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## AGS IP LAW, POLICY AND PRACTICE SEMINAR, 24 NOVEMBER 2010

### Case study: *THE MASTERCOOK CHALLENGE*

#### Complete with Suggested Answers

This Case Study consists of three 'scenarios'. It includes certain IP questions for discussion at the end of each Scenario.

Syndicates will have a total of 45 minutes to discuss the scenarios. (Suggested timings for each scenario are indicated in the Case Study). Try to confine yourself mainly to IP issues. You may see issues in other areas, e.g. privacy, procurement, probity, etc. While you may wish to note these issues, the main focus should be on IP.

If you think some critical item of information necessary to your decisions is not provided, state what that is and why it matters. Often the right answer is: 'it depends'. Express any assumptions on which your answers are based. And remember that identifying questions (both factual and legal) is more important than knowing all the answers. 'Suggested answers' will be provided at the end of the Seminar.

Each syndicate will be assisted by a 'facilitator', who will be responsible for monitoring time. The facilitator is not there to provide you with the answers. However they may occasionally raise issues or suggest factual assumptions on which discussion should be based.

Syndicates will *not* be required to formally present outcomes from the Case Study. However, there will be an opportunity to share experiences and raise questions at the end of the exercise (approximately 15 minutes).

The Case Study continues some of the plot lines and characters from [previous AGS Case Studies](#). However you do *not* need to read the earlier Case Studies.<sup>1</sup>

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<sup>1</sup> Case Studies from previous AGS IP Law, Policy and Practice Seminars include:

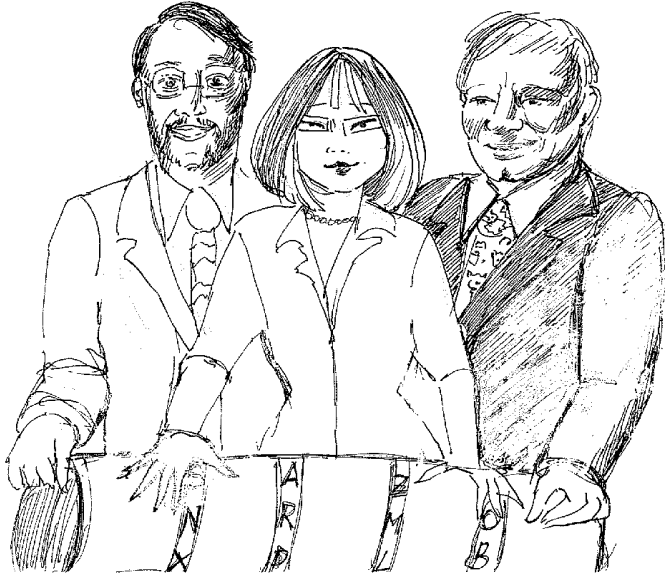
- *Dodgy Data and the Mediwise Project* (2004)
- *NCrypt and the SCAMGuard Affair* (2005)
- *Bird Flu and the Da Vinci Code* (2006)
- *The APEC Adventure* (2007)
- *Goings on at the 2020 Summit* (2008)

For those interested in following up previous Case Studies, they are available from:

<http://www.ags.gov.au/whatweoffer/seminars/IPforumstudies/ipforumstudies.htm>

## The players

### *The 'Legal Solutions Specialists' (sometimes still known as 'Crunch, Chew and Snack')*



A firm which was established as a partnership between Phyle Crunch<sup>2</sup>, Raelene Chew and Algernon Snack. Commended for their legal work to protect Commonwealth IP in the *quantum digital cryptex* (shown). Appointed to the legal panel of the Department of Public Engagement and Transparency (**PET**). They now style themselves as the 'Legal Solutions Specialists'.

Raelene has recently freshened up the firm's signage to an attractive blue and red design which she says is designed to create a vibrant working atmosphere within the office. Her framed collage of blue and red brightly coloured chocolate wrappers fits in perfectly and now has pride of place in the foyer.

Algernon has gotten into the spirit of things and has acquired quite an impressive collection of red and blue designer ties to match with the décor.

### You

Due to improving economic conditions, quite a lot of IP work has been coming into the office. Based on your reputation as an IP hotshot, *The Legal Solutions Specialists* has sought you out to assist with all of this extra work.

Specifically, you have been asked to advise on a range of IP issues arising from the Mastercook Challenge as set out in the case study below.

<sup>2</sup> Phyle Crunch, has now retired from full time practice, but drops by now and then to lend a helping hand. He has recently developed a wanderlust, previously untapped (but fuelled by a strong Australian dollar) which took him out of the country, to the Taj Mahal and sailboating on the Ganges for 6 months this year.

## *Bruce Bover*

A mover and shaker in the Canberra bureaucracy. He reminds you in many ways of Donald Trump. He has appeared in reality TV shows in an attempt to pave the way for a political career.

Your paths have crossed in a number of previous adventures. He was previously responsible for implementing the vision of the Australia 2020 summit.<sup>3</sup> He is now the Deputy Secretary of the Department of Public Engagement and Transparency which is a key player in implementing the vision of Gov 2.0.

Impatient and autocratic, he wants to 'get things done'. Has no time for things that are too complicated - such as intellectual property. His colleagues surreptitiously refer to this tendency as the '*Bover effect*' - as in 'Don't bover me with all the detail'.



## *Mary Madeangel*



A lasting treasure, now even more ancient than before. She is the repository of much corporate knowledge about comings and goings in government.

She has been assistant to Bruce Bover in various roles in previous Case Studies, and in the course of that she has become a close friend of Raelene Chew from the legal panel firm.

She is a key player in the work of the Department of Public Engagement and Transparency. A loyal worrier for the cause - whatever it might currently be.

*Mary Madeangel*

<sup>3</sup> See Goings on at the 2020 Summit (2008).

## *Peta Plotter*

Singer and artist with indigenous ancestry. Occasional activist for social and political causes. Once ran a cafe in Nimbin called the *Peta Eater*, which was a popular meeting place for local indigenous artists.

Drifts in and out of relationship with Bruce.

Peta previously scored a place at the *Australia 2020 Summit*.

She is now employed as a manager in the media and communications division of the Department of Public Engagement and Transparency, where she is able to apply her graphic design skills to the role.

She is surprised at how much she is enjoying it all.



*Peta Plotter*

## Background

### **(In which the Deputy Secretary for PET comes up with a grand plan for public engagement)**

Following the machinery of government (**MoG**) changes, a new Department of Public Engagement and Transparency (affectionately known as '**PET**') has been created to assist in dealing with the challenges of agencies moving into the Web 2.0<sup>4</sup> world.

The role of PET is to foster greater interaction between government and members of the public with a view to increasing the public's appreciation of the government's work, its institutions, in a spirit of openness and collaboration between government and its citizens (and to get the government returned in the process).

To kick-start PET's agenda, Bruce Bover, the Deputy Secretary of PET, has the fabulous idea of approaching the producers of the television hit of the year 'Mastercook' to strike up a deal for PET to host a cooking challenge in the forecourt of Old Parliament house and potentially extending into the grounds of the Aboriginal Tent Embassy.

The idea is to showcase one of the iconic Australian institutions (namely, Old Parliament House) and also Australia's culinary transformation through the years as reflected in the foods contestants associate with Australian Prime Ministers past and present.

Mary Madeangel is nominated by Bruce as the person best placed to make the approach to the producers of Mastercook.

The producers of Mastercook are captivated by the idea. They ran a challenge last year with the Department of Flight and Navigation which involved contestants having to cook up a macaron tower for Defence Force officers at a training camp at HMAS Watson overlooking Sydney Heads and using only the barest of cooking equipment, including trangeas, cooking tongs and outdoor bush ovens. It was a hit.

In this latest proposed Mastercook 'Prime Ministers' Challenge, the contestants must create a dish that best reminds them of a past or present Australian prime minister. Bruce insists that, to give PET greater public exposure, one member of his staff - namely, his sometime partner, Peta Plotter, who is a manager at PET - should also be a guest contestant on the show.

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<sup>4</sup> Web 2.0' has been defined to mean 'technologies that encourage online interaction, collaboration, sharing and the creation of user-generated content'. Examples include agency blogs and social networking platforms such as Facebook, YouTube, Twitter, Flickr and Wikipedia.

One complicating factor is that the producers of the show are running a little behind schedule and, as a consequence, they send the following letter to Mary confirming arrangements:

*Dear Mary*

*It was great to speak with you yesterday. This letter is to confirm that, as discussed, due to programming imperatives, filming of the Mastercook challenge at Old Parliament House will need to take place at 2pm this Friday. All of our 'usual arrangements' in relation to this Mastercook challenge will apply. We'll send you any relevant documents for signing after the filming.*

*We trust that your Department agrees with this proposal.*

*Yours sincerely*

*Ron Ronaldo*

*Executive Producer  
Mastercook Enterprises*

**Scenario 1 (The day of the Mastercook 'Prime Ministers' Challenge) (20 MINUTES)**

The day of the Mastercook Prime Ministers Challenge arrives. The weather is fantastic. To take advantage of the weather, filming of the challenge begins in the forecourt of Old Parliament House and continues outside in the grounds of the Aboriginal Tent Embassy, where the contestants are filmed with their culinary masterpieces.

Photographs of the event are taken by both the producers of the show and also Mary Madeangel.

The filming appears to go without a hitch, apart from a minor mishap which occurs when a member of the crew spills a pot of beef gravy onto one of the chalk murals in the grounds of the Aboriginal Tent Embassy.

Mary-Anne Grosbie is announced as the winner of the challenge with her modern take on 'lamb and cauliflower au gratin' which is intended as a tribute to Robert Gordon Menzies. She is filmed and photographed standing proudly next to a photo of him which is displayed inside the Museum of Australian Democracy at Old Parliament House.

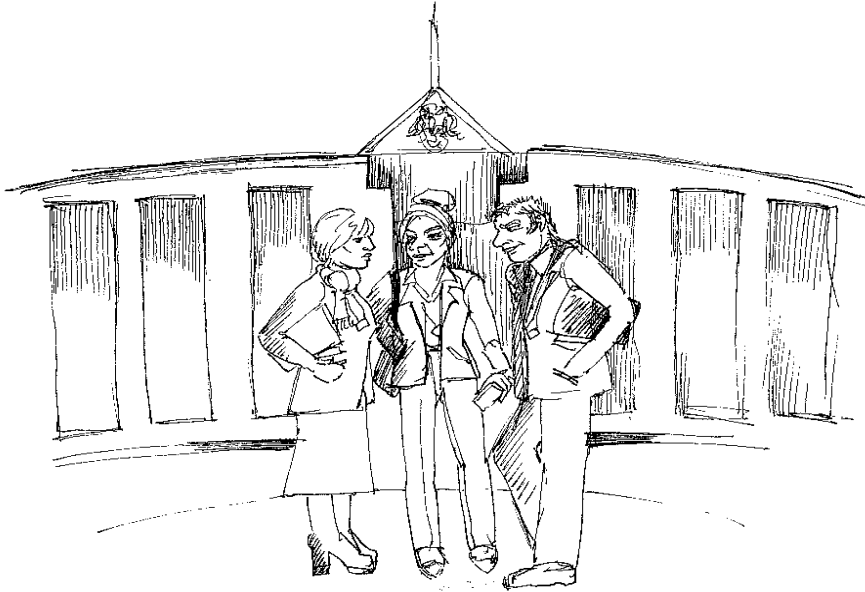
And Peta Plotter is also surprisingly impressive with her 'oven-baked rigatoni with wild boar salami' dish (courtesy of the Jamie Oliver website) in honour of her hero Gough Whitlam. She displays great panache and stage presence in the role.

(However, Mary is a bit worried because Peta told her that she had accessed the written recipe on the Jamie Oliver website after her paid subscription ran out - due to a temporary *glitch* on the site which gave her access. But Mary, who knows a bit about copyright from previous misadventures, is concerned that Peta's creation of the dish on the Mastercook 'Prime Ministers' Challenge will constitute an unauthorised reproduction of that recipe).

In any event, the Minister for PET ('Tim') is delighted with the outcome of the Mastercook Challenge and appears in a number of publicity shots taken at Old Parliament House and in front of the mural and several items of artwork at the Aboriginal Tent Embassy.

As fate would have it, on the morning of the filming, you arrive back at work after your four week 'whirlwind' Trafalgar tour of Europe, where you enjoyed the new-found strength of the Aussie dollar.

You did a small item of legal work for Bruce before you went away on your trip. You must have made quite an impression because Bruce now rings you on his mobile to tell you what has happened. 'It's all very exciting isn't it? Gotta go now, bye', he says, before rushing off to join the Minister in a 'photo op'.



**Q1 Identify the items of IP material that may be part of the filming and production of the Mastercook Prime Ministers Challenge**

- Presenters' scripts - dramatic works or possibly literary works
- Videos - 'layering' of copyright issues (may contain script, artwork, sound recording etc). *NB s 21(1) - a literary, dramatic or musical work is reproduced where a film or sound recording is made of the work.*
- Mural and artwork at the Aboriginal Tent Embassy
- Trade mark/logo (Mastercook)
- Publicity/promotional photos
- Photograph of Robert Gordon Menzies
- Confidential information surrounding the details/outcome of the challenge - pending the broadcast
- Recipes, including recipe from Jamie Oliver website
- Old Parliament House (a building is an 'artistic work' under the Copyright Act)

**Q2 Who owns IP in the items of IP material that are part of (or arise from) the filming and production of the Mastercook Prime Ministers Challenge and why?**

- Scripts for the presenters - probably the producers of Mastercook. They were presumably created by an employee of the production company in the course of their employment and would therefore be owned by their employer (see s 35(6) of the Copyright Act).
- Video - the 'makers' of the video (s 22 of the Copyright Act) - who we assume would be the Mastercook producers - subject to an agreement to the contrary.
- Mural and artwork at Aboriginal Tent Embassy - copyright is likely to be owned by the artists themselves (subject to any subsequent assignment).

- Photos:
  - (1) The producers of Mastercook own copyright in the photos taken by their employees in the course of their employment (s 35(6) of the Copyright Act) - subject to any contrary agreement or subsequent assignment;
  - (2) The Commonwealth owns copyright in photos taken by Mary because they were 'made' by or under the direction or control of the Commonwealth under s 178 of the Copyright Act (on the basis that PET is part of the Commonwealth).
- Photo of Robert Gordon Menzies - probably the photographer. However, if made for some private or domestic purpose under an agreement, the commissioning party may own copyright (s 35(5)(b) of the Copyright Act).
- Confidential information - the producers of Mastercook would probably have the right to enforce any confidentiality obligations against the Commonwealth and/or PET even in the absence of a written agreement (under the equitable action for breach of confidence).
- Recipes - the authors - subject to a subsequent assignment (i.e. under s 196(3) - assignment needs to be in writing signed by the assignor). [If the recipes are novel recipes created by contestants as part of the competition, query who the author is where Mastercook producers reduce the recipes to writing for the purposes of, say, putting them up on a website. Are the producers 'mere scribes' of the contestants? This would probably be dealt with in contractual arrangements with contestants].
- We assume that the Commonwealth would own copyright in the building and plans (although the architect would retain the moral rights).

**Q3 Who should own the IP in any of the items of IP material discussed above? What other arrangements for dealing with the IP should be considered?**

- It depends. Consider PET's objectives in participating in the challenge. Which (if any) items does it *need* to own the IP in to achieve these objectives?
- PET probably won't be able to secure ownership of copyright in the video. However, it won't need to if it is able to get a licence to use the video for the purposes of promoting PET and its activities, including putting the video up on its websites etc. It should ensure that the licence is broad enough to cover all possible promotional and other uses of the video required by PET (and/or other Commonwealth agencies).
- PET should probably try to get a contractual warranty from Mastercook producers that they have all relevant rights, performers' and moral rights consents to licence the video to PET on the terms stated, and also a corresponding indemnity in relation to any liability suffered by the Commonwealth (PET) in the event that the warranty is breached.
- The Commonwealth (through PET) already owns copyright in the photos taken by Mary. It may wish to get a licence to use the photos taken by the producers of Mastercook for all relevant purposes (see comments above in relation to the video).
- Mastercook producers should own the Mastercook mark.
- Depending on PET's proposed use of the Mastercook mark (if any), that use may or may not have the potential to infringe the Mastercook trade mark registration (assuming there is one). To infringe a registered mark, PET must use the mark (or a deceptively similar mark) in relation to the goods/services covered by the registration. The use must also occur in the course of trade.

**Q4 What *other* IP issues could arise from the filming and production of the Mastercook Prime Ministers Challenge?**

- **Copyright infringement?**
- Photos of the Aboriginal mural and artwork were taken (presumably) without permission.
- Photos were taken of the Robert Menzies photo in the Museum of Australian Democracy (presumably) without permission.

- This would be subject to defences:
  - Express or implied licence?
  - In the case of PET, it may at the least be able to rely on its statutory licence in s 183 of the Copyright Act where it is taking the photos 'for the services of the Commonwealth'. If it is relying on this statutory licence, it would ordinarily need to notify the copyright owner of its use and agree on terms for that use (which would normally include payment to the copyright owner).
  - To the extent that it is only *reproducing* the photos (and not communicating them to the public on its website) it may also need to deal with the declared collecting society, Copyright Agency Limited in agreeing on terms for such use (s 183A) in circumstances where that reproduction is a 'government copy' that is not covered by the CAL Agreement with the Commonwealth.
- Incidental filming of artistic works - could be a reproduction of the artworks. However, there is an exception to copyright infringement in section 67 of the Copyright Act which applies where an artistic work is included in a film or TV broadcast - if its inclusion is only *incidental* to the principal matters represented in the film or broadcast.
- It will probably be a question of fact as to whether the filming of the Aboriginal mural and artwork, and the photo of the Robert Gordon Menzies was 'incidental' filming.
- Filming of Old Parliament House - could be a reproduction of the building. However, there is an exception to copyright infringement in section 66 of the Copyright Act which applies where a building is included in a film or TV broadcast.
- **Performers' consents?** Have consents been obtained from participants to record and communicate their performances? None have been obtained from Peta. Can they be implied? It depends.
- **Potential breach of moral rights?**
  - Were the works subjected to derogatory treatment - i.e. treatment that's prejudicial to the author's honour or reputation? Depends on how the work was reproduced in the photo etc. Should the mural even have been photographed? It is not clear whether prejudice to honour or reputation is assessed on an objective or subjective basis.
  - Moral rights infringement - spilling of gravy on Aboriginal mural - moral rights infringement in the doing of 'anything else' that is prejudicial to the author's honour or reputation.
  - Do any defences apply - written consent or 'reasonableness'?
- If there is a '**performance**' by Peta (a performance would potentially include improvisations), has the way in which the performance been portrayed breached her **performer's moral rights** in her live or recorded audio performance. It would depend on how the audio has been cropped/presented etc.

**Q5 What contract documentation or other documents relating to IP rights should have been signed prior to filming commencing?**

- Contract between Mastercook Enterprises and PET should have been signed upfront. This contract should have dealt with IP ownership/licensing arrangements, and clarified moral rights consents and performers' rights consents to film.
- The contract should also have dealt with confidentiality/publicity/trade mark issues including rights to use the Mastercook logo - and any embargo periods etc.
- Performers' consents from the participants? We don't know anything about these. However, Peta Plotter has not signed any performers' consent and release. Is her consent implied in the circumstances? This is arguable.

**Q6 Is Mary correct in saying that the fact that Peta has made the dish in accordance with the Jamie Oliver recipe means she could have engaged in unauthorised reproduction of the recipe?**

- No. A recipe is a literary work in which copyright subsists. It is not reproduced by creating a dish from the recipe.

*Autospin (Oil Seals) Ltd v Beehive Spinning* [1995] RPC 683; *Brigid Foley Ltd v Elliott* [1982] RPC 433

- However, if Peta didn't have permission to access the material on the site, then she could well be in breach of the site's terms and conditions.

## Scenario 2 (in which PET's new blog is born)

### (10 MINUTES)

Shortly following the Challenge, in accordance with their usual practice, the producers of Mastercook send a preview copy of the Mastercook Prime Ministers Challenge video and some accompanying photos to Mary Madeangel together with a note which says:

*'For your review and comment - PS - Please can we have your comments as soon as possible as we're intending to broadcast the show in the next three weeks.'*

Bruce finds Mary watching the preview video in her office. The video sends him into a frenzy:

*This is just the thing for our new 'MY-PET' website! Mary, please get Peta's marketing team to put this video and the photos up on our website to coincide with broadcast of the show on Network 12. We need to strike while the iron is hot! This will put PET on the map.*

*I've heard that Creative Commons licensing is all the rage at the moment. From what I can gather from the recently updated Statement of IP Principles issued by the Attorney-General's Department, all Commonwealth websites must be governed by Creative Commons licence terms and conditions. So, all we have to do is to whack a CC logo onto the website and she'll be right mate.*

*Oh and by the way, I think we should call the video the MY-PET Mastercook Challenge. Can we get a logo designed around this mark and lodge a trade mark application for this logo as soon as possible?*

Mary dutifully contacts Peta with Bruce's instructions.

She also applies to register the **MY-PET Mastercook Challenge logo** (incorporating a 'serpentine' device) in relation to 'printed publications and marketing material, including those publications and material provided online; videos; marketing and public engagement activities; cooking demonstrations' (in various classes of goods and services).

Mary, who is a bit worried about all of this, later comes to see you to check if there are any issues.

### **Q1 Is Bruce correct in saying that Creative Commons licensing is required to be used under the Statement of IP Principles? If not, what is the correct policy position?**

— No. IP Principle 11(b) says that:

An agency's starting position when determining how to license its public sector information should be to consider Creative Commons licences (<http://creativecommons.org.au/>) or other open content licences. Agencies should license their public sector information under a Creative Commons licence or other open content licence following a process of due diligence and on a case-by-case basis.

Before releasing public sector information, for which the Commonwealth is not the sole copyright owner, under a Creative Commons BY standard or another open content licence, an agency may need to negotiate with any other copyright owners of the material.

— It is not appropriate to licence material under a CC licence or any licence for that matter where the Commonwealth does not own copyright in that material or otherwise have a right to licence the material. To do so would be to 'authorise' copyright infringement by third parties. (See answer to Q2 below).

### **Q2 What would Bruce need to consider prior to licensing under CC licence terms?**

— He would need to consider whether it is appropriate to do so in the relevant circumstances in accordance with IP Principle 11(b).

- Consider whether the website material - in particular, the videos and photos - are the kind of material that is 'public sector information'? These items are possibly more commercial in nature in any event.
- In this context, IP Principle 11(a) says 'public sector information' is material that has been published for the purpose of:
  - informing and advising the public of government policy and activities;
  - providing information that will enable the public and organisations to understand their own obligations and responsibilities to Government;
  - enabling the public and organisations to understand their entitlements to government assistance;
  - facilitating access to government services; or
  - complying with public accountability requirements.
- It includes all materials which agencies are generally obliged to publish or otherwise allow free public access to. It does not necessarily include materials that have been published for commercial purposes. Nor does it cover materials which are of a sensitive nature.
- Consider whether PET has the right to license the video and photos taken by the Mastercook producers to others on CC terms, open access terms or any other terms. If it doesn't, it could infringe copyright in the video and the photos (subject to reliance on the statutory licence in s 183 or other defences).
- However, it should be emphasised that s 183 should not, as a matter of policy, be relied upon in circumstances where you have an existing, working relationship with the copyright owner. An express licence should be sought where possible. Also, s 183 is limited as to territory (i.e. the act must take place in Australia) and purpose (i.e. must be 'for the services of the Commonwealth').
- Further, it seems unlikely that *all* downstream uses permitted by open access licences or CC licence terms could be authorised by the Commonwealth 'for the services of the Commonwealth' under s 183 of the Copyright Act. Accordingly, the Commonwealth could not rely on the statutory licence to avoid copyright infringement in its 'authorisation' of these broader downstream uses.
- Consider whether licensing out of the video or photos could infringe anyone's moral rights.
- Depending on the performers' consents obtained by the Mastercook producers, performers' rights may also be an issue.

**Q3 Are there any issues associated with Bruce's idea to use and register the MY-PET Mastercook Challenge logo as a trade mark? What are they?**

- Consider the benefits of trade mark registration for PET. It would provide protection against unauthorised third party use (particularly where PET may be licensing use of the mark). There is also a deterrent value in having searchable registered trade mark rights.
- Need to consider whether there are any prior conflicting marks that could pose a problem for use (i.e. trade mark infringement risk) and registration of the logo.
- PET may wish to get a full trade mark availability search conducted in relation to the mark to ascertain its availability for use and registration in relation to the goods and services of interest.
- For example, it seems likely that the Mastercook mark has already been registered by the producers of Mastercook.
  - The MY-PET Mastercook Challenge logo is likely to be deceptively similar to the Mastercook mark (e.g. because the mark encompasses the Mastercook mark in its entirety). Assuming the trade mark application for the MY-PET Mastercook

Challenge logo by Mary covers the same or similar goods or services as those covered by any prior registration for Mastercook, this prior registration may prevent acceptance of the PET application.

- Also, if the MY-PET Mastercook Challenge logo is used prior to being registered, the Commonwealth could risk infringing the Mastercook trade mark registration - provided that its use was in relation to goods/services covered by the Mastercook registration and occurred in the course of trade.
- The Commonwealth would have a complete defence to trade mark infringement if it achieved registration of the MY-PET Mastercook Challenge logo and used the mark within the scope of its registration (s 122(1)(e) of the *Trade Marks Act 1995*).
- The Commonwealth may wish to consider defensive domain name registration in popular domain name spaces - .com, .net, .org, .com.au, .net.au, .org.au, .biz, .info etc. It could potentially register: Mypetmastercookchallenge.com, etc or Mastercookchallenge.com etc.

### **Scenario 3 (in which IP infringement concerns / IP management issues are raised)**

#### **(15 MINUTES)**

The uploading of the Mastercook Prime Ministers Challenge video on the MY-PET website has recently increased internet traffic to the website by 300% - particularly as the video was available on the website 15 minutes before the Mastercook show was broadcast on Network 12 - and also given the intense public interest in the outcome.

Bruce considers this to be an outstanding result and the gang at PET - particularly Bruce - are well pleased with themselves. The logo MY-PET Mastercook Challenge incorporating a serpentine device features prominently on the home page of the MY-PET website.

Bruce has now directed Peta's marketing team to cross-promote the MY-PET website. In particular, he wants hyperlinks to be posted on the MY-PET Facebook page directly to the Mastercook Prime Ministers Challenge video and photos. Peta also uploads the video to the MY-PET YouTube site.

Unfortunately, PET's euphoria is short-lived. After the broadcast of the Mastercook Prime Ministers Challenge, Mary receives a stern letter from the producers of the Mastercook alleging 'serious breaches of intellectual property rights which will be dealt with by our lawyers.'

To top that off, Mary receives a further email from the executive assistant to Jamie Oliver demanding that the Jamie Oliver '10 delightful dishes' recipes which an anonymous user posted in a blog entry on the MY-PET website be taken down immediately. The user had posted the recipes: 'to share with Australia some recipes which remind me of my Prime Ministerial heroes over the decades'.

Mary contacts you in a flap.

#### **Q1 What IP issues potentially arise from the use of the video and photos on the MY-PET website?**

- Uploading the video and photos to the MY-PET website constitutes reproduction and communication of those items to the public.
- Providing a hyperlink to the video and allowing people to play the video via the MY-PET website, the MY-PET Facebook site or the MY-PET YouTube site could also constitute authorisation of copyright infringement by users of those sites who download the unauthorised video.
- The Commonwealth could also be liable for breach of the terms of use of the Facebook or YouTube site which require users to warrant that they are not posting or allowing access to infringing material via the relevant web pages.
- If relevant copyright acts (reproduction, communication to the public and authorisation) are done without the permission of the copyright owner, they could constitute copyright infringement - subject to any defences or the operation of the statutory licence in s 183 of the Copyright Act.
- However, it would be far preferable to negotiate an express licence with the producers of Mastercook to use the video and photos in the manner contemplated rather than relying on s 183 of the Copyright Act. It may also be difficult to quantify the amount of compensation payable under the statutory licence.
- Again, such use could also be in breach of the moral rights of the makers (video), authors (photos) or performers (live and recorded audio performances). It is unclear if performers' right consents were obtained.
- However, if the **photos** taken by the Mastercook producers were first published on the MY-PET website (which is certainly possible since the video was uploaded to the MY-

PET website 15 mins prior to the broadcast), it is arguable that the Commonwealth thereby acquires copyright in those photos by virtue of the operation of s 177 of the Copyright Act. That provision says that copyright in a work first published by or under the direction or control of the Commonwealth is owned by the Commonwealth.<sup>5</sup> This is probably not a critical issue as Mary has taken some of her own photos of the event (although they're not quite as good as the ones taken by the professional photographers at Mastercook headquarters).

- The **video** was uploaded prior to the broadcast going to air on Network 12:
  - Apart from the copyright, moral rights and trade mark infringement issues, PET could also be liable for engaging in a **breach of confidence**. It is arguable that the circumstances surrounding the filming of the challenge imparted an obligation of confidence on the PET participants to keep the details and outcome of the Mastercook Prime Ministers Challenge confidential until at least the broadcast of the show on Network 12.
  - This unauthorised disclosure could have cost the Network money in terms of advertising revenue. (Although admittedly, it probably would not make much difference to Perth viewers who would see the broadcast 3 hours behind - but could get the results much earlier from the internet). However, given that the video was only available 15 minutes before the broadcast, it is unlikely that the damage suffered would be significant. Advertising arrangements would already have been locked in.

## Q2 How would you advise Mary to handle the letter of demand?

- Firstly, she needs to establish the Commonwealth's likely liability for IP infringement. Where this is likely, the Commonwealth should handle claims for compensation in accordance with the Model Litigant Principles in the Legal Services Directions.
- These will essentially lead to the Commonwealth admitting liability and, if required by Mastercook, taking down the infringing material, negotiating some kind of licensing arrangement or remuneration under the statutory licence, and potentially issuing an apology.
- Given that the parties were always going to formalise their arrangements by contract, Mary should take this opportunity to do so, and also try to obtain a licence to use the items of IP (e.g. video, photos, trade mark) on the MY-PET website and other social media sites as part of those contractual arrangements.
- They may even be able to negotiate a mutually beneficial arrangement where PET is able to assist with merchandising - subject to FMA Act considerations etc.

## Q3 What issues arise in relation to the Jamie Oliver '10 delightful dishes' recipes? How should Mary deal with this situation?

- There is the potential issue of copyright infringement by the user who posted the blog entry - unless they can rely on a relevant defence - e.g. fair dealing for criticism or review. Can they argue there was some kind of implied licence?
- However, if the user who posted the blog entry is liable for infringement by reproduction and communication of the recipes to the public via the MY-PET website, PET could be liable for authorising this infringement.
- PET may be able to rely on the Commonwealth's statutory licence under s 183 of the Copyright Act to avoid copyright infringement - provided that it can say that the authorisation of this reproduction / communication to the public was 'for the services of the Commonwealth'. Even then, it would need to notify the copyright owner and agree on terms for use (including payment of compensation). This will be difficult to quantify in relation to the act of 'authorisation'.

<sup>5</sup> However, there is a question as to whether this provision should be read down by s 29(6) of the Copyright Act which says that any unauthorised publication (i.e. done without the consent of the copyright owner) should be disregarded for the purposes of the Act.

- 
- There should be moderation guidelines up on the MY-PET site which allow posts to be taken down or edited in just these circumstances. The guidelines can be incorporated by reference in the website site's terms of use. Those terms of use could be implemented by way of a 'click-wrap' or 'browse-wrap' contract. The terms should state that, amongst other things, users must not post infringing material on the site.
  - PET should also consider whether in future it wishes to engage in 'pre' moderation (as opposed to post moderation) of its MY-PET site. This is a double edged sword because in a sense it is more likely to be held liable if infringing material is found to have been posted on the site. But on the other hand, it's more likely to detect any infringing material through this process and deal with it accordingly before it is posted.
  - Mary should take down the blog entry immediately. At the same time, she should contact the author of the blog and ask him to verify (by documentary evidence) that the author has the right to upload the relevant recipes. Depending on the outcome of these enquiries, Mary could reinstate the blog entry - but she would probably want clear documentary evidence showing that there was a licence in favour of the person who uploaded the recipes.
  - Mary should contact the executive assistant to Jamie Oliver and advise them of PET's actions in relation to the blog entry.

**Q4 How can PET do things better in the future in relation to management of IP on its social media sites and management of its IP generally - so as to comply with the Statement of IP Principles?**

- It needs to finalise all contractual arrangements and get all relevant permissions and consents upfront where possible.
- It needs to revise its procedures and policies for dealing with IP - particularly IP on Web 2.0 sites etc.
- It needs to consider implementing website terms of use including pre or post moderation guidelines - and mechanisms for implementing its website terms of use as a binding online contract (e.g. click-wrap or browse-wrap contract).
- The terms of use should require that people do not post infringing material - which would go towards showing that PET is not authorising infringement by its users.
- It needs to monitor any potential IP infringements and take action in relation to them.
- It needs to consider how it will implement open access or CC terms of use - including ascertaining that it has the rights to license all relevant material on these terms.
- It needs to develop a due diligence process to ensure that any licensing on open access or CC licence terms take account of all relevant issues - including third party IP rights and compliance with other Commonwealth laws and policies.
- It needs to develop systems for ongoing recordal and assessment of IP that it owns, uses and manages.
- It needs to undertake staff training.
- It needs to periodically review its management of IP.

## DENOUEMENT

While there was some initial tension between the producers of Mastercook and PET following the 'video incident', the Mastercook producers were ultimately delighted with how things went generally and the extra publicity the show received.

The publicity given to the Mastercook Prime Ministers Challenge through the MY-PET social media sites noticeably increased the number of hits to the official Mastercook website and also sales of corresponding merchandise and food products.

The Mastercook producers are now planning a further challenge involving another iconic Australian institution next year. (A leak to TV Week indicates it involves the Sydney Opera House and the largest meringue structure ever assembled).

Bruce is beaming.

He rings *you*, Raelene Chew and Algernon Snack to thank you all for the firm's assistance on the Mastercook Prime Ministers Challenge.

Bruce then turns to Mary:

*See, nothing to worry about my dear Mary. All's well that ends well.*

*But I think we'll definitely have to give this IP thing a bit more consideration the next time we're involved in a Mastercook challenge.*

You wonder if it's your imagination or whether those footsteps you hear off in the distance represent another protest march from the Edmund Barton Society, disgruntled again that their hero was overlooked in the Challenge. Or perhaps they could be the ANAO coming to audit PET's IP policies and practices...

You hope it's the Barton society.

Because, if not, you struggle to imagine how you could help get PET's house in order in time for the audit.

But that is a story for another day.

*NB - The 'Suggested Answers' version of the case study (and any subsequent edits) will also be available from the AGS website from the link: <http://www.ags.gov.au/whatweoffer/areasoflaw/ip.htm>.*