

# COPYRIGHT LAW, DESIGNS LAW, AND THE PROTECTION OF PUBLIC ART AND WORKS ON PUBLIC DISPLAY

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## I. INTRODUCTION

Artworks, designs and architectural forms situated in public places implicate a number of interests. There is a public interest, which arises simply by virtue of situating a work in a public place. More broadly, there is a public interest that arises from the public investment in the work – investment both in terms of money and investment in terms of meaning as people identify with and relate to a particular work. Public works can become important to individuals as landmarks, icons, or locations for significant public or personal events.

As well as the public interest, there are private interests in public art. Most obviously, the artist or creator of the work has an interest both economic and moral. The creator has a financial interest in any royalties flowing from commercial exploitation of the work, and also an interest in the display, treatment and preservation of the work. Under the Copyright Act 1994, the creator as author will be first owner of copyright in the work, unless it was made in the course of employment or commissioned. The author will also have moral rights in relation to the work. If the author no longer owns the copyright, then the owner of the copyright, for example, the person who commissions the work, has rights in the work. If the commissioner of the work is an organisation such as a local authority or company, members or stakeholders of the organisation will have an interest in the work. In addition, the owner of the land or building on or in which the work is situated will also have an interest, and if the land or building is sold the new owners will also acquire that interest.

This article considers the application of copyright and designs law to works of public art in New Zealand. The range of competing interests in public art, and the range of people with stakes in a public art work, produces tensions not easily resolved in a satisfactory way by the law as it stands. New Zealand's copyright and designs regimes do not satisfactorily balance the competing interests. Copyright law provides copyright protection for public art, and it provides for limited moral rights for the artist. However it provides a blanket exception from protection for artistic works on public display, at the expense of the rights of author/creators. Moral rights offer some protection, but do not provide adequately for preservation of works, or even for continuing public access. This article argues that artistic works on public display are under-protected by the law as it stands. A better balance would be struck by introduction of a fair dealing exception to allow for fair uses of public art by the public, including reasonable non-competing uses of a commercial nature. This would be preferable to the blanket exception currently offered, which can permit unreasonable as well as reasonable uses. A strengthened moral rights framework would also assist in protecting artists' rights and in preserving works and public access to those works.

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## II. COPYRIGHT PROTECTION AND THE EXCEPTION FOR ARTISTIC WORKS ON PUBLIC DISPLAY

Under the New Zealand Copyright Act 1994, copyright subsists in original artistic works.<sup>1</sup> Section 2 of the Act provides that ‘Artistic work’:

- (a) Means –
  - (i) A graphic work, photograph, sculpture, collage, or model, irrespective of artistic quality; or
  - (ii) A work of architecture, being a building or a model for a building; or
  - (iii) A work of artistic craftsmanship, not falling within subparagraph (i) or subparagraph (ii) of this definition; but
- (b) Does not include a layout design or an integrated circuit within the meaning of section 2 of the Layout Designs Act 1994.<sup>2</sup>

The definition of artistic work means that copyright protects an enormously wide range of subject-matter, including sculptures and buildings, and also drawings and plans, casts and models for works such as sculptures and buildings. Works such as sculptures, murals and buildings, which may be situated in public places and/or constitute public art are therefore protected as copyright works under the Act. In New Zealand, the definition of artistic works is broad enough to also cover more functional works that might be situated in public places, such as outdoor furniture or playground equipment. The definition of artistic work will cover not only the work of public art itself, but also any works created in preparation for creating the work, for example drawings for a sculpture or functional work, or plans for a building, all of which will be protected as graphic works.

The Copyright Act provides that, where copyright subsists in a work, the owner of the copyright has a number of exclusive rights in relation to that work. The exclusive rights of the copyright owner are set out in s 16.<sup>3</sup>

### 16. Acts restricted by copyright –

- (1) The owner of the copyright in a work has the exclusive right to do, in accordance with sections 30–34 of this Act, the following acts in New Zealand:
  - (a) To copy the work:
  - (b) To issue copies of the work to the public, whether by sale or otherwise:
  - (c) To perform the work in public:

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1 Copyright Act 1994 s 14.

2 Section 2 further provides that:

‘Graphic work’ includes –

- (a) Any painting, drawing, diagram, map, chart, or plan; and
- (b) Any engraving, etching, lithograph, woodcut, print, or similar work.

‘Photograph’ means a recording of light or other radiation on any medium on which an image is produced or from which an image may by any means be produced; but does not include a film or part of a film.

‘Sculpture’ includes a cast or model made for purposes of sculpture.

‘Building’ includes –

- (a) Any fixed structure; and
- (b) A part of a building or fixed structure.

3 The Copyright (New Technologies and Performers’ Rights) Amendment Bill, cl 11, currently before Parliament, would amend section 16 by repealing s 16(1)(f) and substituting the following paragraph: ‘(f) to communicate the work to the public.’

- (d) To play the work in public:
- (e) To show the work in public:
- (f) To broadcast the work or include the work in a cable programme service:
- (g) To make an adaptation of the work:
- (h) To do any of the acts referred to in any of paragraphs (a) to (f) of this subsection in relation to an adaptation of the work:
- (i) To authorise another person to do any of the acts referred to in any of paragraphs (a) to (h) of this subsection.

(2) Subsection (1) of this section applies subject to Parts III and VIII of this Act.

Copyright is infringed when a person does, other than pursuant to a copyright licence, any of the restricted acts which are the exclusive right of the copyright owner. Infringement includes doing the restricted act in relation to the work as a whole or in relation to a substantial part of the work, and it can be done directly or indirectly.<sup>4</sup> Section 29 provides:

29. Infringement of Copyright –

- (1) Copyright in a work is infringed by a person who, other than pursuant to a copyright licence, does any restricted act.
- (2) References in this act to the doing of a restricted act are to the doing of that act –
  - (a) In relation to the work as a whole or any substantial part of it; and
  - (b) Either directly or indirectly; –
 and it is immaterial whether any intervening acts themselves infringe copyright.
- (3) This part of this Act is subject to Parts III and VIII of this Act.

For works of public art, two of the forms of infringement most likely to be of concern to artists and copyright owners are copying,<sup>5</sup> and issuing of copies to the public.<sup>6</sup>

‘Copying’ is defined in s 2.<sup>7</sup>

‘Copying’ –

- (a) Means, in relation to any description of work, reproducing or recording the work in any material form; and
- (b) Includes, in relation to a literary, dramatic, musical, or artistic work, storing the work in any medium by any means; and

<sup>4</sup> Copyright Act 1994 ss 29 and 16.

<sup>5</sup> Copyright Act 1994 s 30 provides:

30. Infringement by copying –

The copying of a work is a restricted act in relation to every description of copyright work.

<sup>6</sup> Copyright Act 1994 s 31 provides:

31. Infringement by issue of copies to public –

The issue of copies of a work to the public is a restricted act in relation to every description of copyright work.

<sup>7</sup> Copyright Bill, above n 3, cl 3 would amend the definition of copying by:

Repealing paragraphs (a) and (b) and substituting the following paragraph: ‘(a) means, in relation to any description of work, reproducing, recording, or storing the work in any material form (including any digital format), in any medium and by any means; and’

Repealing paragraph (d) and substituting the following paragraph: ‘(d) includes, in relation to a film or communication work, the making of a photograph of the whole or any substantial part of any image forming part of the film or communication work.’

- (c) Includes, in relation to an artistic work, the making of a copy in 3 dimensions of a two-dimensional work and the making of a copy in 2 dimensions of a three-dimensional work; and
- (d) Includes, in relation to a film, television broadcast, or cable programme, the making of a photograph of the whole or any substantial part of any image forming part of the film, broadcast, or cable programme; –
- (e) And ‘copy’ and ‘copies’ have corresponding meanings.

For public art, copying can therefore involve copying a work by making either a two or three dimensional copy of it, whether by drawing or photographing it, or by making a similar three dimensional work. Under s 29, copying can be of the whole work or a substantial part of the work, and can be direct or indirect. Copying of a work of public art would therefore also involve copying of any underlying works such as drawings or plans on which the work was based.<sup>8</sup>

Infringement by issuing copies to the public is also relevant to works of public art. Issuing copies of a work to the public generally means putting into circulation copies not previously put into circulation.<sup>9</sup> This can involve copies made directly or indirectly, and includes two dimensional copies, such as photographs, drawings and plans, and three dimensional copies, such as replica works.

There are therefore a number of ways by which copyright in public art or artistic works on public display can be infringed. However s 73 of the Copyright Act provides an exception to copyright infringement that applies to certain artistic works on public display. Section 73 provides:<sup>10</sup>

Representation of certain artistic works on public display

- (1) This section applies to the following works:
  - (a) Buildings:

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8 *Thornton Hall Manufacturing Ltd v Shanton Apparel Ltd (No 2)* [1989] 1 NZLR 234.

9 Copyright Act 1994 s 9. Meaning of ‘issue to the public’ –

(1) References in this Act to the issue of copies of a work to the public mean the act of putting into circulation copies not previously put into circulation; and do not include the acts of –

- (a) Subsequent distribution or sale of those copies; or
- (b) Subject to subsections (2) and (3) of this section, subsequent hiring or loan of those copies; or
- (c) Subsequent importation of those copies into New Zealand [; or]
- [(d) Distribution of imported copies that are not infringing copies within the meaning of section 12 subsequent to their importation into New Zealand.]

(2) The issue of copies of a work to the public, in relation to computer programs, includes the rental of copies of computer programs to the public [and rental subsequent to those works having been put into circulation]; but does not include any such rental where –

- (a) The computer program is incorporated into any other thing; and
- (b) The rental of the computer program is not the principal purpose or one of the principal purposes of the rental; and
- (c) The computer program cannot readily be copied by the hirer.

(3) The issue of copies of a work to the public, in relation to sound recordings and films, includes the rental of copies of those works to the public [and rental subsequent to those works having been put into circulation].

10 Copyright Bill above n 3, clause 42 would amend section 73(2) by repealing paragraph (c) and replacing it with ‘(c) communicating to the public a visual image of the work.’ It would also repeal subsection (3) and replace it with ‘(3) Copyright is not infringed by the issue to the public of copies, or the communication to the public, of anything the making of which was, under this section, not an infringement of copyright.’ These changes do not materially alter the effect of the section for the purposes of this article.

- (b) Works (being sculptures, models for buildings, or works of artistic craftsmanship) that are permanently situated in a public place or in premises open to the public.
- (2) Copyright in a work to which this section applies is not infringed by –
  - (a) Copying the work by making a graphic work representing it; or
  - (b) Copying the work by making a photograph or film of it; or
  - (c) Broadcasting, or including in a cable programme, a visual image of the work.
- (3) Copyright is not infringed by the issue to the public of copies, or the broadcasting or inclusion in a cable programme, of anything whose making was, under this section, not an infringement of copyright.

Section 73 is substantially the same as the equivalent provision in the United Kingdom.<sup>11</sup> A version of the section appeared in the 1911 UK Act<sup>12</sup> and in the 1956 UK Act.<sup>13</sup> Section 62 of the United Kingdom Act provides:

62. Representation of certain artistic works on public display.

- (1) This section applies to –
  - (a) buildings, and
  - (b) sculptures, models for buildings and works of artistic craftsmanship, if permanently situated in a public place or in premises open to the public.
- (2) The copyright in such a work is not infringed by –
  - (a) making a graphic work representing it,
  - (b) making a photograph or film of it, or
  - (c) broadcasting or including in a cable programme service a visual image of it.
- (3) Nor is the copyright infringed by the issue to the public of copies, or the broadcasting or inclusion in a cable programme service, of anything whose making was, by virtue of this section, not an infringement of the copyright.

The purpose of both of these provisions is presumably to allow copying of works and buildings where this is incidental to creating a new work in a public place – so that for example it is not an infringement to take wedding or holiday photographs depicting friends and family in front of a sculpture in a park or in front of a building. Sections 73(3) and 62(3) mean that it is also not a copyright infringement to photograph these kinds of works and sell the photographs or make and sell postcards. Printing drawings or photographs on T-shirts and selling these will also not infringe. It is irrelevant that these are commercial uses; they are still permitted under the exceptions. However, the provision does not extend to cover the making of copies in three dimensions beyond what is permitted as a graphic work – to copy a sculpture by the making of a new sculpture is not permitted. Two dimensional copies only are permitted, so that it is not permissible to make what would effectively be a competing work. People can photograph or draw the work, and even exploit the work for profit by selling photographs or drawings in any form, but they can't make a three dimensional copy of the work, whether the work be a building, sculpture or functional artistic work such as outdoor furniture or equipment. Derivative works are therefore allowed, but not competing works.

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11 Copyright, Designs and Patents Act 1988 (UK), s 62.

12 Copyright Act 1911 (UK) s 2(1) (iii).

13 Copyright Act 1956 (UK) s 9(3)-(6).

### A. Problems With the Section 73 Exception

The rationale for the exception is fairly clear. However the provisions have long been criticized as potentially uncertain and anomalous, and possibly unreasonably broad, although few cases have reached the courts.<sup>14</sup> Four issues (or potential issues) arise in relation to the New Zealand s 73:

#### 1. Commercial Reproduction

While s 73 provides for an exception to copyright infringement for private use (holiday snaps for example), it also allows for commercial reproduction for profit (as in the production of postcards, T-shirts or posters). Artists and authors are arguably not adequately protected, in that the provision not only deprives them of the exclusive right to copy and issue copies to the public, but it also deprives them of the exclusive right to commercially exploit their work or license others to do so, and therefore receive any financial benefits arising from copyright in the work. In addition, the provision deprives authors and artists of the right to decide when and how any such commercial exploitation may take place. They not only lose the right to license, they also lose the right to decline to license any such uses.

This concern is illustrated by the New Zealand case *Radford v Hallensteins Bros Ltd*.<sup>15</sup> The plaintiff, John Radford, was a sculptor who had created three large architectural forms, situated in a public park, in Auckland. The defendant, Hallensteins, a clothing retail chain, commissioned and sold T-shirts on the front of which was a photograph of two of the three forms, along with other design elements. The plaintiff brought an unsuccessful action for copyright infringement, but the High Court Judge held that s 73 applied and that there was no infringement. The Judge considered both s 73 and the English provision s 62 and its antecedents, and commentary thereon. He said that s 73:

... sets out to allow members of the public, including players in the market, to copy in two-dimensions sculptures permanently in the public domain and even for profit; and it does so by setting aside any copyright in the work that the author might otherwise enjoy. However s 73 is interpreted, that clear policy is not for compromise.<sup>16</sup>

The sculptor in that case was understandably aggrieved that Hallensteins were permitted to commercially exploit his copyright work without a license from him, and without his receiving any royalties. In addition, the sculptor had been deprived of the opportunity to protect his work from being used in this way. Indeed, he has been quoted as saying that he would never have licensed the use of his work by the defendant,<sup>17</sup> but that the effect of s 73 was that he had no choice. This is arguably contrary to the purpose of copyright in protecting creators, and people working in the fine arts are generally seen as among those most deserving and in need of copyright protection.

#### 2. Underlying Works

It has not been clear from the drafting of the section whether the exception applied to sketches and design drawings for the works to which it applies. There has therefore been a question whether copyright in the sketches and design drawings may still be infringed even though the copyright in the work is not infringed, meaning that the section is effectively meaningless for any work that

14 See for example the discussion in H Laddie, P Prescott and M Vitoria, *The Modern Law of Copyright and Designs* (2<sup>nd</sup> ed, 1995) vol 1, 255-6.

15 *Radford v Hallensteins Bros Ltd* High Court, Auckland, CIV 2006-404-004881, (Unreported, Keane J, 22 February 2007).

16 *Ibid* para 35.

17 J Radford, 'Artist John Radford Responds: Letter to the Editor' *NZ Lawyer* 61, 30 March 2007, 9.

was preceded by drawings.<sup>18</sup> It is not clear in this regard whether the use of the phrase ‘in such a work’ in the UK Act, which is absent in the New Zealand provision, makes any material difference.<sup>19</sup> It seems more likely that it does not, and that both the UK and New Zealand provisions apply to buildings, sculptures, models for buildings and works of artistic craftsmanship. On its face, the provision does not cover drawings. At best, these are covered by implication.

This issue also arose in the case of *Radford*. The plaintiff argued that in copying the sculptures, Hallensteins indirectly copied and infringed his copyright in his underlying works, s 73 notwithstanding. He argued that s 73 did not need to extend to all underlying works in order to be effective. He argued that it permitted sculptures in public places to be copied, even for profit, but only where there were no underlying works in which copyright inhered, or where copyright had expired in the underlying works, or where the copy did not infringe copyright in such underlying works.

The Judge held that s 73 set out to allow members of the public, including players in the market, to copy in two-dimensions sculptures permanently in the public domain and even for profit;<sup>20</sup> and it did so by setting aside any copyright in the work that the author might otherwise enjoy. He said that the interpretation argued for by Mr Radford did not allow s 73 that scope and effect, as s 73 would then not protect anyone who copied sculpture in the public domain from any possible claim in copyright. It would leave them vulnerable to a claim in copyright if they indirectly copied any underlying work. It would only protect them where there was no such work, or where copyright in it had expired, or where any indirect copy was not a true copy and did not infringe. It would erode the immunity s 73 seemingly conferred. He said the argument for interpretation was also impractical. Most sculpture permanently in the public domain would express in fully realised form some underlying work in which copyright could still inhere. Anyone who copied any such sculpture must first discover whether there were underlying works and whether they remained subject to copyright, and they must compare the finished with the underlying work to see whether any indirect copy of the latter would infringe copyright. This would also erode the immunity section 73 apparently conferred. He held that, to protect from any claim in copyright anyone who copied sculpture permanently in the public domain, s 73 must condone indirect copying of underlying works whether in two or three dimensions and whether or not they too are in the public domain. On this interpretation, s 73 remained a true exception. It only exempted copies of three-dimensional works permanently in the public domain, not works exhibited temporarily, and only two-dimensional copies. The work itself could not be replicated in three-dimensions, whether directly or as a copy of one made in two-dimensions. The governing principle of the 1994 Act thereby remained uncompromised.

Before *Radford* was decided, the uncertainty in the drafting of s 73, and of the equivalent English provision, meant that there was a real question as to whether the exception protected against indirect infringement of underlying works.<sup>21</sup> The Judge’s interpretation in *Radford* is at least arguably the one most likely to represent the intentions of the legislature, and it does give efficacy to a section that would otherwise have little practical application. It was the apparent intention of

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18 See discussion in Laddie, Prescott and Vitoria, above n 14, 255.

19 See discussion in K Garnett, G Davies and G Harbottle, *Copinger and Skone James on Copyright* (15<sup>th</sup> ed, 2005) vol 1, 558-9.

20 *Radford* above n 15 paras 35-39.

21 See L Bently and B Sherman, *Intellectual Property Law* (2<sup>nd</sup> ed, 2004) 217, Laddie, Prescott and Vitoria, above n 14, 255, Garnett, Davies and Harbottle, above n 19, 558-9.



the Legislature, and is clearly practical, to allow for two dimensional reproduction of works on public display (there is perhaps some confusion in the Judge's reference to the 'public domain' in this context), so that people can take photographs or produce postcards. However the effect of the exception in allowing multiple copies for commercial purposes is arguably beyond what was intended, and also beyond what might be seen as a fair use in other circumstances.

### 3. *Meaning of 'permanently situated in a public place or in premises open to the public'.*

Section 73 covers works that are permanently situated in a public place or in premises open to the public. This means that either private or commercial copying within the section of artworks permanently situated in art galleries or museums will not infringe copyright, and copies may be issued to the public. There is an area of uncertainty in relation to works that are permanently situated in a public place or in premises open to the public. There remain questions about what constitutes being 'permanently situated in premises open to the public'. It is not clear exactly what would be required for a work to be 'permanently situated', and it is not entirely clear when premises would be regarded as 'open to the public'. There are also related questions about the ability of owners of the premises open to the public in which works are permanently situated to restrict the right to copy. Owners of the premises may be able to impose contractual conditions restricting copying as a condition of entering the premises, and this is in fact common practice in art galleries.<sup>22</sup> However these issues all remain untested.

Where works are held to be works that are permanently situated in a public place or in premises open to the public, and the section therefore applies, the effect will be that photographs or drawings of artworks in art galleries or museums could be made, reproduced in multiple copies (including copied onto posters or T-shirts, or internet sites) and sold for profit without infringing the artist's copyright. It is understandable that artists would regard this as an unreasonable restriction of their exclusive rights under copyright, and as unfair exploitation of their work. Once again, artists would lose not only the opportunity to license and collect royalties, but also the opportunity to decline to license uses of their works that they regarded as inappropriate or undesirable, or potentially damaging to the market for their work. The section also does not require that works permanently situated in a public place or in premises open to the public remain so situated or even on public display. The section therefore does nothing (and is intended to do nothing) to protect and preserve public art works. Artists and creators have an interest in seeing their public art works preserved, and displayed, allowing ongoing public access. But there is nothing in s 73 to ensure this. The owners of the artwork are free to deal with the work, so long as they do not infringe copyright's economic or moral rights.

The s 73 exception also applies to buildings irrespective of where situated. The buildings do not need to be on public display. This means that it is not a copyright infringement to copy a private home or building by photograph or graphic work, and copies can be distributed commercially. This aspect of the provision is less likely to be problematic, and is clearly consistent with the purpose of the provision in allowing the public to take photographs and make drawings of works in public places, or in this case works visible from public places.

### 4. *Consistency with International Treaty Obligations*

There is an issue as to whether the provisions are consistent with international copyright treaties, particularly the obligations under Article 9 of the Berne Convention for the Protection of Literary and Artistic Works 1886 ('Berne') and under Articles 9 and 13 of the Agreement on Trade-Re-

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22 See discussion in Garnett, Davies and Harbottle, above n 19, 558-9.



lated Aspects of Intellectual Property Rights 1994 ('TRIPS'). The express purpose of Berne is 'to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works.'<sup>23</sup> Article 9 of Berne provides first for the protection of authors, and then limits the scope of exceptions. Article 9 of Berne provides:

Right of Reproduction:

- (1) Authors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form.
- (2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author...

Article 9 of TRIPS requires that members should comply with this and other provisions of Berne. Article 13 of TRIPS provides:

Limitations and Exceptions

Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

The effect of both provisions is to allow for limitations and exceptions to copyright only if they comply with the three step test, that is, they must be special cases which do not conflict with the normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder. There is thus a question whether the exception provisions in both the United Kingdom and New Zealand Acts comply with the three step test requirement. First there is an issue whether the exceptions apply only to special cases, especially as they are worded so as to grant a blanket exception. There is also an issue as to whether they may cover situations in which the exception from copyright protection conflicts with the normal exploitation of the work and/or unreasonably prejudices the legitimate interests of the right holder. Allowing members of the public to take holiday snaps in public places is clearly within the scope of allowable exceptions. However, the fact that the exceptions for artistic works on public display allow for commercial exploitation is in itself arguably beyond the scope of exceptions allowed by the three-step test,<sup>24</sup> and it is certainly arguable that some particular examples of commercial exploitation would go beyond this. In *Radford, s 73* was considered in relation to New Zealand's international obligations under Berne and TRIPS.<sup>25</sup> The Judge said:

This threefold test for validity expresses accurately, I accept, the duty subscribers to TRIPS assume – to be sparing in the exceptions to the protection of copyright that they allow. I have not, however, found the test helpful in deciding the ambit of s 73. It is, unavoidably, too abstract. The values on which the test relies it does not define and each involves choices. Moreover, the 1994 Act must be presumed to be definitive as to what those choices are within New Zealand and is, itself, like TRIPS, a regime of some elasticity. Copyright extends potentially, in the 1994 Act, to every phase in the evolution of a work, protecting the author comprehensively. Yet it does not do so absolutely.<sup>26</sup>

<sup>23</sup> Berne Convention for the Protection of Literary and Artistic Works 1886, Preamble.

<sup>24</sup> It appears to be allowed by the European Information Society Directive 2001 Article 5 however. See Garnett, Davies and Harbottle, above n 19, 599.

<sup>25</sup> *Radford* above n 15, paras 13-22.

<sup>26</sup> *Radford* above n 15, paras 19-20.

The Judge went on to say that s 73 must be assessed against its own singular purpose, and that it was better approached by looking first to the English provision on which it was clearly modelled. Taking a purposive approach, the Judge found that the use of the work by the defendant was covered by the s 73 exception, and that copyright was not therefore infringed. It remains arguable however that the use in the *Radford* fact situation was beyond the scope of allowable exceptions under Berne and TRIPS. The artist lost what would otherwise have been an opportunity to license and receive royalties for a commercial exploitation of the work.<sup>27</sup> The loss of an opportunity to decline to license a use the artist regarded as inappropriate and unreasonable also potentially prejudices the legitimate interests of the artist in this situation. While the Judge did not find the three-step test helpful in interpretation of s 73, a more contextual approach looking at Berne as a whole might have made it a little more useful. Nevertheless, the Judge's interpretation of s 73 as drafted is at least arguably the one most likely to represent the intentions of the legislature, and it does give efficacy to a section that would otherwise have little practical application. However, it is also at least arguable that s 73 as currently drafted and as interpreted creates a statutory exception to copyright protection that goes beyond that permitted under the Berne and TRIPs three-step test. In particular, the extent of the exception in allowing multiple copies for commercial purposes without reference or royalties to the author does conflict with normal exploitation of the work and does unreasonably prejudice the legitimate interests of the right holder.

Section 73 as drafted, and as interpreted by the High Court in *Radford*, leaves creators/authors of artistic works on public display underprotected. Section 73 allows for many reasonable uses by the public of public art. However it also allows for arguably unreasonable uses such as commercial exploitation without recourse to the copyright owner. Section 73 therefore creates a gap in copyright protection for a category of copyright owners who are among the most deserving of copyright protection. The next sections will consider whether the gap in copyright protection created by s 73 can be filled by other regimes such as the moral rights regime in the Copyright Act or the Designs Act 1953.

### III. MORAL RIGHTS PROTECTION FOR ARTISTIC WORKS ON PUBLIC DISPLAY

In New Zealand, moral rights provisions are contained in Part IV of the Copyright Act 1994.<sup>28</sup> The rights provided are as follows:

- The right to be identified as an author or director.<sup>29</sup>
- The right to object to derogatory treatment of the work.<sup>30</sup>
- The right to object to false attribution and false representations.<sup>31</sup>
- The right to privacy of certain photographs and films.<sup>32</sup>

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27 The artist also argued that the use had a depreciating effect on the value of a series of one-tenth scale bronzes he had made in a limited edition, a number of which he still had to sell.

28 For a broader comparative analysis of public art and moral rights, see V Zlatarski, 'Moral' Rights and Other Moral Interests: Public Art Law in France, Russia, and the United States' 23 *Colum-VLA J.L. & Arts* 201.

29 Provided for in ss 94-97 of the Copyright Act 1994 (NZ).

30 Provided for in ss 98-101 of the Copyright Act 1994 (NZ).

31 Provided for in ss 102-104 of the Copyright Act 1994 (NZ).

32 Provided for in s 105 of the Copyright Act 1994 (NZ).

Under New Zealand law, moral rights are not assignable.<sup>33</sup> However, any of the rights may be waived by the right-holder, by an instrument in writing signed by the right-holder.<sup>34</sup> New Zealand moral rights are limited in duration. They generally expire when the copyright in the work expires,<sup>35</sup> Infringement of moral rights is actionable by the person entitled to the right, and damages and injunction are available remedies. In some circumstances the court may require a disclaimer.<sup>36</sup>

Moral rights in the New Zealand Copyright Act apply to works of public art in the same way as to other works, as the economic rights do. Authors of copyright sculptures can, for example, object to derogatory treatment of their copyright works if the treatment is prejudicial to their honour or reputation,<sup>37</sup> provided the other requirements are satisfied. ‘Derogatory Treatment’ is defined as follows:

- (a) The term ‘treatment’ of a work means any addition to, deletion from, alteration to, or adaptation of the work, other than
  - (i) A translation of a literary or dramatic work; or
  - (ii) An arrangement or transcription of a musical work involving no more than a change of key or register; and
- (b) The treatment of a work is derogatory if, whether by distortion or mutilation of the work or otherwise, the treatment is prejudicial to the honour or reputation of the author or director.<sup>38</sup>

There is very little case law on the meaning of derogatory treatment in the New Zealand legislation,<sup>39</sup> and also little case law on the equivalent United Kingdom provision.<sup>40</sup> Speculation is therefore still open on what will or will not constitute ‘treatment’, ‘distortion’ or ‘mutilation’, or ‘prejudicial to the honour or reputation of the author or director’. In particular, there is continuing debate about whether the test for ‘prejudicial to the honour or reputation’ is objective, or whether it contains subjective elements.<sup>41</sup> ‘Treatment’ as defined will not necessarily cover all activities that might be prejudicial to honour or reputation, and the definition is narrower than the language

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33 Copyright Act 1994 (NZ), s 118.

34 Copyright Act 1994 (NZ), s 107(2). The provision for waiver is at odds with the civil law moral rights tradition, and waiver does not appear to have been envisaged by Article 6*bis* of the Berne Convention, although the provision does not expressly require that the rights be inalienable. The waiver provisions are therefore subject to criticism as undermining the very rationale for, and usefulness of, moral rights. According to Dworkin, ‘the existence of an uncontrolled power to ‘agree’ to waive moral rights calls into question the effectiveness of the entire code of moral rights.’ G Dworkin ‘Moral Rights and the Common Law Countries’ (1994) 5 AIPJ 5, 28.

35 Copyright Act 1994 s 106(1). The right to object to false attribution and false representations however expires twenty years after the death of the author.

36 Copyright Act 1994 s 125.

37 Copyright Act 1994 s 98. This was argued in *Mitre 10 (New Zealand) Ltd v Benchmark Building Supplies Ltd* [2004] 1 NZLR 26 (CA), although the argument was unsuccessful because it was brought by the owners rather than the authors of the copyright work.

38 Copyright Act 1994 s 98(1). This definition of treatment is narrower than the Berne Convention approach in Article 6*bis* which refers to any ‘derogatory action’. See discussion in Bently and Sherman above n 21, 243-5.

39 The New Zealand Court of Appeal has observed that ‘The moral rights of authors are provided to enable authors to protect the integrity of their works even though ownership passes to others.’ *Mitre 10* above n 37, 34.

40 Copyright, Designs and Patents Act 1988 (UK), s 80.

41 The Canadian case *Snow v The Eaton Centre* (1982) 70 CPR (2d) 105 (Canada) suggested a subjective element, whereas there is British authority to suggest the test is objective. *Tidy v Trustees of the Natural History Museum* [1998] 39 IPR 501.

in Article 6bis of Berne which refers to ‘any ... derogatory action.’<sup>42</sup> Association of a work with offensive material is probably not covered by ‘treatment’ as defined. Removing a work from public display so that public access is denied is probably not covered by ‘treatment’ either.

The plaintiff in *Radford* claimed that the defendant Hallensteins had breached his moral rights by setting his sculptures on the T-shirt in a context that was incongruous, distorting and derogatory. This claim has not yet been determined. The plaintiff has said that he is fighting the case:

... to protest about what I feel has been the careless commercial exploitation of my art work and damage to my reputation... I believe that having cheap, distorted screen prints of the largest works I have ever created appear on an unknown number of \$16.95 T-shirts ... has put into action a chest-mounted billboard campaign associating my work with the Hallensteins’ Planet 8 brand.<sup>43</sup>

The plaintiff in a case such as *Radford* would generally need to show that reproduction of the work constituted a ‘treatment’. Any doubt that the right to object to derogatory treatment extends to cover *Radford*-type facts is removed by the application of s 99. Section 99(2) of the Act provides that, in the case of an artistic work, the right to object to derogatory treatment is infringed by a person who:

- (a) Publishes commercially or exhibits in public a derogatory treatment of the work, or broadcasts or includes in a cable programme a visual image of a derogatory treatment of the work; or
- (b) Shows in public a film that includes a visual image of a derogatory treatment of the work or issues to the public copies of such a film; or
- (c) In the case of –
  - (i) A sculpture; or
  - (ii) A work of architecture in the form of a model for a building; or
  - (iii) A work of artistic craftsmanship, – issues to the public copies of a graphic work representing, or of a photograph of, a derogatory treatment of the work.<sup>44</sup>

Section 99(3) however provides that the same protection does not extend to buildings. It provides:

- (3) Subsection (2) of this section does not apply to a work of architecture in the form of a building; but where the author of such a work is identified on the building and it is the subject of derogatory treatment the author has the right to require the identification to be removed.

The issue then will be whether the treatment is derogatory, which it will be if, whether by distortion or mutilation of the work or otherwise, the treatment is prejudicial to the honour or reputation of the author or director. The plaintiff asserts that the T-shirt design is a distortion of his work, and that he feels that there has been damage to his reputation, which would be enough on a purely subjective test, but he will likely also need to show prejudice to his honour or reputation objectively assessed. Association of the work with the brand is unlikely alone be enough for derogatory treatment, but it may support a claim under the Fair Trading Act 1986.

The moral rights provisions therefore have the potential to offer some protection to artists and architects who have created works on public display that are covered by s 73, although the protection is limited for buildings. There still remains some uncertainty about the scope of the rights, and the fact that they may be waived considerably undermines their effectiveness in protecting

42 See discussion in Bently and Sherman above n 21, 244.

43 *Radford*, above n 17, 9.

44 See also Copyright Act 1994 s 99(6).

artists. Artists commonly enter into contracts to sell artwork from a position of unequal bargaining power, and they may be pressured to waive their rights at the time a work is sold. Moral rights do not in themselves resolve all of the difficulties identified in the scope of s 73, and do not ensure that a work will be preserved or remain on public display.

#### IV. DESIGNS LAW PROTECTION FOR ARTISTIC WORKS ON PUBLIC DISPLAY

In New Zealand, designs are protected by copyright law as artistic works, and can also be protected by registration of the design under the Designs Act 1953. The Act provides protection for registered new or original designs,<sup>45</sup> and in some cases, this could apply to works of public art or works on public display where a design is applied to an article. Under the Designs Act, s 2(1):

‘Design’ means features of shape, configuration, pattern, or ornament applied to an article by any industrial process or means, being features which in the finished article appeal to and are judged solely by the eye; but does not include a method or principle of construction or features of shape or configuration which are dictated solely by the function which the article to be made in that shape or configuration has to perform.

‘Article’ means any article of manufacture; and includes any part of an article if that part is made and sold separately.

The duration of design protection is five years renewable, with a fifteen year maximum.<sup>46</sup> The rights given by design registration are set out in s 11:

the exclusive right in New Zealand to make or import for sale or for use for the purposes of any trade or business, or to sell, hire, or offer for sale or hire, any article in respect of which the design is registered, being an article to which the registered design or a design not substantially different from the registered design has been applied, and to make anything for enabling any such article to be made as aforesaid, whether in New Zealand or elsewhere.

The Designs Act will therefore apply to new or original designs applied to articles, generally where the purpose of the design is not purely functional. In practice, a broad range of things can be included. Designs for items in public places can clearly be included, whether or not these are also protected as artistic works under the Copyright Act. Furniture design is an obvious example here, but it will apply to any design applied to articles in public places.

Under the Designs Act, there is no exception provision equivalent to s 73 of the New Zealand Copyright Act for artistic works on public display. It will therefore be an infringement to copy a design on public display and apply it to an article in respect of which the design is registered and to then sell the articles. The Designs Act therefore offers stronger protection than the Copyright Act where the work on public display is a registrable design, and is registered. However, many of the works covered by the s 73 exception for artistic works on public display will not constitute registrable designs, and will not be registered designs. Designs Act protection will only be an option for some of these works. In addition, New Zealand law generally offers dual protection for designs, so that registrable and registered designs are also protected by copyright law, meaning that many designers rely on copyright for protection, even where design registration is an option. It would therefore be anomalous in policy to require design registration as a means to avoid s 73.

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45 Designs Act 1953 s 5.

46 Designs Act 1953 s 12.

## V. A BETTER BALANCE: A FAIR DEALING EXCEPTION IN COPYRIGHT LAW AND STRENGTHENED MORAL RIGHTS

There remains a gap in protection created by the effect of s 73 of the Copyright Act and the absence of alternative protection in other regimes. However s 73 does provide an essential exception to infringement in some situations for works of public art. There is a public interest in providing the public with a form of user right for works of public art. Repeal of s 73 would result in photographs, postcards or drawings of works of public art constituting copyright infringement. Plainly this would be undesirable and unreasonable. However, the section as drafted is a blanket exception that also allows for multiple copies, commercial exploitation, and uses of a work in circumstances that might depreciate the value of the work or that the creator might consider inappropriate or find distressing.

It would be preferable if the section provided for some judicial judgment as to whether a particular dealing with a work under the exception was fair in all of the circumstances. Factors like the purpose, extent and character of the use could then be taken into account in light of the purpose of the provision. It might then be possible to distinguish a reproduction of multiple copies on T-shirts from the reproduction of photographs and postcards, which uses would be otherwise indistinguishable under the exception as currently drafted. There is a need to strike a better balance by redrafting the s 73 exception as a fair dealing exception.

In New Zealand, users' rights are set out in the Copyright Act 1994, Part III: Acts Permitted in Relation to Copyright Works. Acts permitted are listed in sections 40-93, covering a number of activities, many vary narrowly drawn and specific. The more general provisions are the fair dealing provisions, which allow for dealing with a copyright work where the dealing is 'fair' and for a particular allowed purpose. The Copyright Act provides for exceptions from infringement for fair dealing for the purposes of criticism, review and news reporting,<sup>47</sup> and fair dealing for the purposes of research or private study.<sup>48</sup> New Zealand has few decided cases on the users' rights provisions,<sup>49</sup> but there is also case law on the equivalent English provisions, and on Australian and Canadian provisions. Courts generally consider a number of factors in assessing whether a dealing is fair. In *TVNZ Ltd v Newsmonitor Services Ltd*<sup>50</sup> Blanchard J in the High Court considered fair dealing for the purposes of research or private study.<sup>51</sup> The Judge said that:

A fair dealing is simply a reasonable use. What is reasonable must be judged by looking at the nature of the works themselves and the purpose for which the defendant dealt with them. What is a reasonable use of this particular copyrighted material for the purpose of research or private study of the kind being engaged in? The quantity of the material which has been taken, both standing in isolation and as compared with the amount of material in the whole of the work, also has to be considered.<sup>52</sup>

47 Copyright Act 1994 s 42.

48 Copyright Act 1994 s 43. Section 43(3) provides that, in determining whether copying constitutes fair dealing for the purposes of research or private study, 'a court shall have regard to (a) the purpose of the copying; and (b) the nature of the work copied; and (c) whether the work could have been obtained within a reasonable time at an ordinary commercial price; and (d) the effect of the copying on the potential market for, or value of, the work; and (e) where part of a work is copied, the amount and substantiality of the part copied taken in relation to the whole work.'

49 The principal decisions are *TVNZ Ltd v Newsmonitor Services Ltd* [1994] 2 NZLR 91 and *Copyright Licensing Ltd v University of Auckland & Ors* [2002] 3 NZLR 76 (HC).

50 *TVNZ Ltd* above n 49.

51 Copyright Act 1994 s 43.

52 *TVNZ Ltd* above n 49, 107.

The Judge also said that in some cases it was necessary to pay regard to any depreciating effect on the worth of the plaintiff's work.<sup>53</sup>

In *Copyright Licensing Ltd v University of Auckland & Ors* the parties applied to the High Court for rulings on provisions in Part III of the Act. In relation to fair dealing, the Judge said:

In Laddie, Prescott and Vitoria, *The Modern Law of Copyright and Designs*, 3rd ed, Butterworths, London, 2000 at paragraph 2016, three factors are identified in assessing whether a dealing is a fair dealing:

1. Whether the alleged fair dealing is commercially competing with the copyright proprietor's exploitation of the copyright work;
2. Whether the work has already been published;
3. The amount and importance of the work that has been taken.<sup>54</sup>

The Judge said that the question of whether there had been a fair dealing with a work was one to be determined on the facts of a particular case.

The English Court of Appeal considered the meaning of 'fair dealing' for purposes of criticism or review, or reporting current events, in *Pro Sieben v Carlton*.<sup>55</sup> Robert Walker LJ said that fair dealing was:

a question of degree ... or of fact and impression ... The degree to which the challenged use competes with exploitation of copyright by the copyright owner is a very important consideration, but not the only consideration. The extent of the use is also relevant, but its relevance depends very much on the particular circumstances.<sup>56</sup>

The Canadian decision in *CCH Canadian Ltd v Law Society of Upper Canada*<sup>57</sup> is of particular interest in relation to fair dealing as it offers a broad overall framework for interpretation, based explicitly on copyright principle. The Canadian provisions are broadly similar to the equivalent New Zealand Copyright Act provisions.<sup>58</sup> The Supreme Court said that the fair dealing exceptions should not be interpreted restrictively as these defences are users' rights. The Act did not define 'fair' and whether something was fair was a question of fact. Citing *Hubbard v Vosper*<sup>59</sup> and the United States doctrine of fair use, the Court approved a list of factors as a useful analytical framework to govern determinations of fairness in future cases. The factors to be considered (although they would not all arise in every case) in assessing whether a dealing was fair were: (1) the purpose of the dealing; (2) the character of the dealing; (3) the amount of the dealing; (4) alternatives to the dealing; (5) the nature of the work; and (6) the effect of the dealing on the work.

This fair dealing jurisprudence could usefully be applied to artistic works on public display, so that only fair dealing with such works was protected. Whether a dealing was fair would then be determined on the facts of the case, considering whether the dealing was reasonable taking into account the various relevant factors as discussed. To achieve this, s 73 could be amended to introduce a fair dealing element, so that it no longer grants a blanket exception, irrespective of fairness. The section could be amended to read as follows:

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53 Ibid.

54 *Copyright Licensing Ltd v University of Auckland & Ors* [2002]3 NZLR 76, 82.

55 *Pro Sieben Media AG v Carlton UK Television Ltd* [1999] 1 WLR 605, [1999] FSR 610.

56 Ibid.

57 *CCH Canadian Ltd v Law Society of Upper Canada* [2004] 1 SCR 339.

58 Copyright Act 1994 ss 42-43.

59 *Hubbard v Vosper* [1972] 1 All E.R. 1023 (C.A.), 1027.



### Representation of certain artistic works on public display

(1) This section applies to the following works:

- (a) Buildings;
- (b) Works (being sculptures, models for buildings, or works of artistic craftsmanship) that are permanently situated in a public place or in premises open to the public.

(2) Copyright in a work to which this section applies is not infringed by fair dealing with the work which involves –

- (a) Copying the work by making a graphic work representing it; or
- (b) Copying the work by making a photograph or film of it; or
- (c) Broadcasting, or including in a cable programme, a visual image of the work.
- (d) Issue to the public of copies, or the broadcasting or inclusion in a cable programme, of anything whose making was, under this section, not an infringement of copyright.

In determining, for the purposes of this section, whether a dealing with the work constitutes fair dealing, a court shall have regard to:

(1) the purpose of the dealing; (2) the character of the dealing; (3) the amount of the dealing; (4) alternatives to the dealing; (5) the nature of the work; and (6) the effect of the dealing on the work.

The provision would then provide protection for reasonable uses of the work, but not blanket protection that would protect every use covered by the section, even large-scale production of multiple copies for commercial gain, where fairness would suggest that a license should be sought. A fair dealing exception would also allow for a court to permit otherwise infringing uses of a work where an artist chose not to license the use, but where the Court believed there was an overriding public interest in allowing the use, for example where a new work was created by a transformative use, such as a parody.<sup>60</sup>

A fair dealing exception for artistic works on public display would offer scope for judicial interpretation of when a dealing was fair, informed by the Berne three step test and informed by the jurisprudence on what constitutes a fair dealing.

As amended, a new s 73 would better protect artists/creators rights while also protecting the public interests in public art. However, it would still do nothing to protect the public interest in preservation of artworks and in continued access to public artworks. This would be better achieved (although not ensured) by a strengthened moral rights framework, in which waiver of moral rights was no longer available, and in which derogatory treatment was more broadly defined to include actions like withdrawing a work from public display.

## VI. CONCLUSION

Section 73 of the Copyright Act is a powerful exception to the copyright protection provided to artists, architects and other creators of artistic works on public display. Ironically, these people comprise one of the very categories of people copyright law was designed to protect. The gap in protection is not adequately filled either by the moral rights provisions in the Copyright Act or by the protection offered by the designs regime.

In order to better balance the interests of creators and the public, a redrafting of s 73 is required. There is a need to strike a balance between the interests of the authors and artists and the interests of second-comers or creators of commercial derivative works. Broader public interests must also be considered. There are public interests in access to and reasonable use of public

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<sup>60</sup> See for example *Campbell v Acuff-Rose Music, Inc* 510 U.S. 569, 590 (1994).

works. There is also a public interest in creation and preservation of artworks, and in the creation of future works. The law as it stands under-protects artists in some circumstances, to the benefit of subsequent commercial users. The artist's interest is in copyright protection that both provides for financial recognition and for protection and preservation of the work. The public interest is also in protecting and preserving artworks, and there is an additional public interest in allowing fair uses which acknowledge the public nature of the works.

At present, the New Zealand Copyright Act does not satisfactorily balance these competing interests. It provides copyright protection for public art, and it provides for limited, waivable moral rights for the artist. However it does not provide adequately for preservation of works, or even for continuing public access. In addition, it offers a blanket exception from protection, at the expense of the rights of authors. A better balance would be struck by introduction of a fair dealing exception to allow for fair uses of public art by the public, including reasonable non-competing uses of a commercial nature. This would be preferable to the blanket exception currently offered, which can permit unreasonable as well as reasonable uses. A strengthened moral rights framework would also assist in protecting artists rights while preserving public access.