of RecordTV's claim by reference to our ruling on MediaCorp's counterclaim.

MediaCorp's counterclaim against RecordTV for copyright infringement

The relevant provisions of the Copyright Act

12 For the purposes of MediaCorp's counterclaim, the relevant provisions in the Copyright Act which set out the nature of MediaCorp's copyright in the MediaCorp shows and the acts that infringe such copyright are ss 83, 84 and 103. These provisions read as follows:

Nature of copyright in cinematograph films

83. For the purposes of this Act, unless the contrary intention appears, copyright, in relation to a cinematograph film, is the exclusive right to do all or any of the following acts:

(*a*) to make a copy of the film;

…

(*c*) to communicate the film to the public.

Nature of copyright in television broadcasts and sound broadcasts

84.—(1) For the purposes of this Act, unless the contrary intention appears, copyright, in relation to a television broadcast or sound broadcast, is the exclusive right —

(*a*) in the case of a television broadcast insofar as it consists of visual images – to make a cinematograph film of the broadcast, or a copy of such a film;

…

(*d*) in the case of a television broadcast or a sound broadcast – to re-broadcast it or to otherwise communicate it to the public.

…

Infringement by doing acts comprised in copyright

103.—(1) Subject to the provisions of this Act, a copyright subsisting by virtue of this Part [ie, Pt IV of the Copyright Act] is infringed by a person who, not being the owner of the copyright, and without the licence of the owner of the copyright, does in Singapore, or authorises the doing in Singapore of, any act comprised in the copyright.

…

[emphasis added]

The issues to be decided in MediaCorp's counterclaim

13 In the light of the provisions of the Copyright Act reproduced above, three main issues arise for consideration before us *vis-à-vis* MediaCorp's counterclaim, namely:

(a) first, whether RecordTV copied the MediaCorp shows ("the First Issue");

(b) second, whether RecordTV communicated the MediaCorp shows to the public ("the Second Issue"); and

(c) third, whether RecordTV authorised the Registered Users to do in Singapore any act comprised in MediaCorp's copyright in the MediaCorp shows ("the Third Issue").

14 To summarise our rulings on the above issues in advance of our analysis, we find, *vis-à-vis* the First Issue, that RecordTV did not copy the MediaCorp shows; instead, it was the Registered Users requesting the recording of those shows using RecordTV's iDVR who did so. In respect of the Second Issue, we find that RecordTV did not communicate the MediaCorp shows to the public because the

Registered Users who requested the recording of a particular MediaCorp show did not constitute "the public" for the purposes of ss 83 and 84 of the Copyright Act, and, in any event, the communication to them was not made by RecordTV. Finally, we find on the Third Issue that RecordTV did not authorise the Registered Users to do in Singapore any act comprised in MediaCorp's copyright in the MediaCorp shows. We shall elaborate on our reasons for making each of these findings after analysing the Judge's decision on the aforesaid issues.

The First Issue: Did RecordTV copy the MediaCorp shows?

15 In respect of the First Issue (*viz*, whether RecordTV copied the MediaCorp shows), the Judge found that RecordTV did not copy the MediaCorp shows within the meaning of the phrase "make a copy" in the Copyright Act, and that it was the Registered Users instead who copied the shows by their own actions in requesting the recording of those shows using RecordTV's iDVR. We agree with and affirm the Judge's finding that it was the Registered Users, and not RecordTV, who copied the MediaCorp shows.

16 In reaching the above-mentioned conclusion, the Judge relied on the interpretational (and policy) approach of the US Court of Appeals for the Second Circuit in *The Cartoon Network LP, LLLP v CSC Holdings, Inc* 536 F 3d 121 (2nd Cir, 2008) ("*Cartoon Network*"). At [22] of the Judgment, he said:

> In Cartoon Network, a three-judge panel of the US Court of Appeals for the Second Circuit held that [the defendant]'s proposed remote-storage digital video recording service ("RS-DVR"; this being the category under which [RecordTV]'s iDVR is classified, as opposed to set-top storage ("STS-DVR")) did not directly infringe the reproduction rights of those holding copyrights in the recorded materials. In overturning the decision of the district judge below, the [US] Court of Appeals for the Second Circuit held that (at 131–132):
>
> > … There are only two instances of volitional conduct in this case: [the defendant]'s conduct in designing, housing, and maintaining a system that exists only to produce a copy, and a customer's conduct in ordering that system to produce a copy of a specific program. In the case of a VCR [video cassette recorder], it seems clear – and we know of no case holding otherwise – that the operator of the VCR, the person who actually presses the button to make the recording, supplies the necessary element of volition, not the person who manufactures, maintains, or, if distinct from the operator, owns the machine. *We do not believe that an RS-DVR customer is sufficiently distinguishable from a VCR user to impose liability as a direct infringer on a different party for copies that are made automatically upon that customer's command*.
> >
> > …
> >
> > *… In determining who actually 'makes' a copy, a significant difference exists between making a request to a human employee, who then volitionally operates the copying system to make the copy, and issuing a command directly to a system, which automatically obeys commands and engages in no volitional conduct*. … Here, by selling access to a system that automatically produces copies on command, [the defendant] more closely resembles a store proprietor who charges customers to use a photocopier on his premises, and it seems incorrect to say, without more, that such a proprietor 'makes' any copies when his machines are actually operated by his customers.
> >
> > … we do not think it sufficiently proximate to the copying to displace the customer as the

person who 'makes' the copies when determining liability under the Copyright Act [17 USC (US)]. [The defendant], we note, also has subscribers who use home VCRs or DVRs (like TiVo), and has significant control over the content recorded by these customers. But this control is limited to the channels of programming available to a customer and not to the programs themselves. *[The defendant] has no control over what programs are made available on individual channels or when those programs will air, if at all*. In this respect, [the defendant] possesses far less control over recordable content than it does in the VOD [video-on-demand] context, where it actively selects and makes available beforehand the individual programs available for viewing. For these reasons, we are not inclined to say that [the defendant], rather than the user, 'does' the copying produced by the RS-DVR system. As a result, *we find that the district court erred in concluding that [the defendant], rather than its RS-DVR customers, makes the copies carried out by the RS-DVR system*.

[emphasis in original]

17 In a nutshell, the court's finding in *Cartoon Network* that it was the customers of the defendant ("Cablevision"), and not Cablevision itself, who made the copies was premised on the concept of "volitional acts". There were two volitional acts in *Cartoon Network*. The first was that of Cablevision in designing, housing and maintaining a remote-storage digital video recorder ("RS-DVR") system that existed only to produce copies of specific programmes. The second volitional act was that of Cablevision's customers, who operated the RS-DVR system. The US Court of Appeals for the Second Circuit held that it was the customers who made the copies because the process in dispute was no different from that involved when a person used a video cassette recorder ("VCR") to copy a copyright-protected work.

18 At [23] of the Judgment, the Judge summarised the three factors considered by the court in *Cartoon Network* in concluding that the bulk of the relevant volitional conduct, "an important element of direct liability" (see *Cartoon Network* at 131), lay with the end-users (*ie*, Cablevision's customers) in that case:

(a) by analogy [with] the end-user of the ancient VCR, the end-user of an RS-DVR is the main volitional agent in requesting for certain programmes to be recorded;

(b) in relation to the end-user of an RS-DVR, who is able to choose specific programmes to record, Cablevision is only able to choose the channels of programming to be made available to a customer; and

(c) in determining who actually "makes" a copy, a significant difference exists between making a request to a human employee, who then volitionally operates the copying system to make the copy, and issuing a command directly to a system, which automatically obeys commands and engages in no volitional conduct.

[emphasis in original]

19 In relation to factor (c) of the above quotation, the Judge departed from the view adopted by the court in *Cartoon Network*. He held that *no* difference existed between "making a request to a human employee, who then volitionally operate[d] the copying system to make the copy, and issuing a command directly to a system, which automatically obey[ed] commands and engage[d] in no volitional conduct" (see sub-para (c) of [23] of the Judgment). He also ruled in RecordTV's favour on factor (b) of the above quotation, and, *vis-à-vis* factor (a) thereof, he was particularly persuaded by the analogy with "the end-user of the ancient VCR" (see sub-para (a) of [23] of the Judgment). At

[33] of the Judgment, he said:

> … [T]he end product we are concerned with here is a time-shifted recording. If the end-user is the maker of this time-shifted recording for the purposes of the VCR, it must remain that the end-user is the maker of the recording in the context of the DVR, remote or local. [emphasis in original]

20 Before this court, MediaCorp argued that the analogy which the Judge drew with "the ancient VCR" (see sub-para (a) of [23] of the Judgment) was flawed. We reject this argument and affirm, on two grounds, the Judge's conclusion that it was the Registered Users requesting the recording of a particular MediaCorp show who copied that MediaCorp show. First, we agree with the Judge that the iDVR is simply a digital version of the traditional DVR/VCR. Its functionality is essentially the same as that of the latter. Both are similar in the following ways:

(a) it is the user who chooses which show to record;

(b) the request to record a show is made to a recording device (the traditional DVR/VCR) or recording system (the iDVR); and

(c) it is the recording device/system which records the selected show.

21 No doubt, certain operational differences can be discerned between the iDVR and the traditional DVR/VCR, *eg*: (a) the traditional DVR/VCR is located at the user's home, whereas the iDVR is located at the iDVR provider's premises; and (b) the vendor of the traditional DVR/VCR is unable to control the use of the DVR/VCR as a recording machine once it has been sold to the user, whereas the iDVR provider may stop the recording service as and when it wishes. However, in our view, these differences are immaterial as they are no more than variations of the same basic model of time-shifting. The fundamental objective of time-shifting is to allow a show to be recorded on a storage medium so that it may be viewed or listened to at the consumer's convenience after it is broadcast. This is a perfectly legitimate activity so long as it does not constitute copying copyright-protected material or communicating such material to the public contrary to copyright laws. We should add that in the present case, as mentioned at [5] above, the Registered Users had to be legally entitled to view and record the MediaCorp shows before they could avail themselves of RecordTV's iDVR service to record those shows; all that RecordTV did was merely to provide them with the advantages and convenience of a time-shifting service, which MediaCorp itself did not provide.

22 Our second reason for affirming the Judge's decision on the First Issue (namely, that RecordTV did not copy the MediaCorp shows) is that RecordTV's iDVR not only serves the same purpose as the traditional DVR/VCR (*viz*, to allow time-shifting), but is also a significant technological improvement over the latter with tangible benefits to users, in that RecordTV's iDVR is more convenient and user-friendly than the traditional DVR/VCR. Registered Users who may legitimately view and record the MediaCorp shows no longer need to know the start and end times of each MediaCorp show which they wish to record and the channel on which that show will be aired because RecordTV's iDVR has already been programmed with the relevant information. These Registered Users need only select from the iDVR's electronic programme guide the MediaCorp show which they wish to have recorded. Furthermore, they can even instruct RecordTV's iDVR to record all episodes of a particular MediaCorp show, regardless of when and/or on which channel the various episodes are to be broadcast.

The Second Issue: Did RecordTV communicate the MediaCorp shows to the public?

23 We turn now to the Second Issue, *viz*, whether RecordTV communicated the MediaCorp shows

to the public. As mentioned at [11] above, the Judge ruled in MediaCorp's favour on this issue. With respect, we do not agree with his ruling. In our view, RecordTV did not communicate the MediaCorp shows to the public within the meaning of ss 83(*c*) and 84(1)(*d*) of the Copyright Act for two reasons: first, we are of the view that there have not been any communications to "the public"; and, second, we do not think that RecordTV was the party which made the communications in question in the present case.

Communications to "the public"

24 With regard to our first reason for departing from the Judge's decision on the Second Issue, the expression "the public" is not defined in the Copyright Act, but, ordinarily, that word connotes all members of the community or a section of the public. A substantial number of persons can sometimes be "the public" in this sense. As the learned authors of Kevin Garnett, Gillian Davies & Gwilym Harbottle, *Copinger and Skone James on Copyright* (Sweet & Maxwell, 15th Ed, 2005) wrote at para 7-118:

> Although the Act [ie, the Copyright, Designs and Patents Act 1988 (c 48) (UK)] refers to the work being made available to "the public", in the usual way this does not mean that the restricted act is only committed when the public at large can obtain access to it. Where the work is only available to subscribers to an internet service, the subscribers will qualify as "the public" for this purpose. [emphasis added]

25 In the present case, the Registered Users who held valid television licences had an existing relationship with MediaCorp as they were licensed by the latter to watch the MediaCorp shows (see [5] above). To the extent that there was a contractual relationship between MediaCorp and those Registered Users arising from the former licensing the latter to view the MediaCorp shows, those Registered Users are arguably not members of "the public" for the purposes of ss 83(*c*) and 84(1)(*d*) of the Copyright Act.

26 In any case, in view of the *modus operandi* of RecordTV's iDVR service, we find that any communications made by RecordTV to Registered Users who had requested the recording of a particular MediaCorp show were made privately and individually. We see no reason why the aggregate of the private and individual communications made to each of the aforesaid Registered Users should transform the nature of such communications into "public" communications. Although any member of the public could register with RecordTV to become a Registered User, he had no immediate access to all (or any) of the MediaCorp shows already recorded by RecordTV. This was because RecordTV's iDVR service was not a video-on-demand service whereby RecordTV shared a library of recorded works with Registered Users. Rather, a Registered User was only allowed to access and view time-shifted recordings of the specific MediaCorp shows which he had requested to be recorded. Thus, each Registered User had to make a request for a particular MediaCorp show to be recorded for him, and only he could access the show recorded at his request. According to the court-appointed expert, Assoc Prof Roger Zimmermann: [note: 2]

> Information about TV shows that are recorded on behalf of a [Registered] [U]ser's request is stored in [a] database table. Each record in the [database] table is associated with one [Registered] [U]ser. When a TV show is recorded into a file, the filename is also specific to the [Registered] [U]ser in that it includes the user identification in its name. When a [Registered] [U]ser logs into the RecordTV web site, the system will only present the recorded shows of this user under [his] … [p]laylist and therefore access is implicitly [granted] only to those shows. [emphasis added]

27 Indeed, the Judge himself noted at [8] of the Judgment that a particular time-shifted recording of a MediaCorp show was made available for viewing to "the member of the public *who requested the recording* on the 'My Playlist' portion of [RecordTV's] [w]ebsite" [emphasis added]. Hence, the *only* recipient of that time-shifted recording would be the Registered User who had requested the making of that recording and who later operated RecordTV's iDVR to play back that recording to himself, and no other Registered User. In other words, each transmission of a MediaCorp show recorded using RecordTV's iDVR was made to a single Registered User pursuant to his request. A Registered User did not have access to all (or any) of the MediaCorp shows which had already been recorded unless those shows were the subject of his prior *personal* recording requests.

28 Accordingly, the relevant question that ought to have been posed was not whether RecordTV's iDVR service was available to "the public" as comprising any group of Registered Users (even assuming (*cf* our view at [25] above) that Registered Users who are legally entitled to watch and record the MediaCorp shows can be regarded as "the public" for this purpose), which was the question that the Judge appeared to have asked himself when he said at [77] of the Judgment that "[i]t should not matter that [RecordTV's] service [was] available only to [R]egistered … [U]sers, when *any member of the public* with an Internet connection [could] register for free" [emphasis in original]. Rather, the question should have been whether a particular MediaCorp show had been transmitted to the public. Since Registered Users could only view those MediaCorp shows which they had requested to be recorded, those shows were communicated to the relevant Registered Users privately and individually. The aggregate of private communications to each Registered User is not, in this instance, a communication to the public.

29 MediaCorp argued that RecordTV's iDVR service allowed even a person who was not a Registered User (in essence, a hacker) to view recorded MediaCorp shows so long as he knew the URLs (universal resource locators) of the respective recorded shows. In this regard, MediaCorp's expert testified that no user names were appended to the filenames of the files containing recorded MediaCorp shows. Rather, those filenames were based on a numbering system which was not difficult to guess. A person who guessed the filenames correctly would be able to bypass the restrictions which RecordTV had put in place and thereby access recordings made for other Registered Users.

30 We cannot accept this argument. In our view, the average person would not, in all likelihood, know how RecordTV's naming convention for the files containing recorded MediaCorp shows worked. Such knowledge would be, to use the Judge's words at [98] of the Judgment, "beyond the ken of all but the most determined and technically gifted". The susceptibility of RecordTV's iDVR system to hackers would only mean that where a hacker managed to successfully guess or work out the filename of a file containing a recorded MediaCorp show, it would be the hacker himself who made the show accessible to himself, rather than RecordTV making the same accessible to him. We do not think RecordTV should be answerable for every abuse of its iDVR service as it has an essentially legitimate purpose. The nature of RecordTV's iDVR service is such that it can be, and is likely to have been, used significantly for legitimate, non-infringing purposes. This is plainly not a case where the technology employed by RecordTV is *bound to infringe* MediaCorp's copyright in the MediaCorp shows. Hackers can hardly qualify as "the public" for the purposes of ss 83(*c*) and 84(1)(*d*) of the Copyright Act.

The communicator

31 We now turn to our second reason for disagreeing with the Judge's finding that RecordTV had communicated the MediaCorp shows to the public – namely, we do not think RecordTV was the communicator (*ie*, the party making the communications) in the present case. We are of the view that the Judge's finding was based on an overly technical reading of s 16(6) of the Copyright Act,

which provides as follows:

> For the purposes of this Act, a communication other than a broadcast is taken to have been made by the person responsible for determining the content of the communication at the time the communication is made. [emphasis added]

32 In order to identify the communicator, s 16(6) of the Copyright Act requires a determination of: (a) the time of the communication ("limb (a) of s 16(6)"); (b) the content of the communication at the time of communication ("limb (b) of s 16(6)"); and (c) the identity of the person responsible for determining that content ("limb (c) of s 16(6)").

33 Considering limb (a) of s 16(6) (*viz*, the time of the communication) first, the earliest time at which the recorded MediaCorp shows could be regarded as being communicated would be the time when RecordTV's iDVR placed recordings of those shows on RecordTV's Internet server and made them accessible to those Registered Users who had requested the recording of those shows. This follows from the definition of "communicate" in s 7(1) of the Copyright Act, which includes the "making available of" a work:

> "communicate" means to transmit by electronic means … a work or other subject-matter, … and includes —
>
> …
>
> (*c*) the *making available* of a work or other subject-matter (on a network or otherwise) in such a way that the work or subject-matter *may be accessed* by any person from a place and at a time chosen by him …
>
> [emphasis added]

The definition of "communicate" in s 7(1) of the Copyright Act is in substance the same as that in Art 8 of the World Intellectual Property Organization Copyright Treaty adopted in Geneva on 20 December 1996 ("the WIPO Copyright Treaty"). Indeed, the latter definition of "communicate" (*ie*, the definition in Art 8 of the WIPO Copyright Treaty) was implemented in our legislation via s 7(1) of the Copyright Act. Article 8 of the WIPO Copyright Treaty provides for a right of communication to the public which also includes, within that general right, the right of "making available" to the public copyright-protected works. That Article states, *inter alia*:

> … [A]uthors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them. [emphasis added]

34 Ordinarily, the word "communicate" entails the communicator actively initiating an instance of communication. However, by designating, as a form of communication, the "making available" of a work in such a way that any person may access the work from a place and time so chosen by him, s 7(1) of the Copyright Act and Art 8 of the WIPO Copyright Treaty also regard transmissions initiated by recipients (as opposed to communicators) as a form of communication (see Susanna H S Leong & Yuanyuan Chen, "The Right of Communication in Singapore" (2010) 22 SAcLJ 602 at pp 606–607). Under this latter mode of communication, a work is said to be "made available" as soon as access to the work in question is provided. *Hence, on the basis of s 7(1) of the Copyright Act and Art 8 of the WIPO Copyright Treaty, it would seem that the recorded MediaCorp shows were communicated once*

they were made available for viewing by the Registered Users who had requested the recording of those shows.

35 Turning next to limb (b) of s 16(6) (*viz*, "the content of the communication at the time the communication is made"), we find that the relevant content in the present case consisted of *specific MediaCorp shows* that had been recorded pursuant to the specific requests of a particular Registered User (these shows would subsequently be placed on RecordTV's Internet server and would appear on the playlist of that Registered User's account). The relevant "content of the communication" was not RecordTV's entire library or catalogue of recorded MediaCorp shows, as a Registered User was allowed to watch only those shows which he had requested to be recorded, and no other. If a Registered User had not requested that a particular MediaCorp show be recorded, that show would not be communicated to him. Indeed, if no request was made by any Registered User for a particular MediaCorp show to be recorded, no copy of that show would ever be made and, consequently, there would be no communication of that show to any Registered User.

36 In the light of our analysis as to how limb (a) of s 16(6) and limb (b) of s 16(6) apply in the present case, our ruling on how limb (c) of s 16(6) applies follows naturally, namely: since the only MediaCorp shows that were "communicated" were those shows that appeared on each Registered User's playlist, and since the exact make-up of each playlist depended on the specific shows which the Registered User in question had requested to be recorded, "the person responsible for determining the content of the communication at the time the communication [was] made" would be that Registered User himself. RecordTV would not have been the communicator of the MediaCorp shows for the purposes of s 16(6) of the Copyright Act. Accordingly, we do not accept MediaCorp's argument on this point and disagree with the Judge, who held that it was RecordTV which determined the content of the communication at the time of the communication because: (a) RecordTV pre-selected the channels whose programmes Registered Users could request to be recorded; and (b) RecordTV's iDVR system determined the start and stop times of each recording, such that the Registered User did no more than merely put in a request for a particular MediaCorp show to be recorded.

37 In holding RecordTV to be the communicator of the MediaCorp shows for the purposes of s 16(6) of the Copyright Act, the Judge was influenced by the consideration that if he held that it was the Registered User who had control over the content of the communication because he had control over which MediaCorp shows to record, "the maker of unauthorised copies [would] *always* be the one to communicate the same to the public" [emphasis in original] (see the Judgment at [81]). The Judge's full analysis of this point is set out in the Judgment as follows:

> 80 Turning now to the issue of who made the communication to the public, … [RecordTV] claims that it is not the party that "communicates" the work to the public within the meaning of s 16(6) of the Copyright Act. Section 16(6) states:
>
> > For the purposes of this Act, a communication other than a broadcast is taken to have been made by the person responsible for determining the content of the communication at the time the communication is made.
>
> Accordingly, since it is the end-user [ie, the Registered User who makes a recording request] who has control over what programmes to record, it is also the end-user who has control over the "content of the communication at the time the communication is made".
>
> 81 According to this line of reasoning, the maker of unauthorised copies will always be the one to communicate the same to the public (depending of course on permitting facts). I am not convinced by this argument. To my mind, there is an important distinction between the "making"

and [the] "transmission" of copyrighted material. This distinction was noted by the US Solicitor General in her Amicus Curiae Brief for … Cartoon Network … at p 20:

> c. The analogy between [Cablevision's] RS-DVR service and a set-top DVR is weakest with respect to the public-performance issue because the operation of the former, unlike the latter, would clearly involve a 'transmission.' ... (To 'transmit' a performance or display is to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent.) ... *Thus, even if the subscriber would 'make' the copies used in the RS-DVR system, [Cablevision] might still violate the Copyright Act [17 USC (US)] if [it] 'transmitted' those copies 'to the public'* ...

82 The key question is this: where exactly do the end-user's volition and control cease to operate? If we can say that the end-user has made the infringing copy and transmitted the infringing copy, there is little to prevent us from concluding that the end-user is, in fact, an RS-DVR in disguise. For where, in that analysis, would there be room for the implication of any properly culpable technology? If the RecordTV system neither copies nor transmits any material, how can it be said to have infringed any copyright?

83 The line, therefore, has to be drawn somewhere, and I think it sensible that it be drawn once the end-user has properly exercised his volition in making a choice. In other words, while I accept and have accepted that the end-user is the one who has control over what programmes to record, the subsequent transmission of that content would be effected by a process governed entirely by [RecordTV].

84 Accordingly, I would read the words of s 16(6) technically. The section is concerned, after all, with a technical process. At the time the relevant communication is made, the end-user has already communicated [his] preference to [RecordTV] (this necessarily has to take place before any recording or transmission). [RecordTV] therefore is the one responsible for determining the content of the communication upon playback. One can easily envisage a situation whereby, after the end-user makes his selection, playback is somehow garbled due to a technical fault. It would be a stretch of the imagination to say that the end-user was the one who "determined" the content of the unintelligent static that was recorded.

85 In the light of the above, I find [RecordTV] liable for infringing [MediaCorp's] copyright in communicating the MediaCorp [shows] to the public.

[emphasis in original in italics; emphasis added in bold italics]

38 We disagree with the Judge's analysis (as reproduced above) for three reasons. First, we are not here dealing with the making of unauthorised copies of MediaCorp shows and the communication of the same to the public. In the present case, all the copies of recorded MediaCorp shows consisted of free-to-air broadcasts recorded for, transmitted to and viewed by Registered Users who represented that they had the legal right to view and record the MediaCorp shows (see [5] above). The only thing that RecordTV did was to provide those Registered Users with a facility to view the MediaCorp shows, which they were free to view at the original broadcast time, at a later time. In using RecordTV's iDVR to time-shift in this manner, the Registered Users were doing no more than what they could legally do when they used a traditional DVR/VCR to record the MediaCorp shows (which were free-to-air broadcasts received via television antennae) for their own subsequent viewing.

39 Second, the argument made by the US Solicitor-General in her *amicus curiae* brief for *Cartoon*

Network (referred to by the Judge at [81] of the Judgment) is not relevant in the present context, not because there is no distinction between the "making" and the "transmitting" of a copyright-protected work (there is a distinction, of course), but because the issue here is whether RecordTV communicated the MediaCorp shows (by electronic means) *to the public* (see [24]–[30] above). The Judge was unnecessarily vexed by the consideration that if RecordTV's iDVR system was not somehow held culpable for communicating the MediaCorp shows, there would be "[no] room for the implication of any properly culpable technology [under the Copyright Act]" (see the Judgment at [82]). With respect, this consideration puts the cart before the horse as it assumes that RecordTV's iDVR system is illegal to begin with.

40 Third, it appears to us that the Judge's view that the volition of a Registered User ended once he made a request to RecordTV's iDVR system to make a recording (see the Judgment at [82]–[83]) was unjustifiably influenced by situations involving recording or transmission malfunctions. The Judge cited the example where a playback of a recording was garbled due to a technical fault to illustrate his point that the Registered User could not be said to have determined "the content of the unintelligent static that was recorded" (see the Judgment at [84]). This appears to us to be an extreme analogy and is not particularly helpful in analysing the present issue.

41 In our view, where RecordTV's iDVR system operated normally as intended by RecordTV and the Registered Users, the Registered User's predetermined choices of the MediaCorp shows to be recorded governed the content of the communication from the time that content was made available all the way till the moment that content was received by that same Registered User during playback. In situations involving recording or transmission malfunction, we are of the opinion that the Registered User did intend the same predetermined content to be communicated to him, but his intention was frustrated by the malfunction. In such situations, the Registered User could not be said to have "'determined' the content of the unintelligent static that was recorded" (see the Judgment at [84]) because he could not have intended such static to be recorded. However, it also cannot be said that RecordTV intended to transmit a garbled signal. After all, the aim of RecordTV's iDVR system was to allow the Registered Users to watch at their convenience those MediaCorp shows which they had requested to be recorded. Naturally, RecordTV's intention in the ordinary course of events would be to deliver to the Registered Users what they had requested for. The fact that RecordTV's iDVR system malfunctioned was not relevant to what a Registered User had determined to be the content of his request. The same reasoning can be applied to MediaCorp's example of how a Registered User who wanted to watch "Amazing Asia" *only* might have to watch the end of the show preceding "Amazing Asia" if RecordTV's iDVR system did not behave as it was intended to – MediaCorp contended that in such a situation, the recording of the show preceding "Amazing Asia" would have been made by RecordTV's iDVR, and not by the Registered User. [note: 3] In our view, the better analysis of this scenario is that it is a case of RecordTV's iDVR failing to deliver to the Registered User what he had requested for. Accordingly, "the person responsible for determining the content of the communication at the time the communication [was] made" (*per s* 16(6) of the Copyright Act) in the present case was the Registered User who requested that a particular MediaCorp show be recorded, and not RecordTV.

The Third Issue: Did RecordTV authorise the doing in Singapore of any act comprised in MediaCorp's copyright?

42 Thus far, we have ruled that:

(a) *vis-à-vis* the First Issue, RecordTV did not copy the MediaCorp shows; and

(b) *vis-à-vis* the Second Issue, RecordTV did not communicate the MediaCorp shows to the

public as:

(i) the persons to whom the MediaCorp shows were communicated, being limited to those Registered Users who had requested the recording of the shows in question, did not constitute "the public"; and

(ii) RecordTV was not "the person responsible for determining the content of the communication at the time the communication [was] made" within the meaning of s 16(6) of the Copyright Act.

We now turn to the Third Issue, namely, whether RecordTV authorised "the doing in Singapore of … any act comprised in the copyright [in the MediaCorp shows]" (see s 103(1) of the Copyright Act). In the present case, the relevant "act comprised in the copyright" would be the copying and/or the communication to the public of the MediaCorp shows.

The concept of authorisation liability

43 The concept of authorisation liability in s 103(1) extends the rights of copyright owners to cover acts of persons which are related, in some way, to an infringement of copyright. In *Ong Seow Pheng and others v Lotus Development Corp and another* [1997] 2 SLR(R) 113 ("*Ong Seow Pheng*"), this court held (at [27]) that the word "authorise" meant to grant or purport to grant, whether expressly or impliedly, to a third person the right to do the act complained of, regardless of whether the intention was that the grantee should do the act on his own account or only on account of the grantor. The court also said (which we reaffirm) that authorisation could only emanate from someone having or purporting to have authority to grant the right to do the act complained of; an act was not authorised by a person who merely enabled, possibly assisted or even encouraged another to do that act, but who did not actually have or who did not purport to have any authority which he could grant to justify the doing of that act (see *Ong Seow Pheng* at [28]).

44 Furthermore, in order for the authorisation of the doing of an act to be a tort, the act authorised must be an act restricted by the copyright. As Hoffmann LJ said at 660 of *ABKCO Music & Records Inc v Music Collection International Limited and Another* [1995] RPC 657 ("*ABKCO*"):

> It is true … that the doing of an act restricted by the copyright and its authorisation are separate torts: see Ash v. Hutchinson and Co. (Publishers) Ltd. [1936] Ch. 489. But there is an overlap in the ingredients of the two torts in that "authorising" is a tort only if the act authorised is an act restricted by the copyright. [emphasis added]

In *ABKCO*, Hoffmann LJ was referring to s 16(2) of the Copyright, Designs and Patents Act 1988 (c 48) (UK) ("the CDPA"), which states that "[c]opyright in a work is infringed by a person who without the licence of the copyright owner does, or authorises another to do, *any of the acts restricted by the copyright*" [emphasis added]. Section 16(2) of the CDPA is *in pari materia* with s 103(1) of the Copyright Act, which likewise makes reference to the infringement of copyright via the doing in Singapore, or the authorisation of the doing in Singapore, of "*any act comprised in the copyright*" [emphasis added].

Our reasons for ruling in favour of RecordTV on the Third Issue

45 In the present case, as mentioned earlier (see, *inter alia*, [5] above), only those Registered Users who were authorised by MediaCorp to view the MediaCorp shows and record them for their own private viewing (*ie*, only those Registered Users based in Singapore who held valid television licences)

were entitled to use RecordTV's iDVR to record the MediaCorp shows. All that RecordTV did was to provide those Registered Users with a facility to time-shift their viewing of the MediaCorp shows. RecordTV could not have granted any right to the Registered Users to copy the MediaCorp shows and/or communicate them to the public as it did not itself have the right to copy and/or communicate to the public those shows.

46 In our view, the burden is on the copyright owner (*ie*, MediaCorp in the present instance) to prove that RecordTV had authorised the Registered Users to infringe MediaCorp's copyright in the MediaCorp shows. In this regard, the Judge was wrong in deciding that RecordTV had the burden of adducing evidence to show that "the [Registered] [U]sers, without exception, were all entitled to rely upon s 114 [*ie*, the defence of private and domestic use]" (see the Judgment at [45]).

47 The Judge also held that RecordTV had purported to authorise the copying of the MediaCorp shows because it had openly stated, via a statement in the "Frequently Asked Questions" section of its website, that it had "consulted with the Infocomm Development Authority (IDA) and [MDA] and [had] accordingly obtained all necessary licen[c]es from the Government of Singapore". [note: 4] The Judge interpreted this statement as RecordTV representing that "it had the *actual* authority to provide its service to [the Registered] [U]sers" [emphasis in original] (see the Judgment at [42]), and held that "[t]o that end, [RecordTV] had purported to authorise the copies of the MediaCorp [shows] that were subsequently made at the behest of [the Registered Users]" (see likewise [42] of the Judgment). MediaCorp, unsurprisingly, supported the Judge's finding, and further contended that "the fact that the [aforesaid] authority appear[ed] to come from the Government and not [RecordTV] ma[de] [RecordTV's] position *worse*, not better" [note: 5] [emphasis in original].

48 We find the Judge's and MediaCorp's position to be mistaken for two reasons. First, the reference to RecordTV having obtained all the necessary licences from the Infocomm Development Authority of Singapore ("IDA") and MDA did not and could not mean that RecordTV had obtained the requisite authority from MediaCorp to authorise the copying and/or the communication to the public of the MediaCorp shows. It was *MediaCorp's* approval, not IDA's and/or MDA's, which mattered, since copyright in the MediaCorp shows vested in MediaCorp, and not IDA and/or MDA.

49 Second, the statement by RecordTV that it had obtained "all necessary licen[c]es" [note: 6] upon consultation with IDA and MDA could not possibly mean that it had obtained the requisite authority from MediaCorp to authorise the copying and/or the communication to the public of the MediaCorp shows. In fact, RecordTV had warned the Registered Users that the copying of certain shows might require permission and that it had no authority to grant the same. This was made clear in cl 3A of the Terms of Use, where RecordTV specifically stated that the Registered Users could use its iDVR service to record only those shows/programmes which they would otherwise be able to watch and record legally: [note: 7]

> RecordTV hereby grants you permission to use the Website [ie, RecordTV's website] as set forth in [these] Terms of Service, provided that: … (ii) you shall not record any shows/programs on the RecordTV.com website that you would otherwise not be able to legally see and record on … another recording device, such as a personal video recorder, digital video recorder, video cassette recorder etc. … [emphasis added]

Clause 3A of the Terms of Use shows that the right which RecordTV granted to the Registered Users was limited to the right to use the iDVR for non-infringing purposes. This clause would have come to the attention of all the Registered Users as they had to view and accept the Terms of Use before access to RecordTV's iDVR was granted. Accordingly, we conclude that no Registered User would

reasonably deduce from the relevant portions of RecordTV's website, *viz*, the "Frequently Asked Questions" section and the Terms of Use, that RecordTV possessed or purported to possess authority to grant them the required permission to copy and/or communicate to the public the MediaCorp shows.

50 Further, we should add that there was also no evidence that RecordTV granted or purported to grant the Registered Users the right to copy and/or communicate to the public the MediaCorp shows. Upon considering the four factors listed below (collectively, "the authorisation liability factors"), which (in our view) the courts ought to take into account in determining whether authorisation to do an act comprised in the copyright has been granted illegitimately, we conclude that RecordTV did not authorise the Registered Users to do any act comprised in MediaCorp's copyright in the MediaCorp shows. The authorisation liability factors are as follows:

(a) whether the alleged authoriser had control over the means by which copyright infringement was committed and, hence, a power to prevent such infringement ("the first authorisation liability factor");

(b) the nature of the relationship (if any) between the alleged authoriser and the actual infringer ("the second authorisation liability factor");

(c) whether the alleged authoriser took reasonable steps to prevent or avoid copyright infringement ("the third authorisation liability factor"); and

(d) whether the alleged authoriser had actual or constructive knowledge of the occurrence of copyright infringement and/or the likelihood of such infringement occurring ("the fourth authorisation liability factor").

We should emphasise that the courts evaluate the authorisation liability factors in their totality in the context of the factual matrix of each case. Thus, proving one or even several of these factors in either the alleged authoriser's or the copyright owner's favour will not invariably be decisive on the question of authorisation liability.

5 1 *Vis-à-vis* the first authorisation liability factor (namely, whether the alleged authoriser had control over the means by which copyright infringement was committed and, hence, a power to prevent such infringement), in *Ong Seow Pheng*, the Court of Appeal found (at [33]–[35]) that even though the first defendant might have facilitated or even incited the copying of the plaintiffs' computer manuals and programmes by (*inter alia*) a self-admitted dealer in pirated computer products, this did not amount to "authorisation" of such copying as once the defendants sold and delivered the infringing copies of the computer manuals and programmes to the dealer, they had no control over what the dealer would do with them.

52 The English and the Australian courts likewise take into account the first authorisation liability factor in determining whether the alleged authoriser ought to be held liable for illegitimately authorising others to do acts restricted by the copyright.

53 In the Australian High Court case of *The University of New South Wales v Moorhouse and another* (1975) 133 CLR 1 ("*Moorhouse*"), a graduate of the defendant university ("the University") used a photocopying machine in the University's library to make infringing copies of a book written by the first plaintiff and published by the second plaintiff (the latter had the exclusive right to print and sell that book in Australia). The plaintiffs sued the University for copyright infringement, alleging (*inter alia*) that it had authorised the copying of the aforesaid book without their permission. Gibbs J

expressly stated (at 12) that "[a] person [could not] be said to authorize an infringement of copyright unless he ha[d] some power to prevent it". Following amendments to Australia's Copyright Act 1968 (Cth) in 2000, which amendments purportedly codified the principles of authorisation already developed under Australian common law, s 101(1A)(a) of the amended Act ("the Australian Copyright Act") now explicitly obliges the Australian courts to consider, in relation to authorisation liability, "the extent (if any) of the [alleged authoriser]'s power to prevent the doing of the act concerned". This obligation has been recognised more recently by Cowdroy J in *Roadshow Films Pty Ltd v iiNet Limited (No 3)* [2010] FCA 24 ("*iiNet*").

54 Turning to English law, the English cases of, *inter alia*, *CBS Inc and Another v Ames Records & Tapes Ltd* [1982] Ch 91, *CBS Songs Ltd and Others v Amstrad Consumer Electronics Plc and Another* [1988] AC 1013 ("*Amstrad*") and, more recently, *Twentieth Century Fox Film Corporation and others v Newzbin Limited* [2010] EWHC 608 (Ch) ("*Newzbin*") indicate that the English courts similarly take into consideration the first authorisation liability factor when deliberating on authorisation liability. For instance, in *Amstrad*, which concerned the manufacture, advertisement and sale of twin-deck tape-recording machines that allowed users to copy the contents of one tape directly onto another, Lord Templeman held that the first defendant ("Amstrad") had not authorised breaches of copyright through its advertisement and sale of these tape-recording machines as, *inter alia*, it had "no control over the use of [its machines] once they [were] sold" (see *Amstrad* at 1054). The House of Lords held that without this power to control how its tape-recording machines were used after they were sold, Amstrad could not be held liable for authorising copyright infringement by purchasers of those machines.

55 Where the second authorisation liability factor (*ie*, the nature of the relationship, if any, between the alleged authoriser and the actual infringer) is concerned, the courts will consider in particular whether there was a direct and continuing relationship between the alleged authoriser and the actual infringer. The fact that there exists a commercial aspect to this relationship (for example, the alleged authoriser profits from the actual infringer's infringing activities) does not, however, have any definitive bearing on the issue of authorisation liability.

56 As for the third authorisation liability factor (*viz*, whether the alleged authoriser took reasonable steps to prevent or avoid copyright infringement), we find the Australian cases instructive in this regard. In *Moorhouse*, the High Court of Australia ruled that the steps taken by the University to prevent copyright infringement were not sufficient to amount to "reasonable or effective precautions against an infringement of copyright by the use of the [University's] photocopying machines" (at 17 *per* Gibbs J), and therefore held that the University had failed to adopt "measures reasonably sufficient for the purpose of preventing infringements taking place" (see *Moorhouse* at 17). In particular, Gibbs J considered the failure of the University to place "adequate notice … on the [photocopying] machines for the purpose of informing users that the machines were not to be used in a manner that would constitute an infringement of copyright" (see *Moorhouse* at 17) to be "the fatal weakness in the case for the University" (see *Moorhouse* at 17).

57 More recently, in *Cooper v Universal Music Australia Pty Ltd* (2006) 237 ALR 714 ("*Cooper*"), an Australian case concerning a website owned and operated by one Stephen Cooper ("Cooper") which allowed users to download infringing music directly from other websites by clicking on hyperlinks provided on Cooper's website, Branson J considered s 101(1A)(c) of the Australian Copyright Act, which required the court to take into account "whether the [alleged authoriser] took any other reasonable steps to prevent or avoid the doing of the [infringing] act, including whether the [alleged authoriser] complied with any relevant industry codes of practice". Not only did Branson J find that Cooper had failed to take reasonable steps to prevent or avoid copyright infringement via the use of his website, he also found that Cooper had in fact deliberately designed his website to facilitate its

use for copyright infringement, and that the latter's inclusion of various disclaimers was merely for cosmetic purposes.

58 Similarly, the English courts consider whether the alleged authoriser had taken reasonable steps to prevent or avoid copyright infringement, even though English copyright legislation does not mandate such a consideration. In *Newzbin*, Kitchin J said that even though he was not bound to consider this factor, he was of the view that *Cooper* and *iiNet* were consistent with the principles which he believed he had to apply (see *Newzbin* at [91]–[95]).

59 As for the fourth authorisation liability factor (*ie*, whether the alleged authoriser had knowledge, actual or constructive, of the occurrence of copyright infringement and/or the likelihood of such infringement occurring), we should emphasise that the mere existence of such knowledge does not necessitate a finding that the alleged authoriser is therefore liable. In the Australian case of *Nationwide News Pty Ltd and Others v Copyright Agency Ltd* (1996) 136 ALR 273, for instance, Sackville J (with whom Jenkinson and Burchett JJ agreed) astutely observed (at 295) that:

> … [A] person does not authorise an infringement merely because he or she knows that another person might infringe the copyright and takes no step to prevent the infringement.

60 We now apply each of the authorisation liability factors to the facts of this case. With regard to the first authorisation liability factor, it may be said that RecordTV did have the power to prevent potential infringement of MediaCorp's copyright in the MediaCorp shows by shutting down its iDVR service altogether. However, it was not necessary for RecordTV to take this drastic step as it had already expressly stated in cl 3A of the Terms of Use that the Registered Users could use its iDVR to record only those shows which they could otherwise legally view and record. In using RecordTV's iDVR to time-shift, the Registered Users were doing no more than what they, as holders of valid television licences, could do when they used a traditional DVR/VCR to record the MediaCorp shows (all of which were free-to-air broadcasts) for viewing at a more convenient time. Not unlike a VCR or a set-top DVR, RecordTV's iDVR responds directly and "automatically" to a Registered User's commands without any human intervention or decision-making by RecordTV's employees.

61 In respect of the second authorisation liability factor, RecordTV was at best a conduit enabling the Registered Users to time-shift their viewing of the MediaCorp shows. It could be said that there was a commercial relationship between RecordTV and the Registered Users, but, on the evidence, RecordTV did not profit commercially from that relationship, although the Registered Users did benefit socially. In any case, even if RecordTV profited from providing its iDVR service, that was not wrong. There was nothing to stop MediaCorp from providing an even better time-shifting service.

6 2 *Vis-à-vis* the third authorisation liability factor, we are of the view that RecordTV took adequate steps to prevent infringement of MediaCorp's copyright in the MediaCorp shows for three reasons. First, RecordTV restricted the use of its iDVR to personal, private and domestic use. This was made clear by cl 3A of the Terms of Use, which (apart from stipulating that RecordTV's iDVR could be used to record only those shows that the Registered Users could otherwise watch and record legally) stated that: [note: 8]

> RecordTV hereby grants you permission to use the Website [ie, RecordTV's website] as set forth in [these] Terms of Service, provided that: (i) your use of the Website as permitted is solely for your personal, private and domestic use …

Second, RecordTV designed its iDVR service such that the recorded MediaCorp shows were "streamed" to the Registered Users, rather than "downloaded" onto their computers (see [8] above).

This went some way towards preventing illegal distribution of time-shifted recordings as the use of "streaming" ensured that a recording of a MediaCorp show was not saved in the Registered User's computer, thereby restricting the Registered User's ability to extract, modify and exploit the recording for further downstream transmission. As the Judge explained in the Judgment:

> 97 [RecordTV]'s system uses streaming as the technique to disseminate the television programme data from the server. With streaming, data is transferred from the server to the [Registered] [U]ser, but upon arrival the data is displayed as soon as possible. Once the data has been shown on the computer display, it is discarded. As a result of this, no local copy of the recorded programme is kept or created at the [Registered] [U]ser's computer and patrons of [RecordTV's] [w]ebsite therefore have little or no ability to store, edit or manipulate the recorded television programmes. …
>
> 98 The average lay person is, therefore, unable to extract recorded programmes … for further downstream transmission. …
>
> [emphasis in original]

Third, as we have already mentioned, RecordTV expressly stated in cl 3A of the Terms of Use that its iDVR service could be used to record only those shows which a Registered User could otherwise legally view and record. In effect, this meant that only those Registered Users living in Singapore who held valid television licences could use RecordTV's iDVR to record the MediaCorp shows (see [5] above). Registered Users who were located out of jurisdiction were not permitted to use RecordTV's iDVR to record the MediaCorp shows as they could not legally view and record those shows. Of course, Singapore-based Registered Users who did not hold valid television licences could in practice use RecordTV's iDVR to record the MediaCorp shows, but such activity would fall foul of cl 3A of the Terms of Use and thus would not be authorised by RecordTV where authorisation liability is concerned.

63 With regard to the fourth authorisation liability factor (*viz*, whether RecordTV had knowledge, actual or constructive, of the occurrence of copyright infringement and/or the likelihood of such infringement occurring), the answer is, in our view, clear. On this particular point, RecordTV had case law in its favour in the form of the decision in *Cartoon Network*. Given that RecordTV had expressly stated in cl 3A of the Terms of Use that the Registered Users could use its iDVR service to record only those MediaCorp shows which they could otherwise legally view and record, and given all the other precautions which RecordTV had taken to prevent copyright infringement, it would not be right to attribute knowledge of improper usage of the iDVR service to RecordTV in the absence of express proof of such knowledge.

64 Accordingly, for the reasons set out at [45]–[63] above, we find, *vis-à-vis* the Third Issue, that RecordTV is not liable under s 103(1) of the Copyright Act for authorising the doing in Singapore of any act comprised in MediaCorp's copyright in the MediaCorp shows. In our view, where the Copyright Act is unclear as to how much copyright protection ought to be granted to a copyright owner, the courts should not be quick to construe a statutory provision so liberally as to deter or restrict technological innovations by preventing them from being applied in a manner which would benefit the public without harming the rights of the copyright owner. In the present case, one possible concern from MediaCorp's point of view could be that RecordTV's iDVR system might be hacked into by persons who do not hold valid television licences, thereby resulting in a loss of revenue for MediaCorp. Of course, the possibility of hacking exists, but no evidence of the likelihood of this possibility materialising was adduced before the court. In the circumstances, RecordTV cannot be held responsible for this possibility. In our view, the possibility of hacking is not a proper countervailing

objection to the use of RecordTV's innovative recording system. After all, an ordinary DVR/VCR can be abused in a much more serious manner than RecordTV's iDVR (*eg*, the former can be used to make hundreds of pirated copies of a MediaCorp show for sale).

The provisions on safe harbour and fair dealing

65 As RecordTV is not liable to MediaCorp for infringing the latter's exclusive right to copy and/or communicate to the public the MediaCorp shows and is also not liable for authorising the Registered Users to do "any act comprised in [MediaCorp's] copyright" (see s 103(1) of the Copyright Act), it is not necessary for us to determine whether RecordTV can rely on any of the safe harbour or fair dealing provisions under Pt IXA and s 109 respectively of the Copyright Act. Accordingly, we now turn to RecordTV's claim against MediaCorp under s 200(1) for making groundless threats to bring legal proceedings for copyright infringement.

RecordTV's claim against MediaCorp under s 200(1) of the Copyright Act

66 Section 200(1) of the Copyright Act provides that where a person threatens another person with a copyright infringement action, the latter may bring an action against the former for (*inter alia*) a declaration that the threat is unjustifiable, unless the former satisfies the court that the alleged infringing acts "constituted, or, if done, would constitute, an infringement of copyright". The full text of s 200(1) reads as follows:

> **Groundless threats of legal proceedings**
>
> 200.—(1) Where a person, by means of circulars, advertisements or otherwise, threatens a person with an action or proceeding in respect of an infringement of copyright, then, whether the person making the threats is or is not the owner of the copyright or an exclusive licensee, a person aggrieved may bring an action against the first-mentioned person and may —
>
> (*a*) obtain a declaration to the effect that the threats are unjustifiable;
>
> (*b*) obtain an injunction against the continuance of the threats; and
>
> (*c*) recover such damages, if any, as he has sustained,
>
> unless the first-mentioned person satisfies the court that the acts in respect of which the action or proceeding was threatened constituted, or, if done, would constitute, an infringement of copyright.

Having regard to our findings that RecordTV has not infringed MediaCorp's exclusive right to copy and/or communicate to the public the MediaCorp shows and also has not authorised the Registered Users to do any of these acts (which are acts comprised in MediaCorp's copyright in the MediaCorp shows), it must follow that MediaCorp has made groundless threats against RecordTV for the purposes of s 200(1) of the Copyright Act.

Conclusion

67 In the result, we find that MediaCorp's threats to bring an action for copyright infringement against RecordTV are unjustifiable. Accordingly, the present appeal against the Judge's decision is allowed with costs here and below as well as the usual consequential orders. RecordTV is entitled to damages against MediaCorp (which shall be assessed by an assistant registrar), and an injunction

restraining MediaCorp from making further threats against it.

Observations

68 As mentioned at [2] above, the present appeal requires us to balance the competing interests of several stakeholders (*viz*, consumers, content providers as well as technology and service vendors) in a manner which would result in the most benefits to and impose the least costs on society as a whole. It tests the boundaries of Singapore's copyright laws in protecting the exclusive rights of copyright owners to copy and/or communicate to the public, *inter alia*, cinematograph films, television broadcasts and sound broadcasts.

69 Although copyright law is intended to promote creativity and innovation by granting exclusive rights to copyright owners to exploit their rights for a specific period of time, there is also a public interest in not allowing copyright law to hinder creativity and innovation. Rights conferred on copyright owners are statutory rights. In our view, where the statute is not clear as to the ambit of an existing copyright owner's rights and the courts are asked to expand those rights so as to respond to novel technologies impinging on the copyright owner's interests, the courts must strive to strike the right balance between the copyright owner's private rights and the public interest in the use of new technology. Thus, unless the statutory words clearly reflect the legislative policy on the extent of the rights to be conferred on the copyright owner, the courts should not be quick to interpret the statutory words expansively if doing so may stifle technological advances which are in the public's interest.

70 In this connection, MediaCorp's counsel suggested that if RecordTV were not restrained from providing its iDVR service, it could one day monetise its service once it had acquired the requisite critical mass to sell advertisements. The suggestion is, therefore, that RecordTV would then be able to profit from its iDVR service at the expense of MediaCorp. This suggestion would be equally applicable to the use of traditional VCRs, DVRs and variations of those devices, such as Cablevision's RS-DVR in *Cartoon Network*. In *Cartoon Network*, the US Court of Appeals for the Second Circuit held that the public interest in Cablevision's innovative device prevailed over the private interests of the copyright owners concerned. We are of the view that the same position should be adopted in the present case because, through its iDVR service, RecordTV provided a more convenient and/or more useful time-shifting facility than the time-shifting services that are currently available. The fact remains that so long as MediaCorp is prepared to broadcast the MediaCorp shows on a free-to-air basis to members of the public (including Registered Users) who hold valid television licences and who are thus legally entitled to view and record the same for their own private and domestic use, it has already factored in its alleged "loss" of revenue with respect to its copyright in those shows. That RecordTV, by virtue of its improved time-shifting facility, is able to exploit this relationship between MediaCorp and the aforesaid members of the public does not make RecordTV's actions unlawful or tortious under the Copyright Act.

71 To summarise our observations: in the present case, RecordTV's iDVR service represents a significant technological improvement over existing recording methods and facilitates the more convenient enjoyment of television viewing rights by those Registered Users living in Singapore who hold valid television licences. RecordTV's iDVR is simply a technological advance that is not addressed by the Copyright Act in the context of the copyright owner's exclusive right to copy (*ie*, reproduce), communicate to the public and authorise the copying and/or the communication to the public of copyright-protected material. Since RecordTV was doing no more than making it more convenient for the aforesaid Registered Users to enjoy the MediaCorp shows (which was something that these Registered Users were entitled to do as MediaCorp had licensed them to view those shows), we are of the view that the public interest is better served by encouraging rather than stifling the use of

RecordTV's novel technology, especially given that MediaCorp has apparently not suffered any loss from RecordTV's provision of an additional and better time-shifting service to Registered Users who are licensed to view the MediaCorp shows.

[note: 1] See the Appellant's Core Bundle of Documents dated 25 March 2010 ("ACB") at vol 2, tab 8.

[note: 2] See para 2.2.5 of the report by Assoc Prof Roger Zimmermann dated 20 March 2009 (at ACB vol 2, tab 7).

[note: 3] See the Respondents' Case dated 26 April 2010 ("the Respondents' Case") at paras 272 and 275.

[note: 4] See p 6 of MediaCorp's Supplemental Core Bundle dated 26 April 2010 ("SCB").

[note: 5] See the Respondents' Case at para 140.

[note: 6] See SCB at p 6.

[note: 7] See ACB at vol 2, tab 8.

[note: 8] See ACB at vol 2, tab 8.

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