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Panel Commentaries

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PANEL COMMENTARIES[†]

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We cannot lose sight of the fact that we have both old and new rights and there is a significant relationship between the old and the new. There is substantial controversy—part of which we have already heard Jean-François Verstrynge mention on databases —with respect to whether the rights should be looked at as new rights or old rights, whether they should be copyright rights, neighboring rights, or sui generis rights.

Likewise we have old works and new works. We are talking, especially in an era of digital technology, about works that are new, that are not covered explicitly by the Berne Convention and should be covered in some way. The Berne Convention is far more implicit than some would suggest, and it covers not only works but also rights and uses that are embraced by the new technologies.

The distribution right is one of the important rights and important new items to be discussed by WIPO in June. The proper role of Berne can be maintained only by recognition that a distribution right is not merely consistent with Berne but is part of Berne, even though it is not explicitly mentioned. A distribution right is a natural—I think the word used in the WIPO documentation is "corollary"—is a natural corollary of the reproduction right. Without the distribution right, in the era of new technology we don't have much left of a reproduction right.

The distribution right would have to include, as I think the WIPO documentation makes clear, rights such as the rental right and the importation right. The importation right should extend not

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merely to importation of piratical copies, but to parallel imports (the unauthorized importation of copies that have been lawfully made). Tying in with that, again in the era of increasing digital technology, are rights of digital transmission, digital distribution, and digital delivery, both under the Protocol and under the New Instrument.

More and more often, our importing of works (in both authorized and unauthorized copies) is not so much the transfer of a physical object—although even physical objects are more and more in digital form—but we have an exponential emergence of distribution by digital transmission. All that passes physically are ones and zeros; and the ones and zeros for the traditional works are identical with the ones and zeros for the newer works such as computer programs and databases. We must not draw artificial distinctions that technology and commerce will make clear to us are inappropriate.

On the matter of enforcement, the point is well made that the provisions in the TRIPS text on enforcement have been negotiated long and hard. There is substantial agreement among the GATT negotiating parties on the TRIPS enforcement provisions. They should be looked at very closely; and then the burden of possible change should be on those who say some other enforcement provisions are better. Only if they are significantly better will it be worth the gamble of subjecting the enforcement provisions to the kind of acrimonious dispute that would necessarily follow.

Now I would like to talk about national treatment and reciprocity. The Computer Program Directive[1] provides for full national treatment. The proposed Database Directive[2] provides for national treatment of the copyright portion—but not in the second tier. Under the second tier, there is a form of reciprocity, notwithstanding the Berne principles and the provisions of the TRIPS agreement. In my view, they require that national treatment be given for all

1. Council Directive of 14 May 1991 on the Legal Protection of Computer Programs, 91/250/EEC, O.J. L 122/42 (1991).

2. Proposal for a Council Directive on the Legal Protection of Databases, COM(92)24 final—SYN 393.

intellectual property rights—since intellectual property rights are not limited to copyright rights, patent rights, or trademark rights, but embrace, I believe, sui generis rights as well (for example, those relating to protecting semiconductor chips).

In the area of reciprocity versus national treatment we have to consider once again the lessons of history. There is no better example than American history. In the nineteenth century, we subjected Mark Twain to unfair competition from the works of foreign authors. American publishers were able to publish, without royalty payment, the editions of Dickens and Thackery, and thereby undercut the American marketplace for American authors. Yes, we would like to think that we had an indigenous American authorship that flourished in the nineteenth century, but it flourished despite the status of the copyright law, as Mark Twain and others bitterly pointed out repeatedly to Congress.

Indigenous authorship and development are not stimulated if the rights of foreign authors and other creators and disseminators are not fully protected and rewarded. It may in the short run be cheaper to use foreign works rather than to use domestic works and exploit domestic rights; but unless there is appropriate compensation across the board, even-handedly, on a basis of national treatment, we have significant problems not merely for those who are the rightsholders, but also for the indigenous culture in those jurisdictions that do not extend protection and benefits on the basis of national treatment.

My final remarks relate to computer programs. Even though the documentation for the Berne Protocol meeting in June repeats and incorporates in full detail the earlier proposal of the WIPO Secretariat for an elaborate, detailed treatment of computer programs,[3] it is grossly inappropriate that those provisions of documentation be discussed once again in June. We understand that the sole reason for including that subject in the documentation is that

3. Committee of Experts on a Possible Protocol to the Berne Convention for the Protection of Literary and Artistic Works, 3d sess., *Questions Concerning a Possible Protocol to the Berne Convention* Part II Items Already Discussed, Memorandum prepared by the International Bureau, WIPO Doc. BCP/CE/III/2-II (Mar. 12, 1993), at 3-11.

the Berne Assembly mandated its inclusion. But we certainly hope that, with some additional urging from the members of the Stockholm Group, the WIPO Secretariat will adhere to what they have indicated informally, that there will be no discussion of those provisions once again. We hope that instead, at an appropriate time, there will be further study, documentation, and discussion—and, we hope, adoption—of the compromise proposal that was prepared and authored largely by Jean-François Verstrynge and Ralph Oman, set forth at Paragraph 78 of the documentation.[4] I call your attention to the compromise language and urge you to study it. I think that it's a fair compromise.

Robert J. Hart*

The particular issue I want to address is that identified in Mr. Oman's paper as part of the "bridge" to be built between the civil law and authors' rights systems and the common law copyright system and originality for copyright works. I feel that we in the United Kingdom have been able to have a particular insight into how difficult such a bridge is to build and maintain, as we have been involved directly in the harmonization of copyright within the European Community.

The requirements for originality in the United Kingdom were confirmed recently in a computer program infringement case in the High Court Chancery Division, *John Richardson Computers Ltd. v. Flanders & Chemtec Ltd.*[1] The judge, the Honorable Mr. Justice Ferris, quoted from the House of Lords decision in *Ladbroke (Football) Ltd. v. William Hill (Football) Ltd.*[2] as follows:

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4. *Id.* at 9.

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1. [1993] F.S.R. 487.

2. 1 W.L.R. 273 (H.L. 1964) (Eng.).

> In deciding therefore whether a work in the nature of a compilation is original, it is wrong to start by considering individual parts of it apart from the whole, as the appellants in their argument sought to do. For many compilations have nothing original in their parts, yet the sum total of the compilation may be original.[3]

In such cases the courts have looked to see whether the compilation of the unoriginal material called for work, skill, or expense. "If it did, it is entitled to be considered original and to be protected against those who wish to steal the fruits of the work or skill or expense by copying it without taking the trouble to compile it themselves."[4]

I fear that neither "work" nor "expense" alone can be used as the criteria of originality in the *droit d'auteur* systems nor can it in the United States it would seem after *Feist*.[5] This position, I believe, is compounded by the observations made in Part III—New Items in the memorandum,[6] dated March 12, prepared by the International Bureau for the third session of the WIPO Committee of Experts on a Possible Protocol to the Berne Convention, where it is pointed out that:

> Overly strict originality tests are not justified under the Berne Convention. The Convention requires the protection of all creations in the literary and artistic domains, and does not differentiate according to the importance of the level of creativity; where there is room for creativity (that is, where what is produced is not the result of mere "sweat of the brow" or of an infringement of rights in pre-existing creations) what is produced within that room in the literary and artistic domains is to be recognised as being covered by

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3. [1993] F.S.R. at 521 (quoting *Ladbroke*, 1 W.L.R. 273).

4. *Id.*

5. Feist Publications, Inc. v. Rural Tel. Serv. Co., 111 S. Ct. 1282 (1991); *see* Jane Ginsberg, *No "Sweat"? Copyright and other Protection of Works of Information*, 92 COLUM. L. REV. 338 (1992).

6. Committee of Experts on a Possible Protocol to the Berne Convention for the Protection of Literary and Artistic Works, 3d sess., *Questions Concerning a Possible Protocol to the Berne Convention* Part III. New Items, Memorandum prepared by the International Bureau, WIPO Doc. BCP/CE/III/2-III (Mar. 12, 1993) ¶ 121, at 33.

the concept of literary and artistic works.[7]

It was specifically because it was recognized that some very significant databases may not be able to meet the "creativity" criteria of the author's own intellectual creation in the selection or arrangement of the data that the "unfair extraction right" was introduced for the maker of a database by the proposed Directive on the Legal Protection of Databases.[8] It is also worth recognizing that the original concept of "computer generated works" in the United Kingdom was to provide "authorship" to "the person by whom the arrangements necessary for the creation of the work are undertaken."[9]

The original Proposal for the Council Directive on the Legal Protection of Computer Programs[10] had included under Article 1.4(b) protection for programs generated by means of a computer, and Article 2 at paragraph 5 states:

> In respect of programs which are generated by the use of a computer program, the natural or legal person who causes the generation of subsequent programs shall be entitled to exercise all rights in respect of the program, unless otherwise provided by contract.[11]

The European Parliament considered that a clarification on originality was needed and that it was too early to incorporate computer-generated programs under copyright. The Commission in its amended proposal deleted Article 2(5). This, of course, accords with the conclusions reached at the first session of WIPO, where it was considered premature to deal with "computer generated works." The clarification adopted on originality by the Parliament of course introduced the requirement of the "author's own intellectual creation" which is qualified by "no other criteria shall be applied to determine its eligibility for protection." I submit that

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7. *Id.*

8. Proposal for a Council Directive on the Legal Protection of Databases, COM(92)24 final—SYN 393.

9. Copyright, Designs and Patents Act, 1988, 2 Eliz. 2, ch. 48, § 9(3) (U.K.).

10. COM(88)816 final—SYN 183.

11. *Id.*

this definition may exclude some very valuable "works" which should be, in my opinion, protected against unauthorized reproduction and adaptation which will fall through the copyright net. I am convinced that the author's right as understood in the European civil law countries will not be capable of protecting works which do not exhibit the author's own expression.

This position was very clearly spelled out at the recent WIPO Worldwide Symposium on the Impact of Digital Technology on Copyright and Neighbouring Rights at Harvard earlier this month, in that Mr. André Lange in his presentation in the final session indicated, and I quote his words:

> Conditions for the protection of the author's right. New technologies raise again certain old questions on the author's right, the importance of which there are no grounds to overestimate (the role of chance in creation, the role of interactivity). On the other hand, new technologies, notable because they always bring more intellectual activities into market reasoning, contribute to the setting down of the key notion of originality and can lead to a calling into question of the author's pre-eminence. The insertion into the author's right of the protection of software of certain media programmes and of databases (under examination at the moment in a directive project by the European Commission) must not alter the notion of originality of work linked to the literary and artistic dimension which presided, in France and the majority of European countries, over the emergence of the author's right. The importance of this question has been appreciated in the Community's Directive on computer programme protection.
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> Moreover, an evolution too oriented towards investment protection rather than creation protection would risk changing the nature of the literary and artistic property right, in pulling it towards the competition right.[12]

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12. André Lange, The Impact of Digital Technologies on the Author's Right and Neighbouring Rights, Paper presented at the WIPO Worldwide Symposium on the Impact of Digital Technology on Copyright and Neighbouring Rights (Mar. 31-Apr. 2, 1993), *in*

These seven final words sum up, to me, the dilemma faced by the common law interpretation, at least in the United Kingdom, of copyright and that of the civil law countries. If the work is not the result of the creator's own intellectual effort in a civil law country, it may be protected under an unfair competition law. In other words, it may still be protected against unauthorized reproduction or adaptation. After *Feist*, it seems to me that even if the "sky is not falling," you too may have a similar "hole in the safety net" of copyright as is being expressed in the United Kingdom.

It was very instructive to me to note in the Report on the WIPO First Session on the Possible Protocol to the Berne Convention, at paragraph 103, that

> [s]ome delegations and observers from non-governmental organisations were of the view that, in the context of the Berne Convention, it was sufficient to consider the protection of 'computer-assisted' works whose protection should correspond to the minima under the Convention; no protection should be extended under the Convention or in a protocol to it for productions without human contributions.[13]

This attitude will, in my opinion, not only exclude from copyright the earth surveillance satellite databases and the works produced by expert systems, but will lead to the rights in many computer-assisted works belonging to the programmer of the computer system used rather than the user of the programmed computer. This was one of the specific reasons for framing the definition of the author of a computer-generated work in the United Kingdom to exclude the programmer, it being considered that once a copy of the program has been sold or licensed, the programmer (author of the program) should have exhausted his rights in the *use* of that copy. I look forward to hearing your observations on my fears.

WIPO Doc. SDT/17, at 9.

13. Committee of Experts on a Possible Protocol to the Berne Convention for the Protection of Literary and Artistic Works, 1st sess., Report, WIPO Doc. BCP/CE/I/4.

Jean-François Verstrynge*

I cannot overemphasize that the negotiations on the Protocol are extremely important. It is clear that however desirable the draft GATT TRIPS text may be—and we absolutely need the GATT TRIPS agreement—it has not solved all the problems. It could not solve all the problems given the architecture of the negotiations, and the negotiations have to continue beyond the level which the GATT TRIPS text has achieved. Only the WIPO can offer an adequate forum for continuing these negotiations. So I emphasize that it is necessary to take these negotiations very seriously and to support them.

We are going to try to get an even higher level of protection than what is in the GATT TRIPS. This is the real chance. There is no other realistic negotiation or possibility to get that. A certain number of issues could not be solved in the GATT.

I welcome the negotiations on distribution rights; clearly, we have to clarify the situation there. I also think that we need to deal with what the WIPO has now presented as part of the distribution right or the production right, which are importation, rental, and conduct of that nature.

The WIPO document prepared for the meetings in June is very interesting, in that it attempts to solve a certain number of these issues by including them in the existing Berne language or in the definitions which define the Berne language. This is particularly so for the digital distribution, by hooking it into the notion of communications to the public.

In my opinion, the major economic right which the GATT TRIPS text failed to address is this question of digital distribution. If it's not protected by copyright, the whole industry is going to suffer. GATT TRIPS has not solved this question of digital diffusion. Because it was not possible to solve it there, it has to be

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solved here. I think that there is a case to be made for including digital diffusion under copyright, and also under the neighboring rights protection.

The WIPO text is also very interesting, in that it assumes that a certain number of points which were of difficulty between the United States and the EEC in the GATT TRIPS are solved by the existing Berne text. I will list them—and they are surprising.

One point is the rental right, which according to WIPO is already covered by GATT. If this is so, the refusal to give rental rights to cinematographic works must be a violation of Berne. That is what the WIPO text implies.

A second point, giving a right for private home copying is covered by the existing reproduction right, according to WIPO. Therefore, the conclusion is that the limitation of the private copy issue in digital form must be a violation of Berne.

I could go on. If you maintain that these points are already covered by Berne, then the GATT TRIPS will have the following effect: because there is an obligation on the GATT parties to respect Berne, we can force the countries that have no rental rights for cinematographic works or no protection against private copying to introduce them. If this is so, the problem of national treatment is void—a very interesting conclusion you can take from the WIPO text.

The resistance which there is to national treatment comes from the fear that it will be impossible to increase the level of protection. Like the negotiations on the GATT TRIPS showed, it was impossible to get a certain higher level of protection.

When it comes to national treatment, I must say that reciprocity is something the United States invented. They invented it in the Semiconductor Chip Protection Act of 1984.[1] The Community has worked very hard to get a Semiconductor Directive and it prosecuted certain Member States to force them to enact the Semiconductor Directive. We have now forced the last Member State, Greece, to enact the Semiconductor Directive. Then we went back to the

1. 17 U.S.C. §§ 901-914 (1988 & Supp. IV 1992).

United States and we asked for full protection for semiconductor chips, and we have not obtained it.

So I feel that when the United States talks to us about national treatment, they have a credibility problem because when we fulfilled the reciprocity requirement on semiconductors, we were not even treated fairly by the United States in terms of obtaining permanent protection for semiconductors.

This element fuels suspicion in Europe about requests for national treatment. I personally have said, and I have written it, that national treatment is the best system you can have, as long as it is put to the use of increasing the level of protection. If we can agree on increasing the level of protection, we will accept national treatment. We have said so in the GATT. We have not refused national treatment on any of the rights which are in the GATT text.

I believe the same would apply to WIPO, although I'm not authorized to say that. But I do not see that for whatever the WIPO will include—in terms of new rights, or better rights, or more defined rights—that we will refuse national treatment. We will, however, refuse national treatment if there is a refusal to increase the level of protection on a given point. Then, you have national treatment on the same points that you do not accept domestically or in the international agreement overall. That is the point at which the system does not produce the right result, and I have said so in writing.

I do wish to point out that if there was a move on these issues, I believe there is no clear obstacle to get in the WIPO negotiations a higher level of protection than GATT TRIPS—even for databases, with national treatment. Even for importation rights, despite the position of the Australians and the Scandinavians, this can be overcome; the Scandinavians, for one thing, have to respect the position which the Community is going to take on importation rights. And even on ameliorating the position about the rights of broadcasters, which are only partially covered in the Berne Convention, I believe that progress can be made. I believe, moreover, that if the United States and the EC would agree on that, nobody will stop the negotiations from going where they have to go, to include the higher level of protection in the Berne Protocol.