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COPYRIGHT AND NEIGHBOURING RIGHTS COME OF AGE: DIGITIZATION AND INTERNATIONAL TRADE

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A. Introduction

In the first edition of this book (written in 1986), the following comment appeared concerning the position following the 1967 to 1971 Revisions of the Berne Convention: **4.01**

At present, a state of rough equilibrium appears to have been reached, and there are no current plans in train for another revision of the Convention. Nevertheless, as with most human institutions, changes are still occurring and new pressures emerging. It would be futile, therefore, to think that the second century of the Berne Convention will not be as eventful, in one way or another, as its first.¹

As this chapter will show, this ‘state of rough equilibrium’ changed radically in the period immediately after these words were written.

A number of influences are to be seen at play here, but two in particular have been crucial. First, there has been the effect of technological change, in particular the advent of digital technologies and the subsequent development of networked communications and the Internet. Second, there has been the linking of protection of intellectual property rights with trade issues, culminating in the adoption of the Agreement on Trade-Related Aspects of Intellectual Property Rights in 1994 (‘TRIPs Agreement’) as one of the annexed agreements of the newly established World Trade Organization (‘WTO’). Underlying the adoption of the TRIPs Agreement, in turn, was widespread dissatisfaction with the way that existing intellectual property rights agreements such as Berne dealt with questions of enforcement and the absence therein of any effective dispute-resolution mechanism between states. **4.02**

¹ S Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works: 1886–1986* (1987), 125.

4.03 Both these issues are closely connected, but for the purposes of exposition it is helpful to deal with the way they were resolved in the different fora of the World Intellectual Property Organization ('WIPO') and Berne, and then of the General Agreement on Tariffs and Trade ('GATT') and the WTO. As the centre point of this commentary is the Berne Convention, we shall begin by considering that agreement and the possibility of its revision post-1971, leading to the adoption of the two WIPO treaties in 1996; we shall then move to a short description of the adoption of the TRIPs Agreement and the implications of this development. Inevitably, this style of treatment will mean that chronologies will overlap, but this is an inevitable consequence of the double helix that is now formed between Berne and its associated agreements, on the one hand, and TRIPs, on the other. A further twist in the helix is to be found in the adoption of separate international agreements concerning 'neighbouring rights', but consideration of these is left for separate treatment in Chapter 19 below.

B. Revising Berne Again

(1) The period 1971–86: a period of reflection and regrouping

4.04 Enough has been said in the preceding chapter to indicate that, following the last two revision conferences in Stockholm (1967) and Paris (1971), it looked unlikely that the Berne Convention would be further revised in the foreseeable future. This was because these last two conferences had almost seen the complete breakdown of the international copyright system, as a huge gulf emerged between developed and developing countries, particularly on the issues of compulsory translation and educational copying licences. While these divisions were finally painted over at the Paris Conference of 1971, the prevailing opinion of experts was that it would be too dangerous to institute a new revision process in case these divisions were reopened. Subsequent developments, most of them external to the Berne Convention, began to alter this position from the mid-1980s on, and a new process of revision did, in fact, begin in 1991. Although this did not result in a revision of the Convention itself, within the comparatively short period of five years, a separate new treaty on copyright (the WIPO Copyright Treaty) was adopted in Geneva in December 1996—an outcome that looked unlikely even at the beginning of that year. This treaty, and its companion on performers and phonograms, came into force in early 2002. In this same period, of course, the TRIPs Agreement had also been formulated, adopted, and come into operation.

4.05 In recounting this most recent chapter in the history of international copyright relations, it is worth beginning with a reprise of the views that were expressed in the final chapter of the first edition of this commentary which was published in

1987—at a midpoint, as it transpired, between the period of cautious reflection and development that followed the adoption of the 1971 Paris Act of Berne and the period of frenetic norm-making that occurred in the years from 1987 to 1996.

In 1986, it was possible to view the Berne Convention through the prism of the following metaphor: a reasonably sized river craft that had just survived passage through some particularly steep and turbulent rapids and that was now entering a long stretch of shallow, sluggish water, which the paddlers hoped would continue, at least for the time needed to regain their strength and energy. But while all appeared smooth on the surface of the water, there was a much stronger underlying current: indeed, there were several such currents, with one in particular that was flowing in another adjoining riverbed that was shortly to add its force to the main stream. Viewed in less aquatic terms, it can be said that the Berne Convention, even as modified in Paris in 1971, was a reasonably impressive instrument so far as its embodiment of substantive copyright norms was concerned, for example, its prohibition on formalities, its mandatory term of protection, and its list of exclusive rights to be protected: in this regard, it compared favourably with its companion convention in the industrial property sphere, the Paris Convention for the Protection of Industrial Property. On the other hand, Berne was still a ‘work in progress’, with many significant gaps, so far as its objective of providing protection, in as ‘effective and uniform a manner as possible’, for the rights of authors in their literary and artistic works was concerned. As noted in the first edition of this commentary, two particular areas of concern were left relatively untouched by the 1971 Paris text: those dealing with questions of ownership and exploitation of the rights protected under the Convention, and those dealing with the means of enforcing those rights. The first of these matters is dealt with at some length in Chapter 7 below where it will be seen that, to date, attempts to deal with ownership and exploitation issues, even in the limited area of cinematographic works, have been very limited in their effect. This is an area of concern, moreover, that involves difficult issues of private international law, and these questions are addressed further in Chapter 20 below. **4.06**

As for the second matter—enforcement—this was a significant lacuna in the Convention umbrella that became more evident as the Convention neared its centenary celebrations. **4.07**

(a) Enforcement and compliance

In this regard, the Convention relied on the application of the principles of national treatment and independence of protection, under which the extent of protection and the means of redress afforded to the author are governed exclusively by the laws of the protecting country. This was qualified in two **4.08**

rights: first, as regards the requirement that the exercise of rights under the Convention should not be subject to any formality, such as registration or the need for the lodging of security,² and secondly, with respect to the seizure of infringing copies.³ Otherwise, the Convention left the question of enforcement of rights to the law of the protecting country. Historically, this may be seen as a reflection of the late nineteenth-century conditions in which the Convention was born: its purpose was to secure recognition of the entitlement of authors to protection and, once this was accorded, it was left to the individual claimants to pursue the enforcement of their rights according to the laws of the country where protection was sought. A century on, however, the assumption that protecting countries would provide the necessary enforcement of rights could no longer be so confidently made, particularly in the absence of effective mechanisms at the international level to ensure that member countries would comply with their Berne obligations. As will be seen below, enforcement and compliance issues were the driving forces behind the adoption of the TRIPs Agreement in the early 1990s. Beyond this, there were also concerns about the efficacy of many national court and administrative procedures: for many rights owners, it was of little comfort to receive formal protection of their rights in a country where it might take years and great expense to have a case finally determined.

(b) Gaps in substantive protection: the continuing debate

4.09 As Chapters 1 to 3 above demonstrate, the history of Berne up to 1971 had been the gradual development of a body of uniform substantive rules of protection to be applied by an increasing number of countries constituted as a 'Union for the Protection of the Rights of Authors'. But even this apparently simple ideal can raise questions of definition: which rights are to be protected in the first place, and what properly pertains to authors and their successors? At the Berne Conferences of 1884 to 1886, a number of delegates saw the instrument that was finally achieved only as a first step towards an ultimate universal codification of copyright.⁴ While a considerable number of rights were added to the Convention in its successive revisions, the 1971 text was still some way from embodying a uniform set of rights to be protected. Even at that time, it was clear there were significant and obvious gaps in substantive protection, for example, in the case of a right of distribution, while the formulation of some of the rights that were protected left considerable scope for the adoption of conflicting interpretations by member countries, for example, those of reproduction, broadcasting, and cable distribution (these matters are analysed in depth in Chapters 11 and 12 below). Furthermore, considerable variations were to be found with respect to

² Paris Act, art 5(2). See further paras 6.101ff below.

³ Paris Act, art 16.

⁴ *Actes* 1884, 28–9 (debate on the German motion in favour of a universal codification).

the protection of such subject matter as cinematographic works, while it was quite unclear whether new kinds of subject matter, such as computer software and databases, came within the scope of the Convention and, if so, how these matters were to be dealt with. In addition, the Convention left a wide discretion to member countries in relation to the important matter of exceptions to protection. Much therefore was subject to the application of the principle of national treatment, meaning that the protection accorded to authors claiming under the Convention still varied considerably from country to country. As the first edition of this commentary, written in 1986, stated, 'uniformity of protection, under the present [1971] Act, therefore is still only partial'.

Complete and absolute uniformity of protection, in the sense of an international codification of copyright applicable everywhere, is undoubtedly a utopian and unattainable goal, and may not even be ultimately desirable if states are to maintain some differences in their cultural and other copyright-related policies. However, the advantages of increased uniformity are clear, particularly the greater certainty that this gives authors in protecting and exploiting their rights in different countries of the Union. At the regional level, notably in the European Union, it has been possible to see a strong movement towards the harmonization of copyright in a number of key areas, such as rental rights, computer software, duration of protection, cable and satellite transmissions, and databases. In the larger context of the Berne Convention, there would be great scope for a new revision covering such matters if this were politically and practically possible. Somewhat hopefully, the first edition of this commentary suggested that a possible 'shopping list' for such a revision would include the following matters:

1. The exclusion of software from article 2(1) and a more precise definition of the meaning of 'literary and artistic'.
2. A proper definition of the term 'author'.
3. Recognition of a right of distribution, including rights of rental and lending.
4. Reformulation of the rights of broadcasting and performance to take account of the present uncertainties posed by satellites and cable distribution.
5. The proper regulation of the minor exceptions to performing rights implicitly allowed at present within the framework of the Convention, as well as the exceptions presently implied with respect to translations.
6. Some clearer definition of the meaning of 'private' in the context of copying and dissemination in a non-material form.
7. Regulation of the situations where compulsory licences and levies may be permitted.
8. Provision for criminal sanctions and similar remedies against pirates.

9. Regulation of the basic conditions under which collective administration of rights may occur.
10. Provision of general principles to govern: (a) employee authors, (b) contracts between authors and publishers, and (c) contracts between authors and other disseminators of works.
11. Residual rules governing the application of laws in the case of the ownership and exploitation of rights under the Convention.

4.11 Even more hopefully, the first edition went on to state that this list contained ‘only a minimum number of changes that might be made to the Convention in order to attain a greater degree of uniformity’, but acknowledged that it was ‘still highly ambitious and, to an experienced eye, . . . [would] appear unrealistic’. Nonetheless, it was a programme for action, and led to consideration of the possible routes by which some, at least, of these objectives might be reached. In view of subsequent events, these possibilities are worth recounting briefly.

(c) A conference of revision in the near or medium future

4.12 In 1986, the first edition described this as the ‘ten-year option’—the holding of a revision conference some time before 1996. As noted above, this seemed an unlikely, even undesirable, prospect when viewed against the near collapse of the Berne system at the time of the 1967 to 1971 conferences.⁵ Having reached a settlement that all could live with, there was a general reluctance on all sides to reopen debates that might lead to a similar impasse. On the other hand, it could be said that the problems facing the Convention in 1986 were different in kind from those that were at the forefront in 1967. While the difficulties of developing countries had hardly disappeared, the threats to copyright protection were now coming from other quarters, mainly the new modes of exploitation made possible by technological development, while the possibilities of networked communications were already being dimly perceived. However, it was also likely that these very developments would make it even more difficult to achieve agreement than was the case in 1967 and 1971, particularly given the increasing membership of the Berne Union. The reality is that the hothouse atmosphere of a revision conference, held within a relatively confined period of time, can readily lead to stalemate, unless a fair degree of consensus between states on the matters to be discussed has emerged beforehand. This was so at each of the earlier successful revision conferences, notably those of Berlin and Brussels. But as far as the issues listed in the preceding paragraph were concerned, it could not have been said in 1986 that any significant level of agreement on any of them had yet been reached between Union countries. Accordingly, a full-scale revision

⁵ See eg the discussion in S M Stewart, *International Copyright and Neighbouring Rights*, 2nd edn (1989), 296ff.

conference, even within a ten-year timeframe, would most likely have been a pointless exercise and it does not seem that there was ever any serious consideration of this possibility.

(d) *The 'guided development' of international practice with a view to its ultimate confirmation by a revision conference*

An alternative, and perhaps more appealing, strategy was to delay preparations for a revision conference indefinitely so as to allow the necessary consensus referred to above to emerge. The growth of this consensus could be assisted by a number of measures: the convening of international groups of experts, the holding of forums, the carrying out of national and comparative studies and the formulation of model principles or provisions. The process would be slow and incremental, and might aptly be described as a policy of 'guided development',⁶ or, perhaps more accurately, 'seeding the ground'. Nevertheless, over time it could lead Union members to identify far more clearly their points of agreement. If these points were adopted, or at least accepted, in national laws, this would finally lay the basis for a conference of revision that could amend the provisions of the Convention accordingly. **4.13**

(2) 'Guided development': activities leading up to the Berne Protocol process, 1991

In essence, 'guided development' appears to have been the policy of WIPO from the late 1970s, with initiatives occurring in the following areas: reprography;⁷ storage of protected works in computers and computer-created works;⁸ computer software;⁹ cable television;¹⁰ expressions of **4.14**

⁶ This expression has been utilized by Dr Ficsor to designate this period of development in his detailed commentary on the 'Internet Treaties': M Ficsor, *The Law of Copyright and the Internet* (2001), 5, n 7 ('Ficsor (2001)').

⁷ Committee of Experts on the Photographic Reproduction of Protected Works (Paris, 1–5 July 1968): [1968] *Copyright* 201; Working Group on Reproduction of Works Protected by Copyright (Paris, 2–6 May 1973): [1973] *Copyright* 172; Subcommittees of Executive Committee of the Berne Union and the IGC on Reprographic Reproduction: (Washington, 16–21 June 1975) [1975] *Copyright* 159.

⁸ In particular, the reports of the Committee of Government Experts on Copyright Problems Arising from the Use of Computers for Access to or the Creation of Works (Paris, 15–19 Dec 1980): [1981] *Copyright* 73; (Paris, 7–11 June 1982): [1982] *Copyright* 239.

⁹ See the reports of the Expert Group on the Protection of Software (Geneva, 27–30 Nov 1979): [1979] *Copyright* 36; and the Committee of Experts on the same subject matter (Geneva, 13–17 June 1983): [1983] *Copyright* 271; Group of Experts on the Copyright Aspects of the Protection of Computer Software (Geneva, 25 Feb–1 Mar 1985): [1985] *Copyright* 146.

¹⁰ In particular, see the report and statement of the Group of Independent Experts on the Impact of Cable Television in the Sphere of Copyright (Geneva, 10–13 Mar 1980): [1980] *Copyright* 154; see also [1981] *Copyright* 218; Annotated Principles of Protection of Authors, Performers, Producers of Phonograms and Broadcasting Organizations in Connection with Distribution of Programs by Cable (Geneva, 5–7 Dec 1983): [1983] *Copyright* 131.

folklore;¹¹ rental and lending of phonograms and videograms;¹² private copying;¹³ direct broadcasting satellites;¹⁴ employed authors;¹⁵ publishing contracts;¹⁶ piracy;¹⁷ paying public domain;¹⁸ model statutes for authors' organizations in developing countries;¹⁹ and the problems of handicapped readers.²⁰ Furthermore, in the year of the Berne centenary (which was attended by celebrations in many Berne member states), WIPO announced that it was undertaking a systematic examination of new modes of exploitation in relation to each principal category of protected works, namely the printed word, audiovisual works, phonograms, works of visual art, works of architecture, works of applied art, dramatic and choreographic works, and musical works.²¹ Work on these

¹¹ The work in this area was extensive, but the most important meetings were those of the Working Group on the Intellectual Property Aspects of Folklore Creation which led to the preparation of a model law: [1980] *Copyright* 110 and [1982] *Copyright* 282. Work was also done on a draft multilateral treaty by the Group of Experts on the International Protection on Expressions of Folklore (Paris, 10–14 Dec 1984): [1985] *Copyright* 40. For further studies, see A Bogsch, 'The First Hundred Years of the Berne Convention for the Protection of Literary and Artistic Works' [1986] *Copyright* 291, 295 ('Bogsch (1986)').

¹² In particular, the WIPO/UNESCO Group of Experts on the Rental of Phonograms and Videograms (Paris, 26–30 Nov 1984): [1985] *Copyright* 16.

¹³ Report of the Group of Experts on Unauthorized Private Copying of Recordings, Broadcasts and Printed Matter (Geneva, 4–8 June 1984): [1984] *Copyright* 280. See further Bogsch (1986) 331.

¹⁴ In particular, the WIPO/UNESCO Group of Experts on the Copyright Aspects of Direct Broadcasting by Satellite: [1985] *Copyright* 180.

¹⁵ Report of the Committee of Governmental Experts on Model Provisions for National Laws on Employed Authors (Geneva, 27–31 Jan 1981): [1982] *Copyright* 72; report of the WIPO/UNESCO Committee of Governmental Experts on Model Provisions for National Laws on Employed Authors (Geneva, 21–31 Jan 1986): [1986] *Copyright* 72.

¹⁶ Report of the Working Group on Model Provisions for National Laws on Publishing Contracts for Literary Works (Geneva, 18–22 June 1984): [1984] *Copyright* 307; Working Group on Model Contracts Concerning Co-Publishing and Commissioned Works (Paris, 2–6 Apr 1984): [1984] *Copyright* 250; report of the WIPO/UNESCO Committee of Governmental Experts on Model Provisions for National Laws on Publishing Contracts for Literary Works (Paris, 2–6 Dec 1985): [1986] *Copyright* 40.

¹⁷ See n 13 above.

¹⁸ Report of the Committee of Non-Governmental Experts on the 'Domaine Public Payant' (Geneva, 26–9 Apr 1982): [1982] *Copyright* 179.

¹⁹ Report of the WIPO/UNESCO Committee of Governmental Experts on the Drafting of Model Statutes for Institutions Administering Authors' Rights in Developing Countries (Geneva, 17–21 Oct 1983): [1983] *Copyright* 348.

²⁰ Report of the Working Group on Access by the Visually and Auditorily Handicapped to Material Reproducing Works Protected by Copyright (Paris, 25–7 Oct 1982): [1982] *Copyright* 354.

²¹ A Bogsch, 'The Berne Convention: Towards the Future', in Börsenverein des Deutschen Buchhandels and International Publishers Association, *International Copyright Symposium, Heidelberg, 24–25 April 1986* (1986), 49. Eight such categories were established for this purpose as follows: printed works, audiovisual works (see further the preparatory document and report of the WIPO/UNESCO Committee of Governmental Experts on Audiovisual Works and Phonograms (Paris, 2–6 June 1986): [1986] *Copyright* 218), phonograms, works of visual art, works of architecture, works of applied art, dramatic and choreographic works and musical works.

categories was subsequently focused on seven committees of governmental experts that met and reported during 1986 to 1988,²² followed by a more general ‘synthesizing’ committee in 1988.²³ These committees formulated non-binding ‘principles’ to guide solutions at the national level, the most influential being in the areas of audiovisual works and phonograms and the printed word where issues concerning private copying, satellite and cable distribution, reprography, and electronic uses were exposed for consideration.²⁴ Further work during 1989 to 1991 was directed towards the production of a Model Law on Copyright which was ‘supposed to include all the results of the “guided development period”’.²⁵ This document, produced by a further committee of experts, was never formally published, as by this time preparations for the Berne Protocol/WIPO Copyright Treaty (the ‘WCT’) had begun (see below) and it was not thought to be ‘appropriate to publish [it] before the possible adoption of new binding norms’.²⁶

The advisory and training activities of WIPO with respect to development cooperation in developing countries during this period were also extensive, leading to a large number of accessions to the Convention by such countries.²⁷ Much of this work ‘in progress’ still continues today, but, as will be seen below, it formed an important backdrop to the developments that occurred from 1991 with respect to the formulation of a separate new treaty, the WCT.

(3) Beginning the process of revision: 1991 and beyond

(a) *Initial proposals for a ‘Berne Protocol’*

While the period of guided development was incremental and fragmented in character, these activities were important in setting the scene for the process that was initiated in 1991 by WIPO for the preparation of a ‘possible protocol’ to the Berne Convention. Also extremely influential here were events occurring outside the arenas of Berne and WIPO, in particular the inclusion of ‘trade-related’ intellectual property rights in the agenda for the Uruguay Round of the GATT that had begun in late 1986 (see paras 4.31ff below). Finally, it should be noted that, from 1989, Berne had a vigorous new member, the USA, which was

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²² The preparatory papers and reports of these various committees of governmental experts are to be found in [1986] *Copyright* 208–9 (audiovisual works and phonograms), [1986] *Copyright* 403–11 (works of architecture), [1987] *Copyright* 70–82 (works of visual art), [1987] *Copyright* 185–215 (dramatic, choreographic, and musical works), [1987] *Copyright* 356–73 (works of applied art), [1988] *Copyright* 42–97 (printed word), [1988] *Copyright* 262–80 (photographic works).

²³ Committee of Governmental Experts on Evaluation and Synthesis of Principles and Various Categories of Works, Geneva, June–July 1988: [1988] *Copyright* 364–98, 445–76, and 506–27.

²⁴ See further the discussion of this work by Ficsor (2001), 10–11.

²⁵ *ibid.*, 12.

²⁶ *ibid.*

²⁷ For a general survey, see Bogsch (1986) 333ff.