

## 6. IN THE PUBLIC INTEREST: HOW KENYA QUIETLY SHIFTED FROM FAIR DEALING TO FAIR USE

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### ABSTRACT

In 2014, the Supreme Court of Kenya had to determine whether the broadcast rights in free-to-air (FTA) programme-carrying signals were infringed by allowing the re-broadcasting of these signals pursuant to the so-called 'must-carry' rule in the Broadcasting Regulations of the Kenya Information and Communication Act. In a unanimous decision, the apex court ruled that the 'must-carry' rule fell under the fair dealing provisions of the Kenya Copyright Act despite the fact that the dealing in question did not fit within one of the enumerated allowable purposes.

From a strictly statutory perspective, Kenya is a fair dealing country but the Supreme Court's approach consisted entirely of a fairness analysis identical to one of an open-ended fair use system. This paper argues that the apex court seized an opportunity to answer the question of how a court should determine whether an act done in relation to a work constitutes fair dealing under Kenya's Copyright Act. However, in doing so, the court disregarded the statutory approach based on the enumerated allowable purposes in favour of an approach that confers on all courts the responsibility to assess on a case-by-case basis defendants' assertions that they should be excused for making unauthorized uses of copyrighted works. The court's emphasis on the importance of limitations and exceptions to safeguard public interest laid the foundation for a shift away from a fair dealing test based on the enumerated allowable purposes toward a single analysis based on fairness of the use of a copyrighted work. Until the Legislature substantively amends section 26 of the Copyright Act, this interpretation of fair dealing by the Supreme Court has binding force in Kenya. Therefore, this paper suggests that Kenya has three options if it wishes to review the fair dealing provision, namely: (1) expand the list of enumerated allowable purposes; (2) codify the Supreme Court's fair use approach; or (3) codify the two-step fair dealing approach in the case of *CCH Canadian Ltd. v Law Society of Upper Canada* which was cited but partially applied by the Supreme Court.

**Keywords:** *copyright; fair dealing; fair use; fairness; Kenya*

### 1. INTRODUCTION

In 2013, three of the largest free-to-air (FTA) broadcasters in Kenya: Royal Media Services, Nation Media Group, and Standard Group filed a suit at the

High Court of Kenya<sup>1</sup> claiming that certain digital broadcasters were illegally re-broadcasting their programme-carrying signals pursuant to a so-called 'must-carry' rule in the Kenya Information and Communication Broadcasting Regulations.<sup>2</sup> The High Court dismissed the FTA broadcasters' claims. However, this was reversed in the Court of Appeal.<sup>3</sup> As a result, the matter was appealed before the highest court in the land – the Supreme Court in the case of *Communications Commission of Kenya & 5 others v Royal Media Services Limited & 5 others* [or 'the CCK case'].<sup>4</sup>

The background of the CCK case is a 2006 Regional Radio Communication (RRC) Conference under the auspices of the International Telecommunications Union (ITU), a specialized UN agency established to co-ordinate the shared global use of radio spectrum among nation states. The conference culminated in an agreement binding on Kenya and other ITU member states to switch over from analogue to digital terrestrial television broadcasting. As such, the ITU member states agreed that the switch-off date for analogue television broadcasting would be set for 17th June 2015 and could not be varied, save with the approval of a further RRC.

Following the RRC, the Kenya Communications (Amendment) Act, 2009 was enacted along with the Kenya Information and Communication (Broadcasting) Regulations 2009 which introduced the 'must-carry' rule compelling a signal distributor to carry a prescribed minimum number of Kenyan FTA broadcasting channels, as a precondition for retaining its broadcasting licence. The 'must-carry' rule originated in North America, with the advent of cable television and required cable television companies to carry locally-licensed television stations on their cable system. Under the 'must-carry'

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<sup>1</sup> *Royal Media Services Ltd & 2 others v Attorney General & 8 others* [2013] eKLR.

<sup>2</sup> Kenya Information and Communications (Broadcasting) Regulations, 2009.

<sup>3</sup> *Royal Media Services Limited & 2 others v Attorney General & 8 others* [2014] eKLR.

<sup>4</sup> *Communications Commission of Kenya & 5 others v Royal Media Services Limited & 5 others* [2014] eKLR.

rule, transmission frequencies for radio or television broadcasting and telecommunication are considered national resources to be utilized for the public interest.

Therefore, the Supreme Court had to strike an appropriate balance between various competing rights: on the one hand, the intellectual property (IP) rights of the FTA broadcasters and on the other hand, society's right of access to information as well as the rights of consumers which are both at the core of the 'must-carry' rule. In a unanimous decision, the court ruled that the 'must-carry' rule fell under the fair dealing provisions of the Copyright Act.

Central to the Supreme Court's decision was an emphasis on the importance of 'broad limitations and exceptions integrated into the copyright system to safeguard public interest'. From a statutory perspective, Kenya remains a fair dealing country but the Supreme Court's approach points the way to a fairness analysis similar to an open-ended fair use system.

With a specific focus on the CCK case, this article seeks to examine the extent to which copyright law in Kenya has achieved an appropriate balance between the private rights of owners and rights of users through reforms that strengthen exclusive rights and safeguard the public interest through robust exceptions and limitations.

## 2. EVOLUTION OF FAIR DEALING IN KENYA

The concepts of fair dealing and fair use are analogous but not synonymous.<sup>5</sup> Fair dealing was first developed by courts in the United Kingdom (UK) in the eighteenth century, and was codified in 1911.<sup>6</sup> Whereas fair use, which developed in the United States (U.S.), is attributed to Justice Story's 1841 decision in *Folsom v. Marsh*, which was based on the English fair dealing case law.<sup>7</sup> Both concepts share the same fundamental idea of permitting uses which are considered fair but these concepts differ in their approach as construed in statute and interpreted by courts. The approach in fair dealing is restrictive whereas the approach in fair use is broader.

Dealing generally refers to exploitation of any exclusive right in a copyright work without the permission of the author or owner of the work in question. The two-step test used to determine 'fair dealing' is as follows: firstly,

does the dealing fall within one of the specific purposes listed in the Copyright Act? Secondly, is the dealing fair? In the UK, the second limb of the two-step test regarding the 'fairness' of the dealing has not been defined in the Copyright Act but it is said to be a question of degree.<sup>8</sup> The restricted approach adopted in the UK thus differs significantly from the position in US Copyright law, which has a general defence of fair use such that if the court is satisfied that the use is fair, then there will be no infringement.<sup>9</sup> In this regard, section 107 of the US Copyright Act reads as follows:

'Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Since Kenya was a British colony until 1963, copyright law in Kenya evolved from the United Kingdom Copyright Acts of 1842, 1911 and 1956.<sup>10</sup> Kenya enacted its first domestic Copyright Act in 1966 and developed its copyright system through subsequent amendments in 1975, 1982, 1989, 1995 and 2000.<sup>11</sup> The fair dealing provision in the current Copyright Act<sup>12</sup> was last amended in 1995 with the insertion of the following words: 'subject to acknowledgement of the source'.<sup>13</sup> As

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<sup>8</sup> *Hubbard v. Vosper* [1972] 1 All ER. 1023, 1027.

<sup>9</sup> Lionel Bently and Brad Sherman, *Intellectual Property Law* (4<sup>th</sup> edn, OUP 2014) 224

<sup>10</sup> Marisella Ouma and Ben Sihanya, 'Kenya' in Chris Armstrong and others (eds), *Access to Knowledge in Africa: The Role of Copyright* (UCT Press, 2010) 86.

<sup>11</sup> *Ibid* p. 88.

<sup>12</sup> Chapter 130 Laws of Kenya.

<sup>13</sup> See section 7(1)(a) of Copyright (Amendment) Act, No. 9 of 1995. In the Copyright Act No. 14 of 1989, section 7(1)(a) stated: 'the doing of any of those acts by way of fair dealing for

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<sup>5</sup> Tobias Schönwetter, 'Safeguarding a Fair Copyright Balance - Contemporary Challenges in a Changing World: Lessons to be Learnt from a Developing Country Perspective' (PhD thesis, University of Cape Town 2009) 111.

<sup>6</sup> Jonathan Band and Jonathan Gerafi, 'Fair Use/Fair Dealing Handbook' (SSRN, 7 May 2013) <[www.ssrn.com/abstract=2333863](http://www.ssrn.com/abstract=2333863)> accessed 19 October 2016.

<sup>7</sup> Craig Joyce, Marshall Leaffer, Peter Jaszi and Tyler Ochoa, *Copyright Law* (7<sup>th</sup> edn, LexisNexis 2006) 774.

a result, the section reads: ‘...the doing of any of those acts by way of fair dealing for the purposes of scientific research, private use, criticism or review, or the reporting of current events subject to acknowledgement of the source’.<sup>14</sup>

Unlike Kenya which retained the fair dealing purposes in the 1956 UK Copyright Act, other Commonwealth jurisdictions have since expanded the list of purposes to include education and satire,<sup>15</sup> caricature and parody or pastiche.<sup>16</sup>

Two important sources of law on fair dealing and fair use are the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention) and Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) Kenya ratified the Berne Convention on 11 June 1993. In 1995, Kenya joined the World Trade Organization (WTO) thus becoming a party to the WTO TRIPS Agreement.<sup>17</sup> For our present purposes, Article 9(2) of the Berne Convention is noteworthy as it embodies the so-called ‘Three-Step Test’. It states that: ‘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.’

It is also noteworthy that Article 13 of the TRIPS Agreement adopts and expands the ‘Three-Step Test’ in Article 9(2) of the Berne Convention. It states that, ‘Members shall confine limitations or exceptions to the 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’. In the context of the judge-made doctrine of fair use, there is considerable debate on whether this doctrine violates the Berne Convention and the TRIPS Agreement with its specific restrictions which serve to guarantee the rights of authors and the interests of users by providing them with legal certainty.<sup>18</sup>

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the purposes of scientific research, private use, criticism or review, or the reporting of current events’

<sup>14</sup> See section 26(1)(a) of the Copyright Act, 2001.

<sup>15</sup> See sections 29-29.2 of Canada Copyright Act.

<sup>16</sup> See sections 2A and 30A of UK Copyright, Designs and Patents Act 1988.

<sup>17</sup> Article 2(6) of the Constitution of Kenya states that any treaty or convention ratified by Kenya shall form part of the law of Kenya.

<sup>18</sup> See for instance, Herman Cohen Jehoram, ‘Restrictions on Copyright and their Abuse’ (2005) 27 EIPR 359; Paul Goldstein, *International Intellectual Property Law: Cases and Materials*

Prior to the CCK case, the fair dealing provision in Kenya’s Copyright Act had been problematic for at least two major reasons; firstly, there was no definition of the requirement of fairness,<sup>19</sup> and secondly, there was no guidance on whether the list of enumerated fair dealing purposes was exhaustive.<sup>20</sup> In other words, if the dealing by the digital broadcasters were to be considered fair by a court, would it still be found to be infringing solely on the basis that the dealing could not fit into any of the enumerated categories in section 26(1)(a) of the Act? What follows is a critical analysis of how the court in the CCK case addressed these two problems with fair dealing in Kenya.

### 3. FAIRNESS CRITERIA

In the CCK case, the Supreme Court noted that the Copyright Act does not define what is ‘fair’ in terms of section 26 which contains the ‘fair dealing’ provision. As such, the court stated that the definition of ‘fair’ depends on the facts of each case.<sup>21</sup> More importantly, the court held that a dependable basis for ‘determining fairness’ in the future should be the six-factor test endorsed by the Supreme Court of Canada in *CCH Canadian Ltd. v. Law Society of Upper Canada*<sup>22</sup> (‘CCH case’).

In the CCH case, the court endorsed a six factor test which acknowledged that there was no set test for fairness, but outlined a series of factors that could be considered to help assess whether a dealing is fair.<sup>23</sup> Drawing from the doctrine of fair use in the U.S., the Canadian Court proposed that the following factors should be considered in assessing whether a dealing was fair: (1) the purpose of the dealing; (2) the character of the dealing; (3) the amount of the dealing; (4)

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(2<sup>nd</sup> edn, Foundation Press 2008) 281; Silke von Lewinski, *International Copyright Law and Policy* (OUP 2008) 57; Craig Joyce, Marshall Leaffer, Peter Jaszi and Tyler Ochoa, *Copyright Law* (7th edn, LexisNexis 2006) 866 – 868.

<sup>19</sup> Marisella Ouma and Ben Sihanya, ‘Kenya’ in Chris Armstrong and others (eds), *Access to Knowledge in Africa: The Role of Copyright* (International Development Research Centre, 2010) 92.

<sup>20</sup> Josphat Ayamunda & Chudi Nwabachili, *Copyright Exceptions and the Use of Educational Materials in Universities in Kenya*, *Journal of Law, Policy and Globalization* Vol.39, 2015 at p. 106. See also Ariel Katz, ‘Fair Use 2.0: The Rebirth of Fair Dealing in Canada’ in Michael Geist (ed), *The Copyright Pentology: How the Supreme Court of Canada Shook the Foundations of Canadian Copyright Law*, (University of Ottawa Press 2013) 96: Katz argues, from a historical perspective, that there are no indications that the fair dealing provisions were intended to be exhaustive.

<sup>21</sup> CCK case (n 4) Para 246.

<sup>22</sup> [2004] 1 SCR 339, 2004 SCC 13.

<sup>23</sup> *Ibid* para 53.

alternatives to the dealing; (5) the nature of the work; and (6) the effect of the dealing on the work.<sup>24</sup>

The facts of the CCH case were briefly as follows. The Plaintiffs were publishers of commercial legal works who sued the Law Society of Upper Canada for copyright infringement in relation to certain services offered by the Great Library, a law library funded by the Law Society of Upper Canada, which provides its services principally for the benefit of Law Society members.

One such service offered at the Great Library was a custom photocopying service to allow lawyers to access single copies of published legal materials for research purposes. The Great Library claimed that it had put in place several policies to ensure that access to the Library's custom photocopy service was in accordance with the fair dealing exceptions for private study and research.

The Supreme Court of Kenya in the CCK case noted that although the CCH case dealt with copyright infringement vis-à-vis print media, its six-factor test is relevant and can be applied in the CCK case to determine whether the actions carried out under the 'must carry' rule fall within the copyright exception under the fair dealing provision.<sup>25</sup>

#### A. THE PURPOSE OF THE DEALING<sup>26</sup>

In the CCK case, the court simply states that the purpose of the 'must-carry' rule is to ensure that the public has access to information.<sup>27</sup> By taking a literal approach, it appears that the court has considerably broadened the definition of the purpose. By contrast, in the CCH case, the purpose of the dealing related strictly to one of the enumerated allowable purposes under the Copyright Act, namely research, private study, criticism, review or news reporting.<sup>28</sup> However, the court in the CCH case pointed out that these allowable purposes should not be given a restrictive interpretation or this could result in the undue restriction of 'users' rights'.<sup>29</sup>

It is likely that the court in the CCK case departed from the interpretation in the CCH case on the 'purpose of the dealing' factor so as not to negate its overall fairness

finding. In other words, had the court in the CCK case followed the CCH case's approach to the 'purpose of the dealing' factor, then the 'must carry' rule would have been found inexcusable as a fair dealing. The principal reason is that the 'must carry' rule does not fall in any of the enumerated allowable purposes under the 'fair dealing' provision of the Copyright Act.

Finally, it may be argued that the court's interpretation of the first factor involves a consideration of whether the use in question was commercial. This is clearly echoed by the court's statement that the purpose of rebroadcasting under the 'must-carry' rule was to ensure that the public had access to information. It follows that a dealing is likely to be fair if it is done for public and/or charitable purposes as opposed to uses for profit-making and/or commercial purposes.<sup>30</sup>

#### B. THE CHARACTER OF THE DEALING

The court in the CCK case states that the programs carried by the FTA broadcasters were 'merely rebroadcast or retransmitted' by the digital broadcasters. According to the court, this second factor requires the court to examine how the works in question were dealt with. In determining whether the character of the dealing is fair, the court recommends a consideration of the custom or practice in a particular trade or industry. Whereas in the CCH case, the examination of how the works were dealt with must be done in the context of the enumerated allowable purpose in question. In this regard, the court in the CCH case cited the case of *Sillitoe v. McGraw-Hill Book Co. (U.K.)*<sup>31</sup> in which the importers and distributors of 'study notes' that incorporated large passages from published works claimed that the copies were fair dealings because they were for the purpose of criticism.<sup>32</sup>

The court in the CCH noted that in the *Sillitoe* case, a review of the ways in which copied works were customarily dealt with in literary criticism textbooks led to the conclusion by the court that the study notes were not fair dealings for the purpose of criticism.<sup>33</sup> In the CCH case, the court found the dealing to be fair after having considered that the Law Society provided single copies of works for the specific purposes allowed under the Copyright Act and that there was no evidence that the Law Society was disseminating multiple copies of works to multiple members of the legal profession.<sup>34</sup>

Therefore, while the court in the CCK case agreed with the CCH case's interpretation of the character of the dealing, the Kenyan court's approach differs significantly

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<sup>24</sup> Ibid.

<sup>25</sup> CCK case (n 4) Para 248.

<sup>26</sup> Lionel Bently and Brad Sherman, *Intellectual Property Law* (4<sup>th</sup> edn, Oxford University Press 2014) 244: 'In deciding the purpose for which the work was used, the test does not depend on the subjective intentions of the alleged infringer; rather, a more objective approach is adopted, so that the question is whether the dealing is 'in the context of' research, criticism, instruction... or reporting.'

<sup>27</sup> CCK case (n 4) para 248.

<sup>28</sup> CCH case (n 17) para 54.

<sup>29</sup> Ibid.

<sup>30</sup> See for instance, CCH case (n 17) para 54.

<sup>31</sup> [1983] F.S.R. 545 (Ch. D.).

<sup>32</sup> CCH case (n 17) para 55.

<sup>33</sup> Ibid.

<sup>34</sup> CCH case (n 17) para 67.

since it considers the dealing in isolation from the enumerated allowable list of purposes. Therefore, the finding that the character of the dealing was fair may have resulted from the court's opinion that the rebroadcasting of the free-to-air programming in the CCK case was in line with standard custom and/or practice in the broadcasting industry.

Finally, it may be argued that the court's interpretation of the second factor involves a consideration of whether the nature or character of the use in question was necessary, reasonable and in good faith under the circumstances. This is clearly echoed by the court's statement that the programs were merely rebroadcast by the digital broadcasters. It follows that the character of a dealing is likely to be fair where a defendant simply acts as any other person or undertaking in the same trade or industry would have acted and the dealing does not extend to excessive or exploitative use of the plaintiff's works in question.

### C. THE AMOUNT OF THE DEALING

The court in the CCK case states that the quantity of the work taken is not determinative of fairness; instead, it makes its determination that the dealing is fair by looking at the purpose of the must-carry rule, which in its view, serves a public interest purpose.<sup>35</sup> Overall, the court in the CCK case stated that both the amount of the dealing and importance of the work allegedly infringed should be considered in assessing fairness.

According to the CCK case, the assessment of the amount of the dealing by the court must consider the type of work and the purpose of the dealing. In this connection, the amount taken, which could be the whole work or a substantial part thereof, may well be fair depending on the purpose for which it is taken. For instance, dealing in an artistic work such as a photograph for purposes of criticism or review may be fair even though it may involve dealing in the whole work.<sup>36</sup> Similarly for the purpose of research or private study, it may be essential to copy an entire academic article.<sup>37</sup> However, if a literary work is copied for the purpose of criticism, it will not likely be fair to include a full copy of the work in the critique.<sup>38</sup>

In the CCK case, the court found that the quantity of the work taken should not be determinative of fairness and instead looked at the purpose of the 'must-carry' rule. According to the court, the carrying of the broadcast content of the free-to-air broadcasters served a 'public interest purpose' and thus satisfied the fairness requirement under this third factor.

<sup>35</sup> CCK case (n 4) para 248.

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

It is clear that the question of amount of use has a quantitative as well as qualitative dimension. More importantly, a determination of fairness under this third factor is strongly connected with the first and second factors on purpose and character of the dealing. It may be argued that this new 'public interest purpose' announced by the court creates a provision comparable in scope to the open-ended fair use doctrine.<sup>39</sup>

### D. ALTERNATIVES TO THE DEALING

The court in the CCK case found the dealing to be fair since it was not apparent that there were alternatives to the must-carry rule whose ultimate purpose is to guarantee access to information.<sup>40</sup> Whereas in the CCH case, the court stated that this fourth factor requires courts to determine whether the dealing was reasonably necessary to achieve the ultimate purpose.<sup>41</sup> To illustrate this fairness assessment, the court states: 'if a criticism would be equally effective if it did not actually reproduce the copyrighted work it was criticizing, this may weigh against a finding of fairness.'<sup>42</sup>

In its application of this factor, the approach taken by the court in the CCK case is analogous to self-defence in tort.<sup>43</sup> In tort law, the scope of the defence of self-defence depends on the question of whether the defendant needed to defend himself and if so, whether his reaction was commensurate with the threat.<sup>44</sup> Similarly, the court in the CCK case stated that if there were means, other than the must-carry rule, of guaranteeing that the public had access to information, then such alternatives would have to be considered. According to the court, there were no substitutes to the must-carry rule. More importantly, the court once more establishes fairness by referring to the purpose of the must-carry rule. In other words, a dealing would be fair if it advances or serves a public interest purpose for which there are no apparent alternatives.

### E. THE NATURE OF THE WORK

This fifth factor of fairness defines the nature of the work as either published or unpublished. The basic idea behind this factor is that to support the public interest there should be greater access to some kinds of works than others. In other words, a determination of fairness under this factor is likely to be based on the need for public access and dissemination of a work. Conversely, a

<sup>39</sup> See for instance Paul Goldstein, 'International Intellectual Property Law: Cases and Materials 2<sup>nd</sup> Edition', (Thomson West, 2009), p 281.

<sup>40</sup> CCK case (n 4) para 248.

<sup>41</sup> CCH case (n 17) para 57.

<sup>42</sup> Ibid.

<sup>43</sup> See for instance Marshall Leaffer, 'Understanding Copyright 4<sup>th</sup> Edition', (LexisNexis, 2005) 480.

<sup>44</sup> Ibid.

determination of fairness is less likely where the work is particularly susceptible to harm from mass reproduction.

In connection with this, the court in the CCK case found that 'the broadcasts are meant for public consumption, and broadcasters are in the business of transmitting their work.'<sup>45</sup> Therefore, the court categorised all works broadcast under the must-carry rule as published information and as such it would be fair for digital broadcasters to re-broadcast them since such a dealing allows the public to have access to information.

In the application of this fifth factor, the court in the CCK case appears to suggest that the nature of broadcasts as a copyright work is such that it is in the public interest that these works are rebroadcast under the must-carry rule to ensure that the public has access to information. However, unlike in the CCH case,<sup>46</sup> the court in CCK did not consider the extent to which users allowing access to 'published' broadcasts under the 'must-carry' rule are sufficiently regulated to ensure that the works are only broadcast in accordance with the public interest purpose of the rule.

#### F. THE EFFECT OF THE DEALING ON THE WORK

In the CCK case, the court was of the opinion that the digital rebroadcasts were not competing with the market for the original FTA broadcasts. Furthermore, the court stated that no evidence was tendered to show that the rebroadcasts had decreased the market for FTA broadcasts. In other words, the likelihood that a rebroadcast would compete with the market of the original broadcasts is sufficient for a consideration that the dealing is not fair.<sup>47</sup>

From the court's application of this market effect factor, it is not clear what kinds of harm to the potential market for the copyrighted work count for a determination of fairness. However, at the core of this factor, the rationale appears to be the preservation of the copyright owners' monopoly over their works so as to incentivise innovation and creativity. Therefore, future courts are called to determine on a case-by-case basis whether a particular type of use of a work is likely to threaten the incentives for creativity that a copyright tries to protect.<sup>48</sup>

#### 4. THE SHIFT FROM FAIR DEALING TO FAIR USE

After its application of the six factors in the CCH case as above, the court in the CCK case concludes as follows:

'From the foregoing consideration of relevant principles, in the context of the comparative lesson, we would hold that the 'must-carry' rule which required the appellants to carry the signals of the 1st, 2nd and 3rd respondents, is by no means inconsistent with the requirement of fairness. Indeed, it is clear to us that the appellants' dealings with the 1st, 2nd and 3rd respondents, do satisfy the 'fair dealing' defence, and therefore did not infringe upon the copyrights of the 1st, 2nd and 3rd respondents.'

This passage signals Kenya's shift from a fair dealing framework to a flexible standard determined solely by the fairness of the use of a copyrighted work. It is submitted that this new standard is fair use. As discussed above, the primary indication of this shift is the court's particular application of the fairness factors in the CCH case. These CCH factors are identical to the four fairness factors that characterise the doctrine of fair use. Furthermore, the court's interpretation of the CCH factors is particular because it deliberately ignores the enumerated list of fair dealing purposes in the Act.

In this connection, it is interesting to note that the court remarks that its interpretation of fair dealing in fair use terms is grounded on the conventional wisdom that fair use is 'more flexible' than fair dealing and that the distinction between fair dealing and fair use is 'disappearing'.<sup>49</sup> While this approach by the court may be a positive step for safeguarding user rights and the public interest, the open-ended fair use system endorsed by the court appears to be in conflict with Kenya's international obligations under Article 9(2) of the Berne Convention and Article 13 of the TRIPS Agreement as discussed above.

Surprisingly, there has been little academic analysis or public commentary in Kenya related to the Supreme Court's departure from fair dealing in favour of fair use.<sup>50</sup> One commentator Wachira Maina argues that the Supreme Court's reasoning is incoherent and provides several reasons why the retransmission of FTA signals by a pay TV broadcaster cannot be fair dealing.<sup>51</sup> In particular, Maina argues that the fact that the digital broadcasters were using the FTA programming as a selling point for their product shows that the latter were enjoying a commercial benefit from the 'must-carry' rule. As a result, this commercial purpose and character of the use necessitates a determination of unfair

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<sup>45</sup> CCK case (n 4) para 248.

<sup>46</sup> CCH case (n 17) para 71.

<sup>47</sup> CCK case (n 4) para 248.

<sup>48</sup> Marshall Leaffer, *Understanding Copyright Law* (4th edn, LexisNexis 2005) 482.

<sup>49</sup> CCK case (n 4) para 244.

<sup>50</sup> Hezekiel Oira, 'Using 'Must Carry' Cloak to Violate TV Firms' Copyright', *Daily Nation* (Nairobi, 31 January 2015). The author simply notes that: 'The 'must carry' rule does not fit into this particular exception and limitation [fair dealing].'

<sup>51</sup> Wachira Maina, 'Supreme Confusion: How Authority, Court Muddled the Copyright Law' *Daily Nation* (Nairobi, 23 January 2015).

dealing. In the same vein, Maina points out that the digital broadcasters had appropriated and re-branded the news broadcasts of FTA broadcasters; in effect, making it seem as if they were the joint owners of those broadcasts.

A more detailed commentary on the CCK case can be gleaned from a publication by the Kenya Copyright Board (KECOBO).<sup>52</sup> While analysing the Supreme Court judgment in the CCK case, KECOBO Chief Legal Counsel stated the following:

The court however failed to explain ‘the how’ by way of express provisions of the Copyright Act and the decision on plain reading of the definitions of the Act is erroneous. Clearly for it to be transmitted, the analogue signal must be converted or modified before it is made available to the public in the digital platform which is contrary to Broadcasters copyright which is not limited under section 29 of the Copyright Act as declared by the court. The reference to a ‘working paper’ prepared by World Intellectual Property Organization (WIPO) Standing Committee on Copyright and Related Rights (SCCR) for the purpose of negotiating a possible treaty which is still underway is also suspect. A much safer option would have been the three-step test article 9(2) of Berne Treaty or under the TRIPS article 13.<sup>53</sup>

The Chief Legal Counsel at KECOBO concluded that the Supreme Court judgment in the CCK case provides the relevant authorities ‘the opportunity to consider the possibility of safeguarding ‘must carry’ provisions by enacting express provisions under the Copyright Act to cater for public interest as enunciated by the court at its next review.’<sup>54</sup> According to KECOBO, the court in the CCK case interpreted the fair dealing section of the Copyright Act to include a new ‘public interest’ defence<sup>55</sup> similar to the one relied upon by the Supreme Court of the Philippines in the case of *ABS-CBN Broadcasting Corporation v. Philippine Multi-Media System, Inc. & 6 Others* [or ‘the ABS-CBN case’],<sup>56</sup> whose facts bear close resemblance to those in the CCK case.

In the ABS-CBN case, the Supreme Court of the Philippines ruled that the ‘must-carry’ rule fell under

Section 184(1)(h) of the Intellectual Property Code of the Philippines<sup>57</sup> which provides that, ‘The use made of a work by or under the direction or control of the Government, the National Library or by educational, scientific or professional institutions where such use is in the public interest and is compatible with fair use shall not constitute infringement of copyright.’ It is interesting to note that the court in CCK case arrived at the same conclusion as the court in the ABS-CBN case despite the fact that the Kenyan Copyright Act does not have a provision analogous to Section 184(1)(h) of the Philippines’ Code.

Alongside the ‘public interest’ provision similar to the Philippines, as proposed by KECOBO, this paper suggests that there are three possible options for Kenya to amend the fair dealing provision of the Copyright Act in the wake of the CCK case. These options are as follows: (1) expand the list of enumerated allowable purposes; (2) codify the fair use approach adopted in the CCK case; or (3) codify the two-step approach adopted in the CCH case.

In option 1, Kenya would distance itself from the Supreme Court’s fair use approach in the CCK case and opt instead to expand the existing fair dealing framework. As noted above, the current fair dealing provision is identical to the UK Copyright Act of 1956. Thus, there is a clear need to continuously review and update it to justify new uses or technologies over time that may not be envisioned in the Act at the time of its passing. Therefore, this option would entail expanding the list of both general and specific exceptions and limitations. Recent copyright law reform initiatives in other common law jurisdictions with fair dealing provisions such as Canada,<sup>58</sup> Australia<sup>59</sup> and the UK<sup>60</sup> have taken this option.

<sup>57</sup> Republic Act No. 8293 of 1997.

<sup>58</sup> Guiseppina D’Agostino ‘The Arithmetic of Fair Dealing at the Supreme Court of Canada’ in Michael Geist (ed), *The Copyright Pentology: How the Supreme Court of Canada Shook the Foundations of Canadian Copyright Law*, (University of Ottawa Press 2013) 188.

<sup>59</sup> See for instance, Australian Copyright Council, ‘Submission in Response to the Australian Productivity Commission Issues Paper on Intellectual Property Arrangements’ (November 2015) <[http://www.pc.gov.au/\\_data/assets/pdf\\_file/0008/194516/sub036-intellectual-property.pdf](http://www.pc.gov.au/_data/assets/pdf_file/0008/194516/sub036-intellectual-property.pdf)> accessed 19 November 2016; Australian Copyright Council, ‘Submission to the Australian Law Reform Commission Copyright and the Digital Economy’ (November 2012) <[http://www.copyright.org.au/acc\\_prod/ACC/Submissions/SUBMISSION\\_TO\\_THE\\_AUSTRALIAN\\_LAW\\_REFORM\\_COMMISSION\\_COPYRIGHT\\_AND\\_THE\\_DIGITAL\\_ECONOMY\\_.aspx](http://www.copyright.org.au/acc_prod/ACC/Submissions/SUBMISSION_TO_THE_AUSTRALIAN_LAW_REFORM_COMMISSION_COPYRIGHT_AND_THE_DIGITAL_ECONOMY_.aspx)> accessed 19 November 2016.

<sup>52</sup> Kenya Copyright Board, *The Broadcasting Industry in Kenya* (Copyright News Issue 15, 2015).

<sup>53</sup> Edward Sigei, ‘Digital Migration in Broadcasting and Copyright: The Supreme Court Direction’ in Kenya Copyright Board, *The Broadcasting Industry in Kenya* (Copyright News Issue 15).

<sup>54</sup> Ibid.

<sup>55</sup> Paul Goldstein, *International Intellectual Property Law: Cases and Materials* (2nd edn, Foundation Press 2008) 281; Paul Goldstein & P. Bernt Hugenholtz, *International Copyright: Principles, Law and Practice* (3<sup>rd</sup> edn, OUP 2013) 375

<sup>56</sup> G.R. No. 175769-70 (2009).

In option 2, Kenya would embrace the Supreme Court's fair use approach in the CCK case and seek to codify it by amending section 26 of the Copyright Act. As discussed above, the open-ended fair use system endorsed by the court closely resembles section 107 of the US Copyright Act of 1976. Similar fair use language may be found in the Philippines copyright law of 1997 discussed above in the context of the ABS-CBN case. Under this option, the key point is to make the list of purposes open ended so that the factor analysis can apply to uses for purposes not specifically enumerated in the statute.

In option 3, Kenya would adopt the two-step fair dealing approach in the CCH case and seek to codify it by amending section 26 of the Copyright Act. This option entails the enactment of a two-stage analysis: firstly, whether the intended use qualifies for one of the permitted purposes, and secondly, whether the use itself meets the six-factor fairness criteria as listed and defined in the CCH case. This option is a hybrid of the first two options.

It is submitted that this third option would be Kenya's best choice because it combines two essential features of the fair dealing and fair use approaches. Firstly, it contains a safety valve in the form of a list of enumerated allowable purposes that preserves the rights of copyright owners and creates an acceptable degree of legal certainty. Secondly, it includes a balanced and flexible factor analysis that protects users' rights and ensures that matters of legitimate public interest are addressed.

## 5. CONCLUSION

In this paper, I have reviewed the copyright dimension of a landmark Supreme Court of Kenya decision in the CCK case which concerned the transition from analogue to digital terrestrial broadcasting. In particular, this paper focuses on the Supreme Court's finding that the rebroadcasting by some digital broadcasters of free-to-air broadcasts owned by three analogue broadcasters satisfies the 'fair dealing' defence and therefore does not infringe upon the rights of the free-to-air broadcasters under copyright law.

This paper argues that in arriving at this fair dealing finding, the court in the CCK case did not follow the enumerated allowable purposes approach in the fair dealing provision but instead imported into Kenyan law a new approach based on an open-ended fair use system. Through an analysis of the decision in the CCK case, this paper shows how the court effectively turned

the Kenyan fair dealing provision into a fair use provision in which any purpose automatically triggers a determination of fairness based on a list of factors.

Since the Supreme Court is the highest court in the land, this apparent shift from fair dealing to fair use is binding on all subordinate courts in Kenya. However, as shown in this paper, the approach in the CCK case is in direct conflict with the fair dealing wording of the Copyright Act and appears to be in violation of Kenya's international treaty obligations.

In the aftermath of the CCK case, this paper recommends legislative and/or policy interventions aimed at reviewing the fair dealing provision. In this connection, this paper suggests three options for Kenya, namely: (1) expand the list of enumerated allowable purposes; (2) codify the fair use approach in the CCK case; or (3) codify the two-step approach adopted in the CCH case.

To conclude, exceptions and limitations to copyright are necessary for both owners and users of works. The international copyright system provides a certain set of mandatory minimum requirements for any limitations and exceptions for certain exclusive rights. This paper submits that Kenya should consider option 3 as an ideal approach that complies with the minimum international standards but is flexible enough to allow creative and innovative uses while ensuring that rights holders and their interests are not unreasonably harmed.

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<sup>60</sup> Ian Hargreaves, 'Digital Opportunity: A Review of Intellectual Property and Growth' (An Independent Report, 18 May 2011) <<https://www.gov.uk/government/publications/digital-opportunity-review-of-intellectual-property-and-growth>> accessed 19 November 2016.



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