

Copyright and the Internet: Closing the Gates on the Public Domain

Ph.D Thesis

By

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Abstract

Can copyright survive in the digital era? Indeed, should copyright survive in the digital era? The development of information technologies in general, and the Internet in particular has held out the potential of unrivalled exchange of information, ideas and creative works. Perfect digital copies of all manner of works can, at a keystroke, be sent around the world to be received, enjoyed and used by millions. But that same potential has brought a threat, notably for the entertainment industries (intermediaries) whose livelihood depends on receiving a financial reward for making their works available to consumers. How then should the promise of such digital dissemination be reconciled with the threat for these intermediaries fearful of seeing their content distributed beyond their control?

The answer has been to develop a raft of measures giving these intermediaries the power to control both access to and use of the underlying work. But what of the law of copyright? For hundreds of years that law has ensured that those same intermediaries can control dissemination of these works, but only to a limited extent. The borders on that power have been found in the limits that have been ascribed to the property right in a creative work. Thus intermediaries cannot exert control over onward dissemination of a tangible object containing the work, at least within prescribed territories and regions; the length of time for which protection can be claimed is limited; ideas contained within a work are left free; a work must be original before it attracts protection; copyright in a work is infringed only if a substantial part is copied, and a substantial part can be lawfully copied within defined circumstances. Together these parts beyond ownership are termed as being in the public domain.

The precise boundaries of this public domain might be difficult to describe, but the intent within the overall framework is clear. It is not only the interests of the current author and the intermediary that are served by the law of copyright. The public interest is also satisfied in that a variety of new works can be created for consumption, advancement of knowledge and information. Critically, the public domain is essential in this process. No works are created without some reference to, and taking from, what pre-exists. This public domain thus ensures that would-be authors have a variety of sources on which to draw in creating anew. It is this element of the copyright framework that appears to have been ignored in the recent legislative process.

This study traces the legislative efforts made affecting copyright in the digital era and highlights the measures taken to satisfy the demands of the intermediaries. It goes on to consider the public domain, what it is, what it is used for in the non-digitised world, and how it is and will be affected by recent developments. It will be argued that conditions for both access to and use of the public domain alter dramatically, critically to the detriment of the would-be author. Given the 'new' legislative framework seems set to govern this area in the foreseeable future, the discussion looks at ways in which the existence of the public domain might be encouraged for the benefit of would-be authors. Copyright should survive in the digital era, and many would argue that it does. But sadly it would appear that one facet of the balance that has been nurtured by the law, the public domain, will be left to be developed by self regulatory mechanisms, rather than being guarded by the legislature.

Declaration

I, the undersigned, declare that this thesis has been composed by me and is a record of my work. No part has been submitted for another degree at this or any other University.

Charlotte Waelde
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Introduction

*'Today I see something astounding and delightful. It's as if some grim fallout shelter had burst open and a full scale Mardi Gras parade had come out'*⁴.

This statement was made in 1993. It refers to the exponential development of the Internet then just beginning, and continuing apace to this day. The '*grim fallout shelter*' refers to the historical origins of the Internet in a US military project. The '*Mardi Gras parade*' is the potential the Internet seemed to herald for communication and interaction on a global scale. This statement has been at least partly borne out. The development of the Internet since 1993 has prompted one of the most innovative periods witnessed for many years, and a truly cosmopolitan community has developed. However, this development has also seen the Internet, and its use for commercial and private purposes, becoming embroiled in legal, political and social struggles.

This study is about one of those struggles: the interaction between the law of copyright and the Internet. Specifically it is about how the rights of authors who create works, and the interests of intermediaries who invest in the dissemination of those works, can be protected, while at the same time ensuring that there is sufficient material in the public domain available for the creation of new works.

1. Digital dissemination

With the development of the Internet on a global basis, the dissemination of digitised works protected by copyright becomes possible on a scale and in a way never hitherto imagined. Such dissemination does, however, raise acute problems for the owners of copyright in those works. Whereas on the one hand a global market place is within reach for the sale of these products, on the other, if a work is released without the consent of the owner, the chances of obtaining redress for infringement of the rights in the work are minimal. In response to the actual and perceived threats of global dissemination of creative works without consent, legislative changes have been made to existing laws to ensure that the owner has a package of rights to use in the control of the flow of these works over the Internet.

But the increase in the power to control dissemination of works for copyright owners, in turn, raises problems for authors. When devising and creating new works, authors need both to access and use material which is in the public domain. The public domain consists of all those parts of creative, and non-creative works over which the copyright owner has not, historically, been able to exert control. The materials in the public domain are the expression of the limits on the property rights granted to copyright owners. By granting increased rights over dissemination of works to owners, so the public domain may diminish, making the process of creating new works more difficult.

In exploring these developments this study will argue that the public domain is essential in the creation of new works, examine what is happening to the public domain on the Internet, and finally suggest some ways in which this public domain might be facilitated on the Internet within the framework that is being developed for digital dissemination of works.

2. The copyright balance

One crucial aspect of the development of copyright over the past three hundred years is expressed in the balance that the law has nurtured between the author (the person who creates the work), the intermediary (the person or entity who brings the work to the attention of the user, such as a publisher or record company, often also referred to as the right holder), and the end user (the person who 'consumes' the final version of the work, whether for the purposes of pleasure or instruction). Copyright does not give a full monopoly right to exclude others from either re-using parts of an existing work, or the market for similar competing works. Rather the right that is granted is constrained in a number of ways. A limited private incentive has been developed for the author to encourage creation of new works, and for the intermediary to protect the investment necessary to make the work available to the public, while at the same time ensuring the public interest is satisfied in making a variety of works available for consumption. Limitations of the property right have the important effect of leaving plenty of raw material available in the public domain on which future authors can draw. However, the

¹ Sterling, Speeches to National Academy of Sciences Convention on Technology and Education May 10, 1993. Washington DC Computer Underground Digest 5.54.
http://www.eff.org/pub/Publications/William_Gibson/sterling_gibson_nas.speeches

control that can be exercised over the dissemination and use of creative works in the electronic era may affect that balance. In particular, it may do so to the detriment of the public domain. It may become difficult for an author to create new works as a result of the fences surrounding the raw materials necessary for authorship, or by imposing contractual restrictions on what use can be made of parts of existing works².

This study will analyse a number of areas. Both the current law and the developments that have occurred over recent years will be examined with respect to the following themes:

- A. Is (or was) copyright law at international, EU or domestic level (primarily UK and US) sufficient to meet the demands of global dissemination of creative works over the Internet, and if not, which areas require attention?
- B. What measures have been adopted on an international, national and regional level, to assist in the control the flow of works and information over the Internet and how do these measures operate?
- C. What is the effect of these measures on the materials in the public domain? And what consequent effect might that have on the creation of new works?

It is not the intention of this study to provide a detailed analysis of the application of the law of copyright to the Internet. Rather, it will look at existing and future measures that have had, and will have, a profound effect on the development of the application of the law of copyright to the Internet, and it will identify what these measures mean in the overall context of the creation of works. The prime focus is on the author engaged in the act of creation, and the implications of the developments in relation to the ability of that author to re-use existing works: how an author can gain access to, and make use of, the raw materials necessary for the creation of new works, whilst at the same time recognising the legitimate interest of the owner of the work to control dissemination of that work.

² Bearing in mind, however, that, at least in theory, contractual restraints are voluntarily assumed.

3. Common threads

There are common threads that run through the following chapters which are relevant to the discussion, and which deserve highlighting at this point. The first is central to the overall thesis, and that is the shift in the balance accorded to the respective interests of the author, the intermediary (exploiter or right holder) and the public. It will be argued that one way in which this balance has been achieved is by limiting the property right granted to authors and owners. Traditionally this has meant that parts of existing works are in the public domain, free for all to use. The new modes of dissemination including stripping the work from the tangible object mean that such parts of the work are no longer free, but are subject to the owner's control. The heart of the question is whether parts of works should remain free for the creation of new works as has been the case historically, or whether all users should pay a little.

This leads on to a second central point, and that is that this study concerns the author, or more properly put, the future author. That is the person who has yet to create a work which will (or may) in turn be protected by copyright. There are many who favour an argument which would dictate that all those who wish to use or 'consume' a creative work should each pay a little towards the cost of that work. If creative works can be distributed in such a way that unauthorised copying cannot occur, and the Internet as a medium is used for that distribution reaching in to markets once considered unobtainable, then one effect is likely to be that consumers will need to pay less for those products. Because unauthorised copying cannot occur, so the costs associated with piracy are no longer suffered; so the overall cost can fall. In addition, because the market is so much larger, and the costs of distribution proportionately small, so the price to the consumer should drop and thus be of overall benefit to the consumer. In this respect, therefore, the developments under discussion in the following chapters cannot be faulted. The increase in control which can be exercised by the right holders supports the framework necessary for mass distribution of digitised consumer products which are capable of infinite and perfect reproduction.

But the consumer is not the focus of this study. Rather the emphasis is on the author who has yet to create a work. In this, the author and the consumer have very different

interests which, as will be discussed, seem difficult to accommodate side-by-side in the digital environment.

A further issue arises, and that is to question what has happened to the public domain in association with the development of copyright and the Internet. As will be explained, the public domain is a facet of copyright which is easily stated, but hard to define in legal terms. With the change in the framework as applied to the Internet, it is not at all clear whether the public domain has disappeared altogether, or whether it remains in some altered form. As far as this writer is aware, there has been no express statement from any legislator, regulator or policy maker to suggest that the public domain should disappear in relation to creative works disseminated over the Internet. However, as will be suggested, this appears to be the effect of the measures taken.

A final thread that might be discernible from the following chapters is in relation to the seeming failure of right holders today to recognise that copyright has always balanced different interests, and that in this compromise is essential. The self interest of right holders has driven much of the debate as to the future of copyright in the digital environment, and shaped regulatory developments. The on-looker should perhaps not be surprised. Those whose commercial interests are affected will always lobby the longest and hardest for protection in new and somewhat uncertain business environments. However, the publicity machines that these interest groups have developed have clouded many of the more important facets of the debate in this area, and paradoxically, that may be to the long term prejudice of those same right holders. For instance, the once (relatively) clear boundaries between published works and those that are confidential have become blurred³. The limitations on copyright as a property right, while never crystal clear, are even more opaque than before⁴. And fundamentally, there seems to be no unifying theory that would explain why the developments have taken place. The traditional theories that supported and limited copyright seem to have been long discarded. But nothing appears to have taken their place, at least not in the consciousness of policy makers. Some academic commentators have been attempting to fill this void although at present their theories tend to be met with some scepticism⁵.

³ For discussion, see chapter 4 of this study.

⁴ For discussion see chapters 5-8 of this study.

4. Scope

The scope of this study is as follows. Chapter 1 provides background information on the Internet and seeks to explain how the process of authorship occurs, emphasising that in order to sustain that process both access to and use of existing material is essential. In the second chapter, the existing rules of copyright and database law are considered, together with the justifications for their emergence and development, showing how they support the production of creative works. The third chapter discusses the policy arguments that have been used to justify the application of copyright to the Internet, and what shape copyright on the Internet should take. This chapter introduces the developments that have taken place to date by particular reference to three documents that have been instrumental in shaping copyright for the digital era. The first of these is the US Report of the Working Group on Intellectual Property Rights as part of the National Information Infrastructure Task Force⁶; the second is the Copyright Treaty negotiated under the auspices of the World Intellectual Property Organisation in Geneva in 1996 (WCT); the third is the European Parliament and Council Directive on the harmonisation of certain aspects of Copyright and Related Rights in the Information Society (the Copyright Directive)⁷. The fourth chapter focuses on digital fences, explains what they are, and analyses the controls that are developing to ensure legal protection against circumvention of those fences. In addition, this chapter discusses how the law of contract could be used in conjunction with these digital fences to give control over access to and use of the underlying work to the intermediary. The following four chapters focus on areas of the public domain under the following headings: the exhaustion doctrine, combined with a further analysis of licensing, fair dealing, the requirement of originality in conjunction with the ideas-expression dichotomy, and finally the term of protection. The purpose is to comment on what each part has traditionally contributed to the public domain, and analyse how both digital fences and contract may affect access to, and use of, those parts of the public domain such as they remain in the digital era. In chapter nine some suggestions are made as to how a balance might be attained between the acknowledged need of

⁵ This theme on the seeming lack of any coherent theory is traced through a number of chapters, culminating in chapter 9 with an analysis of the 'new' theories being developed.

⁶ 1995 Intellectual Property and the National Information Infrastructure. The Report of the Working Group on Intellectual Property Rights. ISBN 0-9648716-0-1.

⁷ Directive 2001/29/EC of the European Parliament and of the Council on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society.

intermediaries to have control over the dissemination of works, and the need to maintain a thriving public domain for authorship. Chapter ten provides a summary of the work, highlighting areas of unresolved tension, and finally poses a challenge for those readers who remain sceptical about the changes that are being made to copyright in the digital era as they affect authorship.

5. Relevance

The issues raised in the interaction between copyright and the Internet are relevant because of the evolving nature of the Internet. The rules and practices being developed for the distribution of creative works over the Internet have world-wide implications. Governments and others are investing, or seeking investment in the infrastructure that makes up the Internet. The desire is for individuals to be able to use the Internet for a variety of purposes, one of which is to obtain access to an array of creative works. But the rules being developed at this stage may thwart these long term ideals because they may impact on re-use of existing works for authorship. At present there are many outlets for creative works and information that do not depend on the Internet, such as hard copies of books, television broadcasts, videos, films, and music CDs. It remains to be seen for how long. Some intermediaries have indicated the intention of abandoning traditional methods of distribution, and moving to an entirely Internet-based system. Few, however, doubt that established formats will remain in use. However, it may not be long before some products are only available in digitised format on the Internet. Therefore, it is essential to get a balance in the choices that are made in the rules that apply to the protection, distribution and use of these works, lest the rules that are chosen to protect the intermediaries and authors today, make it impossible for the author to produce new works tomorrow.

Chapter 1

The Internet and authorship: threats and opportunities

No discussion of copyright and the Internet would be complete without a basic description of the way in which the Internet works. An appreciation of this area is essential to be able to understand the legal problems that occur in the application of the law of copyright. The first part of this chapter is intended to provide that background and to outline those areas in which greatest tension have arisen between copyright and digital dissemination. The second part of this chapter will seek to explain why the public domain is essential to the process of authorship. It will do so by looking to that process and attempting to describe how it takes place.

1. The development of the Internet

The Internet is a modern marvel which has its roots in military defence, in a cold war project started in the US in the 1960's¹. In the 1970's and 1980's this evolved further through the work of academics seeking to build up a network of computers to facilitate exchange of information and views. Commercial traffic was finally permitted to use the infrastructure (the wires that make up the Internet) in the late 1980's when the National Science Foundation (NSF) in the US, which had provided most of the funding for the backbone, removed the restriction on commercial traffic. The purpose of this liberalisation was to encourage commercial investment in the networks. The strategy succeeded, and commercial and private use of the Internet has increased dramatically, most notably since the early 1990's. Commercial companies, recognising the possibilities of the Internet as a shop window, as a means of targeting customers for products, as a method of distribution of information, and as a way to streamline their businesses and improve efficiency, rose to the challenge. Estimates vary as to the size of the Internet, however that is measured. Some put the numbers of individuals who have access to the

¹ There are a number of publications which describe the origins and history of the Internet. Some of the most useful have been written by those who were actually involved in the early development, many of whom remain involved to this day. Cerf, Leiner, Clark, Kahn, Kleinrock, Lynch, Postel, Roberts, Wolff, *A Brief History of the Internet* <http://www.isoc.org/internet/history/brief.html>. Cerf, *A Brief History of the Internet and Related Networks*. <http://www.isoc.org/internet/history/cerf.html>

Internet at 304.36 million world wide as of March 2000², and that, as of January 31 2000, there were more than one billion unique documents on the Internet³.

1.1. How the Internet works

A number of commentators have suggested a variety of definitions of the Internet:

*"The Internet is a huge electronic resource"; "The Internet is a network of computers that allows people to communicate with other people from all over the world"; "It is a hacker's paradise and a computer security nightmare"; "It's the future of commerce"; "It's a jargon-ridden techno-jungle"*⁴.

Of these, it is the second that is the most exact description. The Internet comprises many thousands of networks of computers, linked together to form one network, through which the computers, and those using computers (surfers), can communicate.

When the technology that underpins the Internet was first tested, the central aim of those involved was to develop a method whereby digitised material travelling between computers would not follow any pre-determined path. Rather the packets that contained the information would follow any route that was available on the networks. This was because, if part of a network was destroyed, the information would simply be re-routed⁵ by another path to its destination.

There are three key technologies that lie behind the way in which the Internet works. The first is packet switching technology, the second is client/server technology, and the third is the use of a standard set of software protocols.

Packet switching concerns the way in which works travel around the Internet. The effect of using this technology is to split these into small packets. Each of these packets includes details about the location of the addressee. Each packet is sent individually, and reassembled at its destination. The advantage of such technology is that, in the event of a break in the network, such as one part having been destroyed, only part of the original information might need to be re-sent. All the other good packets can continue to their destination. However, the effect of such technology is that the information can travel

² http://www.nua.ie/surveys/how_many_online/index.html.

³ *ibid.*

⁴ Krol, *The Whole Internet: Catalogue & User's Guide*. O'Reilly & Associates, Inc. 1997.

almost anywhere in the world before arriving at its destination. Along the way multiple copies of the packets are reproduced on the interconnected hardware that makes up the Internet.

The second technologically important facet of the Internet is that of client/server technology. It is this technology that allows one computer to access and utilise the services available on another computer. A server is a computer that delivers or 'serves' information to a client software program on another computer. Internet Service Providers (ISPs) provide the gateway or point of access to the Internet for many surfers, by providing them with a software program to make access possible. The ISP may also have a number of servers on which it places all manner of information, works and data. Equally, the ISP may provide space on the servers for customers to create an information repository. Caching is also a significant feature, and often occurs on the servers belonging to the ISP although it can and does take place at the user level as well. Caching is a process whereby information retrieved from the Internet will be stored on a server before passing it on to the surfer. The surfer then receives a copy of that copy although there is usually some mechanism built in to the system to ensure that the cached resource is updated if the original changes. The purpose of caching is to reduce both the cost of using the network, particularly the trans-atlantic network, and also to reduce the load at times of high demand. So information stored on a server in the US might be cached on a server in the UK, particularly if it is information that is likely to be accessed a number of times.

The use of standard protocols is the third important feature of Internet technology. Protocols ensure that communication can occur smoothly over the Internet. A protocol is a set of instructions to a computer telling it how it should operate. An example is the Transmission Control Protocol/Internet Protocol or TCP/IP. The Transmission Control Protocol converts messages into streams of packets at the source and then re-assembles them back at their destination. A key concept of the protocols is that they were not designed for just one application used on the Internet, but function rather as a general infrastructure on which many different applications can work.

⁵ *ibid* n 3.

These underlying features have a number of implications for the dissemination of creative works and the law of copyright. First, use of this technology means that a number of different services can be delivered over the Internet. These include the World Wide Web (the Web), e-mail, File Transfer Protocol and Telnet. The most important for the law of copyright is the Web, which is made up of millions of Web sites held on thousands of servers and which are, in turn, accessible by the users of the millions of computers linked to the Internet. Web sites consist of information, works and data placed there by, among others, individuals, companies and governments. Navigation of Web sites, and the Web pages which make up the Web sites, is accomplished seamlessly by hypertext links, which enable a surfer to move from one Web page to another, and from one Web site to another. Search engines developed by businesses and individuals send out electronic 'robots' to trawl through Web pages, and compile details of the contents of the Web pages in their databases. These search engines are, in turn, are available for surfers to consult to find the location of specific Web sites and pages.

Second, the way the Internet has developed, and the underlying technology, means that no-one owns the Internet as such. Individuals, companies, businesses, governments and other organisations own the constituent parts, including the computers, the servers, and the wires that make up the Internet. Equally, individuals, companies and governments own the intellectual property in the information that is posted on the Internet. But there is no centralised ownership, and no central control mechanism or gate through which one must pass in order either to gain access to the information that is there, or post new information.

Third, the technology makes it simple for copies of creative works to be uploaded on to the Internet by any person or organisation who has access through a connected computer. Those copies, which can be perfect digital reproductions of an original work, are accessible to all, and can be further reproduced by any other person who similarly has access.

2. The Internet and copyright

One activity the Internet, and in particular the Web, has made possible on an unprecedented scale, is the distribution of information in digitised form. This

information may be in the form of text, music, diagrams, maps, photographs, moving pictures and sound recordings. Much of this information may exist prior to being digitised and made available over the Internet. Equally some of it may have been created purely with the Internet in mind. In the UK where the expression of the information is original, then it may be protected by the law of copyright⁶. If so, the owner of the copyright has certain exclusive rights in relation to the reproduction and distribution of those works⁷. A party who carries out any of these acts without the consent of the owner infringes those exclusive rights⁸ with the result that he or she may be sued for that infringement. Even where the required threshold of originality to qualify for copyright has not been met, a person who expends some time and effort in collating information in a database is likely, in Europe including the UK, to qualify for a *sui generis* or database right in that collection⁹. This right in turn gives to the maker of the database certain exclusive rights in relation to extraction and re-utilisation of that information¹⁰.

Given the new distribution possibilities on the Internet, one might have been forgiven for thinking that authors, and owners of copyright and databases, most particularly the intermediaries and right holders who add value to the work, would have welcomed its development, because it can make these works accessible to a mass audience at relatively low cost. But that has not been the case. Far from an opportunity, some authors and, in particular, many intermediaries, have perceived the Internet as a threat.

2.1. Perfect digital copies

The reason why this is so lies in the ease by which digital copies of original creative works can be disseminated over the Internet on a one-to-one and one-to-many basis. In other words, one person might place a work on a Web site. That work is then available for any number of surfers to visit, view and download. The work may be sent on an individual basis, from one person to another using e-mail: or it might be sent from one person to many others using distribution lists. The lack of a central control point for the Internet means that anyone with a computer, modem and telephone line, or other link to

⁶ UK Copyright Designs and Patents Act 1988 (CDPA) s 1(1)(a).

⁷ CDPA s 16.

⁸ CDPA s 16(2).

⁹ Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Databases, Article 7.

¹⁰ *ibid* Article 7. 1.

the infrastructure, can gain access to the Internet. Thereafter those same users can upload protected information and distribute it to the same mass audience the authors or intermediaries might wish to target, and from whom payment may be sought for the privilege of listening to, reading or viewing the work. Certainly such activities may infringe copyright or the database right, but the author and intermediary face an uphill struggle in detecting and suing those who infringe these rights. Copyright has worked well where the production of unauthorised works has depended on reasonably large investment, such as printing presses, or sophisticated copying equipment, or where the copying has been carried out for commercial purposes, such as copying software programs for a business. The infringing reproduction has generally been distributed in some tangible medium, such as a videotape, a CD ROM or a book. Infringements of copyright on a small scale, such as copying a CD for a friend, or taking a photograph of a painting for a relation, have largely tended to be ignored. But copies disseminated over the Internet are not produced in tangible media, or at least, not in the same way as those in the terrestrial world. Rather, the reproductions take place as the information is uploaded, disseminated around the Internet, held on servers, and downloaded at the point of the surfer. The work itself is stripped from the physical medium (the book, the video, the disk) with which it is normally associated and disseminated in the form of 'digital bits', to be re-constituted when they reach their final destination. In addition, the once small scale copying can, and does, occur on a mass scale on the Internet. Copying of digital music files, or MP3's, provides a good example¹¹. Anyone who has a pre-recorded CD can make a digital copy of the music on that CD in the form of an MP3 file. An MP3 file is a digitally compressed music file which can be uploaded to and downloaded from the Internet. Music can also be played or 'streamed' over the Internet, much as with broadcasting radio programmes, and copies can be made by surfers. They can transmit copies of the music files to other surfers, who can in turn transmit copies to others. The music can be played on the computer on to which it is downloaded, and can thereafter be copied on to a portable MP3, player such as the Rio¹². Each of these steps may involve a reproduction in copyright terms. Thus anyone who carries out one of these steps without permission of the owner of the copyright in the work may infringe that copyright. But the copying tends to be carried out by individuals on their own computers in the privacy of their own home. There may be hundreds of thousands of

¹¹ <http://www.mp3.com>.

¹² *Recording Industry Ass'n of America Inc. v Diamond Multimedia Sys Inc.* 29 F Supp 2d 624.

individuals all over the world all copying the same MP3 file¹³. An author or intermediary who wishes to sue for infringement of copyright may be faced with multiple jurisdictions in which to sue, multiple different laws may apply to the infringement, and there may be no effective remedy, particularly if the aim is to have the infringing work removed from the Internet.

2.2. Controlling digital copying

Intermediaries, in particular, have not been slow to respond to the threats posed by dissemination of digital works over the Internet. Once it became clear that the Internet was not a passing fad, those whose rights were (and are) most affected poured tremendous resources into attempting to shape methods by which dissemination of works could be controlled and monitored, and infringements pursued.

There have been three specific targets. Firstly, the development of technological protection systems, or digital fences, that can control both access to, and reproduction of, a work distributed over the Internet. As part of this strategy, legal protection has been sought for these digital fences, against both the circumvention of the fence, and the distribution of any device that would enable such circumvention to take place. The second target has been to develop the practice of licensing both access to works and subsequent reproductions in all their forms. The third target has been to develop substantive copyright rules that would cover all aspects of dissemination of creative works over the Internet. The result, for the intermediary, is a developing framework which may allow for almost perfect control over access to and use of those works. The intermediary is thus given the means by which the investment necessary for the dissemination of these works can be protected.

However, stark tensions have become apparent. Because digital fences and licensing practices can, or might, allow the intermediary to control both access to, and use of, the underlying work, so the balances that have traditionally been found in the law of copyright have changed. Copyright has never been a full property right. Neither has

¹³ Some estimates suggest that more than 3 million infringing MP3 files are downloaded every day. <http://www.qlinks.net/items/qlitem7787.htm>.

copyright been about perfect control over copies of creative works¹⁴. Rather, there have always been a number of limitations and exceptions which evolved, not only to give the author sufficient incentive to produce new works to satisfy the public interest, but also to ensure that parts of creative works fall into the public domain. Authors, in the process of authorship, are able to use those parts in the public domain in creating new works.

3. Copyright and sustainable development: the contribution of copyright to authorship

Authors may be able to use the public domain when creating new works, but that process is one that is easy to state, but much more difficult to describe. How are works created, and what is it within the law of copyright that supports the author?

3. 1 Those supported by copyright.

The interests of three groupings have been sustained and balanced to a greater or lesser degree by the law of copyright: the author, the intermediary (or right holder) and the user. Each has distinct interests which sometimes converge, and at others diverge, but each of which has been served in the national and international copyright frameworks that have developed over the years. The author has traditionally been the central character, upon whom a number of rights are based. Thus, the term of protection for literary, dramatic, musical and artistic works is determined by reference to the lifetime of the author. The author is given the incentive to create new works, by being granted a limited property right in the works once created. The author may license or assign these economic rights to the intermediary, who may, in turn, exploit the works in the marketplace, and receive an income in return. The rights granted to control dissemination of a work can be used by the author or intermediary. Equally, the user is acknowledged because the limited property right gives the author the incentive to create more works, thus ensuring that there is always a continuous supply of new works. Because copyright does not preclude others from the market (but only from copying existing works) so competitors can enter the market, helping to keep prices reasonable.

¹⁴ Lessig, *Intellectual Property and Code* 1996, 11 St. John's J. Legal Comment 635, 638. *While we protect real property to protect the owner from harm, we protect intellectual property to provide the owner sufficient incentive to produce such property. 'Sufficient incentive,' however, is something less than 'perfect control'.*

However, a distinction needs to be drawn between the user as a *consumer*, and the user as a *would-be author*. It has been suggested¹⁵ that a consumer's interests are met when there is a variety of works available in the market-place at a reasonable cost. The wider the choice of works, and the lower the price, so the more the consumer will be advantaged. In general, the consumer may not be particularly interested in, or bothered by, the law of copyright. She may or may not know that certain activities are not permitted, such as making a copy of a book or playing a recorded CD Rom in a public place. But beyond that the finer intricacies of who may and who may not carry out a particular act or make a particular use of an existing work are likely to have little relevance. However, that is not the case for the would-be author (and those who assist the would-be author such as the librarian), whose needs, and knowledge may differ quite markedly from that of the consumer. The would-be author depends not only on having a variety of sources on which she can draw, but also upon the accessibility and re-usability of those sources. The survival of each of these groups depends on those sources being available (or as is most often termed, in the public domain) to the would-be author, for use when new works are created¹⁶. In balancing the interests of the traditional three groups, the law of copyright has also mediated between the interests of the past author - the one who created a work and on which copyright may have expired; the present author - the one who currently has works protected by copyright; and the future or would-be author - the one who has yet to create a work that will be protected in the future.

3.2 The process of authorial creation

Copyright has historically contributed to authorship by allowing re-use of existing materials (the public domain) in new creations. But how the author actually creates new works using those materials has received surprisingly little attention¹⁷. On the one hand

¹⁵ In the introduction to this study.

¹⁶ Some have referred to this process as 'Play'. Mootz, *The Ontological Basis of Legal Hermeneutics: A Proposed Model of Enquiry Based on the Work of Gadamer, Habermas and Ricoeur* 1988, 68 BU L Rev 523. 'Art is play that has been transformed into a particular structure - a painting, sculpture, or symphony - that engages the spectator with each viewing or presentation'. Quoted in Lange, *At Play in the Fields of the Word: Copyright and the Construction of Authorship in the post-literate Millennium* 1992, Law and Contemporary Problems Vol 55 No 2, 139 at 149 who argues that copyright should change to allow anyone who wishes to be free 'to play in the fields of the word' at 151.

¹⁷ For some discussion see: Lange, *At Play in the Fields of the Word: Copyright and the Construction of Authorship in the Post-Literate Millennium* 1992, Law and Contemporary Problems Vol. 55 No 2, 139. Lange, *Recognising the Public Domain* 1987, Law and Contemporary Problems Vol 44 p147. Lemley, *The Economics of Improvement in Intellectual Property Law* 1997, 75 Texas L Rev 231. 'The current copyright rules regarding improvements on existing works give initial creators far too much control over the work of transformative improvers'.

this may be because the process of authorship eludes direct inspection, and consequently how the public domain contributes to it is far from clear¹⁸. On the other hand, the influence of general impressions, ideas and facts drawn from experience and from existing works is apparent. Current creative works often represent the sum of knowledge, understanding, and expression that may be important or popular at a particular time. Sometimes works are sufficiently original to represent a true breakthrough; usually, 'new' works are influenced by what has gone before. Few creative works are developed in a vacuum. Perhaps the statement made by the scientist Sir Isaac Newton over three hundred years ago concerning a leap forward in understanding in the scientific world still best sums up the derivative nature of creativity:

*'What Descartes did was a good step. You have added much in several ways and especially in taking the colours of thin plates into philosophical consideration. If I have seen further it is by standing on the shoulders of Giants'*¹⁹.

A brief glance at how Daniel Defoe's story, '*Robinson Crusoe*', came into being, may help to illustrate the point further. Alexander Selkirk, a sailor, was abandoned by his shipmates in 1704 on the uninhabited island of Juan Fernandez off the Pacific coast of South America. Four years later (31 January 1709) the crew of another ship discovered and rescued a man dressed in goatskins and speaking English from that same island. This was Selkirk. The ship captain described the rescue in his book '*A Cruising Voyage Around the World*'. An account also appeared in Sir Richard Steele's '*The Englishman*' in 1713. Six years later Defoe drew on the idea of an abandoned sailor who hunted goats and dressed in their skins as the basis for his novel,²⁰ which has since been made into a television series, a film, and played on the stage. Thus, the tale of Robinson Crusoe began in a real-life situation. It developed through embellishment in story telling and has passed through many stages of adaptation both in the substance of the tale, and by way of the media through which it has been brought to the attention of the public and is likely to develop still further in the future.

¹⁸ Le Guin, *Where do you get your Ideas From?* In *Dancing at the Edge of the World* (1989). 'Writers do say things like 'That gives me an idea' or 'I got the idea for that story when I had food poisoning in a motel in New Jersey'. I think this is a kind of shorthand use of 'idea' to stand for the complicated obscure un-understood process of the conception and formation of what is going to be a story when it gets written down. The process may not involve ideas in the sense of intelligible thoughts; it may well not even involve words. It may be a matter of moods resonances mental glimpses voices emotions, visions, dreams, anything.' Re-quoted from Litman *Copyright as a Myth* 1990, 39 Emory Law Journal 965 p245.

¹⁹ Newton to Hooke 5th February 1676; 1,416 *The Correspondence of Isaac Newton* Turnbull and others eds. Cambridge University Press Vol II 1676-1687. Note that some argue that there is a hint of irony in this statement. Hooke was physically very small, and one line of thought is that Newton was acknowledging using work of others who came before him, but not that of Hooke.

A more modern day example lies with the books by J K Rowling, the author of the 'Harry Potter' books²¹. These tales are of a small boy whisked off to a school for magicians, and having many and varied adventures involving wizards, multi-headed dragons guarding treasures, doors into alternative worlds, dwarves, and over-sized guardians. The overall expression of the stories may be original²², but since time immemorial there have been tales of dragons guarding treasure; of small boys (some with spectacles, and some without) having fantastic adventures; stories of futuristic and parallel worlds²³; of dwarves; wizards; goblins, trolls and other similar creatures²⁴. Impressions are created through the free flow of creative works and in fashioning new works ideas they embody are drawn upon, the facts they contain used, and to an extent, the substance reworked.

Having a mixture of works available in the public domain means that more works can be produced, drawing upon the sum of current knowledge and existing expressions of creativity. In developing works, authors do not have to start from scratch every time, rather they can enlarge, extend, sometimes retract and retrench on what has come before. More modern day quotations echo these sentiments:

*'Copyright and author's rights have as their heartbeat that a culture advances on the shoulders of its antecedents, and most if not all doctrines of copyright and author's rights aim to mediate between past rights and future rights'*²⁵.

It is also recognised by some that the extent and type of taking from existing works in the creation of new may vary enormously:

*'All authorship is fertilised by the work of prior authors and the echoes of old work in new work extend beyond ideas and concepts to a wealth of expressive details'*²⁶.

²⁰ Quoted in Paxman, *The English The Portrait of a People* Penguin Books 1998.

²¹ J. K. Rowling was apparently being sued by another author Nancy K. Stouffer for copying ideas from the latter's book *'The Legend of Rab and Muggles'* which was published in 1984. The elements said to have been copied include 'Muggles' and 'Lily Potter' as well as the general theme of the story.
<http://www.cnn.com/2000/books/news/03/16/harry.potter.lawsuit.ap/index.html>.

²² Although it is said that the story line is closely related to another written by Neil Gaiman, *The Scotsman* 24 November 1999.

²³ CS Lewis, *The Narnia Chronicles*. Pullman, *Northern Lights*, *The Subtle Knife* and *The Amber Spyglass* Scholastic Press Ltd.

²⁴ J.R. Tolkien wrote about the *Hobbit*, Tony Ross about a *Beastie* (I Want My Dinner). In a question of a film borrowing from a book see *Warwick Film Productions Ltd v Eisinger* [1969] 1 Ch 508.

²⁵ Goldstein, *Copyright and its Substitutes* 1997 Wisconsin Law Review 865.
<http://cyber.law.harvard.edu/property/alternative/Goldstein.html>.

This may be by taking directly from an existing work, or merely borrowing the style and technique:

*'Consider any artist, musician or performer of any era and ponder what his oeuvre would have amounted to had he been precluded from using the brush techniques, colour, principles, scales, metres, cadences, sounds moods and methods - in short the styles - of those who had gone before'*²⁷.

There can be few who would deny the derivative nature of creativity, although many might argue over the extent to which direct taking from existing works should be permitted²⁸. But what is it within the current theories of the law of copyright allows for this re-use of what exists in order to create anew? As will be discussed in the next chapter, with the exception of the most extreme form of the theory focussing on the economic analysis of copyright law, all of the others support a limit on, or exceptions to the grant of property rights in creative works. These limitations, collectively referred to as the public domain, represent the balance that has been struck between absolute property rights in creative works and the commons. The public domain ensures a flow and re-use of ideas and information which if made wholly the subject of individual property rights, could stifle the creative process²⁹. The existence of the public domain thus provides a balance not only between the interests of the author, the intermediary and the public, but also between the past, the present and the future author. The public domain thus sustains the creative process and is what makes authorship possible³⁰. Indeed, it has facilitated a thriving cultural output for hundreds of years, and has enabled authors to enrich the lives of millions who enjoy their works, whether for entertainment, pleasure or the advancement of knowledge.

This largely unsung public domain and its role in the continued development of creative works has been a feature of copyright since first placed on statutory footing in the eighteenth century. Having described the way in which the Internet works, use of the Internet would seem eminently suited to authorial creation. An author can surf from one web site to another gleaning ideas, expression, style and technique. Indeed, the Internet does support that process, at least at present. However, it is the same new measures that

²⁶ Litman, *The Public Domain* 1990, 39 Emory Law Journal 965 p 968.

²⁷ Liebig, *Style and Performance* 1969, 17 Bull. Copyright Society 40 p46-47.

²⁸ For a discussion on the contents of the public domain and the limits thereto see chapters 4-8.

²⁹ Leval, *Fair Use* Harvard Law Review Vol. 103:1105 at 1109.

are designed to meet the needs of the intermediaries in the digital era that causes problems for the would-be author. The effect of this programme is to threaten the existence, accessibility and use of this same public domain.

³⁰ *The public domain is the law's primary safeguard of the raw material that makes authorship possible*. Litman, *The Public Domain* 1990, 39 Emory Law Journal 965 p967.

Chapter 2

Copyright and database right: an overview

This chapter will give an overview of the justifications for the law of copyright as it has developed to date, describe the main features of the international and national (UK, US and French) systems, and discuss some of prominent cases dealing with the interaction between copyright, database right and the Internet. The purpose is to highlight some differences between the streams of copyright protection, as well as to provide a backdrop against which the changes made to the law of copyright for the digital era may be discussed.

1. Introduction

Two distinct versions of copyright protection are discernible in the world. The first is the Common law approach, which finds its roots in the economic necessity of protecting the investment made by the entrepreneur (as distinct from the author) in bringing a creative product or information to the market. Countries who follow this approach include the UK and the US. The second is the *droit d'auteur* or Civil law approach, where the economic rationale is important, but perhaps of greater concern is the author, who has expended the effort in creating the work. Countries adhering to this approach include France and Germany. The difference finds its major expression in the so-called moral rights granted to the author. In Civil law systems, moral rights generally give the right to the author to control the integrity of the work once it is released to the public; the right to be identified as author; the right to decide when a work will be released; and occasionally, the right to withdraw a work once it has been released. The rights are generally inalienable and unwaivable. Moral rights are now found in many Common Law systems, but their inclusion has largely been as a result of international obligations, rather than as a manifestation of a desire to protect the author as such. The difference between the approaches also finds its expression in terminology. The Anglo-American systems tend to refer to the protection of all forms of creative expression, whether applying to the basic works by the author, or the media through which they are exploited, as copyright. Civilian systems, by contrast, refer to the protection of the work by the author as author's rights, and the protection of the intermediary or entrepreneurial rights and the media through which they are exploited as neighbouring, or related rights.

2. Theories justifying the development of the law

Since the introduction of the printing press, various theories have emerged to explain and justify why an author should be given a property right in a creative work, where the parameters of that property right should be set, and whose interests are served in granting that right. Many of the theories have their origins in the seventeenth and early eighteenth centuries, when writers such as Grotius, Pufendorf and Locke were considering the meaning and extent of 'property'. These were refined during the eighteenth and nineteenth centuries by such thinkers as Kant, Bentham, Mill and Hegel. The theories have been developed, reworked, synthesised, criticised and endorsed over the years by commentators, academics, legislators, authors, court decisions, intermediaries and others.

2.1 Justifying the Anglo-American approach

Locke had an influence in justifying the grant of property rights in creative works through his work in the seventeenth century. Broadly, his thesis was that a creator has a natural right or entitlement to the fruits of that labour¹. Labour and the resulting product are inseparable, and so ownership of one can be secured only by owning the other. The raw materials necessary from which to form the products are owned by the community as a whole; they are to be found in the 'commons'. Individual workers 'mix' their labour with these materials in the commons and own the resulting product. This argument has been used in justifying the grant of property rights in intellectual products in both the Anglo-American and the Civilian systems². In the Anglo-American systems its manifestation is the grant of property rights in the resultant product³. For Civilian systems, it shows itself more in the grant of moral rights.

Bentham⁴, a political philosopher, developed one of the main theories underpinning the Anglo-American approach: the Utilitarian theory. He argued that laws should reflect the position where the greatest good of the greatest number was maximised. People should

¹ Locke, *Second Treatise of Government* Chapter 5.

² Stromholm, *Droit Moral - the International and Comparative Scene from a Scandanavian Viewpoint* 1983, *International Review of Industrial Property and Copyright Law* 14 p1.

³ Hettinger, *Justifying Intellectual Property* 1989 *Philosophy and Public Affairs* 18 p31.

⁴ Bentham, *Of Laws in General* ed. Hart, and the discussion in Lloyd, *The Idea of Law* Penguin 1985 Ch 5.

be induced to behave in ways that increase socially valuable goods and services. These in turn should be distributed in the way that maximises the benefits obtained from them. This argument has been developed to justify granting property rights in creative works. If authors are granted property rights in their intellectual works, they will be encouraged to develop and make available to the public works they would not otherwise produce⁵. In turn the public domain will be enriched, the process of learning encouraged and the progress of science and the useful arts promoted. If property rights are not granted in intellectual products, there will be no incentives for the creation of such products. Nothing new will be developed and thus society as a whole will be disadvantaged⁶. It is an economic approach, the central feature of which is the incentive given to authors through the grant of limited property rights.

However, both Locke's theory, and the Utilitarian theory result in tensions over the grant of property rights. Copyright in creative works gives exclusive rights to authorise or to prohibit reproduction of a substantial part of the work. Copyright therefore takes out of the public domain material that third parties would otherwise be free to copy and exploit further with no restrictions. The Utilitarian theory supports the grant of property rights because copyright increases availability and use of works. However, such rights also restrict reproduction of these same works. To maximise the greatest good for the greatest number, copyright must balance these tensions. It must not only provide an incentive to creation, thereby increasing the availability and use of works, but at the same time it must do so to a greater extent than it restricts the availability and use of protected works. In Locke's view, a worker must mix labour with the commons, to own the resulting product. But what part of that product should be owned, if material is to remain in the commons? Should the worker own the whole product that is made; or only that part of the product that is original to her; or only that part on which she has laboured? Whereas it is clear that these theories attempt to balance the interests of the author, intermediary and the user, neither actually dictates where the parameters of the property right should be set: what should be owned, and what should not.

Problems that arise from the lack of such boundaries can be appreciated by considering the length of time for which a work is protected. One of the features of copyright

⁵ Landes and Posner argue that this is the doctrine that has been used most often to shape copyright law. Landes and Posner, *An Economic Analysis of Copyright Law* 1989, 18 *Journal of Legal Studies* 325.

⁶ This argument underlies much of the move towards increasing property rights in the Internet era.

protection is that the term of protection is often defined by reference to the lifetime of the author, but there is otherwise little agreement as to what that term should be. In the EU copyright protection for a dramatic, literary artistic and musical work now expires seventy years after the death of the author⁷. For some authors, perpetual copyright might seem attractive, particularly if the author has created a work which has enduring appeal⁸. For others, however, the term may well be irrelevant: many creative works have only a finite market life⁹. Even for those works which endure, it may not be the author who receives the benefit of a long royalty stream. Often an author will assign the economic rights to an intermediary¹⁰ who can then recoup the economic rewards through exploitation of the product¹¹. But the more extensive the period of protection, the longer it is before these works fall fully into the public domain, free for future authors to use in the creation of more works.

The choices that are made as to where the parameters of the property right should lie tend to be dictated by the strength of the debate at the time at which changes are effected to legislation, rather than being attributable to absolutes determined by any theory. Any alterations tend to arouse great passion, illustrated well by debates in relation to the term of protection. Prior to the passage of the Copyright Act 1842 which extended the term of copyright protection beyond the life of the author, diametrically opposed views became evident. The argument against the proposed increase in term was put by the historian Macaulay: *'it is a tax on readers for the purpose of giving a bounty to writers. The tax is an exceedingly bad one on the most innocent and most salutary of human pleasures; and never let us forget that a tax on innocent pleasures is a premium on vicious pleasures'*¹². Putting the case for extension was Sergeant Talfourd, a barrister with literary interest *'...at the moment when his name is invested with the solemn interest of the grave - when the last seal is set upon his earthly course, and his works assume their place among the classics of this country - your law declares that his*

⁷ Council Directive (EEC) No 93/98 on 29 October 1993 Harmonising the Term of Protection of Copyright and Certain Related Rights. This has now been implemented in the UK, and amendments made to the Copyright Designs and Patents Act 1988 (CDPA) as a result. In the UK for the duration of copyright in literary, dramatic, musical and artistic works CDPA s 12. For sound recordings CDPA s 13A. For films CDPA s 13B. For broadcasts and cable programmes CDPA s 14. For the typographical arrangement of published editions CDPA s 15.

⁸ The 19th century US author, Mark Twain apparently argued for perpetual copyright before the House of Lords select committee Quoted in Vaver, *Intellectual Property Today: Of Myths and paradoxes* 1990 Canadian Bar Review 98 p105.

⁹ *Ibid.*

¹⁰ CDPA s 90.

¹¹ Some systems ensure that the interests of the author are taken into account, even in the event of assignation of rights. See for example French Intellectual Property Code Title 3.

¹² Hansard Vol 56 5 February 1841.

works shall become your property, and you requite him by seizing the patrimony of his children'. The debate was no less vociferous at the time at which the EU decided to harmonise the term of protection throughout Europe, by increasing protection to lifetime plus seventy years in some cases¹³. The debate was just as heated in the US, where the enactment of the Sonny Bono Copyright Term Extension Act 1998¹⁴ similarly increases the term to the life of the author plus seventy years¹⁵.

2.2 The rise in property rights¹⁶

In the Anglo-American traditions economic analysis of law has added further perspectives on the property theory of copyright protection¹⁷. This may have its foundations in Bentham's theories in part, and in particular in those of his follower John Stuart Mill, who associated property with liberty, and suggested that security of property is essential for man to maximise his potential for liberty. Intellectual property is perceived as almost exclusively a system of private rights¹⁸. Adherents to this theory consider that joint or public ownership of property (the commons in Locke's analysis) is inefficient because those who only use the property, but do not own it, have no incentive to take care of it. This has been termed 'the tragedy of the commons'. The commons should therefore be made the subject of private property rights, giving incentives to the owners to take care of it. The classic analogy is with land: common land owned by ranchers is overgrazed because the benefit for each individual is to get as much grazing as possible. By dividing the commons into private property, the problem is solved. Overgrazing will not occur as each owner has the incentive to manage his or her own

¹³ Council Directive (EEC) No 93/98 of 29 October 1993 harmonising the Term of Protection of Copyright and certain Related Rights.

¹⁴ Title 1 of Pub L No 105-298, 112 Stat. 2827 amending Chapter 3 Title 17. United States Code.

¹⁵ For a debate on this increase in term, see the Berkman Center Law site at Harvard University. <http://eon.law.harvard.edu/eldredvreno>.

¹⁶ '[T]hose actors who have most to gain from strong intellectual property rights routinely mobilise the language of private rights to legitimate their claims for ever higher levels of protection'. In *Introduction* by Drahos, p xxiv in *Intellectual Property* Second Series Drahos ed. Ashgate Publishers 1999.

¹⁷ For arguments for and against the rise in property rights on the Internet see: Cohen, *Lochner in Cyberspace: the New Economic Orthodoxy of 'Rights Management'* 1998, Michigan Law Review v97 462. Bell, *Fair Use vs Fared Use: The Impact of Automated Rights Management on Copyright's Fair Use Doctrine* 1998, 76 North Carolina Law Review 5. Clark, *The Publisher in the Digital World* in *Intellectual Property Rights and New Technologies*. Proceedings of the Knowright '95 Conference 85, 99 Brunnstein & Sint eds. Hardy, *Property and Copyright in Cyberspace* 1996 University of Chicago Legal Forum 217. Merges, *Contracting into Liability Rules: Intellectual Property Rights and Collective Rights Organisations* 1996, 84 California Law Review 1293. O'Rourke, *Copyright Preemption After the Pro CD case: A Market Based Approach* 1997, 12 Berkeley Technology Law Journal 53. O'Rourke, *Drawing the Boundary Between Copyright and Contract: Copyright Pre-emption of Software Licence Terms* 1995, 45 Duke Law Journal 479.

¹⁸ Drahos, *Introduction* in *Intellectual Property* 2nd Series Drahos ed. Ashgate Publishers 1999

part in the most efficient manner. Furthermore, it does not matter who gets the ownership of any particular parcel of land, as market efficiency will dictate that it will be sold or rented to the most productive user¹⁹, in other words, the one who values it the most. This approach, based on economic reasoning, has been used to argue for strong rights and exclusive ownership in what is produced, including intellectual products. In this way, owners are encouraged to manage their products efficiently, and to invest in creating more products, as they can be exploited to the exclusion of all others.

The economic theory focuses on the need to assign strong property rights as a prerequisite to both local and international trade. As globalisation continues apace, and international trade expands, so strong rights in intellectual products are seen as a necessary platform from which expansion can continue. Thus there is a need to ensure that there is a strong international system protecting intellectual products so that they can be traded in the global market place. This move to expand the scope of copyright is well illustrated by the copyright harmonisation programme in the EU²⁰. Similarly, in the US, there have been no less than twenty amendments and additions to the copyright legislation since 1990. Even the World Intellectual Property Organisation (WIPO), traditionally more sympathetic to the *droit d'auteur* approach, appears now to be moving more towards a focus on the exploitation of intellectual property as an economic right. At a meeting organised to examine the position of least developed countries in the global market-place, the Director General of WIPO highlighted: *'the growing importance of intellectual property as a key component of wealth creation,'* and asserted that: *'In a knowledge-based society, intellectual property will be used as a major source, as a critical tool, for economic growth and economic development'*²¹.

However, some economists have reservations about expansion of intellectual property protection on a global scale: *'There is an unfortunate gap in our understanding of the situation [which] leaves unresolved the important empirical question of whether greater protection of IPRs would*

p xxiv.

¹⁹ Coase, *The Problem of Social Cost* 1960, 3 *Journal of Law & Economics* 1. Lemley, *Romantic Authorship and the Rhetoric of Property* (1997) *Texas Law Review* 75 pp 873-906.

²⁰ See fn's 47-51.

²¹ WIPO web site <http://www.wipo.org>.

*call forth substantially more incentive activity. This question lies at the heart of the debate over international protection of IPRs*²².

Despite the general trend towards increasing property rights in creative works, there seems to be little consensus that it is, in fact, economically efficient²³. Equally, little attention appears to have been paid to the effect that this growth could cause for the creation of new works, rather than for the exploitation of existing ones.

2.3 The essential limits

Critically for the process of authorship, and with the exception of the most extreme form of the economic theory, the other theories discussed above each support a limitation on the property right granted in creative works. Locke not only argued that a worker should only own the product resulting from the fruits of his labours, but also went so far as to argue for two specific limitations in relation to takings from the commons. These were firstly, that a worker could take no more from the commons than was necessary for the purposes of that creation²⁴; and secondly, after the appropriation of material from the commons, there must be enough and as good left in common for others²⁵. Equally the Utilitarian theory only supports the grant of property rights *in so far as* the welfare of the majority is maximised. Neither calls for absolute property rights to be granted in creative works to the exclusion of all others. It is *precisely because* limits on the property right are present that new works can be created without trespassing on existing rights.

²² Maskus, *Trade Related Intellectual Property Rights* in Commission of the European Communities European Economy No 52 at 172 (1993) Quoted in Abbott, *The WTO TRIPS Agreement and Global Economic Development* 1996, Chicago Kent Law Review Vol. 72:385 p391.

²³ See also the following who question the economic analysis behind the grant of increasing property rights in intellectual property products. Merges & Nelson, *On the Complex Economics of Patent Scope* 1990, 90 Columbia Law Review 839. Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies and Computer Programs* 1970, 84 Harvard Law Review 281. Vandavelde, *The New Property of the Nineteenth Century: The Development of the Modern Concept of Property* 1980, 29 Buff Law Review 325. Gordon, *Fair Use as Market Failure A Structural and Economic Analysis of the Betamax Case and its Predecessors* 1982, 82 Columbia Law Review 1600. Litman, *The Public Domain* 1990, 39 Emory Law Journal 965. Litman, *Copyright as a Myth* 1991, University of Pittsburgh Law Review Vol 53 235. Landes & Posner, *An Economic Analysis of Copyright Law* 1989, 18 Journal of Legal Studies 325. 'For copyright law to promote economic efficiency its principal legal doctrines must, at least approximately, maximise the benefits from creating additional works minus both the losses from limiting access and the costs of administering copyright protection' at 326. Promo Braga & Fink, *The Economic Justification for the Grant of Intellectual Property Rights: Patterns of Convergence and Conflict* 1996, Chicago Kent Law Review Vol. 72:439 discussing IP and world trade concluding that although there is conflicting economic evidence to support the benefits: 'As countries introduce the minimum standards of protection required by TRIPS, a gradual strengthening of IPR's on a global scale will ensue' at 461.

²⁴ Locke, *Second Treatise* Chapter 5 Section 31.

If every valuable interest constituted property, then practically any act would result in either a trespass on, or a taking of, someone's property...²⁶.

But what of the arguments of those who adhere to the economic theory and who take the view that leaving works and parts of works beyond ownership is economically inefficient? This argument has generally been made in relation to land and other tangible objects. If land is held in common, there will be no incentive for it to be managed properly: if all are able to use that land for grazing their cattle, so it will become overgrazed. That argument holds true in other areas. No-one owns the high seas and the fish to be found there. So there is the tendency to plunder the stocks, with no-one taking the responsibility of replenishing them. But do those arguments really apply by analogy to intellectual products? On the contrary, if everyone is free to take from the public domain for the purposes of authorship, far from the public domain being depleted, it will be enriched. That is because parts of those works created by drawing from the public domain will themselves, in turn, fall into the public domain. Thus the *greater*, or perhaps more precisely the *more frequent* the taking from the public domain by successive authors, the richer and more varied it can become. But, of course, this presupposes that there is a public domain, and that the would-be author can both access and use the contents. If every part of a creative work is owned or is inaccessible then there is nothing from which the author can take for authorship. Hence the importance of the public domain in enabling creative development.

2.5 Justifying the droit d'auteur approach

The countries which follow the droit d'auteur system of protection likewise protect the economic rights of owners of copyright in the exploitation of creative works. But, perhaps just as importantly, they also protect the moral right of the author. Moral rights give the author a right to control certain aspects of what happens to that work, even after the economic rights have been licensed or assigned to an intermediary. In the droit d'auteur systems, creative works are seen as a manifestation of the personality of the author, and it is that expression of personality that is protected. The justifications for

²⁵*Ibid* Section 27.

²⁶ Merges & Nelson, *On the Complex Economics of Patent Scope* 1990, 90 Columbia Law Review 839, warning about making everything in sight the subject of property. Vandeveld, *The New Property of the Nineteenth Century: The Development of the Modern Concept of Property* 1980, 29 Buff Law Review 325. Also Litman, *The Public Domain* 1990, 39 Emory Law Journal 965. If property rights in existing works were too strong, there would be the danger of protecting: 'authors at the expense of the enterprise of authorship'. p 969

doing this derive in large part from the theories of Kant and Hegel, who argued that private property is acquired by the joining of individual will to an external object²⁷. Moral rights represent the inalienable link between the author and the creative work. All countries of the EU recognise moral rights to a greater or lesser extent, but France has one of the most developed and deeply entrenched regimes.

In France protection of creative works was put on to a statutory basis when two laws were passed in 1791 and 1793 just after the French Revolution (1789). The first concerned the theatre, and established the author's right to control performance of a work: the second established the author's right to control reproduction of a work. Some commentators have argued that authors' rights were seen at this time as being *'the most sacred....and the most personal of properties'*²⁸. Others consider that, at this point in development, the law had the aim of stimulating the dissemination of works useful for public instruction²⁹ as well as being inspired by economic considerations, most notably those of the intermediary³⁰. It was in the nineteenth century that alternative theories for the grant of property rights in creative works started to emerge, and the second element of French copyright law started to develop through judicial activity when French judges started to enforce moral rights³¹. These moral rights, discussed in further detail below were, and are, seen as the essence of the personal rights of the author and are the manifestation of the essential difference between the Anglo-American and Civil law systems.

3. The sources of the law

Rules relating to the legal protection of the expression of creative works can be found in a number of international treaties, regional and national legislation, and case law.

²⁷ Hegel, *Philosophy of Right* ss51-58 TM Knox translation Oxford University Press 1952. Kant, *The Philosophy of Law* 81-84 W Hastie Translation AM Kelley Publishers 1974. See also Cotter, *Pragmatism Economics and the Droit Moral* 76 North Carolina Law Review 1.

²⁸ Stewart, *International Copyright and Neighbouring Rights* 2nd ed Butterworths n 1 p19 mentioning that the report of Le Chapelier to the Assembly called the right of the author: *'la plus sacree, la plus personelle de toutes les proprietes'*. Reported in Le Moniteur Universel, 15 January 1791.

²⁹ Ginsburg, *A tale of Two Copyrights: Literary Property in Revolutionary France and America* 1990, 64 Tulane Law Rev. 101. Tracing parallels with first US Law. *'French sources of copyright law at its beginnings shows that the legislators and courts saw literary property 'mainly as a means to advance public instruction while at the same time recognising authors' claims of personal rights arising out of their creations'*. Davies, *The Convergence of Copyright and Authors' Rights - Reality or Chimera?* (1995) 26 IIC 964.

³⁰ Kerever, *The French Revolution and Authors Rights* 1989, 141 RIDA 9.

³¹ Further development in the 19th century heralded the advent of the division between authors rights and copyright, mainly in France. Kaplan, *An Unhurried View of Copyright* New York 1967.

The most important pre-Internet international Treaties for these purposes, and currently in force, are the Berne Convention for the Protection of Literary and Artistic Works 1886 (the Berne Convention), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 (the Rome Convention) and the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS Agreement)³².

The international Treaties are important in the digital era. Those currently in force, and those that have recently been negotiated, do and will apply to the cross border protection and exploitation of creative works on the Internet. As such, the Treaties aim to provide *inter alia* certain minimum standards in those countries which have signed up to their provisions.

3.1 The Berne Convention.

The Berne Convention was signed in 1886, since when it has been revised several times³³. The motivation for agreeing this Treaty came primarily from efforts by authors and artists, in response to the growth of international piracy of their works. Books could be smuggled across borders, re-printed and re-imported to the national market, leaving the authors from other countries with no rights to demand royalties, nor recourse against unauthorised copying³⁴. Thus international protection was sought. The subject of protection under the Berne Convention is the author. The objects of protection are literary and artistic works. Article 5 embodies the fundamental principle behind the Treaty, and provides that the author is entitled to national treatment in territories of signatories to the Convention. This means that any right owner who is a national of a Berne Convention member state or who first publishes in a member state, is entitled in every other member state to the same protection as the nationals of that state³⁵. The

³² Copies of both the Berne Convention and the Rome Convention can be found on the World Intellectual Property Organisation (WIPO) website <http://www.wipo.int>. A current list of signatory states is also available. A copy of the TRIPS Agreement can be found on the World Trade Organisation (WTO) website, <http://www.wto.org>, together with a list of current signatories.

³³ Berne Convention for the Protection of Literary and Artistic Works of September 9, 1886, completed at Paris on May 4 1896, revised at Berlin on November 13, 1908, completed at Berne on March 20, 1914, revised at Rome on June 2, 1928, at Brussels on June 26, 1948, at Stockholm on July 14, 1967, and at Paris on July 24, 1971, and amended on September 28, 1979.

³⁴ Stewart, *International Copyright and Neighbouring Rights* Butterworths 3rd ed. Ch2.

³⁵ *Ibid* 3.18.

author is also entitled to the minimum rights guaranteed by the Convention including the works to be protected which *'include every production in the literary, scientific and artistic domain, whatever may be the mode or form of expression...'*³⁶, and the minimum term for which protection is to last, the life of the author plus fifty years after his death³⁷. As the Berne Convention is a compromise between the Anglo-American and Civil Law approaches, moral rights are included. These first appeared in 1928 in the Rome Revision. As currently drafted the Berne Convention provides that *'independently of the author's economic rights and even after the transfer of the rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to ...the work which would be prejudicial to his honour or reputation'*³⁸. The rights are to last until the expiry of the economic rights.

3.2 The Rome Convention

The Rome Convention 1961³⁹ protects performing artists, phonogram producers and broadcasting organisations, via their performances, phonograms and broadcasts⁴⁰. National treatment is to be accorded to those benefiting from protection under the Convention⁴¹. Contracting States must grant a minimum term of protection of 20 years as regards phonograms⁴². Phonogram producers are to enjoy the right to authorise or prohibit the direct or indirect reproduction of their phonograms. If a phonogram is published for a commercial purpose, including any communication to the public, a single equitable remuneration is to be paid to the performers or producers or both.⁴³

3.3 The TRIPS Agreement

A move to link copyright (and other intellectual property rights) with international trade, came with negotiation of the TRIPS Agreement in 1994⁴⁴. This agreement was one of

³⁶ Berne Convention Article 2.

³⁷ Berne Convention Article 7(1).

³⁸ Berne Convention Article 6 bis (1).

³⁹ International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome Convention) Done at Rome, on 26 October 1961.

⁴⁰ Rome Convention Article 2.

⁴¹ *ibid.*

⁴² Rome Convention Article 14.

⁴³ Rome Convention Articles 10 and 12.

⁴⁴ Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS). For an interesting discussion on the politics involved in the negotiation of TRIPS see Drahos, *Global Property Rights in Information: The Story of TRIPS at the Gatt* 1996, Prometheus Vol 13 No 1 p6. In common with others,

the products of the Uruguay round of negotiations on the General Agreement on Tariffs and Trade (GATT).

As with the Berne and Rome Conventions, TRIPS requires member states to accord to the nationals of other member states, the same treatment as they accord their own nationals, subject to exceptions to be found in those Conventions⁴⁵. The Agreement goes on to require Members to adhere to the majority of the provisions of the Berne Convention⁴⁶, give specific copyright protection to computer programs, and provide for rental rights in respect of both computer programs and cinematographic works⁴⁷.

All the Treaties introduced above were negotiated and their provisions finalised prior to the development and expansion of the Internet and information technologies.

3.4 The new Treaties

Two new treaties were agreed in 1996: the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). These were the first international treaties to specifically address the copyright issues raised by the digital era. These Treaties will be discussed in detail in chapter 3.

The World Intellectual Property Organisation based in Geneva (WIPO) is responsible for administering the Berne and Rome Conventions, as well as the WCT and WPPT.

The World Trade Organisation, also based in Geneva, has responsibility for the administration of TRIPS.

Drahos points to the interests of the US in negotiating the Treaty. Large US corporations in particular were concerned about loss of profits due to piracy; in addition, there was a general fear over the loss of US international competitiveness. See also Sell, *Intellectual Property Protection and Antitrust in the Developing World: Crisis, Coercion, and Choice* 1995, International Organisation 49, 2, p315. Ricketson, *The Future of the Traditional Intellectual Property Conventions in the Brave New World of Trade-Related Intellectual Property Rights* IIC Vol 26 No 6/1995 p872 giving a useful introduction to the gestation of TRIPS and the inclusion of intellectual property. An interesting note in the text attributed to the Australian commentator Drahos: 'TRIPS grew directly out of US concern with its declining trade position and its desire to protect its intellectual property abroad' p898.

⁴⁵ TRIPS Article 3. TRIPS also deals with patents, trade marks, and other intellectual property rights.

⁴⁶ TRIPS Article 9.

⁴⁷ TRIPS Articles 10 and 11.

3.5 The European Union

In Europe, the EU has been working on an harmonisation of laws programme which has had a profound effect on the domestic legislation of Member States, generally by extending intellectual property rights, including copyright. Thus, the term of copyright protection has been increased up to 70 years after the death of the author⁴⁸; computer programs have received explicit protection⁴⁹; databases have a specific regime of protection, including a *sui generis* right in relation to the contents⁵⁰; rental rights, lending rights and performer rights have been created and extended⁵¹; and the satellite and cable directive enacted⁵². Recently under discussion has been the implementation of the WIPO Copyright Treaty⁵³ and parts of the WIPO Phonograms and Performances Treaty through the Directive on Copyright and Related Rights in the Information Society⁵⁴.

4. The domestic framework

4.1 The UK

Copyright was first put on a statutory basis in England in 1710, with the enactment of the Statute of Anne⁵⁵. The momentum for formal protection arose in large part from publishers, who lobbied for the ability to control reproduction of books prior to distribution to the public. After the advent of the printing press, competitors could relatively easily and cheaply reproduce further copies, with few controls. While accepting the need for State assistance in controlling copying, Parliament considered the right should be granted to publishers and authors only in return for satisfaction of the

⁴⁸ Council Directive (EEC) No 93/98 of 29 October 1993 harmonising the Term of Protection of Copyright and Certain Related Rights.

⁴⁹ Council Directive (EEC) No 91/250 of 14 May 1991 on the Legal Protection of Computer Programs.

⁵⁰ Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Databases.

⁵¹ Council Directive (EEC) No 92/100 of 19 November 1992 on Rental Right and Lending Right and certain rights related to Copyright.

⁵² Council Directive (EEC) No 93/83 of 27 September 1993 on the Co-ordination of certain rules concerning Copyright and Rights related to Copyright applicable to Satellite Broadcasting and Cable Retransmission.

⁵³ World Intellectual Property Organisation Copyright Treaty 1996 (WCT) agreed in Geneva in 1996.

⁵⁴ Directive 2001/29/EC of the European Parliament and of the Council on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society (the Copyright Directive). This Directive has seen a number of drafts during its gestation, each of which has been subject to intensive negotiation and lobbying. The Directive was finally passed by the EU Council of Ministers on 9th April 2001. The documents that have been published in relation to this Directive can be found at http://europa.eu.int/comm/internal_market.

⁵⁵ 8 Anne Ch 19 (1710).

public interest⁵⁶. This came in the form of encouraging dissemination of works for: ‘*The encouragement of learning*’⁵⁷. The 1710 Act gave the ‘*sole right and liberty of printing books*’ to authors and their assigns. This right depended on a book being registered with the Stationers’ Company, applied only to published works, and existed only for a period of 14 years. If the author was still alive after this period, the right was returned to him for a further period of 14 years⁵⁸. Over the next 200 years, there were few changes, and those that were made extended the term of copyright, broadened the variety of works protected by copyright, and made provision for the protection of works of foreign authors as required when the UK first became a signatory to the Berne Convention. In 1911 and 1956 major changes were made to the law of copyright. The law was further revised and brought up to date in the Copyright Designs and Patents Act 1988 (CDPA) which, as subsequently amended, forms the basis of the current UK copyright law. This Act represents a mix of national policies and provisions arising from regional and international obligations. In recent years still further amendments that have been made, almost wholly stemming from the EU as the harmonisation programme referred to above⁵⁹ moves forwards.

Drawing in large part on the theories discussed above, the law of copyright now protects a diverse range of expressions of original works, and the media through which they are exploited. In the UK, original literary, dramatic, musical and artistic works are protected by copyright⁶⁰. The entrepreneurial or neighbouring copyright cover sound recordings, films, broadcasts, cable casts and typographical arrangements of published editions, and now long unpublished editions⁶¹. For copyright to protect these works they must be fixed in some tangible form⁶². Once fixed, generally the owner of the copyright in a

⁵⁶ There are a number of texts which consider the historical development of the law of copyright. For example, Rose, *Authors and Owners The Invention of Copyright* Harvard University Press 1993. Stewart, *International Copyright and Neighbouring Rights* 2nd ed Butterworths Part 1 and variously through the individual chapters.

⁵⁷ The preamble to the 1710 Act provides: ‘*A Bill for the Encouragement of Learning and for Securing the Property of Copies of Books to the rightful owners thereof*’.

⁵⁸ Some argue that although it might appear to favour authors over the intermediary, it was in fact intermediary who pushed hard for formal protection and whose interests in being able to exploit the creative works were protected. See for example Vaver, *Intellectual Property Today: Of Myths and Paradoxes* 1990, Canadian Bar Review 69 p98 at 104. Cornish, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*, 4th edn Sweet & Maxwell 1999. (hereinafter Cornish *Intellectual Property*) Chapter 9.

⁵⁹ See above fn’s 17-21.

⁶⁰ CDPA s1.

⁶¹ Council Directive 93/98/EC of 29 October 1993 Harmonising the Term of Protection of Copyright and Certain Related Rights.

⁶² CDPA s 3(2) which provides: ‘*Copyright does not subsist in a literary, dramatic or musical work unless and until it is recorded in writing or otherwise*’.

work has the exclusive rights to copy the work⁶³; to issue copies of the work to the public⁶⁴; to rent or lend the work to the public⁶⁵; to perform show or play the work in public⁶⁶; to broadcast the work or include it in a cable programme service⁶⁷, and the right to make an adaptation of the work⁶⁸. Any person who carries out any of these acts without the consent infringes the rights of the copyright owner in work⁶⁹.

The law also permits certain uses to be made of protected works by third parties without consent of the owner of the copyright. So, for example, reading a work is permitted, as is expressing in one's own words the ideas encompassed in a new work, or listening to a recording of a musical work in private. A third party may make use of insubstantial parts of a work protected by copyright without permission⁷⁰. Substantial parts of some protected works may be taken and re-used if it is for the purposes of research and private study⁷¹, or criticism and review and news reporting⁷², so long as the use is in accordance with the principles of fair dealing⁷³. There is also a number of uses of works that may be made without permission for the purposes of education⁷⁴, or for library or archival purposes⁷⁵. On the one hand, the ability to make use of the works in these ways represent a limitation on the exclusive right of the owner in the creative work. On the other hand, the limitations also ensure that there is a wide variety of works and material available in the public domain on which a future author can draw in fashioning new works.

The author of a work is the first owner of copyright in that work⁷⁶, except where a literary, dramatic, musical or artistic work, or a film, is made by an employee in the course of employment, in which case, subject to agreement to the contrary, the employer is the first owner⁷⁷. The author is the person who creates the work⁷⁸. There are special

⁶³ CDPA ss16 and 17.

⁶⁴ CDPA ss16 and 18.

⁶⁵ CDPA ss16 18A.

⁶⁶ CDPA ss16 and 19.

⁶⁷ CDPA ss16 and 20.

⁶⁸ CDPA ss 16 and 21.

⁶⁹ CDPA s 16(2).

⁷⁰ CDPA s 16(3)(a).

⁷¹ CDPA s 29.

⁷² CDPA s 30.

⁷³ CDPA ss 29(1) and 30(1).

⁷⁴ CDPA ss 32-36A.

⁷⁵ CDPA ss 37-44 Some of these permissions are only available to the extent that there is no licensing scheme in place eg CDPA s 36(4).

⁷⁶ CDPA s11(1).

⁷⁷ CDPA s 11(2).

rules for the media through which author-created works are exploited. For example, in the case of a sound recording, the author is the person who creates the work and who is to be taken as the producer⁷⁹, and in the case of the film, the producer and principal director⁸⁰. The author of a literary, dramatic, musical or artistic work which is computer generated is *'the person by whom the arrangements necessary for the creation of the work are undertaken'*⁸¹.

For literary dramatic musical and artistic works, copyright lasts for a period of seventy years after the death of the author⁸²; for sound recordings, copyright expires fifty years from the end of the calendar year in which it is made⁸³ or released⁸⁴; and for a film, it expires seventy years after the last to die of the principal director, the author of the screenplay, the author of the dialogue, or the composer of the music specially created for, and used in, the film⁸⁵.

Although at first glance, the framework developed for the protection for economic rights in creative works might seem straightforward, it does depend on a number of important factors. A literary, dramatic or musical work must be recorded in writing or otherwise before it is protected⁸⁶. Ideas are therefore not protected until such time as they are written down in some form. The work that is protected is thus generally embodied in some tangible medium. For a performance of a work to infringe copyright, it has to be in public⁸⁷, although the definition of public can be fairly wide. A performance does not have to be in front of paying guests to be 'in public'⁸⁸, and in public can be at a workplace⁸⁹, or in a hotel⁹⁰, or at school where members of the family and guests are present⁹¹. However, a CD containing music can be played at home for the enjoyment of oneself and one's family without infringing this right, as such a performance is not 'in public'.

⁷⁸ CDPA s 9(1).

⁷⁹ CDPA s 9(2)(aa).

⁸⁰ CDPA s 9(2)(ab).

⁸¹ CDPA s 9(3).

⁸² CDPA s 12(1).

⁸³ CDPA s 13A (2)(a).

⁸⁴ CDPA s 13A (2)(b).

⁸⁵ CDPA s 13B (2).

⁸⁶ CDPA s 3(2).

⁸⁷ CDPA s19.

⁸⁸ *PRS v Hawthornes Hotel* [1933] Ch 855.

⁸⁹ *Ernst Turner v PRS* [1943] Ch 167.

⁹⁰ *PRS v Harlequin Record* [1979] FSR 233.

⁹¹ CDPA s 34(3).

The right to issue copies of a work to the public⁹² is limited after the first sale of a physical object, such as a book or a video⁹³. So the owners of copyright in a work can control the reproduction of that work, but not reading; first sale of copies of works, but not the resale of those copies; and can authorise when a performance may take place in public, but not in private.

4.2 The US

The US approach was based on that of the UK⁹⁴, but differed to the extent that copyright was, and still is, limited by the powers granted under the US Constitution of 1789. The relevant Article provides: *'The Congress shall have power....To promote the Progress of Science and Useful Arts, by securing for limited Times to Authors and Inventors the exclusive right to their respective Writings and Discoveries'*⁹⁵. The US Copyright Act of 1790 was: *'An Act for the Encouragement of Learning, by securing the Copies of Maps, Charts and Books, to the Authors and Proprietors of such Copies, during the Times therein mentioned.'* Current US legislation is to be found in Title 17 of the United States Code. This Title is much longer, and more detailed than the CDPA. It contains thirteen different chapters, ranging from the subject matter and scope of copyright in chapter 1, to the protection of original designs in chapter 13.

There are, however, some important differences. One arose because, historically, the US required registration of a claim to copyright at the US Copyright Office for the existence of the right, and provisions relating to this registration are to be found in chapter 4 of USC Title 17. However, since becoming a member of the Berne Convention, this requirement of registration has been redundant for the majority of purposes⁹⁶. Another fairly significant difference arises in the 'fair use' provisions found in the US copyright Act, as compared to those found in the CDPA. Fair use, or fair dealing refers to the 'right' or ability of a user of a work protected by copyright to take part of that work

⁹² CDPA s 18.

⁹³ CDPA s 18(2).

⁹⁴ See for example draft amicus brief by US legal historian Edward Walterscheid <http://eon.law.harvard.edu/eldredvreno/>.

⁹⁵ United States Constitution Article 1 Section 8.

⁹⁶ The award of damages for infringement of copyright depends on whether a work has been registered with the US Copyright Office. The US Copyright Act provides for the recovery of 'actual damages' and 'statutory damages.' Which award is applicable depends on whether the work was registered with the Copyright Office, and if registered, the date of the registration in relation to the date of first publication of the work or the commencement of the infringing act(s). US Copyright Act 17 U.S.C. s504.

without permission, but only when that part is to be used for specified purposes. The differences between the two systems in this respect will be explored in chapter 6. Other differences arise because the US considers that it has already implemented the two most recent international Treaties negotiated by WIPO in 1996, the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, and amendments have been made to the US Copyright Act as a result. Chapter 5 of USC Title 17⁹⁷ contains various provisions relating the limitation of liability of Internet Service Providers (ISP's) for copies of works they may carry on servers they operate, and copies which may be routed through their equipment during the normal functioning of the Internet. Chapter 10⁹⁸ contains provisions requiring copyright management protection systems to be inserted into certain recording media, and for royalties to be paid on digital audio recording devices. Chapter 12 deals with copyright protection and management systems. Broadly, it prohibits the circumvention of these systems, and provides protection for copyright management information⁹⁹.

4.3 France

Domestic French legislation can be found in the Intellectual Property Code, which covers both authors rights and neighbouring rights, although in different Titles¹⁰⁰. The major difference between the French approach to the protection of creative works, and the Anglo-American approach lies in the status accorded to moral rights. This section is thus concerned with an explanation of these rights

In France, the right of integrity or the *droit du respect de l'oeuvre*¹⁰¹ is considered the most important moral right. It enables the author to prevent alteration, distortion or mutilation of the work in perpetuity. Thus the artist, Bernard Buffet, could prevent the owner of a refrigerator, on which he, Buffet, had painted various designs, from breaking

⁹⁷ Added by the US Online Copyright Infringement Liability Limitation Act 1998 Title 11 of the Digital Millennium Copyright Act amending Title 17 USC to add a new s 512.

⁹⁸ The Audio Home Recording Act of 1992 added Chapter 10 to Title 17 USC Digital Audio Recording Devices and Media.

⁹⁹ WIPO Copyright and Performances and Phonograms Treaties Implementation Act of 1998. For discussion on management protection systems (digital fences) see Chapter 4 of this study.

¹⁰⁰ An English translation of the Code can be found on the WIPO website at <http://clea.wipo.int>. This is the translation that will be referred to throughout this study.

¹⁰¹ French Intellectual Property Code Title 11 Article 121-1.

it up, and selling each panel as a separate work¹⁰². The heirs of the film director, John Huston obtained an injunction against the production of a colourised version of *Asphalt Jungle*¹⁰³, and the Société Métropole Télévision M6 was forced in 1990 to pay damages to the director Claude Sautet after cutting his film *Les choses de la vie* from 80 minutes to 64¹⁰⁴. Other rights include the inalienable right to release, or to refuse to release a work, known as the *droit de divulgation*¹⁰⁵; the right to withdraw or modify the work, known as the *droit de retrait ou de repentir*¹⁰⁶; the right to be recognised as the author of the work or to remain anonymous; the right not to have a work attributed to another; and a person's right not to have her name associated with a work by another (*droit a la paternite*)¹⁰⁷. The *droit de divulgation*, the *droit a la paternite* and the *droit du respect de l'oeuvre*¹⁰⁸ are exclusive and perpetual (so extending to heirs), whereas the *droit de retrait ou de repentir*¹⁰⁹ is personal to the author. The rights do however allow significant control by the author over the work when the physical article, and the economic rights in the article, are sold. Thus the *droit de divulgation* allowed an artist who had all but finished 800 paintings and delivered the completed ones to the dealer, to rescind the contract and recover the paintings from the dealer's heirs on repayment of the fee¹¹⁰.

The courts will act to curb excesses or abuses in the exercise of moral rights¹¹¹. French courts may limit their exercise where an abuse is threatened. For instance, where a marriage has broken down, moral rights cannot be used to prevent exploitation of a work where the purpose is to deprive the other spouse of a financial benefit arising as a result of a division of the pecuniary assets. Such an effect might be achieved as a result of exercising of the right of *divulgation*¹¹². Where an author, or the heirs have granted unconditional adaptation rights in a work, such as the right to adapt a novel to a film, the courts will not allow moral rights to be asserted to complain about specific deviations

¹⁰² *Fersing v Buffet* Judgement of May 30 1962 Cour d'Appel Paris aff'd Judgement of 6 July 1965 Cour de Cassation.

¹⁰³ 1991 Bull Civ 1 113 No 172 1993 D Jur 197. The Cour d'Appel was presented with evidence of Huston's opposition to colourisation during his lifetime and awarded his heirs damages for the injury to the film's integrity 1995 DS Jur (IR) 65.

¹⁰⁴ *Sautet* (1990) Tribunal de Grande Instance de Paris, 14 Mars 1990, *Revue de la SACD* No. 1 - 1er trimestre 1992, p. 59 quoted in Holderness, *Moral Rights and Authors' Rights: The Keys to the Information Age*, 1998 (1) JILT http://elj.warwick.ac.uk/jilt/infosoc/98_1hold/.

¹⁰⁵ French Intellectual Property Code L 121-2.

¹⁰⁶ French Intellectual Property Code L 121-4.

¹⁰⁷ French Intellectual Property Code L 121-1.

¹⁰⁸ French Intellectual Property Code L121-1 and L 121-2.

¹⁰⁹ French Intellectual Property Code L 121-4.

¹¹⁰ *L'Affaire Rouault* Judgement of March 19 1947 Cour d'Appel Paris (1949).

¹¹¹ McColey, *Limitations on Moral Rights in French Droit d'auteur* ASCAP 1998 p 423.

¹¹² Judgement of the French Supreme Court May 14 1945 D 1945 J 285.

from that work¹¹³. When functional works are in issue, the courts may bar the exercise of moral rights even in cases where the use of the work violates the spirit of the author's work, and therefore harms the very personal interests the moral rights are designed to protect. So where two architects complained about the restoration of a public theatre, the court permitted the work to the building to go ahead in order to ensure the continued life of the property, so long as the changes did not substantially denature it¹¹⁴. In this case the public interest in the continued life of the theatre took precedence over the moral right of the author. In some cases, even where there is no public interest involved, but rather a commercial interest at stake, the French courts have indicated that a court should carry out a balancing test to establish: '*an equilibrium between the prerogatives of droit d'auteur and those of property rights*'¹¹⁵.

5 Moral rights and the Anglo-American approach

5.1 Moral Rights: the UK

Moral rights did not attain any prominence in the UK until the CDPA 1988. Prior to this, an author who was concerned about her right of integrity being compromised, or a failure to acknowledge authorship, had to rely on the general laws of defamation¹¹⁶, passing off¹¹⁷ or injurious falsehood. During the 1970's, the UK was preparing to ratify the 1967 revision of the Berne Convention, and as a consequence accepted that it would be required to introduce moral rights into domestic law¹¹⁸. Three moral rights were introduced in the 1988 Act¹¹⁹. These are the right to be identified as author¹²⁰, which requires to be asserted before it can be infringed¹²¹ (the right of paternity); the right to

¹¹³ *Cons. Bernanos v Societe Champs-Elysees Production et R-P Bruckberger* Judgement of November 30 1961 Tribunal de Grand Instance de la Seine Gazette du Palais 1962. 1. 898. J. 98. The heirs of Bernanos sued a film production company to prevent his name being associated with a production based on the Dialogue of the Carmelites. The plaintiffs had licensed the adaptation, but felt that the resulting work failed to retain its essential theme and be true to the author. The court said that they could not assert their moral rights to complain about specific deviations from a work. The court did not forbid the exercise of moral rights against the adaptation but rather prevented the plaintiff from asserting moral rights to complain about specific problems in a work for which unconditional adaptation rights had been granted.

¹¹⁴ *Conseil National de l'Ordre des Architectes v Societe Immobiliere du Theatre du Champs Elysees* Tribunal de Grande Instance of Paris Judgement of April 4 1990 145 RIDA 386 July 1990.

¹¹⁵ *Societe Bull v Bonnier* Supreme Court of Paris Judgement of January 7 1992 152 RIDA 194 (April 1992).

¹¹⁶ *Humphreys v Thompson* [1905-1910] Mac CC 148.

¹¹⁷ *Samuelson v Producers Distributing* [1932] 1 Ch 201.

¹¹⁸ Whitford Report 1977 Cmnd 6732.

¹¹⁹ CDPA ss 77-89.

¹²⁰ CDPA s77.

¹²¹ CDPA s 78.

object to derogatory treatment of a work¹²² (the right of integrity), and the right to privacy in private photographs and films¹²³. The right against false attribution of a work was re-enacted in the 1988 Act¹²⁴ having originated in the Fine Art Copyright Act 1862. All the rights are inalienable¹²⁵ and transmissible on death¹²⁶. However, they may be waived by agreement¹²⁷. The rights to be identified as author of a work (which requires to be asserted before it can be infringed¹²⁸), to object to derogatory treatment of a work, and to privacy in certain photographs and films, subsist so long as copyright subsists in the work.¹²⁹ The right against false attribution subsists until twenty years after death¹³⁰. These rights are hedged around by many exceptions. For example, the right to be identified as an author does not apply to a computer program, nor does it apply to anything done by or with the authority of the copyright owner where the copyright originally vested in the author's employer¹³¹. The right to object to derogatory treatment does not apply to a raft of exceptions, including computer programs, and publication in a newspaper or encyclopaedia, nor does it apply to anything done by or with the authority of the copyright owner where the copyright vests in the employer, and then only applies when the author has been identified as such¹³².

There have not been many cases on the UK's version of moral rights. One case that does not bode well for those who would seek to rely on the right to object to derogatory treatment is *Tidy v The Trustees of the Natural History Museum*¹³³. Tidy had produced a series of cartoons of dinosaurs and given permission to the Natural History Museum to display these. A book was produced which contained reproductions of the cartoons reduced to about 1/6 of the original size¹³⁴. Tidy claimed that the reduction was a distortion of his work, or alternatively it was prejudicial to his honour or reputation, as the public would think that he could not be bothered to reproduce the drawings specifically for the book. The court found that, in the absence of evidence from the public that the honour and reputation of Tidy would be affected, there could be no

¹²² CDPA s80.

¹²³ CDPA s85.

¹²⁴ CDPA s84.

¹²⁵ CDPA s94.

¹²⁶ CDPA s95.

¹²⁷ CDPA s87.

¹²⁸ CDPA s78.

¹²⁹ CDPA s86(1).

¹³⁰ CDPA s86(2).

¹³¹ see generally CDPA s79.

¹³² see generally CDPA ss 81 and 82.

¹³³ (1995) 37 IPR 501 High Court 29 March 1995 Rattee J.

infringement. The court thus favoured an objective test. This is distinct from the approach taken in at least some of the *droit d'auteur* countries, where the test is a subjective one, consistent with the notion that the moral rights are those attaching to authors, and it is up to the author and her heirs (subject to control of abuses) to determine when and how they will be exercised¹³⁵. Moral rights against derogatory treatment have been considered by the courts in two other cases. George Michael obtained a pre-trial injunction to prevent snatches of his music from being put together in a medley¹³⁶. However, in the second case, a designer could not stop parts of his work being used in an updated brochure produced by someone else, because the court found that his honour and reputation were not sullied¹³⁷.

The moral right to prevent false attribution has fared better. In *Alan Clark v Associated Newspapers*¹³⁸ the Evening Standard newspaper carried a regular column in the form of parodies of the diaries of Alan Clark. Although it was clearly stated the author of the parody was a Mr Bradshaw, this was not noticed by a number of readers, who attributed the articles to Mr Clark himself. The court found that a case was made out for a claim of false attribution¹³⁹.

Given the very few cases that have come before the courts in the UK so far, it is hard to predict where the decisions on moral rights may go in future. It may be that economic rather than personality concerns influence the courts. In other words, if the market considers, or would consider, that the reputation of the author is devalued by a particular treatment of a work, then the moral right will be infringed¹⁴⁰. Such an

¹³⁴ 420mmx297mm to 67mmx42mm.

¹³⁵ In France the subjective reaction of the author to alteration is generally the governing factor. A court refused to permit the addition of a complimentary preface to a book which the author did not want. RIDA 1993 No 155 225; JCP 1988 II 21062. But see Stromholm, *Droit Moral - The International and Comparative Scene from a Scandinavian Viewpoint* Vol. 14 IIC No 1/1983 1 at 31 where he argues that the better approach, is that the test is objective.

¹³⁶ *Morrison Leahy Music Ltd v Lightbody Ltd* [1993] EMLR 144.

¹³⁷ *Patersfield v Denham* [1999] FSR 168.

¹³⁸ [1998] 1 WLR 1558; [1998] 1 All ER 959; [1998] RPC 261.

¹³⁹ Although this could have been a case for passing off. Vaver, *Moral Rights Yesterday, Today and Tomorrow* [2000] IJLIT Vol. 7 No 3 at 270.

¹⁴⁰ It may also be that the author considers that her reputation may be sullied with potential future subjects, and thus her market harmed. In the US case *Leibovitz v Paramount Pictures* February 19, 1998, US 2nd Cir CA <http://laws.findlaw.com/2nd/977063.html>, Paramount pictures parodied a photograph Ms Leibovitz had taken of Demi Moore standing naked and pregnant. Paramount pictures argued parody as a defence to the claim of copyright infringement. The defence was accepted. One factor that appeared to concern Ms Leibovitz was the effect that the parody could have on her 'special relationships' with the celebrities whom she makes a living photographing [fn 6]. The moral right of integrity might have been successfully pled in

approach would appear to differ from that taken in the droit d'auteur systems, and would not seem to accord with the rationale behind the inclusion of moral rights in the Berne Convention.

5. 2 Moral rights: the US

The US opposition to any introduction of moral rights for authors is deeply rooted. In the 1850's Harriet Beecher Stowe first published *Uncle Tom's Cabin: Or Life Among the Lowly*. A competing, unauthorised version, appeared in a German language newspaper in Philadelphia. Stowe sued. The court held that the unauthorised translation did not infringe on Stowe's statutory rights saying:

By the publication of Mrs Stowe's book, the creations of the genius and imagination of the author have become as much public property as those of Homer or Cervantes....All her conceptions and inventions may be used and abused by imitators, play-writes and poetasters. They are no longer her own – those who have purchased her book may clothe them in English doggerel, in German or Chinese prose. Her absolute dominium and property in the creations of her genius and imagination have been voluntarily relinquished. All that now remains is the copyright of her book; the exclusive right to print, reprint and vend it, and those only can be called infringers of her rights or pirates of her property....¹⁴¹.

Whereas this case was concerned with the translation rights in the book, which if litigated today would clearly reach a different conclusion, the dictum above does illustrate the deeply held view that non-economic rights are foreign to US copyright law. However, by the 1980's, the US was considering becoming a member of the Berne Union. To do so, some accommodation had to be made for moral rights in domestic law. Indeed, the lack of moral rights was one of the major stumbling block to US accession to Berne¹⁴².

The US acceded to the Berne Convention in 1989 by way of the Berne Implementation Act¹⁴³ and in so doing, argued that US law already complied with the moral right requirements under the Treaty¹⁴⁴, pointing to legislation in individual states which

droit d'auteur systems, although, even those systems do tend to allow a defence of parody to claims of infringement. French Intellectual Property Code Article L 122-5.

¹⁴¹ *Stowe v Thomas* 23 F Cas 201 (CCED Pa 1853) (no 13,514).

¹⁴² Dietz, *The Artist's Right of Integrity Under Copyright Law - A Comparative Approach* 1994, 25 IIC 177, p179. Hansmann and Santilli, *Authors' and Artists' Moral Rights: A Comparative legal and Economic Analysis* 1997, 26 Journal of Legal Studies 95. Another reason was that copyright protection fell below the minimum standards required by Berne. In addition, that Convention does not permit copyright protection to be contingent on any formality. The US had required registration since 1909.

¹⁴³ Pub L No 100-568 102 Stat 2853-54 (1988) codified in scattered sections of 17 USC.

¹⁴⁴ Chinni, *Droit d'Auteur Versus the Economics of Copyright Implications for American Law of Accession to the Berne Convention* 1997 ASCAP p241.

provided for certain moral rights¹⁴⁵, and to the provisions of the Lanham Act on trade marks¹⁴⁶, which may provide a cause of action to an artist whose name is appended to a work without authorisation. Commentators did point out that coverage for moral rights under these provisions was not as comprehensive as the US Administration was indicating¹⁴⁷. Legislation was not uniform throughout the US, nor did it provide the coverage required by Berne, as much only applied to visual works, and most rights thereby granted terminated on death. Further, under the Lanham Act, there were no provisions relating to derogatory treatment of a work¹⁴⁸.

The US Administration has since passed the Visual Artists Rights Act 1990¹⁴⁹, which has arguably come closer to giving moral rights to authors, and thus fulfilling obligations under Berne. Under this Act authors of works of visual art are given certain rights of attribution and integrity¹⁵⁰, which are personal to the author¹⁵¹, last for the lifetime of the author only¹⁵², and can be waived, but not transferred. However, the Act only applies to a narrow category of visual works, and generally where such a work is produced in a limited edition¹⁵³. In addition, it does not apply where a work is created by an employee in the course of employment¹⁵⁴. This would tend to suggest that the philosophy is to maintain the integrity of a work for economic reasons and ensuring that the value remains, rather than the protection of the natural right of the author in the expression of her work.

¹⁴⁵ Eg Californian Civil Code 987-90 (1989).

¹⁴⁶ Lanham Act s43(a) 15 USC s 1125 (a).

¹⁴⁷ For general comment see Krigsman, *Section 43(a) of the Lanham Act as a Defender of Artists' Moral Rights* 73 Trade-Mark Rep 251 May-June 1983.

¹⁴⁸ Some writers have argued that over the past 20 years 'courts and legislatures gradually have begun to recognise, and to expand upon, an American doctrine of moral right'. Cotter, *Pragmatism Economics and the Droit Moral* 1997, 76 North Carolina Law Review 1.

¹⁴⁹ 17 USC ss 101, 102, 106(a) 107, 601.

¹⁵⁰ *ibid* s 106A.

¹⁵¹ *ibid* s 106A(d).

¹⁵² *ibid* s106A(e).

¹⁵³ *ibid* s 101. 'A work of visual art' is: (1) a painting, drawing, print or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or (2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author. A work of visual art does not include: (A)(i) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication; (ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container; (iii) any portion or part of any item described in clause (i) or (ii); (B) any work made for hire; or (C) any work not subject to copyright protection under this title'.

¹⁵⁴ *Carter v Helmsley-spear, Inc* 71 F 3d 77 (2D Cir. 1995) cert denied 116 S Ct 1824. Fielkow *Clashing rights Under United States Copyright Law: Harmonising an Employer's Economic Right with the Artist-Employee's Moral Rights in a Work Made for Hire* 1996, 7 DePaul LCA J Art & Ent L 218.

The Berne Convention Implementation Act¹⁵⁵ provides that the Berne Convention is not self-executing in the US, and that the rights under federal or state law cannot be expanded on or reduced by virtue of, or in reliance upon, the provisions of the Berne Convention¹⁵⁶.

6. Comment

There are similarities between the approach to protection of creative works between the UK and US on the one hand, and France on the other, specifically in the way in which the economic interests of the parties are supported. The major variance between the systems arises however from the underlying philosophies. In the Anglo-American system the rights granted are seen as giving to authors an economic incentive. In France, the rights are considered as natural rights of the author, and an expression of the personality of the author. That difference is expressed in moral rights.

Despite the obligations in the Berne Convention, and despite having gone some way towards introducing moral rights, the US and the UK appear wary about introducing a fully fledged regime. There may be a number of reasons for this, primarily rooted in economic argument. Firstly, it may result from the potential impact on economic exploitation of creative works. At their most extreme, moral rights allow an author a perpetual right to exercise some control over the use of a work, and how the work may and may not be exploited in the marketplace¹⁵⁷. The exercise of moral rights impedes the finality of contracts, and inhibits the freedom of the holders of the economic rights to deal with the tangible object embodying the work, to say nothing of the rights of the owners of the tangible objects themselves. In essence, they detract from the ability of those who wish to transform the author's work into another medium, to do so without interference¹⁵⁸. They are thus inconsistent with the absolute nature of property, and with its alienation. In the UK, it has been argued that because every infraction of a moral

¹⁵⁵ 17 USC 102 1988.

¹⁵⁶ 17 USC 104(c) 1988.

¹⁵⁷ Hansmann and Santilli, *Authors' and Artists' Moral Rights: A Comparative Legal and Economic Analysis* 1997, 26 *Journal of Legal Studies* 95 p101.

¹⁵⁸ Some argue that establishing a '*moral right imposes a real economic and political cost on society*'. Those who want to use works need to deal with two owners: the moral and economic. Each new use is '*at the mercy of the author*'. Lemley, *The Economics of Improvement* 1997, *Texas Law Review* Vol. 75:989 p1032. Lemley also argues that no parodies or satires would be permitted. But cf. French Intellectual Property Code L122-5.

right impairs another person's freedom to do business, enforcement should be confined to cases of real injury¹⁵⁹.

Second, the Anglo-American reluctance to extend moral rights is also likely to stem from the differing historical traditions. Moral rights and their association with theories of natural rights, have not been a part of the historical development of copyright in the Anglo-American traditions, as discussed above. Following on from there may be the perception that moral rights are largely associated with an ideal of '*romantic authorship*': the view that works protected by copyright are produced by those tucked away in their lonely garrets, labouring long and hard over a creative work. The reality, from the earliest times, appears to have been very different. Creativity has always been associated with wealth and the desire of the wealthy to own creative objects, followed by the economic advantages that could be gained from exploiting works for the masses¹⁶⁰. Copyright has, however, always needed some link with the author because of the desire to justify such elements of the right as the term of protection, and the requirement of some originality, both intimately linked to authorial contribution. It was only after the French Revolution, feeding the desire to sweep away the privileges linked with such wealth, that moral rights started to develop in France, focussing on the creative input of the author.

A third reason may lie behind the reluctance of those within the Anglo-American systems to embrace moral rights, and that may stem from the very low level of originality required from an author before a work produced by her can qualify for copyright protection. The requirement of originality will be discussed in chapter 7 of this study, but for the present it is perhaps notable that when copyright can protect something as mundane as football pools coupons and telephone directories, many are likely to balk at the idea of giving rights to the individual author to object to derogatory treatment, or to

¹⁵⁹ Cornish, *Intellectual Property* 11-89. For these reasons, in particular the second, '*The introduction of a moral rights regime has been and continues to be fiercely combated mainly by US industries and US industry oriented policy which tend to favour the interests of producers in commercialising the protected work with as few restrictions as possible from residual rights vested in authors*'. Dreier, *Copyright issues in a Digital Publishing World*.
<http://associnst.ox.ac.uk/~icsuinfo/dreier.htm>

¹⁶⁰ In *Worldly Goods. A New History of the Renaissance* MacMillan 1996, the author, Professor Jardine, argues that from the mid fifteenth century important artists were to be found wherever a major trading centre was located: '*and there are therefore wealthy entrepreneurs to purchase*' p123. She goes on to say that: '*The period of transition from manuscript to print, the relationships between authors, manufacturers, buyers and backers were shaped byopportunities which characterise any innovation in the commercial sphere. The prospect of producing an individual work in print....was above all a business opportunity, suggested by a 'gap in the market' or by a recognised local demand for printed material of a particular kind*'. p142.

insist on being credited as author of that type of work. The problems may lie with the breadth of coverage of copyright protection, rather than result from an inherent dislike of moral rights.

Suffice it to say that the focus of this study is not on moral rights, but rather the author and the act of creation. Moral rights will be mentioned again only briefly. A point to bear in mind during the ensuing discussion, however, is that now that works disseminated on the Internet are traded globally and there is much focus within the EU on harmonisation of copyright (and related rights), this may be an opportune time to consider whether some further harmonisation should be attempted in the area of moral rights, despite the failure of the Berne Convention rules to achieve just that. Whether such international harmonisation could ever be achieved must be open to doubt. It has been said by a US commentator that:

It may be a good idea to try to incorporate some droit d'auteur concepts in US copyright law. However, this may be a difficult, if not impossible exercise. In any case, the US and Europe need a common standard for treating commercially exploitable works on the Internet. If Europe wants to be on the same level as the US, it will probably have to be without the author's rights paradigms. The US most likely will not accept them¹⁶¹.

These views are consistent with the belief that the economic functions of copyright are paramount¹⁶². One can imagine that any attempt to water down moral rights in France, and other countries may face stiff opposition. But these tensions between the two systems, manifested in the position taken over moral rights, may become more, rather than less, pronounced as trade in creative works over the Internet increases.

7. Conclusion in relation to copyright

The law of copyright and authors' rights as developed in both the Anglo-American and Civilian legal systems has supported over the years both the investment necessary to bring creative works to the attention of the consuming public and the creation of new works. There has been some discussion and controversy when it has been sought to extend protection, with regard to the scope and substance of copyright. Nonetheless,

¹⁶¹ Lehman in colloquium discussions in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p 239.

the framework has worked, and appears to have worked well, in ensuring that a continuous stream of new creative works is made available to the consuming public. An essential part of that process has been the ability to access and use the public domain.

8. Databases: the EU

In an important, and relatively recent development in Europe databases have been accorded a specific regime of protection. The topic is vital for this study because the new law has implications for the dissemination of works and information over the Internet and the consequent re-utilisation of parts of the content in authorship. Many databases are made available over the Internet in electronic form. The legal on-line services provided by the publishers Butterworths (Lexis) and Sweet & Maxwell (Westlaw) are good examples. Many works are made available on the Internet as databases. In addition, as will be argued, a web site consisting of an amalgam of creative works protected by copyright, and information not so protected could itself fall under the definition of a database.

8.1 Historical development

Signatory states to the Berne Convention¹⁶³ have been required to accord copyright protection to “collections” of literary works *‘which by reason of the selection and arrangement of their contents constitute intellectual creations’*. The TRIPS Agreement¹⁶⁴ provides that *‘Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations, shall be protected as such’*¹⁶⁵. Attempts were made at the time of negotiation of the WCT to provide for an international Treaty dealing with the protection of databases. However, it was not possible to do more than agree a broad statement for inclusion in the WCT¹⁶⁶: *‘compilations of data or other material in any form which by reason of the selection or arrangement of*

¹⁶² The US in particular has historically been an importer rather than an exporter of authors’ works. Thus re-use with as little interference as possible has been of great concern. Hansmann and Santilli, *Authors’ and Artists’ Moral Rights: A Comparative legal and Economic Analysis* 1997, 26 Journal of Legal Studies 95 p142.

¹⁶³ Berne Convention Article 2(5).

¹⁶⁴ TRIPS Agreement Article 10(2).

¹⁶⁵ The TRIPS Agreement specifies that the copyright protection for compilations *‘shall not extend to the data or material itself’* Article 10(2), and that *‘copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such’* Article 9(2).

¹⁶⁶ WIPO Copyright Treaty Agreed Statements of the Diplomatic Conference WIPO Doc 226 (E) (1997) Geneva.

their contents are intellectual creations are to be protected as such’; but this ‘*protection does not extend to the data or the material itself and is without prejudice to any copyright subsisting in the data or material contained in the compilation*’¹⁶⁷. Negotiations are ongoing at WIPO for a treaty specifically on the protection of databases¹⁶⁸.

8.2 Recent initiatives

In 1994 there was a move in the EU to increase legal protection accorded to databases: notably, to provide a right against the unauthorised extraction and re-utilisation of the contents of a database. Protection under both the Berne Convention and the TRIPS Agreement was considered to extend to the selection and arrangement of the material, but not to the material in the database itself. A number of cases from member states in the EU yielded inconsistent results as to whether the contents could be protected by copyright. The UK was considered as having such a low requirement of originality, that it was possible to protect contents of at least some databases. In other European states, such protection was not assured because the requirement of originality is higher¹⁶⁹.

In 1996, the EU enacted the Database Directive¹⁷⁰. The main justifications for its introduction included a recognition of the increasing importance of a database as a repository of information, in particular in the electronic era where many are made available on line¹⁷¹, together with an acknowledgement that investment, whether in time and effort or financial resources, was needed to compile and maintain a database¹⁷². This investment should therefore be protected to prevent unauthorised parties from appropriating the contents of the database, and using those contents for their own needs

¹⁶⁷ WCT Treaty Article 5.

¹⁶⁸ <http://www.wipo.int>.

¹⁶⁹ There was a disparity in protection of databases throughout the member states. In many member states a database was not considered as having sufficient literary merit or originality to warrant protection. For example, Belgium and Luxembourg limited protection of databases to collections of artistic and literary works, but did not afford protection to compilations of facts. Germany and Italy required a collection of facts to be a personal intellectual creation in its own right before protection would be afforded; whereas the UK afforded full copyright protection to compilation of facts so long as the low requirement of skill labour and judgement is expended. Porter, *The Copyright Protection of Compilations and Pseudo-literary Works in EC Member States*. 1993, *Journal of Business Law* 1993, 1.

¹⁷⁰ Directive 96/9/EC of 11 March on the Legal Protection of Databases; 1996 OJ L77/20. This followed on the action plan set out by the Commission in 1991 COM (90) 584 final 17/1/1991 in which the European Commission proposed to harmonise national laws within the EU on the legal protection of databases.

¹⁷¹ Database Directive Recitals 9 and 10.

¹⁷² Database Directive Recital 11.

without compensating the original compiler. The influence of the economic approach to protection is clear from these Recitals.

The implementation of the directive has resulted in a number of changes to UK law and to the laws of other member states¹⁷³. Database is defined broadly in the directive: '*a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means*'¹⁷⁴. Protection under the Database Directive is in two parts: copyright protection is granted for the structure of the database so long as it represents the author's own intellectual creation, a standard drawn from the Berne Convention¹⁷⁵. A new *sui generis* (database right) right for the contents of the database is enacted in addition. The rights arising by way of copyright in the structure of the database follow the existing rights under the law of copyright. By contrast, the right given under the database right is to the maker of the database, and is to prevent the unauthorised extraction and/or utilisation of the contents of the database¹⁷⁶. Extraction means the permanent or temporary transfer of all or a substantial part of the contents of a database to another medium by any means or any form¹⁷⁷. Extraction concentrates on the copying of the contents of a database, even if only temporarily from one form to another. An example would be running a CD ROM on a computer and bringing images on to the screen. By contrast, re-utilisation means making available to the public all or a substantial part of the contents of the database by the distribution of copies, renting, and on-line or other forms of transmission. The re-utilisation right thus focuses on the subsequent transmission and distribution of the information, following on the act of extraction.

The Database Directive refers only to the extraction and re-utilisation of substantial parts of the database. The taking of insubstantial parts will not infringe this right. However, the repeated and systematic extraction and/or re-utilisation of insubstantial parts, where in conflict with the normal exploitation of the database, and which unreasonably

¹⁷³ As the Database Directive was intended to harmonise legal protection throughout member states, reference will be made to the terms of the Directive itself indicating where applicable, the implementing legislation in the UK.

¹⁷⁴ Database Directive Article 1.2 CDPA s 3A. The focus on the economic interests of the compiler of the database are reminiscent of the economic theory underpinning copyright law: property rights are required for economic efficiency.

¹⁷⁵ Berne Convention Article 2(5).

¹⁷⁶ Database Directive Article 7. 1. The Copyright and Rights in Database Regulations 1997 SI 1997/3032 (hereafter the Database Regulations) 16.

¹⁷⁷ Database Directive Article 7. 2. Database Regulations 12(1).

prejudice the legitimate interest of the maker, are then not permitted¹⁷⁸. The directive allows a number of exceptions to infringement of the database right. A lawful user may extract insubstantial parts of the contents of a database for any purpose¹⁷⁹; or a substantial part for the purposes of illustration for teaching and scientific research¹⁸⁰. Substantial parts may also be extracted and re-utilised for the purposes of public security or an administrative or judicial procedure¹⁸¹. The last two of these provisions are permissive and not mandatory. In the UK, the main exception¹⁸² incorporated into domestic law is that the database right is not infringed by fair dealing with a substantial part of its contents, if they are extracted (but not re-utilised) for the purpose of illustration for teaching or research, and not for any commercial purpose. The source must be indicated¹⁸³.

Copyright in the structure of the database lasts for seventy years after the death of the author¹⁸⁴. The database right expires at the end of the period of fifteen years from the end of the year in which the database was completed¹⁸⁵, or fifteen years from the point at which it was made available to the public¹⁸⁶. But where there has been a substantial change to the database, including one which results from the accumulation of successive additions, deletions or alterations resulting from substantial new investment, then that is to be considered as a new database and thus to qualify for its own protection. A database qualifies for the database right where there has been substantial investment in obtaining, verifying or presenting the contents of the database¹⁸⁷. The owner or maker of the database and the person who qualifies for the database right is the person who takes the initiative in obtaining, verifying or presenting the contents of a database, and who assumes the risk of investing in the creation of the database¹⁸⁸.

As a result of the directive, there is now quite a complicated structure of protection for databases. A database may consist of information and other works, some of which may

¹⁷⁸ Database Directive Article 7.5. Database Regulations 16(2).

¹⁷⁹ Database Directive Article 8. Database Regulations 16(1) and 19(1). But all of these presuppose that a user can gain access to the contents. Technological protection systems and their effect on access to the contents of a database will be discussed in chapter 4 of this study.

¹⁸⁰ Database Regulations 20(1)(b). Database Directive Article 9 (b).

¹⁸¹ Database Regulations 20(2) and Schedule 1 Database Directive Article 9 (c).

¹⁸² Databases Regulations 20(b).

¹⁸³ There are a number of public interest exceptions in Schedule 1 of the Database Regulations.

¹⁸⁴ CDPA s 3(1)(d) and 12(2).

¹⁸⁵ Database Directive Article 10. Database Regulations 17.

¹⁸⁶ Database Directive Article 10(2). Database Regulations 17(2).

¹⁸⁷ Database Directive Article 7. Database Regulations 13.

be protected by the law of copyright, and some of which may not. In addition, database right subsists in the collection as a whole. If the structure represents the author's intellectual creation, then copyright protection will also attach to that structure¹⁸⁹. As suggested, the definition of a database is sufficiently broad to encompass web sites, which can be made up of both creative works, protected by copyright, and works not so protected. A web site is generally made up of a collection of independent works, such as articles protected by literary copyright and pictures protected by artistic copyright. In addition, there is likely to be data such as names and addresses, or lists of products sold. The material incorporated will be arranged in a systematic way in the form of the presentation of the web site, as well as through the various levels within the site. The contents are individually accessible by electronic means, usually through the technique of hypertext linking. Web sites are thus likely to qualify for the added tier of protection of the database right¹⁹⁰.

8.3 Databases: the US

Two cases to come before the courts in the US have considered what protection, if any, was to be accorded to the contents of a database, where those contents were not in themselves sufficiently original to warrant copyright protection. The first was *Feist Publications v Rural Telephone Service*¹⁹¹. In this case the US court found that a list of names and addresses in a telephone directory was factual information (ie. not original), and therefore in the public domain¹⁹². Thus these listings could be freely appropriated by others. However, in the second case, *Pro CD v Zeidenberg*¹⁹³ the court found that the

¹⁸⁸ Database Directive Article 7(1). Database Regulations 14(1).

¹⁸⁹ Since the introduction of the Database Directive there have been several cases throughout the EU, which have found that the database right has been infringed - both in electronic and in paper databases. Germany (District Court of Berlin, 8 October 1998). Berlin-Online database comprising compilation of newspaper advertisements (housing, real estate, cars, jobs etc.). Held: Investment was substantial (including updating and maintenance). Repeated and systematic insubstantial taking amounts to infringement sui generis right. AfP 1999, 649. France (case involving telephone directory piracy). Infringement of sui generis right. Tribunal de Commerce de Paris, judgement of 18.6.1999 MMR 1999, 533. Netherlands (Amsterdam District Court), *KPN v. Kapitol Trading, Informatierecht* / AMI 1999, 7 (Pirating of telephone directory constitutes infringement of sui generis right). With thanks to Joerg Reinbothe DG XV European Commission October 1999 for the information on the above cases.

¹⁹⁰ The first reported case in the UK on the database right, *British Horseracing Board Ltd v William Hill Organisation Limited*, [2001] 2 C.M.L.R. 12; [2001] R.P.C. 31. [2001] EWCA Civ 1268; 24059 2001 WL 825162 will be discussed in part 10.4 of this chapter.

¹⁹¹ 499 US 340 (1991).

¹⁹² The selection and arrangement of this information could qualify for copyright protection if it was in some way original. However, in this case the court found that the listings were presented in such a way that 'utterly lacks originality' at p 1297.

¹⁹³ 86 F 3d 1447 (7th cir 1996).

compiler of a database could use a licence to limit the use to which the unoriginal contents of a database could be put. Pro CD had spent millions of dollars in creating a national directory of residential and business listings, consisting of over 95 million entries, which included full names, addresses telephone numbers, zip codes and industry codes. Pro CD sold these on CD Rom's, subject to a licence which allowed home use of the contents of the database only. Zeidenberg purchased a copy. Using his own retrieval software, he placed a copy on his web site and allowed users to extract up to 1000 entries free of charge. When challenged by Pro CD, the Court of Appeals found that Zeidenberg was bound by the terms of the licence limiting the use of the contents of the CD to personal purposes. The Court said that while no copyright subsisted in the data itself, the terms of the licence were enforceable. Thus, Zeidenberg infringed these terms.

Partly as a result of these cases, and partly because the EU had already introduced protection for the contents of databases, it has been proposed that a regime similar to that found in the EU should be introduced in the US. There were two competing draft bills under consideration, one of which was akin to the EU Database Directive, and one which would have introduced a significantly relaxed regime based on misappropriation of information from the database rather than on granting a property right in the contents. At one time it was thought that one or other may have come to fruition in the 106th Congress¹⁹⁴. But this did not, and has not yet, happened.

However, in the absence of a formal regime for the legal protection of the contents of databases, a new State Act, the Uniform Computer Information Transactions Act 1999 (UCITA) which supports licensing of information that is not protected by copyright, may serve to provide even stronger protection for the contents of databases.

¹⁹⁴ Reichman and Uhler, *Database Protection at the Crossroads: Recent Developments and Their Impact on Science and Technology* 1999, 14 Berkeley Technology Law Journal 793.

http://www.law.berkeley.edu/journals/btlj/articles/14_2/Reichman/html/text.html. discussing EU and US approach and criticising over extensive rights. In Cornish *The International Relations of Intellectual Property* 1993, CLJ 52(1) 46 the author discusses the international problems that are wrought over emulation rather than accretion in the protection of creative works. In particular he argues the choice between the two generally relates to the issue of whether protection is sought over international boundaries (p 55). The example is given of computer programs, accretion, and semi-conductor chip protection, emulation. His conclusion is don't emulate, accrete. However, just this argument is resurfacing over the legal protection of databases, which the EU has done partly by accretion (the structure) and partly by emulation (the contents). This has led to some unfavourable comments by US commentators, and a rush by the US to secure

8.4 UCITA

UCITA¹⁹⁵ grew out of a proposal, made in 1997, to amend the US Uniform Commercial Code¹⁹⁶ (UCC), the most prominent US commercial legislation, by introducing a new article (2B) to facilitate mass-market licensing of information. However, as a result of objections from the American Law Institute (which works with the National Conference of Commissioners on Uniform State Laws with respect to the UCC), the National Conference of Commissioners abandoned proposals to amend the UCC. UCITA is therefore stand-alone legislation. It was adopted by the Commissioners from the National Conference of Commissioners on Uniform State Laws in June 1999; individual States may now choose to adopt UCITA into State law.¹⁹⁷

8.4.1 What UCITA provides

UCITA provides a framework for the operation of licences in the market place¹⁹⁸. Despite the findings of the court in *Pro CD v Zeidenberg*,¹⁹⁹ commentators had doubts whether the contractual terms contained in a shrink wrap licence (those used around a physical product), or click wrap licence (those used on the web), were enforceable against the licensee. There had been debate in the US, with some commentators arguing that courts treated such licences as sales of copies of the intellectual property²⁰⁰, while others denied that courts ever had a problem in enforcing such contracts²⁰¹. This practice of

protection although this has not yet happened. Samuelson *Challenges for the World Intellectual Property Organisation* [1999] EIPR 578 at 585.

¹⁹⁵ Formerly known as Article 2B. For a general overview of the process of gestation see Samuelson and Opsahl, *The Tensions Between Intellectual Property & Contracts in the Information Age: An American Perspective* in F W Grosheide and K Boele-Woelki (eds), *Molengrafica: Europees Privaatrecht* 1998.

¹⁹⁶ The UCC is a body of law in common to most of the 50 States in the US. For details of the process of drafting legislation see <http://www.2bguide.com/bkgd.html>.

¹⁹⁷ Virginia has enacted UCITA <http://www.ucitaonline.com/whathap.html>. There is a hint of a 'regulatory race' in the endorsement of UCITA. '...if the United States, through the States, does not act, the European Union (EU) will. As a unified market for the first time in history, the EU is happily legislating in each of the areas Article 2B covers, while the Article 2B supporters and critics wrangle. If one is comfortable with the EU as a de facto state legislator, or with legal chaos, then there is no need to continue wrangling'. Towle, *The Politics of Licensing Law* 1999, Houston Law Review 36:121 p128.

¹⁹⁸ For a view that these are justifiable on utilitarian grounds see Gomulkiewicz, *The License is the Product: Comments on the Promise of Article 2B for Software and Information Licensing* 1999, 13 Berkeley Technology Law Journal 891.

¹⁹⁹ 86 F 3d 1447 (7th Cir 1996).

²⁰⁰ *Hill v Gateway 2000 Inc* 105 F 3d 1147 1148 7th Cir 1997.

²⁰¹ Nimmer, *Article 2B Preface Meeting the Information Age*.

<http://www.law.uh.edu/ucc2b/1201/pref1201.html>.

Nimmer, *Breaking Barriers: The Relation Between Contract and Intellectual Property Law* <http://www.2bguide.com/docs/rncontract-new.html>.

licensing now covers a variety of other information products, including CD Roms, on-line databases and electronic magazines.²⁰² Some of the contents may be protected by copyright: others may not²⁰³. UCITA now clarifies the position and confirms that this type of licensing practice is acceptable.

UCITA provides that access contracts²⁰⁴ can be used to license computer information²⁰⁵, information, and informational rights. Information is defined as meaning: *'data text images sounds mask works or computer programs including collections and compilations of them,'* while informational rights *'include all rights in information created under laws governing patents, copyrights mask works trade secrets trademarks publicity rights or any other law that gives a person independently of contract a right to control or preclude another persons use of or access to the information on the basis of the right holders interest in the information'.* A computer information transaction is an *'agreement or the performance of it to create, modify transfer or license computer information or informational rights in computer information...'* Those who license 'information' can do so on standard terms which are presumed to be valid unless the terms are found to be unconscionable.

8.4.2 UCITA and databases

There has been much excitement in the US²⁰⁶ over UCITA, and some, but perhaps surprisingly little, comment in the UK²⁰⁷. Perhaps this lack of attention has been because UCITA, when validating the licensing of information, is merely doing by contract what Europe has already done by way of the Database Directive: in other words, to provide a legal framework within which makers can compile databases of information in which there are no underlying intellectual property rights, yet license others to use that

²⁰² For comments see Lemley, *Intellectual Property and Shrinkwrap Licenses* 1995, 68 S California Law Review 1239. *'Software vendors are attempting en masse to opt out of intellectual property law by drafting licensing provisions that compel their customers to adhere to more restrictive provisions than copyright law would require'.*

²⁰³ Nimmer, *The Metamorphosis of Contract into Expand* 1999, 87 California Law Review 17. Samuelson, *Intellectual Property and Contract Law for the Information Age* 1999, 87 California Law Review 1. Lemley, *Beyond Pre-emption The Federal Law and Policy of Intellectual Property Licensing* 1999, 87 California Law Review 111 catalogues provisions of copyright act which are put at risk by contracting behaviour.

²⁰⁴ Access contract means a *'contract to obtain by electronic means access to, or information from, an information processing system of another person, or the equivalent of such access'.*

²⁰⁵ Computer information means *'information in electronic form which is obtained from or through the use of a computer'.*

²⁰⁶ Litman, *The Tale that Article 2B Tells* 1998, 13 Berkeley Technology Law Journal 931 who says the notion that current law enables publishers to make a transaction into a licence by so designating it is dubious. Samuelson *Intellectual Property and Contract Law for the Information Age*, Forward to a Symposium 1998, 87 California Law Review 1.

²⁰⁷ Harvey, *Software Licensing - Changes in US Laws may affect UK Practice* Computers and Law Vol. 10 Issue 5 December 1999/Jan 2000.

information. However, a few significant differences deserve comment. In the EU makers of databases have gained a *sui generis* intellectual property right²⁰⁸ in the contents of the database so long as the prescribed conditions are met²⁰⁹. There is no such right in the information that can be licensed under UCITA. This means that in the EU makers of databases will have a right 'good against the world' (or at least others in the EU). By contrast, in the US, the right is merely contractual, good only against the other contracting party. In the EU any party, subject to the Database Directive, can be enjoined from extracting the whole or a substantial part of the contents. In the US only the party to the contract can be prohibited. It would therefore not be impossible for one party to license information under UCITA which is not protected by copyright, and pass this on to a third party who could then make further use of that information (although the contracting party may well be in breach of a condition in passing that information on to the third party).

On the other hand, it may well be that, by validating the licensing of even the smallest particles of information, the US has gone significantly further than the EU. In the EU the rights of the maker of the database are infringed if a third party extracts or re-utilises the whole, or a substantial part, of the contents of the database²¹⁰. But a third party does not need authorisation to extract and re-use insubstantial amounts of the contents of the database. By contrast, UCITA validates not only the access contracts, but also would appear to allow the licensing of the smallest amount of information contained therein, whether protected by copyright or not.

Finally, US databases, as compilations of uncreative material, may not be protected under either current UK or other European national laws. This is because the database right is not accorded to nationals of territories outwith the EU unless those territories give protection to databases emanating from the EU²¹¹. Thus, as the US currently has no database law protecting EU databases, so the EU does not protect US databases.

UCITA may now mean that US makers of databases will receive significantly greater international protection than EU nationals. Makers in the US have simply to license the information under UCITA, and sue for breach of contract in the event that the

²⁰⁸ Database Regulations 1997 Part 111 para 13.

²⁰⁹ '*A property right (database right) subsists.....in a database if there has been a substantial investment in obtaining, verifying or presenting the contents of the database*' Database Regulations 13.

²¹⁰ Database Regulations 16.

²¹¹ Database Regulations 18.

provisions are infringed. If the law of the contract is US State law, makers can protect the contents of the database internationally, at least as against the licensee.

9. Copyright, databases and the Internet

As the law of copyright, and the law in relation to the protection of databases currently exist, they can, and do, apply to protect creative works and databases disseminated over the Internet²¹². Web sites and web pages consist of all manner of creative and non-creative works and information. One example, based in Scotland, is SCRAM, the Scottish Cultural Resources Access Network.²¹³ The aim behind the creation of the web site is to digitise 'Scotland's heritage'. The site consists of text, photographs, images, pictures, including moving pictures, artistic works and much more. Many other web sites now also contain recordings of interviews, moving pictures and stream music²¹⁴. Some of the works may have existed before the Internet, and have been put in digitised form for dissemination. Others may have been created specifically for Internet distribution. Any one of these individual works might be protected by the existing law of copyright if it attains the necessary level of originality. In addition, each web page and the whole web site is likely to qualify for protection as a database. Substantial investment is likely to have been required to compile the web site, which itself consists of data and information as well as creative works.

A number of cases from around the world have demonstrated that existing laws do apply to protect creative works disseminated over the Internet although some also serve to highlight the difficulties faced by rightholders. The vast majority of this case law has emanated from the US, where Internet penetration is greatest and competitive activity in this sector fiercest. The US is home to industries which have huge investment in the entertainment sector, and own vast portfolios of works protected by copyright, and who therefore have the most to lose should works be freed on the Internet. It may also be

²¹² MacQueen, *Copyright and the Internet in Regulating Cyberspace: A Framework for Electronic Commerce* Edwards and Waelde eds. Hart Publishing 2000. Cornish, *Intellectual Property* para 13-78. Subject to one qualification '*the reproduction and public communication rights in British copyright law seem more than sufficient to meet the requirements of the [WCT WPPT and the Copyright Directive]*'. In the UK, the process of providing new rights for the digital age has been awaiting the finalisation of the Copyright Directive. The House of Commons Trade and Industry Tenth Report noted that the WIPO Treaties have yet to be ratified, and will not be so ratified until the Copyright Directive had been agreed and transposed into national law. It has however, been asserted that '*UK copyright law already provides a sound basis to meet the challenges of new technology*'.

²¹³ <http://www.scran.ac.uk>.

²¹⁴ E.g. <http://www.bbc.co.uk>.

considered as a business strategy that a ruling in the US is likely to influence a ruling from a court in a different country²¹⁵, making it worthwhile to pour resources into fighting cases in the US. In addition, it is in the US that there have already been the most amendments to existing copyright law to try and bring it into line in the digital era. Intermediaries (often in the form of a collective organisation representing the interests of a particular group such as the Recording Industry Association of America (RIAA), on behalf of the music interests, and the Motion Picture Association of America (MPAA) on behalf of film makers) are testing the limits of these 'new laws' to ascertain the extent of control that can be exercised over the Internet as a distribution medium.

The patterns of litigation so far show that isolated infringements (except in odd cases where someone has an axe to grind) are not the target. Rather, it is the ways in which works are disseminated and copied as they travel around the Internet, together with the technology that facilitates this dissemination, that have been the subject of the fiercest battles.

9.1 Copyright washed away: the international nature of the problem

One dispute, which has had a high profile in the media illustrates graphically the problems faced by intermediaries confronted with multiple reproductions of protected works carried out on an individual basis. The dispute concerned Napster, an Internet-based company which distributed software facilitating sharing of MP3 music files on the Internet²¹⁶. Napster made its proprietary MusicShare software available for surfers to download on to computers linked to the Internet. After downloading the software, a surfer could access the Napster system directly from the home computer. The software on the computer interacted with Napster's software held on Napster's servers. When the surfer, who wanted to locate an MP3 file logged on, there was an automatic connection to one of the 150 servers operated by Napster. The surfer entered the name of the artist on the search page. The music files were not located on Napster servers, but held on the computer belonging to another surfer who had downloaded the Napster software. The software provided by Napster indexed the location of music files and matched a request for a particular MP3 file with the location of that same MP3 file on another computer.

²¹⁵ See the approach taken in *John Richardson Computers Ltd v Flanders* [1993] FSR 497 and the comments on this approach by Jacob J in *Ibcos Computers Ltd v Barclays Mercantile Highland Finance Ltd* [1994] FSR 275 at 292.

Once the MP3 file was found, the surfer could download the file directly from the computer on which it is held²¹⁷. Napster said that it did not make any copies of MP3 files on its own servers.

Napster was sued by record companies²¹⁸, and by several individual musicians and bands²¹⁹. On 26 July 2000, a US court ruled that Napster committed contributory and vicarious copyright infringement, and ordered the site to be closed pending full hearing of the case²²⁰. The ruling was immediately appealed, and the temporary injunction lifted on 28 July, again pending full hearing of the case²²¹. On 12th February 2001, the US 9th Court of Appeals found that the activities of those who used Napster to share music files constituted copyright infringement²²². As far as Napster was concerned, the court found that it was liable for contributory copyright infringement because they both knew of the infringing activity and made a material contribution to it. Secondly, Napster was found liable for vicarious copyright infringement because Napster had the ability to supervise the infringing activity, as well as a financial interest in the activity. In Napster's case this test was satisfied because they would at some point in the future be able to gain revenue from exploiting the database containing details of those who used the Napster system. The appeals court remitted the case back to the court of first instance to vary the terms of the original injunction such that the plaintiffs would be required to notify Napster of any material protected by copyright on its system before Napster would require to remove access to those songs. However, Napster was still to monitor the use of the system within its own limits to ensure that users did not gain access to unauthorised material²²³.

After handing down of the amended injunction, there was and continues to be both a war of words, and action between the parties. The RIAA argued that Napster had not disabled access to songs when notified. In return, Napster alleged that RIAA had included in the given details, works in which the copyright was not under control of the

²¹⁶ <http://www.napster.com>.

²¹⁷ See generally *A&M Records Inc v Napster Inc ND Calif.* 239 F 3d 1004.

²¹⁸ A&M Records Inc., Arista Records Inc, Mowtown Recorcd Company LP, Capitol Records Inc, Sony Music Entertainment Inc, Warner Bros. Records Inc, and 10 others. It has been estimated that 317,377 individuals, located all over the world, shared songs by one just one band.

<http://www.napster.com/metallica-notice.htm> <http://www.qlinks.net/items/qlitem7384.htm>

²¹⁹ Metallica and Dr Dre.

²²⁰ *A&M Records Inc v Napster Inc ND Calif.* 239 F 3d 1004.

²²¹ <http://www.bbc.co.uk>.

²²² *A&M Records et al v Napster Inc.* Case 239 F 3d 1004.

RIAA. Napster filed a request for a rehearing and rehearsing of the case²²⁴ but meanwhile closed its service because of the inability to comply with the terms of the injunction. Napster has now been bought by Vivendi. Information on the site states that it hopes to re-open in the Spring with a new fee-paying service.

The storm whipped up by this case is unlikely to die down in the near future. It has prompted much wider questions about the development of the law as it applies to the Internet. In particular it has raised concerns as to whether courts should impede technological progress by requiring that new technologies should be shut down, a move that some consider could have a negative effect on the development of the Internet as a whole. A crucial point arising from the case is that the record companies were able to sue Napster. Had Napster not been liable, the right holders would have been left to sue the individuals who uploaded and downloaded copies of digital musical files onto and from the Internet²²⁵.

However, Napster is not the only technology on the Internet that facilitates copying between individuals. Other systems have been developed which allow peer-to-peer networking where users connect their computers directly from one to another, and swap files between them²²⁶. Such a network does not depend on a centralised indexing system akin to that used by Napster. This means that there does not appear to be any central point which could be attacked by the right holder. Enforcement of rights has thus been seen as one of the greatest challenges for right holders in relation to digital dissemination.

²²³ The amended order was issued on 5 March 2001. C99-05183. MDL No C00-1369MHP.

²²⁴ This step in the procedure not only requests the court to reconsider the findings, but also to vary the terms of the second injunction issued to facilitate Napster's compliance with its terms.

²²⁵ For a flavour of the difficulties that would be faced by right holders see generally the papers relating to the discussions that have been held at WIPO on Private International Law and Intellectual Property Lucas *Private international law aspects of the protection of works and objects of related rights transmitted through digital networks*. Paper GCPIC/1. Lucas, *Private international law aspects of the protection of works and of the subject matter of related rights transmitted over digital networks* Paper WIPO/PIL/01/1. Ginsburg, *Private international law aspects of the protection of works and objects of related rights transmitted through digital networks* Paper GCPIC/2. Ginsburg, *Private international law aspects of the protection of works and objects of related rights transmitted through digital networks* (2000 update) Paper WIPO/PIL/01/2. Austin, *Private international law and intellectual property rights. A common law overview* Paper WIPO/PIL/01/5.

9.2 The hardware

Another target for litigation has been the hardware that makes up the Internet, and those devices by which works disseminated over networks can be copied.

One of the first worries intermediaries faced was the development of a portable device called a Rio, which enabled surfers who had downloaded their favourite music from the Internet to an MP3 file, to copy this file on to the machine from which they could listen to it wherever they happened to be. They could thus 'place shift' the music. The RIAA was concerned about this development because, whereas previously MP3 files could only be listened to on a computer connected to the Internet, now they could be copied and transported anywhere the user wanted. Thus the RIAA sued Diamond Multimedia²²⁷, the makers of the Rio, arguing that a royalty had to be paid to copyright holders in terms of the US Audio Home Recording Act of 1992, which requires a levy to be paid on specified recording devices²²⁸. In addition, that Act requires a recording device to include instructions to prohibit their use to make serial copies²²⁹. The RIAA argued that, because Diamond Multimedia paid no royalties and also failed to install a copy management system, the portable player was an illegal product that would lead to more piracy on the Internet. The US Appeals Court²³⁰ held, however, that the Rio is not a 'digital audio recording device' in terms of the Act, but is rather a computer peripheral. In addition, the court found that the hard drive of a personal computer, on which are made the copies of MP3 files for downloading to the Rio, is also not governed by the Act. The court opined that *'The Rio merely makes copies in order to render portable, or 'space-shift', those files that already reside on a user's hard drive'*²³¹. Thus, no royalty is payable in the US on Rios, and surfers can make copies of lawfully obtained digital files in order to listen to them in a different place.

²²⁶ See for example <http://www.wego.gnutella.com>.

²²⁷ *Recording Industry Ass'n of America Inc. v Diamond Multimedia Sys Inc.* 29 F Supp 2d 624 denying the RIAA's request for a temporary restraining order to prevent distribution of the Rio.

²²⁸ US Copyright Act Title 17 s 1003.

²²⁹ US Copyright Act Title 17 S 1002.

²³⁰ *Recording Industry Ass'n of America Inc. v Diamond Multimedia Sys Inc* 9th Circuit Court of Appeals June 15 1999. <http://laws.findlaw.com/9th/9856727.html>.

²³¹ Compare *Sony Corp. of America v Universal City Studios* 464 US 417, 455 (1984) holding that 'time shifting' of television shows protected by copyright constitutes fair use under the US Copyright Act, and thus is not an infringement.

9.3 Linking

A further target for litigation has been 'linking': the way in which surfers navigate the Internet, moving from one web site to another. In some circumstances, web sites may contain works which infringe copyright. If the owners of the copyright in these works could prevent others from linking to these sites, then onward dissemination could be limited. However, to date, these attempts have not been wholly successful.

One early case arose in Scotland: *Shetland Times Ltd v Wills*²³². The Shetland News, an electronic newspaper based in the Shetland Islands²³³, copied the headlines from the Shetland Times, a hard copy newspaper also based in the Shetland Islands, which had an electronic version²³⁴. The Shetland News used the headlines to link directly to the story on the Shetland Times web pages. The inclusion of the headlines was challenged by the Shetland Times as an infringement of copyright in the headlines, and an infringement under the CDPA as the inclusion of an item in a cable programme service²³⁵. An interim interdict was granted, but just before the full hearing began, the parties reached settlement. The Shetland News was to be permitted to use the headline to link to the story on the Shetland Times web site, but the words 'A Shetland Times story' should appear just below the headline, and a Shetland Times logo should be included close-by²³⁶.

Linking has also been challenged in the US in a rather convoluted case, which perhaps provides an example of someone with 'an axe to grind'. In *Bernstein v JC Penney Inc*²³⁷ Bernstein argued that JC Penney had infringed his copyright in photographs of Elizabeth Taylor by maintaining a link on their web site through which (via several other links²³⁸) copies of the photographs could be viewed. The copies were ultimately held on a server maintained by a Swedish University. It appeared that there was a history of difficult

²³² 1997 SC 316.

²³³ <http://www.shetland-news.co.uk>.

²³⁴ <http://www.shetland-times.co.uk>.

²³⁵ CDPA s 20.

²³⁶ MacQueen, *Copyright and the Internet in Law & the Internet: a Framework for Electronic Commerce*. Edwards and Waelde eds. Hart 2000 p181 at 185.

²³⁷ No 98-2958-R (CD CA dismissal Sept 22 (1998)).

<http://eon.law.harvard.edu/property/metatags/Linking1.html>

²³⁸ Arden pointed to the links that would need to be followed to reach the Swedish web site: from Penney home page to Taylor Passion part of the Penney site; to biography part of the passion site containing information about Taylor; to work on screen; to the IMDB site; to FTP a link on the IMBD; site that took the user to the Swedish site through which she could access the infringing photographs.

relationships between Bernstein and JC Penney. Bernstein had been commissioned to take the photographs for the purpose of advertising Passion Perfume (manufactured by Arden). The agreement had broken down - acrimoniously. Bernstein argued that Penney had deliberately designed the site so that visitors would be able to see the disputed images of Taylor, and thus Penney and Arden would benefit from their use without paying a royalty. The Californian federal judge dismissed copyright infringement allegations.

In Sweden an attempt was made to impose liability on one individual (Tommy Olsson) for running a web site which contained links to music files at other web sites²³⁹. The Swedish court ruled that, since Olsson did not copy, distribute, or spread the pirated music files, he was not guilty of music piracy. The court held that the act of linking, or directing someone to unauthorised copyright music, does not constitute piracy in relation to that copyright²⁴⁰.

It appears to be the general view of courts in different jurisdictions, and of commentators, that linking could not, of itself, constitute an infringement of copyright²⁴¹. However, a recent case from the US indicates that linking may, in certain circumstances, be unlawful under the provisions of the US Digital Millennium Copyright Act 1998 (DMCA). The case in question is *Universal City Studios Inc v Shawn Reimerdes*.²⁴² This case had its origins in Norway where a student, Jon Johansen, wrote a program (DeCSS) which could overcome the encryption (CSS) which limited access to Digital Video Discs (DVD's). The purpose of overcoming the control (it was alleged) was to allow DVD's to be run on the Linux operating system, rather than Windows, for which the DVD's were intended. However, once the control mechanism was overcome, the DVD's could be copied at will. The DeCSS program was copied on to web pages belonging to *inter alia*, Eric Corley (alias Emmanuel Goldstein) at <http://www.2600.com>. The major motion picture studios operated with some speed. A case was brought against

²³⁹ December 1999 the Swedish Court of Appeal (Göta Hovrätt).
<http://www.juridicum.su.se/iti/karc/linking.htm>.

²⁴⁰ *ibid*.

²⁴¹ Burk, *Proprietary Rights in Hypertext Linkages* 1998 (2) *The Journal of Information, Law and Technology* (JILT). http://elj.warwick.ac.uk/jilt/intprop/98_2burk/. Norderhaug/Oberding, *Designing a Web of Intellectual Property*, 1995 *Computer Networks and ISDN Systems*, 27 (6), 1037, 1042. Lemley, *Dealing with Overlapping Copyrights on the Internet*, 1997, 22 *University of Dayton Law Review* 548-585, 565. Hardy, *Computer RAM 'Copies': Hit or Myth?*, 1997, 22 *University of Dayton Law Review* 449. O'Rourke, *Fencing Cyberspace: Drawing Borders in A Virtual World* 1998, 82 *Minnesota Law Review* 609.

²⁴² 111 F. Supp. 2d 294 (S.D.N.Y. 2000). Amended final judgement: 111 F. Supp. 2d 346 (S.D.N.Y. 2000).

Eric Corley and others, who the studios accused of violating the anti-circumvention provisions of the DMCA by making details of the DeCSS code available on the web site, and by linking to other web sites containing the same code. This encryption technique, and the legal protection surrounding these controls will be examined in chapter 4 of this study. However, for this discussion on linking, one of the actions taken by the defendants was to link to sites which contained information about and copies of the DeCSS program. One of the questions to come before the court was whether this technique of linking to sites containing this program was unlawful. The judge in the District court compared the technique of linking to sites containing the program, which itself was unlawful, to the spread of a plague. In these cases, it was not possible to prevent further spread of the disease simply by treating the source. All manifestations had to be controlled. As a result, there are times when linking could be found to infringe the terms of the DMCA. The court said that the relevant factors to be taken into account included whether those responsible for the link knew that the offending material is on the linked-to site; that they knew that it is circumvention technology that may not lawfully be offered; and the link is created or maintained for the purpose of disseminating that technology.

On appeal²⁴³, the main focus of the arguments were directed towards the constitutionality of the DMCA: was the DMCA consistent with freedom of speech as laid down in the First Amendment to the US Constitution? Specifically it was argued that outlawing linking amounted to a content-based restriction on speech, one that if to be upheld 'demand(s) the highest level of scrutiny'²⁴⁴, but the requirements for which were not present in this case.

On the effect of the DMCA, its application to linking and interaction with the First Amendment, the Appeals Court were not prepared to accept that the 'rigorous' test articulated by the lower court was necessary. That Court did however reject the

²⁴³ *Universal City Studios v Eric Corley* US Court of Appeals 2nd Circuit November 28, 2001.
http://www.2600.com/news/112801-files/UniversalBrief_3.pdf.

²⁴⁴ 'If laws must be struck down when they outlaw advocacy of the "duty, necessity, or propriety of violence" (*Brandenburg v. Ohio*, 395 U.S. 444, 447, 89 S.Ct. 1827 (1969)) or the burning of the American flag (*Texas v. Johnson*, 491 U.S. 397, 109 S.Ct. 2533 (1989)), mere reference to a computer program alleged to circumvent copyright or access controls clearly may not be enjoined. The First Amendment does not countenance such a prior restraint'. For full details see Amicus Curiae filed by the Harvard Openlaw forum at <http://eon.law.harvard.edu/openlaw/DVD/amicus.html>.

argument that an *intention* to cause harm was required. Ultimately a choice had to be made between two alternatives:

*'either tolerate some impairment of communication in order to permit Congress to prohibit decryption that may lawfully be prevented, or tolerate some decryption in order to avoid some impairment of communication'*²⁴⁵.

These public policy issues were not for the court to decide, but for Congress. For the purposes of the present case, the Appeals Court found that the lower court's injunction including those parts prohibiting linking to sites containing DeCSS were consistent with the First Amendment. Thus the injunction including that part relevant to the prohibition on linking was upheld.

Although this case does not say that linking itself is an infringement of copyright in the US, it does say that linking to websites which contain information on how decrypt controls that surround creative works can result in liability under the DMCA. It is perhaps only a short step from here to argue that linking to sites which contain works which have been decrypted without permission of the owners is itself unlawful. Although it remains to be seen if this short step will be taken.

9.4 Works made available over websites

Both copying of music and streaming (performance of music which is listened to by surfers, but no copy is made) by web site owners have been the subject of court cases. Once again, examples come from the US. MP3.com, a web site which streams and sells music to surfers, offered a service whereby owners (or users) of CD's could place these CD's in their own CD ROM drive on their computer, tune in to the MP3.com service on the MP3.com website, and transmit data to MP3.com to confirm that they had the CD in their own disc drive. MP3.com compiled its own database of recordings. Once the user had 'beamed' the details of their personal CD's to MP3.com, MP3.com would create an account for the surfer, and allow the surfer to listen to that music on whichever computer they happened to be using at the time. There was no copy made from the surfer's CD. When this was challenged by the RIAA, a District Judge in New York found that MP3.com's copying of the musical recordings to create its database was not

²⁴⁵ *Ibid* n238.

lawful 'fair use' as had been argued²⁴⁶. Thus MP3.com had infringed copyright. As a result, MP3.com have entered into various licensing deals with the music publishers²⁴⁷.

The digitisation and making available of e-books over the Internet has also caused problems specifically concerning the interpretation of contract terms drawn up long before the importance of the Internet as a medium for dissemination was envisaged. In *Random House v Rosetta Books*²⁴⁸, Rosetta Books acquired the electronic-publishing rights to a number of book titles, including works by William Styron, Kurt Vonnegut and Robert Parker. On February 27, 2001, Random House, Inc., filed suit against Rosetta Books²⁴⁹. The suit alleged that Random House owns exclusive electronic rights to the titles and that Rosetta infringed Random House's rights by publishing them electronically. Random House argued that the rights it received from the authors during a period over twenty years previously to 'print, publish and sell in book form' should now be interpreted to include e-books. So the nub of the issue concerns contract interpretation. The stakes were said to be high. It was argued that if the court decided in favour of Random Books, then that company would have the right to exploit a 'new' market in digitising its existing stock of books. Both the authors and Rosetta Books would lose the chance to earn extra income from digital exploitation. If, on the other hand, Rosetta Books won, then the value of the stock that Random House holds could fall dramatically if and when the consuming public determines that it prefers e-books to hard copies. It is also unlikely to be just Rosetta Books and Random House who would be affected by the outcome of the case. Contracts used in the publishing industry tend to be similar as between publishers. The outcome could therefore affect the electronic rights to hundreds of thousands of books industry-wide, and thus determine the shape of the e-publishing business in the future²⁵⁰. In the event, the court decided in favour of Rosetta Books: the right to print and publish in book form did not include electronic publishing rights²⁵¹. The motion for the preliminary injunction was thus denied.

²⁴⁶ *UMG Recordings Inc v MP3.com Inc* US District Court, SDNY (Rakoff J), 4 May 2000. <http://www.gigalaw.com/library/umg-mp3-2000-05-04-p1.html>.

²⁴⁷ MP3.com has apparently reached licensing deals with a number of right holders including Broadcast Music (BMI), one of the two major U.S. organisations that collect music royalty payments. The deal will allow MP3.com to play BMI's 4.5 million compositions on its Web site. <http://news.cnet.com/news/0-1005-200-1823327.html>.

²⁴⁸ Most of the legal documents have been collated at <http://www.rosettabooks.com/pages/legal.html>.

²⁴⁹ In the Federal Court in the Southern District of New York.

²⁵⁰ <http://www.rosettabooks.com/pages/legal.html>.

²⁵¹ 12 July, 2001. <http://www.rosettabooks.com/casedocs/Decision.pdf>

Random House has appealed. Although the appeal has not yet been heard, it is perhaps noteworthy that at least to this point, Random House's share price has not collapsed.

9.5 On-line databases

The law in relation to databases has also come in for scrutiny²⁵². The first reported case in the UK on infringement of the database right was heard in the Patents Court on 9th February 2001 and subsequently appealed. In, *British Horseracing Board Ltd and others v William Hill Organisation Limited*²⁵³ the question to be determined related to William Hill's (WH) extraction and re-use of information about horse racing fixtures from a database compiled by the British Horseracing Board (BHB). BHB compiles a database comprising of information supplied by owners, trainers and others connected with the racing industry, including names of horses, details of registered owners, racing colours and pre-race information. The information is licensed to a number of different organisations, including a company called Satellite Information Services who uses the information for specified purposes, including onward transmission to subscribers, among whom is WH. WH used this data in developing a bookmaking business over the Internet, for which there was no authorisation from either BHB or Satellite Information Services. BHB sued WH for unauthorised extraction and re-utilisation of a substantial part of the contents of its database. The court found that there had indeed been both unauthorised extraction and re-utilisation of a substantial part of the contents of BHB's database, and this was so even if WH changed the data used on its website.

The Court of Appeal²⁵⁴ lifted the injunction granted in the Patents Court but has referred a number of questions to the ECJ. The Court of Appeal broadly endorsed the approach taken by the lower court but was concerned that there had been no definitive ruling to

²⁵² Other countries which have reported cases on the database right include Belgium where a court found that unauthorised copying of a regional 'self-help list' containing the details of all self-help organisations in the French-speaking part of Belgium, and re-utilisation in a national list, constituted an infringement of the database maker's *sui generis* rights. The case involved both paper form and electronic databases. *Union nationale des mutualités socialistes v. Belpharma Communication*. Civ. Bruxelles, cess., 16.3.1999, JT 1999, 305. In the US a similar scenario arose in C-99-21200-RMW *Ebay v Bidder's Edge Inc.* where the US court found that unauthorised extraction from a website constituted trespass to chattels. This case can be compared with *Kelly v Arriba Corp* Case No SA CV 99-560 GLT US DC. Arriba created a visual search engine on the Internet. They did so by sending out 'robots' to reproduce thumb-nail sized copies of images found and compiled these into a database. Surfers could then search the database. Kelly alleged infringement of copyright but the court found that the activity was protected under fair use. Had Kelly argued trespass to chattels, they might have been successful

²⁵³ [2001] 2 C.M.L.R. 12; [2001] R.P.C. 31.

²⁵⁴ [2001] EWCA Civ 1268; 24059 2001 WL 825162.

date from the ECJ concerning the interpretation of the directive. This was made all the more pertinent by rulings from courts in two other Member States, Holland and Sweden. In *NV Holdingmaatschappij de Telegraf v Nederlandse Omroep Stichting*²⁵⁵, the Court of Appeal of The Hague refused to hold that broadcasting listings were apt to attract database right as there was no evidence of substantial investment in their compilation. In *Fixtures Marketing Limited v AB Svenska Spel*²⁵⁶ the Gotland City Court found that although there had been substantial investment in the production of football fixture lists there was no infringement of the database right. The court considered that the right only encompassed 'reprinting or copying the information in the same or a similar compilation'. In other words, the right did not extend to the underlying information.

The actual questions to be referred to the ECJ by the Court of Appeal have, at the time of writing, yet to be drafted, but it appears that they may be quite wide. One of the most important is likely to concern the 'database-ness' of the compilation. Both the lower court and Court of Appeal referred to the argument made by counsel for WH in this regard. This argument was that what is protected by the database right is the 'database-ness' of the collection of information; that is, that the materials are arranged in a systematic or methodical way, and are individually accessible. Any acts which do not make any use of the arrangement of the contents of the database, nor take advantage of the way in which the maker has rendered the contents individually accessible, cannot infringe the database right. In other words, it is not the *contents* of the database that are protected, but the way in which the database is put together. This is a crucial question concerning the protection of databases. Commentators on the database right have generally been of the view that it is the *contents* that are protected by the new right, and not the *form*. As such, the Directive involves a significant expansion of protection in this area. All manner of works, or parts of works which, for whatever reason, do not attract copyright protection could attract database right if the requirements for investment in making the compilation are met. Equally, works which do attract copyright protection can also acquire database protection if incorporated into that type of product. If the ECJ ultimately decides that it is merely the form that attracts protection, it is hard to see how that would add to existing protection. Copyright already subsists in the structure – or viewed another way, the form – of a database so long as it is original. Equally limiting

²⁵⁵ 99/165, 30 January 2001.

²⁵⁶ T 99-99, 11 April 2000. This has now been referred to the ECJ. *Fixtures Marketing Ltd v OY Veikkaus Ab* C 46/02

database right to the *form* would seem to run counter to those Recitals of the Directive that refer to the investment in collating the information. On the other hand, should the ECJ decide that it is merely the form that is protected, the implications for the public domain are positive. The contents of the database would receive no greater protection than already available by way of copyright. The author would merely be prevented from extracting or re-utilising a substantial part of the form.

Another point that arises from the case, for the purposes of the discussion to come, is that BHB appeared to be in a dominant position with regard to the information it collates from the racing fraternity. It seems that the participants in the racing industry are required to make the information available to the BHB as part of the regulation of that industry. In other words, BHB collate facts that have to be given to them as part of a condition of participation. Although this does not make them a monopoly producer of the data, it does put them in a position that might be considered analogous to government departments which collect data from the general population as part of their functions, and which could be in a dominant position in relation to that data. What was not at issue in this case was whether BHB had refused to license the data to WH for the required purposes. What WH were challenging was the right of BHB to license the data. Had the issue been in relation to a refusal to license the data for WH's required purposes, then competition law might have been called in to play to challenge that refusal²⁵⁷. In addition, it would appear that BHB are not themselves involved in the bookmaking business. In other words, WH were not competing directly with the BHB in their use of the information. It is appreciated that this is not a pre-condition of enforcing the database right in UK law, but does perhaps help to explain why at least some US commentators prefer protection of the contents of a database to be based on misappropriation and unfair competition within the same or a similar marketplace²⁵⁸. If that was the case in this scenario, re-use by WH of the information in a non-competing business would not infringe the right. Finally, the court found that WH had extracted and re-utilised a substantial part of the information from the database, and therefore the right was infringed. What was not questioned, but which will be important for future discussion, is how WH might have gained access to the data should they have wished to extract only an insubstantial amount.

²⁵⁷ For further comment see the discussion in chapter 9 of this study.

9.6 Moral rights in the future?

The discussion above on moral rights suggested that, as works disseminated over the Internet are available globally, it might be advantageous if moral right laws could be harmonised internationally. It was, however, noted that this might be hard to attain, given the opposition to moral rights in the Anglo-American traditions. In the absence of such harmonisation, moral right laws found in those countries which support them might still affect those who disseminate works over the Internet emanating from jurisdictions which do not, or do so to a lesser extent.

Two cases dealing with infringement of moral rights arising from the same facts were heard in both the US and French courts during the 1990's²⁵⁹. In the Huston case, the Cour de Cassation acted on the application of the heirs of John Huston, the director of the film *The Asphalt Jungle*²⁶⁰. Huston had signed a contract with the producer of the film in the US, in terms of which he forfeited all rights of authorship in the film. The film, originally made in black and white, was then colourised. Huston's heirs objected. There was found to be no cause of action in the US because Huston had, by contract, forfeited all his rights of authorship, whatever they were. However, when his heirs brought an action in France, the Cour de Cassation upheld the claim, saying that moral right law in France *'protects the integrity of a literary or artistic work irrespective of the jurisdiction in which it was first published, and recognises that the author is invested with the droit moral in that regard by virtue of the sole fact of his creative effort'*²⁶¹. Thus it would appear that, no matter the origin of the work, and no matter that, in another jurisdiction, the author might have waived, or

²⁵⁸ Reichman and Uhler, *Database Protection at the Crossroads: Recent Developments and Their Impact on Science and Technology* 1999, 14 Berkeley Technology Law Journal 793. See also the discussion in chapter 7 of this study.

²⁵⁹ Judgement of April 29, 1959 Cour d'appel Paris 1959 D Jur 402 which sustained Charlie Chaplin's objection on droit moral grounds to distribution of his silent film, *The Kid*, with added musical accompaniment. The court noted that by the operation of international copyright treaties to which both France and the United States are signatories American films enjoy the same treatment as French films under French law.

²⁶⁰ Judgement of May 28 1991 Cass civ 1re 1991 Bull Civ 1 113 No 172 1993 D Jur on remand Judgement of Dec 19 1994 Cour d'appel Versailles 1995 D S Jur (IR) 65.

²⁶¹ 1991 Bull Civ 1 113 No 172 1993 D Jur 197. The Cour d'Appel was presented with evidence of Huston's opposition to colourisation during his lifetime and awarded his heirs damages for the injury to the film's integrity 1995 DS Jur (IR) 65.

contracted out of any moral rights to which she may be entitled, the French courts apply French moral right law to infringements that occur in France²⁶².

If this principle is applied to the Internet, then any author, regardless of nationality, might be able to sue in France for infringement of moral rights that occur in France. Any work that is made available over the Internet and is accessible in France may satisfy this test. Thus authors, concerned about the right of integrity in relation to works made available over the Internet, may be able to use French law to complain of infraction of these rights. Whether such a suggestion could be borne out in practice remains to be seen²⁶³.

10. Summary

Copyright has developed over the past three hundred years, to a point where it is now a key support for thriving cultural and entertainment industries. In this process, a balance has been found between the author, intermediary and user, while at the same time sufficient material has been left in the public domain to ensure that the creative process continues. The trend, over the last twenty years in particular, has been to increase the property right in, and means of control over the dissemination of works²⁶⁴. This has been supported largely by developing economic theories, and the perceived importance

²⁶² Fawcett and Torremans, *Intellectual Property and Private International Law* Clarendon Press 1998 (hereafter Fawcett and Torremans) p 586 classified this as the French courts applying the mandatory laws of the forum. Ginsburg, *Private International Law Aspects of the Protection of Works and Objects of Related Rights Transmitted Through Digital Networks* WIPO paper November 1998 (available as GCPIC/2 on the WIPO website) on the other hand, classified it as the application of a rule of French public policy. Divergent approaches can be seen, comparing US cases with those in France. In *Shostakovich v Twentieth Century Fox Film Corp* 80 NYS 2d 575 (N.Y. Sup Ct 1948) aff'd aff'd 87 NYS 2d 430 (NY App Div 1949) Judgement of Jan 13 1953 Cour D'appel Paris 1 GP 191 (1953) 1953 JCP 11 No 7667 the composers sued 20th Century Fox in New York when the film company released an anti-Soviet film called *The Iron Curtain* using music that was in the public domain. The compositions were in the public domain in the US because the US and the Soviet Union did not, at that time, have an agreement concerning copyright. As the composers lived in the Soviet Union they were concerned about having their reputations mixed with an anti-Soviet film. The court rejected an application for an injunction finding no viable claim under New York law. At the same time in France, the composers filed a complaint with the police resulting in the seizure of copies of the film intended for distribution there. On appeal 20th Century Fox argued that the composers had no rights in their compositions because they had failed to register the copyright. In rejecting the appeal and sustaining the seizure of the film, the appellate court ruled that under French law copyright vested in the composers independent of registration and irrespective of the fact that the Soviet Union did not accord reciprocal protection to French authors and artists. The composers were awarded monetary damages for the prejudice suffered. For a discussion see Gigante *Ice Patch on the Information Superhighway: Foreign Liability for Domestically Created Content* 1996, 14 Cardozo Arts & Entertainment Law Journal 523.

²⁶³ For an in-depth discussion see De Souza and Waelde *Moral Rights and the Internet: Squaring the Circle* forthcoming in 2002, *Intellectual Property Quarterly*.

of intellectual products in global trade. In many countries from both the Anglo-American and Civilian systems, existing laws do extend to the activities that occur on the Internet, and authors and intermediaries alike have been using those laws to enforce rights. As suggested, however, these laws have not been considered by many (in particular intermediaries) to be sufficient to meet the demands of digital dissemination. The arguments used to justify changes to the law of copyright, together with an analysis of the direction of those changes is provided in the next chapter.

²⁶⁴ Many would argue too far. See for example Laddie, *Copyright: Over-Strength, Over-Regulated, Over-Rated?* [1996] 17 EIPR 253.

Chapter 3

Setting the Internet scene

1. Introduction

Although the law of copyright applies to protect digital works disseminated over the Internet, a number of the modes of reproduction and dissemination do not fall neatly into existing legal categories¹. One early question was as to how, in copyright terms, a transmission on the Internet should be defined². Works distributed over the Internet are sometimes said to be pulled from a web site, as when a surfer visits³: at other times the works are actually sent to the user, as when a work is incorporated into an e-mail. The different modes of communication are not quite like broadcasting⁴, or cable programming, because the works can be accessed individually, rather than being made available at the behest of the broadcaster or cable programmer. The concept of reproduction, too, caused some problems. Making a copy of a work on the screen of one computer, and then transmitting it to another such that the work when it arrives is the same, look like reproductions of a work. But often these reproductions are only temporary, and more akin to a performance than to a copy. If so, the work would be protected, but subject to a different regime. To infringe the performing right, a performance has to be in public,⁵ whereas works available on the Internet tend to be accessed in the privacy of a home or an office. It is also unclear as to how the distribution right might operate on the Internet. A copyright owner has the right to issue copies of a work to the public⁶. This right is exhausted after the first sale of a physical object embodying the copyright work, such as a book or a video⁷. How could, or should, this doctrine apply on the Internet if a surfer never obtained a hard copy of a

¹ For a broad discussion on how the Internet breaks down the traditional copyright structure see Dreier, *Copyright Issues in a Digital Publishing World* ISCU Press – UNESCO.

<http://associnst.ox.ac.uk/~icsuinfo/dreier.htm>. See also Dommering, *Copyright Being Washed Away Through the Electronic Sieve. Some Thoughts on the Impending Copyright Crisis*, in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p4.

² The Green Paper on Copyright and Related Rights in the Information Society COM (95) 382 final 19.07.1995.

³ *Shetland Times v Wills* 1997 SC 316.

⁴ CDPA 1988, ss 7 and 9(2)(c). Broadcasting is defined as 'transmission by wireless telegraphy'. As transmission over the Internet currently depends on wires transmission on the Internet is not broadcasting.

⁵ CDPA s19.

⁶ CDPA s 18.

⁷ CDPA s 18(2).

work? Or is the transmission of a work to be categorised as a service, rather than as goods, in which case the exhaustion doctrine would not apply.

These are just some of the areas that had to be considered in relation to the protection of creative works on the Internet: whether the existing rules were sufficient, or if new ones were needed.

1.2 History repeating itself

Three factors are said to have had an impact on the development of protection of literary property in the eighteenth century. These were, first, the *'legal struggle about the nature of property and how the law might adapt itself to the changed circumstances of an economy based on trade.'* Second, *'it was a contest about how far the ideology of possessive individualism should be extended into the realm of cultural production'*. Third, it *'was a commercial encounter, played out in the form of a national contest between England and Scotland in which a deeply entrenched business establishment was challenged by outsiders'*.⁸

In the twenty-first century the battles may not be exactly the same, but they are fought along similar lines. Today, the creative property question concerns first how the law might adapt itself to the changed circumstances of a global economy based on trade. Second, there is an ongoing struggle to find a way in which those who develop cultural products can derive a return from works disseminated over the Internet, whilst ensuring that there is a supply of raw materials available for the creation of new works. And third, it is in the nature of a contest that sees existing business establishments in the cultural and entertainment industries being challenged by new modes of distribution and use⁹.

The purpose of this chapter is, first, to examine the arguments that have been used to support enhanced rights to control works disseminated over the Internet. Second, it introduces three documents that have been of paramount importance in shaping the

⁸ All quotes are from Rose, *Authors and Owners: The Invention of Copyright* Harvard University Press 1993 p92.

⁹ See for example comment by Samuelson, *Questioning the Need for New International Rules in Author's Rights in Cyberspace* 1996 <http://www.firstmonday.dk/issues/issue4/samuelson/>
'The biggest threat that Cyberspace poses for authors and publishers is not how to strengthen copyright law, but how to reinvent their business models so that they figure out how to provide content that will interest potential customers on terms that these consumers find acceptable' p9.

tone of the legislative programme for the protection of works on the Internet. These documents represent the position taken by regulators and policy makers at different stages of the legislative process. The first is the US Report of the Working Group on Intellectual Property Rights as part of the National Information Infrastructure Task Force¹⁰ (NII Report). This document examined the law of copyright in the US as it existed prior to any amendments being made which were directed towards Internet activities. It therefore set the scene and made proposals for subsequent legislative amendments. The second document is the Copyright Treaty negotiated under the auspices of the World Intellectual Property Organisation in Geneva in 1996 (WCT). This Treaty must be incorporated into the domestic legislation of those States which become signatories. The third document is the European Parliament and Council Directive on the harmonisation of certain aspects of Copyright and Related Rights in the Information Society (the Copyright Directive)¹¹. This will apply only to Member States of the EU, which will be required to implement its provisions into domestic law. The third purpose of this chapter is to consider the policy arguments behind the developments taking place and to discuss how the traditional copyright framework is changing as a result.

2. The Voices in the Legislative Debate

Faced with works being 'washed away through the electronic sieve'¹², intermediaries¹³ and lobbyists on their behalf¹⁴ have been active in shaping the legislative debate about

¹⁰ 1995 Intellectual Property and the National Information Infrastructure. The Report of the Working Group on Intellectual Property Rights. ISBN 0-9648716-0-1.

¹¹ Directive 2001/29/EC of the European Parliament and of the Council on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society. The draft which received the most attention was the one on which the Council of Ministers reached political agreement on 8 June 2000. This draft was published on 16 June 2000, document number SN 2696/00(PI) and replaced that published by the Commission on 21 May 1999 (COM(1999) 250 final), OJ 1999, C180/6). The Directive was finally adopted by the Council of Ministers on 9th April 2001 and contains some, but (despite intensive lobbying) few material changes from the draft of 16 June 2000.

¹² A term coined by Dommering, *Copyright Being Washed Away Through the Electronic Sieve. Some Thoughts on the Impending Copyright Crisis*, in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996.

¹³ It appears that the debate was and is being driven by the entertainment industry: the record publishers, publishing houses and film producers who take an assignment of copyright from the author, or who employ the author. These bodies thus own huge repertoires of works protected by copyright.

¹⁴ One body which appears to have been particularly influential is the Global Business Dialogue on e-commerce (GBDe). This is a grouping of heads of companies such as Time Warner and Fujitsu. This group has prepared various 'position papers' on aspects of e-commerce including copyright. They argue for the views represented in these papers to be reflected in the formal

how creative works are to be protected on the Internet¹⁵. The most vociferous have been the publishing¹⁶ and music businesses¹⁷. Literary and musical works are among those that can currently be most easily distributed and copied on the Internet in a form useful to the surfer, and seem to be the products most attractive to those who spend a lot of time surfing the Internet. Other interest groups are represented, but it would appear that they have not had the same influence as the large intermediaries in particular¹⁸. Authors as individuals are heard in the debate, but usually when their interests coincide with intermediaries, and that is when a financial incentive is at stake. The tensions that can appear between these two groups was quite marked in the debate over Napster. The collecting organisations acting on behalf of music publishers and record companies were, and remain, adamantly opposed to Napster. A number of high profile and successful bands, including Metallica and Dr Dre, joined this chorus of disapproval. On the other hand, other musicians, whose works are either not known, or less well known, were keen that Napster should continue to be available to fans to swap their music files. Napster gave them an outlet for their works, despite the absence of any direct financial return from the sharing of the music files.

legislative agenda. The influence of this body should not be underestimated. The EU, in its preparation of the various directives that will have a profound impact on the way in which e-commerce will develop in Europe has been in close contact with this body. This was stated as such at the WIPO Conference on Intellectual Property and E-commerce in Geneva in September 1999. See also Braithwaite and Drahos *Global Business Regulation* Cambridge University Press 2000, who argue that '*global business regulations emerge from various 'epistemic' communities of experts that met regularly all over the world. They have a shared understanding of regulation in any particular sphere that leads them not merely to advise but to direct as well*' p54. Litman *Copyright Non-compliance (or Why We Can't 'Just Say Yes' to Licensing)* 1997, 29 NYU Journal of International Law & Policy 237.
<http://www.msen.com/~litman/no.htm>.

¹⁵ Samuelson *Copyright Digital Data and Fair Use in Digital Networked Environments*
<http://www.droit.montreal.ca/crdp/en/equipes/te.../samuelson.htm> pointing to a symposium held in 1993 by WIPO on '*The Impact of Digital Technologies on Copyright Law*' at Harvard Law School. She comments that an unbalanced approach was taken in the questionnaire, and that no-one who questioned the future of copyright in a digital age was asked to speak.

¹⁶ Clark in various papers including *The Answer to the Machine is in the Machine* in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996.

¹⁷ The Recording Industry Association of America is particularly vocal <http://www.riaa.org>.

¹⁸ See EU Legal Advisory Board (LAB) response to the Green Paper on Copyright and Related Rights in the Information Society adopted by the Commission on July 19 1995. LAB held a meeting of the Intellectual Property Task Force in Luxembourg on 21 September 1995 to discuss the Green Paper. The comments are in the response to be found at <http://www2.echo.lu/legal/en/ipr/reply/intro.html>. '*LAB regrets that the parties invited to express their view at the 'Superhighways' hearing did not include (proportional) representation of major information users, such as libraries, intermediaries, universities, and end users*'.

It is also said that users are represented in the debate, through the reasonably powerful library lobby¹⁹. Few, however, seem to have been arguing on behalf of the future author, who depends on having access to a thriving public domain on which to draw in creating new works. There have been some eloquent protests on behalf of the future author, most notably from the academic community²⁰. But sadly these are often dismissed as authors who have no need to obtain a financial reward from their endeavours, because they are paid by their institutions,²¹ and for whom recognition by peers is more important.

The influence exerted by the intermediaries has had a profound influence in shaping the digital copyright agenda.

2.1 The commentators

The arguments used to justify or criticise the application of copyright to the Internet range across a spectrum.²² At one end, some consider that copyright is irrelevant because creation and exploitation of creative works depends on relations rather than rights. At the other end are arguments that copyright is irrelevant on the Internet because all creative works will, in the future anyway, be protected by digital fences which will allow intermediaries to control, by technical means, each and every reproduction and use of a creative work. Thus the need to rely on the bundle of rights granted by the law of copyright becomes redundant²³. There are a number of shades of difference in between these perspectives.

The view that copyright is irrelevant on the Internet was most eloquently articulated by John Perry Barlow²⁴. Broadly, his argument is that copyright protection for works

¹⁹ Eg SCONUL, based in London and which 'works to improve the quality and extend the influence of the university and national libraries of the UK and Ireland'. <http://www.sconul.ac.uk>.

²⁰ The US academic community appear to be particularly involved in the US legislative process.

²¹ Bell, *Fair Use vs Fared Use The Impact of Automated Rights Management on Copyright's Fair Use Doctrine* 1998, 76 North Carolian Law Review 557.

²² Samuelson describes the views as 'starkly divergent' in *Copyright Digital Data and Fair Use in Digital Networked Environments*.

<http://www.droit.umontreal.ca/crdp/en/equipes/te.../samuelson.htm>.

²³ Schlachter, *The Intellectual Property Renaissance in Cyberspace: Why Copyright Law Could be Unimportant on the Internet* 1997, Berkeley Technology Law Journal Vol 12: Issue 1.

<http://www.law.berkeley.edu/journals/btlj/articles/12-1/schlachter.html>.

²⁴ See also Barlow, *The Economy of Ideas: A Framework for Rethinking Patents and Copyrights*, 1984, 2.03 WIRED 84. Negroponte, *The Bit Police: Will the FCC Regulate Licenses to Radiate Bits?* 1993, 1.2 WIRED 112.

disseminated over the Internet is irrelevant and unenforceable because of the ability to produce perfect digital copies of works on a one-to-one basis. The development of the Internet, and the exploitation of creative material, will involve the creation and development of relationships, rather than enforcement of rights. Barlow uses as an illustration the example of his own success as a songwriter for the band The Grateful Dead. He explains how The Grateful Dead allowed fans to tape their concerts, thus giving copies of their work away for free. Rather than having the effect of reducing income to the group and prompting a decline in popularity, this increased their success hugely. Fans would purchase memorabilia and original CDs (presumably for the better quality), and come to their concerts in droves²⁵. Thus their popularity developed through relationships with their fans, rather than by enforcing rights against them. By analogy, so Barlow argues, such relationships, rather than ownership and enforcement of rights, can be developed on the Internet to the benefit of the intermediaries and authors.

Echoes of this argument can be seen in the writings of Esther Dyson, one-time chair of the Board of Directors of the Internet Corporation for Advanced Names and Numbers (ICANN)²⁶, who argues that:

*'value shifts from the transformation of bits rather than bits themselves, to services, to the selection of content, to the presence of other people, and to the assurance of authenticity - reliable information about sources of bits and their future flows. In short, intellectual assets and property depreciate while intellectual processes and services appreciate'*²⁷.

Because the Internet makes copying so easy, the value of creative works will no longer lie in being able to control reproduction. Rather, it will be found in the add-on services, such as allowing readers to interact with authors over the Internet, or by selling a range of goods associated with the author, or by ensuring that information can be found with ease. Although the writers who sit on this side of the argument are sometimes accused of advocating doing away with copyright on the Internet, this is not the nub of their

²⁵ A similar argument could be made for the release of the CD Rom. Some say that this was a mistake on the part of the record companies as each CD Rom is effectively a master copy. Despite this, since the release of CD Roms, the market has increased exponentially. Sales of recorded music rose from \$3.8 billion in 1983 to \$412.2 billion in 1993.

²⁶ <http://www.icann.org>. ICANN was set up, among other things, to manage the domain name process on the Internet. For a fuller discussion on the formation and functions of ICANN see Waelde, *Trade Marks and Domain Names: There's a Lot in a Name* in Law and the Internet: Regulating Cyberspace Edwards and Waelde eds. Hart Publishing 2000.

position. Rather, it is that copyright may or may not apply, but it is in any event irrelevant, or at least uncertain in application and difficult in enforcement. Rather than concentrating on enforcing rights on the Internet, those who create works should be far more receptive to alternative ways in which business can be done and economic rewards achieved²⁸.

At the other end of this spectrum are those who argue that the technology of the Internet can control and enforce the distribution of creative works. Electronic copyright management systems or 'digital fences' will support ownership rights, and, more importantly, prohibit use and reproduction of work by third parties unless authorised by the copyright owner. There are a number of variations on this view. One is that the law of copyright is not actually necessary at all. Rather, these technical measures are all that is needed to make the property of the intellectual property owner a source of revenue²⁹. What is therefore required are laws to outlaw circumvention of these technical measures³⁰; in other words, making it unlawful to try and defeat the protection. Another variation is that the digital fences themselves should be regulated by law to ensure fairness³¹. This could be done by programming them to conform to the existing law of copyright³². For example, when a work fell into the public domain, this would be programmed into the system to allow free use of that work at the appropriate time. Or, if new laws are chosen to protect creative material in the digital age, then these management systems must be programmed to take these rules into

²⁷ Dyson, *Intellectual Value* <http://www-swiss.ai.mit.edu/6805/articles/int-prop/dyson-wired-7-95.html>.

²⁸ One suspects that the advocates of these arguments would not hesitate to use traditional law of copyright should it meet their ends. Indeed, Barlow has said that if fans started to sell copies of works belonging to the Grateful Dead for commercial return, they would not hesitate to start enforcement action. Ms Dyson distributes a monthly newsletter, but it is by way of hard copy to a limited circulation who pay for the privilege rather than over the Internet. Perhaps she does not trust the Internet as a means of distribution to keep the information confidential. Mann, *Who Will Own Your Next Good idea?* <http://www.theatlantic.com/issues/98sep/copy.htm>

²⁹ Stefik, *Shifting the Possible: How Trusted Systems and Digital Property Rights Challenge us to Rethink Digital Publishing* 1997, 12 Berkeley Technology Law Journal 1.

³⁰ It has been argued that because rights management system containers can be used to lock up information that should be freely available or accessible there should be a right to hack into these systems to get this information Cohen, *Copyright and the Jurisprudence of self help* 1998, 13 Berkeley Technology Law Journal 1089.

³¹ Lessig, *Code and Other Laws of Cyberspace* US Basic Books 1999.

³² *Developments in the Law - The Law of Cyberspace* 1999, Harvard Law Review 1574 (author not cited in article).

account, such as allowing access to information for certain groups, or for the purpose of ascertaining the ideas in the work³³.

In between these positions are a number of other opinions. One is that different zones will develop on the Internet³⁴. On-line communities, such as usenet news groups, will exercise powers of self-governance. Because they are largely unregulatable, they will develop shared norms which will be enforced by members of the community rather than by the legal system. These norms may or may not follow the contours of existing laws, such as copyright. However, because such groups are self-regulated, so they will develop, and manage, their own 'Cyberspace' law. Other zones, such as the web, should be subject to existing rules from the non-Cyber world, with additions applicable specifically to the Internet. These rules can then be enforced, either by traditional means, or by way of dedicated Internet mediation and arbitration systems³⁵.

A number of academic commentators, notably from the US, point out that the law of copyright developed for a purpose: to provide a private incentive to create more works, and to promote the public interest in encouraging the dissemination of works. New rules may be necessary to protect creative works disseminated over the Internet. But the balance found in the existing law should be reflected in these new rules. Thus, there must be limitations on the rights granted to protect works, and the power to inhibit access to these works. Such commentators tend to reflect the view that the law of copyright should apply, but that traditional balances in, and indeed justifications for, the grant of protection are being lost in current legislative developments.

3. The legislative agenda

The three documents to be discussed show how early the agenda became set for the way in which creative works would be protected on the Internet. They exhibit a uniform move towards increasing protection for right holders reflecting a widely held

³³ Lessig has coined the term '*The Code is in the Code*'. Broadly this appears to mean that the laws (code) should be written into the code (programs) that make up the architecture of the Internet. Lessig, *Code and Other Laws of Cyberspace* US Basic Books 1999.

³⁴ Johnson and Post, *Law and Borders - The Rise of Law in Cyberspace* 1996, 48 Stanford Law Review 1367 argue that Cyberspace should be seen as a 'distinct place' for copyright and other laws. This would allow for the development of new forms of copyright suitable for the Internet.

³⁵ Post, *Engineering a Virtual Magistrate System*. <http://www.law.vill.edu/ncair/disres>.
Goldsmith and Lessig, *Grounding the Virtual Magistrate*. <http://www.law.vill.edu/ncair/disres>.

view that the copyright protection of creative works on the Internet is considered an essential element in the globalisation of e-commerce.

3.1 The National Information Infrastructure Report 1995 (NII Report)

The NII Report resulted from an initiative by President Clinton to further his Administration's goals for the National Information Infrastructure (NII) of the USA³⁶. Principles for government action were described in *NII Agenda for Action*³⁷ and *GII Agenda for Cooperation*³⁸. The aim was 'to develop comprehensive telecommunications and information policies and programs that would promote the development of the NII and best meet the country's needs'. The task force was divided into three groups, one of which was the Working Group on Intellectual Property Rights³⁹. The remit of the group was to examine the intellectual property implications of the NII, and make recommendations on any appropriate changes to US intellectual property law and policy⁴⁰. The final report focused primarily on copyright law and its application and effectiveness in the context of the Internet⁴¹.

³⁶ NII refers to the National Information Infrastructure, and is the term used for the Internet in the NII Report.

³⁷ Information Infrastructure Task Force, National Telecommunications and Information Administration, *National Information Infrastructure: Agenda for Action* (Sept. 1993).

³⁸ Information Infrastructure Task Force, *Global Information Infrastructure: Agenda for Cooperation* (Feb. 1995).

³⁹ Chaired by Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, Bruce A. Lehman.

⁴⁰ In the course of its work, the Working Group identified issues in other areas, such as defamation and obscenity, which were considered separately by the Information Policy Committee.

⁴¹ The Committee stated: 'The 'National Information Infrastructure,' as it is discussed in this Report, encompasses digital, interactive services now available, such as the Internet, as well as those contemplated for the future. To make the analyses more concrete, however, the Working Group has, in many instances, evaluated the intellectual property implications of activity on the Internet, the superstructure whose protocols and rules effectively create (or permit the creation of) a 'network of networks.' This reflects neither an endorsement of the Internet nor a derogation of any other existing or proposed network or service that may be available via the NII, but, rather, an acknowledgment that a currently functioning structure lends itself more readily to legal analysis than a hypothetical construct based on future developments' At p8 n5.

The description of current US law in the NII Report has been questioned by some eminent writers. For example: Boyle, *Intellectual Property Policy OnLine: A Young Person's Guide* 1996, 10 Harvard Journal of Law & Technology 47. Ginsburg, *Putting Cars on the Information Superhighway' Authors Exploiters and Copyright in Cyberspace*. 1995, 95 Columbia Law Review 1466. Litman, *The Exclusive Right to Read* 1994, 13 Cardozo Arts & Entertainment Law Journal 29. Loundy, *Revising the Copyright Law for Electronic Publishing* <http://www.leepfrog.com/E-Law/revising-HyperT.html> Copyright issues raised on the Internet in the US are also considered in depth by Hardy in *Project Looking Forward: Sketching the Future of Copyright in a Networked World* (US Copyright Office 1998) final report <http://lcweb.loc.gov/copyright/reports>.

The NII Report is a lengthy document, consisting of 185 pages including annexes. The bulk of the Report is taken up with a discussion of existing copyright law in the USA, identifying the gaps where the existing law might not apply, and making recommendations for reform. Broadly, the committee considered that existing laws applied to digital transmission of creative works. Copyright owners thus had the right to control most unauthorised dissemination, subject to clarifying the definitions of publication and transmission⁴², and tightening up library privileges⁴³. One of the most crucial recommendations was that provisions relating to technical protection measures should be introduced⁴⁴.

In order to implement the proposals in the NII Report, and to deal with obligations arising under the WCT, the Digital Millennium Copyright Act was enacted in the US in 1998⁴⁵. This Act introduces provisions for the protection of copyright management and information systems⁴⁶, deals with Internet service provider liability⁴⁷, permits decompilation of computer software programs for computer maintenance and repair⁴⁸, and deals with ephemeral recordings, distance education, libraries and archives⁴⁹. The passage of the Act allowed the US to deposit its instrument of ratification of the WCT 1996 with WIPO in Geneva in September 1999⁵⁰.

3.2 The arguments in the NII Report for the application of copyright to the Internet

The drafters of the NII Report considered three arguments as to the proper application of copyright in the digital world. The first was that copyright protection should be reduced, because the public wants information to be free and unencumbered, and the

⁴² NII Report p 156 *The Working Group recommends that the definition of 'publication' in Section 101 of the Copyright Act be amended to recognize that a work may be published through the distribution of copies of the work to the public by transmission*.

⁴³ *ibid*.

⁴⁴ *ibid* p 163.

⁴⁵ Digital Millennium Copyright Act 1998 (DMCA).

⁴⁶ DMCA ss 101-105.

⁴⁷ DMCA ss 201-205.

⁴⁸ DMCA s 301.

⁴⁹ DMCA ss401-403.

⁵⁰ A conference also took place on Fair Use, and a final report was produced in November 1998 Final Report to the Commissioner on the Conclusion of the Conference on Fair Use November 1998 ISBN 0-9668180-2-4. The purpose was to develop guidelines for fair uses of works protected by copyright by librarians and educators. The main achievement of this

law should reflect that public interest (the John Perry Barlow argument)⁵¹. The second argument was that copyright protection should be reduced, because copying was so easy: *'Since computer networks now make unauthorised reproduction, adaptation, distribution and other uses of protected works so incredibly easy,, the law should legitimise those uses or face widespread flouting'*⁵². Finally, there was the argument that intellectual property laws of any country are inapplicable to works on the Internet, because all activity using these infrastructures takes place in 'Cyberspace,' which is self-governing and whose members *'will rely on their own ethics - or 'netiquette' - to determine what uses of works, if any, are improper'*⁵³.

Both the second and third arguments were dismissed by the drafters of the NII Report as irrelevant. In reply to the second, it was stated that the ease of reproduction of creative works on the Internet did not mean that such reproduction should be legitimised if not authorised. It is also easy on the Internet to obtain credit card details, to use for on-line shopping; but that does not mean that this should be made lawful. As for the third argument - that Cyberspace is without law - commentators generally agreed that, far from being a law-free zone, the Internet was in fact full of competing laws.

Returning to the first argument, the Committee responded to the view that 'information wants to be free', by saying:

*While, at first blush, it may appear to be in the public interest to reduce the protection granted works and to allow unfettered use by the public⁵⁴, [such an analysis is incomplete]. Protection of works of authorship provides the stimulus for creativity, thus leading to the availability of works of literature, culture, art and entertainment that the public desires and that form the backbone of our economy and political discourse. If these works are not protected, then the marketplace will not support their creation and dissemination, and the public will not receive the benefit of their existence or be able to have **unrestricted use of the ideas and information** they convey⁵⁵.*

The way to ensure that such works are made available to the public is to have *'effective copyright protection'*⁵⁶.

conference was the development of fair use guidelines for educational multimedia. Proposals were also made for fair use guidelines for digital images.

⁵¹ NII Report p 15.

⁵² *ibid* p 16.

⁵³ *Ibid* p19.

⁵⁴ *ibid* p 5.

⁵⁵ *ibid* p 16.

⁵⁶ *ibid* p 17.

In this argument, there are echoes of a number of the traditional justifications for the protection of creative works, in particular the Utilitarian theory⁵⁷. If protection for creative works is granted, so authors will have the incentive to create more such works. In turn the public will be enriched by having *unrestricted use of the ideas and information* encompassed in these works. But the trend is for 'effective copyright protection', that is to say, to increase the rights over the works. There is a move away from the balance between creating a limited incentive for the author, and the public interest in dissemination, to an increase in the property rights. This is more rooted in the economic theory underpinning copyright⁵⁸. But it will be recalled that this theory does not justify the grant of property rights because they provide a limited incentive to create more works, but because such a move is said to be economically efficient.

It would have been useful had the Committee at this juncture entered into a detailed discussion as to whether the current law, or, as things have been moving, increased protection for copyright owners is in fact the best way forward for the development of the use and exploitation of the Internet⁵⁹, or if a new paradigm for the protection of creative works should, or could, have been developed. Despite the influential arguments that preceded the Report, it appears to have been assumed by the drafters of the Report that the law of copyright exists and should be applied to the new medium, and, to the extent that the rights of copyright owners needed more rights to control dissemination of works, these should be enacted. There was never any discussion of the way in which the medium changed the dynamics for the production and dissemination of protected works; or that there might be alternative goals worthy of pursuit rather than protection by copyright; or that copyright *per se* might not be the most generally advantageous method for the protection of works; or that shifting economic patterns might call for alternative methods of protection to be found; or that public and private investment in the method of distribution (the Internet) might require a change to the model with which we have been familiar for many years. There was minimal analysis of the prevailing theories of intellectual property law, as to why and to what extent rights should be granted, and what the balancing factors should be⁶⁰. There were no 'what if'

⁵⁷ For a discussion of the Utilitarian theory, see chapter 2 of this study.

⁵⁸ For a discussion see chapter 2 of this study.

⁵⁹ Boyle, *The Politics of Intellectual Property: Environmentalism for the Net?* 1997, 47 Duke Law Journal 87.

⁶⁰ *ibid* p104.

scenarios as to what might happen if nothing was done and existing laws alone were relied upon. Nor was there any attempt to ascertain whether different balances between author, intermediary and user might be found. There was no consideration of the different elements that make up the Internet as a whole, such as usenet newsgroups, e-mail facilities and the web, each of which has its own characteristics and communities.

Such an analysis might have been difficult when the Report was drafted, as the Internet was then in the relatively early stages of its evolution. A number of the developments that have taken place since could not have been foreseen, such as the dispute over Napster⁶¹, or the development of new technology which allows computers to link to other computers, and extract information directly from those other computers without using information contained on a web site⁶². But very strong legislative commitments have been made to copyright owners, to allow them to protect their business interests. These are far stronger than have been made before in the non-Cyber world. In so doing, the balances to be found in the law of copyright, and the justifications on which such balances rested, appear to have been overlooked.

3.3 International Developments

Two early international agreements concerning the 'digital agenda' were the WCT and the WPPT. WIPO has a number of Committees of Experts. The Committee charged with oversight of copyright and related rights had been discussing, since 1991, a possible protocol to the Berne Convention, to reflect some of the more modern advances in the creation and exploitation of creative works. The Berne Convention had last been revised in 1971 in Paris, since when the Internet had developed.⁶³ These negotiations within the Committee of Experts concentrated for several years on terrestrial concerns. It was only in 1996 that the committee started to focus on the protection of works distributed over the Internet⁶⁴.

⁶¹ This case has been discussed in chapter 2 of this study.

⁶² For an example see <http://www.wego.gnutella.com>.

⁶³ Dixon and Hansen, *The Berne Convention Enters the Digital Age* [1996] 11 EIPR 604.

⁶⁴ For an interesting discussion on the state of play in 1995 see Ficsor, *Towards a Global Solution: The Digital Agenda of the Berne Protocol and the New Instrument*. The paper was presented at a colloquium on 6-7 July 1995 and appears in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996.

3.4 The WCT

The WCT is a relatively brief Treaty, consisting of 22 Articles, and 9 Agreed Statements. A number of the Articles are merely restatements of the existing law⁶⁵. Thus, Article 2 restates the generally accepted rule that *'copyright protection extends to expression and not to ideas, procedures, methods or operation or mathematical concepts as such'*. Other articles were added to clarify the law where there was some doubt about interpretation and inclusion in the existing Treaties. Article 4 provides that computer programs are to be protected as literary works⁶⁶. Yet other Articles introduce a measure of harmonisation into the laws of contracting States, for instance on the right of rental for computer programs, films and phonograms⁶⁷.

There are two real advances concerning digital works. These are contained in Article 8 and Articles 11 and 12, and concern the right of communication to the public, and the protection of technical measures designed to control access to and use of creative works, and rights management information respectively.

It is Article 8 which contains the required measure, separating the work which is protected by copyright from the physical article in or on which it is held. Article 8 provides that:

*'.....authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them'*⁶⁸.

Thus there is no requirement under this article that the work be fixed in any tangible form. Rather it is the *communication to the public* and the *making available* of the literary and artistic work that is a right reserved to the author. The effect of these new rights is to give to the author (or other right holder) not only the exclusive right to authorise when a work will be made available over the Internet, but also the exclusive right over every

⁶⁵ WCT Article 2 concerning the scope of copyright protection.

⁶⁶ WCT Article 4 stating that computer programs are protected as literary works within Art 2 of the Berne Convention.

⁶⁷ WCT Article 7.

⁶⁸ For a full discussion on Article 8 see chapter 5 of this study.

further movement of that work. This, in turn means that the author can licence every further reproduction.

Article 11 contains the requirements relating to the protection of technological measures. It provides:

‘Contracting Parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law’.

This article ensures that where rights holders protect a work against unauthorised reproduction through the use of technology, then it will be unlawful to circumvent that technology to make use of the work. That is unless the action is authorised by the right holder, or the circumvention is permitted by law.

Finally, Article 12 of the WCT provides that where a work is disseminated over the Internet in conjunction with information about that work, for instance the name of the author, or the conditions under which the work may be re-used, then it will be unlawful to remove that information. This article is designed in part to maintain the integrity of the information disseminated in conjunction with the work, but perhaps more importantly, a number of the databases being designed by right-holders depend on such information being automatically available in conjunction with the work. The process of managing rights (and payment) can become almost automatic so long as that information remains reliable.

3.4.1 The balance in the WCT

By contrast with the concerns of the drafters of the NII Report, where the discussion revolved around US law and US interests, negotiations and outcomes at WIPO had to accommodate interests of both Civilian and Anglo-American legal systems⁶⁹. The Berne Convention had always been protective of authors⁷⁰, and one could expect the WCT to

⁶⁹ Although no reservations are to be admitted to the Treaty, there are 9 Agreed Statements. This might suggest that it was difficult to attain international consensus on the terms of the Treaty. For general comment see Reinbothe Martin-Prat and Von Lewinski, *The New WIPO Treaties: A First Resume* [1997] 4 EIPR 171.

⁷⁰ For a discussion on the Berne Convention, see chapter 2 of this study.

reflect the same concerns. Indeed, because the WCT is a special agreement within the meaning of Article 20 of the Berne Convention⁷¹, the focus is on the interests of the author. This is reflected in the preamble to the WCT:

*'Desiring to develop and maintain the protection of the rights of **authors** in their literary and artistic works in a manner as effective and uniform as possible;
emphasising the outstanding significance of copyright protection as an incentive for literary and artistic creation;
and recognising the need to maintain a balance between the rights of authors and the larger public interest, particularly education, research and access to information as reflected in the Berne Convention'.*

There are echoes here of the Civilian approach to protection, in that the focus of protection should be the authors. However, there no reference to moral rights in the WCT, showing that economic concerns were uppermost in the minds of the negotiators.

3.5 The WPPT

Although the focus in this study will be the WCT, it is also worth making brief mention of the WPPT, as the Copyright Directive in the EU is intended to implement obligations found in both Treaties. The WPPT concerns the rights of performers and producers of phonograms⁷². This Treaty provides that performers and producers of phonograms should have the right to authorise fixation of performances, and the rights to authorise reproduction, distribution, rental and, for the Internet, to make available fixed performances by wire or wireless means. Equitable remuneration is to be paid to both performers and producers of phonograms for the direct, or indirect, use of phonograms published for commercial purposes, for broadcasting, or any communication to the public⁷³. Protection for performers lasts until the end of a period

⁷¹ WCT Article 1(1). Article 20 of the Berne Convention states: *'The Governments of the countries of the Union reserve the right to enter into special agreements among themselves, in so far as such agreements grant to authors more extensive rights than those granted by the Convention, or contain other provisions not contrary to this Convention. The provisions of existing agreements which satisfy these conditions shall remain applicable'.*

⁷² Because of the wording of the Berne Convention, WCT and WPPT, performers of audiovisual works lack any explicit protection in the Treaties. Attempts have been made over the past two years to negotiate a Treaty in this area. The latest negotiations ended without any agreement being attained. For a discussion see von Lewinski *The WIPO Diplomatic Conference On Audiovisual Performances: A First Resume* [2001] 7 EIPR 23. Measures similar to those provided for performers were introduced into the EC in Council directive 92/100/EEC of 19 November 1992 on Rental Right and Lending Right and on Certain Rights Related to Copyright in the Field of Intellectual Property.

⁷³ WPPT Art 15.

of 50 years from the end of the year in which the performance was fixed in a phonogram⁷⁴, and for producers of phonograms for 50 years from the end of the year in which the phonogram was published or in which it was made⁷⁵. There are also common provisions concerning technological measures⁷⁶ and rights management information⁷⁷. The separation between the two Treaties follows the paths taken by the Berne Convention and the Rome Convention respectively.

3.6 The EU⁷⁸

The EU has been working on a harmonisation programme in the field of copyright and related rights since 1988. Specifically for the digital agenda, the Commission published an action plan 'Europe's way to the Information Society'⁷⁹ in 1994. This was followed by a Green Paper on Copyright and Related Rights in the Information Society in 1995⁸⁰, and a Follow up to the Green Paper on Copyright and Related Rights in the Information Society in 1996⁸¹.

The latest part of this programme is the European Parliament and Council Directive on the harmonisation of certain aspects of Copyright and Related Rights in the Information Society (the Copyright Directive)⁸². The purpose of this Directive is said to be twofold⁸³. First it will create harmonised legal protection within the internal market in accordance with the EC Treaty. Second it will resolve the uncertainties surrounding the applicability of existing legislation to electronic media. The Copyright Directive is also intended to be the means by which Member States implement the obligations imposed under the WCT and WPPT. However, in some ways it goes very much further⁸⁴, but in other ways not far enough⁸⁵.

⁷⁴ WPPT Art 17(1).

⁷⁵ WPPT Art 17(2).

⁷⁶ WPPT Art 18.

⁷⁷ WPPT Art 19.

⁷⁸ For a general discussion on the EU programme as at July 1995 see Vandoren *Copyright and Related Rights in the Information Society in the Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996.

⁷⁹ COM (94) 347 final of 19 July 1994.

⁸⁰ COM(95) 382 final of 19 July 1995.

⁸¹ COM (96) 568 final of 20 November 1996.

⁸² Directive 2001/29/EC of the European Parliament and of the Council on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society.

⁸³ COM (97) 628 at 3.

⁸⁴ For example harmonisation of the 'fair dealing' rights. See chapter 6 of this study.

⁸⁵ It does not go as far as implementing some of the obligations found in the WPPT. For instance, the Copyright Directive does not deal with the moral rights of performers to be found in

The Copyright Directive deals with both rights of authors and rights of the producers of phonograms, films and broadcasting organisations⁸⁶. In this it differs from the Berne Convention and the WCT where the focus is on the author. The international regime for protection of neighbouring right holders, those who have rights in the media through which authors rights are exploited, has been by way of the Rome Convention. The WPPT dealt with phonograms. The provisions of the Copyright Directive are applicable to both the basic author rights, and to neighbouring rights.

The Copyright Directive contains measures for harmonising the reproduction right, including the temporary right of reproduction⁸⁷; introduces the making available and communication to the public rights⁸⁸ in conformity with the WCT; harmonises the distribution right⁸⁹; seeks to harmonise a number of exceptions to the right, of reproduction, communication to the public and making available to the public⁹⁰; and imposes obligations concerning technical measures and rights information⁹¹.

3.6.1 The balance in the Copyright Directive

Overall, the trend in the Copyright Directive is to increase rights for authors and right holders. The recitals, which were revised many times during the passage of the Copyright Directive through the legislative process attempt to deal with the focus of protection. Even as finally drafted they evidence some confusion as to the *purpose* for this increase.

Recital 9 makes some play of the traditional justifications:

'Any harmonisation of copyright and related rights must take as a basis a high level of protection, since such rights are crucial to intellectual creation. Their protection helps to ensure the maintenance and development of creativity in the interests of authors, performers, producers, consumers, culture, industry and the public at large. Intellectual property has therefore been recognised as an integral part of property.'

the WPPT Article 5. The UK Patent Office are in the course of obtaining views on how these obligations should be implemented into UK law.

⁸⁶ Called 'right holders' in the Copyright Directive.

⁸⁷ Copyright Directive Article 2.

⁸⁸ *ibid* Article 3.

⁸⁹ *ibid* Article 4.

⁹⁰ *ibid* Article 5.

⁹¹ *ibid* Articles 6 and 7.

There is the clear assumption that there must be a 'high level of protection' as the rights are 'crucial to intellectual creation'. There is however, reference to 'authors' and indeed the 'public at large', although it is unclear as to what aspect of the 'public interest' this might be referring to (if indeed it is), as consumers are also specifically mentioned. On balance however, the recitals exhibit a tendency to favour the investment needed to disseminate products over the Internet, rather than the rights of authors: Recital 10 confirms this:

'The investment required to produce products such as phonograms, films or multimedia products, and services such as 'on demand' services, is considerable. Adequate legal protection of intellectual property rights is necessary in order to guarantee the availability of such a reward and provide the opportunity for satisfactory returns on this investment'.

Copyright has always been at least partly about the need for the intermediary to obtain a return on the investment made in bringing the product to the market. But the Copyright Directive goes further, and also suggests that a high level of protection of intellectual property will foster 'substantial investment in..... network infrastructure, and lead in turn to growth and increased competitiveness of European industry, both in the area of content provision and information technology and more generally across a wide range of industrial and cultural sectors. This will safeguard employment and encourage new job creation'⁹².

This would suggest a move away from protecting intellectual products so that more will be produced, to protecting intellectual products so that investment in the Internet will be stimulated, employment safeguarded and jobs created. The inclusion of these external factors makes the overall justifications very different from those traditionally used, focussing on the production of the works themselves.

As with the process of reform in the US, there appears to have been no discussion on potential benefits that could be attained if protection were reduced; no suggestion of possible alternative models for protection and exploitation of creative works; and no consideration of what effect increased protection and control might have on the creative process. What is also noticeable is that any discussion on moral rights has been entirely absent from the process to date, these rather being left to the province of national law⁹³.

⁹² *ibid* Recital 3.

⁹³ Recital 19 of the Copyright Directive states: 'The moral rights of rightholders should be exercised according to the legislation of the Member States and the provisions of the Berne Convention for the Protection of

For an instrument which purports both to harmonise national laws as between Members States, and to implement the terms of the WCT and the WPPT, this omission is marked. Recalling the discussion in chapter 2 of this study, concerning the differences between the Member States, it is in the area of moral rights where it is most noticeable. Particularly for the EU, this might have been an opportunity to discuss the role of moral rights in digital dissemination where the link between the author and the work could be much greater than in the terrestrial world. On the Internet, the author can reach out directly to the consuming public without the need for the intermediary. In this, moral rights may have a significant role to play in shaping the future of digital copyright. However, given the stance taken by the lobbyists representing economic concerns, this was not to be.

4. Observations

A number of observations can be made on these developments. First, these regulatory models are not the only initiatives that have been developing. The Copyright Directive is but one of a series on copyright. It does not deal with every aspect of copyright, just those deemed important to the digital environment. However, their influence has been, and will be, profound. The US and Europe between them support the most active entertainment and publishing industries, and thus those that are particularly affected by copyright issues on the Internet. The US set the agenda in the NII Report. The Copyright Directive will affect domestic legislation in fifteen Member States initially, and a number of others in due course should the Community enlarge. The WCT, where the negotiators were influenced strongly by the debate that had already taken place in the US and the EU, will provide the benchmark for many other countries in the protection of creative works. The 30 instruments of ratification or accession necessary for the Treaty to enter into force have been deposited with WIPO. The Treaty will thus take effect from 6 March 2002⁹⁴. There are likely to be many more. In other words, the broad standard for protection at international, regional and individual State level appears to have been set, and that is for increasing protection. The reason given is to ensure that the Internet will continue to develop apace. This justification does not appear to be rooted wholly in the traditional theories. Even the reasons for granting expansive

Literary and Artistic Works, of the WIPO Copyright Treaty and of the WIPO Performances and Phonograms Treaty. Such moral rights remain outside the scope of this Directive'.

⁹⁴ WCT Article 20.

property rights advocated economic theory do not appear to be at the heart of the argument. The increase in rights granted is not because it is economically efficient for trade in the intellectual goods, but for expansion of the Internet itself. But the Internet is not used only for trade in intellectual products. Many other activities take place there, including general e-commerce, whether business to consumer, or business to business. It is not easy to understand the reasoning that equates a rise in property rights in intellectual products directly with the desire to expand the distribution system through which they are disseminated. A similar argument might seek to justify granting rental rights in videos and computer programs so that rental shops would thrive.

Second, it might have been the hope of some that by attaining agreement in international treaties, so national laws would be harmonised internationally. However, this is unlikely to happen in practice. In most Contracting States, the Treaties must be implemented into domestic law to take effect. For the Member States of the EU, the mode of implementation is the Copyright Directive. Individual Member States have to transpose this into national law. In other words, for many Contracting States there are at least two legislative hurdles to overcome before the provisions take effect. These are then interpreted, in most cases, by national courts (subject to the European Court of Justice being the final arbiter in matters of Community law). In other words, there are layers of negotiation, interpretation and application before the spirit of the Treaties are actually applied in practice. If one compares the US Digital Millennium Copyright Act 1988 and the Copyright Directive, which are both intended *inter alia* to implement the same provisions of the same Treaties, many differences are apparent⁹⁵. The question is whether these provisions will mesh when put to use.

Third, the desire of Governments and intergovernmental bodies to regulate in this field is worthy of comment. Looking at the dates at which the initiatives were commenced, the US was very quick off the mark with the formation of the Committee responsible for the NII Report in 1994. Some commentators have noted that the aim of the Clinton Administration was to have the report and legislation completed quickly in order to give little time for consideration and reflection. In the event there was a

⁹⁵ For example, the US has not introduced a specific 'making available' right as mandated by the WCT Article 8, arguing that domestic law already covers this obligation. For in depth discussion see chapter 6 of this study.

lengthy legislative process which has been subject to much criticism and comment⁹⁶. In addition, the aim seems to have been to 'provide strong guidance as to where others should go'⁹⁷. To be the first to regulate in this area meant that others, when considering their own legislation, would have little choice but to follow the lead given. In so doing, the views of eminent commentators that such action may be pre-emptive and that the US should wait and see how the Internet develops to determine whether legislation was in fact necessary were ignored⁹⁸.

Finally, where is this leading? The WCT, the WPPT and the Copyright Directive represent an attempt at a marriage between two systems for the protection of creative works, ie. the Anglo-American and Civilian, and differing justifications for protection. The result seems to be a move away from the traditional ideas of balancing private and public interests to an emphasis on private property rights because, so it is argued, they support the development of the Internet. One difficult problem is that because the development is not rooted in traditional theories, so it does not reflect the traditional balances to be found in copyright law. The question then is what this rise in property rights and control over dissemination leaves in the public domain and free for authors to use in authorship.

Over the following chapters the possible effect that the implementation of this programme may have on the public domain, and thus on authorship, will be analysed.

⁹⁶ Samuelson, *The Copyright Grab* 1996, Wired 134.

⁹⁷ *Ibid.*

⁹⁸ Lessig, *The Laws of Cyberspace* Essay presented at the Taiwan Net 98 conference in Taipei March 1998.

Chapter 4

Constructing the Enclosures

1. Introduction

It has been argued that existing copyright law contributes to authorship by leaving parts of works 'free' for re-use, or as it is more often termed known, in the public domain. The purpose of this, and the following chapters, is to analyse what is happening to the public domain on the Internet. In this chapter the issues surrounding the development and legal protection of the technical control systems, or digital fences, that can make *access* to those parts of works in the public domain difficult will be highlighted. The ensuing four chapters will analyse the substantive parts of the public domain, comparing the existing law with the proposals and amendments that have been made for the digital era, and discussing the difficulties surrounding *use* of the public domain.

2. Digital Fences

The controversy surrounding the development of 'digital fences' is well summed up in the following quotation:

'There will be a continuing technological struggle between content providers, their customers, their competitors and future creators. Obviously it will sometimes be in the interest of content providers to make it as hard as possible for citizens to exercise their fair use rights. They will try and build technological and contractual fences around the material that they provide, not just to prevent it from being stolen, but to prevent it from being used in ways that have not been paid for, even if those uses are privileged under current intellectual property law....The technical means of doing this can be thought of as digital fences. Sometimes those fences will be used to stop clear violations of existing rights. Sometimes they will be used to enclose the commons or the public domain... Thus by making it illegal or impractical for me to go around through or over the fence, the state adds its imprimatur to an act of digital enclosure.....information is guarded by digital fences which themselves are backed by a state power maintained through private systems of surveillance and control'.

¹ Boyle, *Foucault In Cyberspace Surveillance, Sovereignty, and Hard-Wired Censors* 1997 <http://www.wcl.american.edu/pub/faculty/boyle/foucault.htm>. See also, Mackaay, *The Economics of Emergent Property Rights on the Internet* in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p 15. Lessig, *Commons and Code* Keynote Speech Given at a Conference on Media Convergence at Fordham Law School New York 9 February 1999. For the views of publishers see Clark, *The Answer to the Machine is in the Machine* in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p 139.

2.1 How digital fences work

'Digital fence' is one term used to describe a technological protection system developed for the purpose of controlling access to, and use of, a work, or database, distributed over the Internet. Other terms used to describe the same product include electronic copyright management systems, and rights management containers. The term 'digital fence' will be used in this study however. Digital fences range from the relatively simple system of watermarking creative works, to much more complex products, which involve both the creative work and the hardware through which it is disseminated.

Digital fences have been used for many years, particularly in association with music CD's and software. In order to ensure that unauthorised copies of music or software cannot be made, right holders have included technological protection systems on the CD ROM or disk containing the music or software. These digital files contain instructions which will allow only a certain number of copies (if any) to be made from the original product, or from copies of the original. Right holders are developing new and sophisticated types of digital fences, specifically targeted at dissemination of creative works on the Internet. The purpose is to protect against the perceived and actual threats posed by digital technology². The ultimate aim of those who develop these digital fences is to allow the right holder to prevent indiscriminate and widespread unauthorised copying of creative works on the Internet and to charge for access and copying.

With the advent of the Internet, different types of digital fences are developing apace. One method is the simple, but widely used, practice of digital watermarking. This is a technique whereby encrypted information is incorporated into a digitised work, or some alteration of a work is effected which is not visible to the naked eye. A surfer is unable to remove or change the alteration. This system allows the intermediary to track and identify unauthorised copies of the original work. Unauthorised copies, which may be

² Dreier, *Copyright Issues in a Digital Publishing World* ISCU Press - UNESCO
<http://associnst.ox.ac.uk/~icsuinfo/dreier.htm> for the view that protection against misappropriation will essentially consist of measures against illegal decoders and devices circumventing access controls.

available on the Internet, can be detected by sending out 'robots' which trawl through content of web pages. If an infringing copy is found, the right holder may require the Internet Service Provider (ISP) on whose server it is located to remove that copy³.

Copies that have been downloaded from the Internet, and which circulate amongst users, will be capable of detection, as the right holder will be able to discover the digital alteration to the work⁴. Thus, digitally watermarking a work tends to be a method of ascertaining after the event when unauthorised reproductions are made, rather than being a means whereby infringing uses can be prevented in the first place⁵.

Much more sophisticated are the digital fences which prevent access being obtained to a work in the first place, if authorisation is not given, and which thereafter licence use of that work on certain terms and conditions. A number of elements are apparent in the composition of these digital fences⁶. The first is a database which contains information about the work. This may include the name of the author, the copyright owner, the work being protected, and other information necessary to authorise a third party to use that work for a specified purpose. The database may also contain the conditions on which a licence may be granted to use the work⁷. Such consent may be either on a case-by-case basis⁸ or collective licence⁹. An extension of this system, and the most

³ In Europe, the E-Commerce Directive (COM (1999) 427) (E-commerce Directive) (which was due to be transposed into the laws of Member States by January 17 2002), broadly provides that an ISP will not be liable for transmitting, caching or hosting material so long as it is expeditiously removed if the ISP knows, or becomes aware that any type of substantive law is being infringed. For a discussion on the effect of these provisions in practice see Bortloff and Henderson, *Notice and Take Down Agreements in Practice in Europe. Views from the Internet Service Provider and Telecommunications Industries and the Recording Industry* WIPO Paper 1999 OSP/LIA/3 available on the WIPO website. In the US similar provisions (but relating to copyright only) are to be found in the Online Copyright Infringement Liability Limitation Act incorporated as Title II of the DMCA. For a discussion see Oktay and Wrenn, *A Look Back at the Notice - Takedown Provisions of the US Digital Millennium Copyright Act One Year After Enactment* WIPO Paper 1999 OSP/LIA/2 Available on the WIPO website.

⁴ Ordnance survey maps are protected in this way. SCRAN also uses digital watermarking in its products.

⁵ Digimarc & Copyright Protection http://www.digimarc.com/applications/copyright/copyright_in.html explaining the ways in which digital watermarking of online content enables copyright owners to find unauthorised copies of their work online and to prove, with the watermark, that the copies originated from their work.

⁶ Gervais, *Electronic Rights Management Systems* WIPO/EC/CONF/99/SPK/10-A Available on the WIPO website.

⁷ There are currently several initiatives underway to standardise the type of information that is required for such a database (metadata) These include the INDECS project sponsored by the EU. The instructions will be implemented by software. For full details see Commission staff working paper on *Digital Rights* Brussels 14 February 2002, SEC(2002) 197. The new version of Windows Media 7 apparently contains instructions to limit copying of music files. EMI have launched a number of new products in conjunction with this software. <http://www.bbc.co.uk>.

⁸ CDPA Chapter V provides that copyright can be both licensed and assigned.

advanced, relies on the database and licensing system described above, but also incorporates the hardware (e.g. the computer, the modem, the printer) in which special semi-conductor chips are incorporated. These systems are called by some 'rights management containers'¹⁰, because the container placed around the work (the © chip) automatically performs a number of functions. It can control access to the work protected by copyright. It is capable of encrypting and decrypting the content. The content itself (the work protected by copyright) is useless outside the container because it is encrypted, and only the container has the key¹¹. The container can store precise instructions detailing which uses to permit, and which to deny¹². Because the instructions are in the container, which must be passed through every time the content is accessed, the right holder can maintain complete control over every interaction between the surfer and the content¹³. In time, it is anticipated that these digital fences will incorporate a payment system, so the user can be automatically charged, and pay, for each use of a protected work¹⁴.

These comprehensive digital fences are currently being developed¹⁵. Because the © chip needs to be inserted into the hardware, negotiations are on-going between various branches of the creative industries and makers of the hardware to develop common

⁹ Many copyright owners licence or assign rights to one of the collecting societies to administer on their behalf. For example, the Copyright Licensing Agency acts on behalf of publishers and authors in relation to photocopying in large institutions such as companies and Higher Education Institutions.

¹⁰ Stefik, *Trusted Systems* Special Report Scientific American March 1997.

<http://www.sciam.com/0397issue/0397stefik.html>. Pareles, *Trying to get in Tune with the Digital Age; Recording Industry Seeks a Standard for Distributing Music on the Web* Northern Light Business Research Centre New York Times February 1, 1999. Reprinted in Northern Light.

<http://www.nytimes.com/partners/microsites/dec/n1/223/standard.html>.

¹¹ For an explanation of cryptography see Hogg, *Secrecy and Signatures Turning the Legal Spotlight on Encryption and Electronic Signatures* in Law and the Internet: A Framework for Electronic Commerce Edwards and Waelde eds Hart 2000.

¹² Gimber, *Some Thoughts on the Implications of Trusted Systems for Intellectual Property Law* 1998, 50 Stanford Law Review 1671.

¹³ Stefik, *Shifting the Possible: How Trusted Systems and Digital Property Rights Challenge us to Rethink Digital Publishing* 1997, Berkeley Technology Law Journal Vol. 12 Issue 1.

¹⁴ For a discussion on payment systems see Miller, *Payment in an On-Line World* in Law and the Internet: A Framework for Electronic Commerce Edwards and Waelde eds Hart 2000.

¹⁵ Clark, *Net Law, A Cyberspace Agenda for Publishers* WIPO/EC/CONF/99/SPK/12-B available on the WIPO website.

standards, through which the components necessary for each part of the system can be integrated, and the works behind the digital fences exploited¹⁶.

If these digital fences work effectively, the complex rules surrounding international litigation of infringement of works on the Internet would not be needed, or at least not to the extent that they are at present in disputes such as those surrounding Napster¹⁷. Creative works could not be uploaded and disseminated without consent because the hardware and the software that make up the Internet, combined with the instructions incorporated in the works themselves, would make such copying impossible. However, a number of complex, interrelated issues arise in relation to the development and use of these methods of protection.

The first is to what extent these fences should be protected by law against an act of circumvention. The question concerns intermediaries because, without legal protection against circumvention, the controls might be worthless once a work is disseminated on the Internet. The question also concerns authors, as a result of the effect the digital fences can have on both access to, and use of, the works behind the fence, in particular the public domain. A second problem arises because the digital fences do not just control unauthorised dissemination of a work. They also control access to that work. Access can then be denied, perhaps on the basis that the work is confidential, or to prevent a competing business from developing. Access can also be conditioned on payment: not only for the first time that a work is viewed, but for every time thereafter. Payment could also be required for each and every distinct act carried out with that work: for instance, viewing on a screen, copying insubstantial parts of a work directly from that work, saving a copy in the hard drive of a computer, or printing out a copy. Thus, controlling access could prevent works and parts of works from falling freely into the public domain. A third issue then arises. Because the digital fence controls access to a work which is available over the Internet interaction on a one-to-one basis generally occurs. Therefore, the right holder can contract directly with the surfer. Contractual

¹⁶ An article by Marks and Turnbull, *The Intersection of Technology, Law and Commercial Licenses* [2000] EIPR 198 describes the extent to which technical protection measures have been developed, and illustrates the extent to which intermediaries perceive these measures will control copying of works over the Internet.

¹⁷ See the discussion on Napster in chapter 2 of this study.

terms and conditions may accordingly be deployed to govern both access to, and use of, a work. Such terms might limit the use that can be made of the work once accessed. For example, a would-be author may be prohibited from using the work for the purpose of criticism and review.

The ultimate aim of those involved in the development of digital fences appears to be that all works disseminated over the Internet, and all hardware that makes up the Internet, will incorporate the means by which dissemination can be controlled. Obviously there will always be some works disseminated without authorisation, and without technical controls. Some individuals may find it a challenge to release works without permission others may do so in ignorance. However, as the elements that make it possible to exert control over works become more widespread, the circumstances in which it is feasible to disseminate works freely may well be curtailed.

The focus of the discussion in the next part of this chapter will be on the legal rules developed to prohibit circumvention of digital fences, and the tension this produces between questions of publication and confidentiality. The further problems that arise, over use of materials in the public domain relating to the difficulties in obtaining access to a work, and licensing controls limiting use, will be considered in the following chapters.

3. Legal protection of digital fences

Despite continuing scepticism from commentators¹⁸, digital fences have been the subject of a raft of legislative measures at international, national and regional level.

¹⁸ *'Let content producers build their technical fences, but do not legislatively re-inforce them until experience proves the existence of one or more abuses in need of a specific cure'*. Cohen, *Some Reflections on Copyright Management Systems and the Laws Designed to Protect Them*. 12 Berkeley Technology Law Journal. 161 p 169. See also MacKaay, *The Economics of*

3.1 Standards of protection

Three different standards of protection for digital fences could be envisaged. The first might outlaw any person circumventing that digital fence for a purpose not permitted by the law of copyright. For instance, if the purpose of overcoming the digital fence was to make a copy of the work to distribute to others without the right holder's authorization, that would not be lawful. However, if the aim of overcoming the fence was to make a copy for the purposes of research and private study, i.e. a permitted use under copyright law, then such circumvention might be allowed. So circumvention would be permitted, so long as the contours of copyright were followed. This standard is reminiscent of the cases that have arisen challenging technology which facilitates copying works protected by copyright. In the UK, manufacturers of double headed tape recorders have been found not to be liable for authorising infringement of copyright, despite such copying being facilitated by these machines. One crucial factor was that substantial non-infringing uses were possible with the equipment¹⁹. A similar test chosen for protection of digital fences might suggest that so long as circumvention, or a device or technology which facilitated circumvention, was for a lawful purpose, then it should be permitted.

A second, and stronger, standard would be to prohibit the act of circumvention altogether, whatever the motive²⁰. This test would focus on the access control to the underlying work. In choosing this type of standard there may be implications for the creation of new works, because those parts of creative works which lie in the public domain would, along with the rest of the creative work, be subject to the same restrictions on access.

A third standard, and the strongest, would be to prohibit not only the act of circumvention, but also the making or circulation of any device which might be designed to overcome both access to the work, and controls determining the underlying use of the work, no matter the motive of the user. In this, both the anticipatory act of circumvention, such as the development of a program designed to decrypt the controls on access to and use of the

Emergent Property Rights on the Internet in The Future of Copyright in a Digital Environment Hugenholtz ed. Kluwer 1996.

¹⁹ *CBS Songs Ltd v Amstrad Consumer Electronics plc* [1988] AC 1013. For the US see *Sony Corporation v Universal City Studios* 464 US 417 (1984).

work, would become unlawful. The focus would no longer be merely on the act of circumvention itself.

The stronger the test adopted for protection in the interests of the right holder, the more difficult it might become for the author to gain access to, and subsequently to use, materials in the public domain for authorship. The WCT, the NII Report and the Copyright Directive all contain measures which relate to the protection of digital fences, but provide for different levels of protection.

3.2 The WCT

During the negotiations leading up to the finalisation of the WCT in 1996, the concerns of right holders and authors in relation to the protection of digital fences were brought to the fore²¹. One faction suggested that the standard appropriate for the protection of digital fences was to outlaw technologies the primary purpose or effect of which was to circumvent technical protection measures. Thus the standard of protection would be at its strongest, and focus on the technologies which might facilitate circumvention, rather than on the act of circumvention itself. This suggestion proved to be highly controversial. One of the criticisms was the potential effect that such a measure would have on access to materials in the public domain. Delegates considered that adopting such a standard might have meant that the right holder could prevent any access to a work, including access to a work to exercise one of the fair dealing limitations, or obtain other material in the public domain²². A second concern was voiced by representatives of the consumer electronics industry. If legislation outlawed technologies which made circumvention possible, this could serve to place limitations on the products, and parts of products, developed for the consumer market. At its most extreme, the cut and paste function, vital to a word processing application, might be considered a technology

²⁰ E.g. CDPA s 296.

²¹ For comment see Vinje, *The New WIPO Copyright Treaty: A Happy Result in Geneva* [1997] 5 EIPR 230 at 234.

²² These are the same arguments that were raised before the drafters of the NII Report.

which could circumvent a technological protection measure, because it allows the user to copy works protected by copyright²³.

As a result of the negotiations, the most relaxed test for protection was agreed for the WCT, which now provides:

*'Contracting Parties shall provide adequate legal protection and effective legal redress against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorised by the authors concerned or permitted by law'*²⁴.

In addition, the WCT obliges contracting parties to provide: *'effective legal remedies against the facilitation or removal or alteration of electronic rights management information or to distribute copies of works on which such information has been altered'*.²⁵

The focus is thus on the act of circumvention, and not on the technologies which might make circumvention possible. In addition, the test relates to what is not 'permitted by law'. This would suggest that it would be permissible to circumvent a digital fence if the purpose was to access materials that lay in the public domain.

3.3 The US

In the NII Report it was argued that digital fences should be protected by law because it was in the public interest to do so. The nub of the argument was economic. The public interest equates to the price at which access can be lawfully gained to a work. Because consumers of works protected by copyright pay for the acts of infringers (in the sense that there is a consequential uplift in price), so the price will fall if such infringement were

²³ Although for the test articulated, the cut and paste function would not have its 'primary purpose or effect' the overcoming of technical protection systems. The electronics industry representatives were concerned at what the introduction of strong protection against devices which controlled copying might have on their freedom to design gadgets for the consumer market. Browning, Africa 1 Hollywood 0 5.03, 1997, Wired 61 186. *'Japan and other nations were up in arms about proposals that would effectively have turned the consumer electronics industry into a branch of publishing'*.

²⁴ WCT Article 11 Obligations Concerning Technological Measures.

²⁵ WCT Article 12 Obligations Concerning Rights Management Information. Right management information means information which identifies the works, the author of the work, the owner of any right in the work or information about the terms and conditions of use of the work and any number or codes that represent such

less possible. This, in turn, would allow the public to have access to more works protected by copyright, because the price would be lower²⁶. As has been suggested in the introduction to this study, this argument is unobjectionable. Right holders need to obtain an economic return from the exploitation of creative works, or fewer would be produced. It is in the interests of consumers that there are as wide a variety of works available on the market place as possible, at a reasonable cost. When the actual cost of distribution of creative works on the Internet is low, then by protecting access to those works, so many consumers can each contribute a little to the costs of production. So ultimately the price for the individual consumer may fall, while at the same time plenty of new works should be created, giving the consumer yet more choice.

But the focus of concern in this study is on the author. In response to the concerns of *authors* requiring access to material in the public domain, the NII Committee argued that, while technological protection may be applied to copies of works in the public domain, such protection attaches only to those particular copies, and not to the underlying work itself²⁷. Therefore protection of digital fences was justified because it was not the work *per se* that was the subject of protection. So, by contrast with the approach taken in the WCT, the NII Committee suggested the strongest standard should be adopted. The focus was to be on outlawing circumvention for the purpose of obtaining access to a work. In addition, the Committee suggested that there should be a broad ban on products that could be used to circumvent digital fences.

Prior to the finalisation of the WCT, the NII Report proposed that the US Copyright Act be amended to include *'a new Chapter 12, which would include a provision to prohibit the importation, manufacture or distribution of any device, product or component incorporated into a device or product, or the provision of any service, the primary purpose or effect of which is to avoid, bypass,*

information when any of these items of information is attached to a copy of a work or appears in connection with the communication of a work to the public.

²⁶ Although in Kenya, the high price apparently means that pirates can copy software protected by copyright! *Microsoft lost the first software piracy case in Kenya as the defendant admitted copying Microsoft software but argued that the high prices in Kenya were unfair. A Commercial Court in Nairobi apparently accepted the argument and dismissed the case'* <http://www.theregister.co.uk/000214-000001.html>.

²⁷NII Report p 164 n 567. *'Copies of the work in the marketplace free from copyright protection could be freely reproduced (and, in fact, the lower distribution costs of the NII may encourage increased availability of public domain works). Further,*

remove, deactivate, or otherwise circumvent, without authority of the copyright owner or the law, any process, treatment, mechanism or system which prevents or inhibits the violation of any of the exclusive rights under Section 106 [of the US Copyright Act]’.

Despite the more relaxed approach adopted in the WCT, the US Administration remained enamoured of the rigorous approach suggested by the NII Committee. The provisions have been enacted in Chapter 12 of the Digital Millennium Copyright Act 1998. Broadly, the relevant section provides, firstly, that no person shall circumvent a technological protection measure that effectively controls *access* to a work protected under the Act²⁸. The focus here is thus on the act of circumvention which would facilitate *access* to a work protected by copyright. The second part prohibits trafficking in devices or services for circumventing technology measures that control *access*²⁹. Here the focus is on the *device* or *service* which would serve to facilitate access. The third part prohibits trafficking in devices or services for circumventing technology measures that protect the rights of a copyright owner. Thus, this part focuses on devices which might prevent or inhibit the copying of a work³⁰.

3.4 The EU proposals and debate

Initially it appeared that history was repeating itself in the debate in the EU over the protection of digital fences, in that the strongest standard of protection was favoured³¹.

technological protection that restricts the ability to reproduce the work by technical means does not prevent reproduction by other means (such as quoting, manually copying, etc.)’.

²⁸ Digital Millennium Copyright Act s 1201(a)(1).

²⁹ Digital Millennium Copyright Act s 1201(a)(2).

³⁰ Digital Millennium Copyright Act s 1201(b). There has been a storm of criticism over the potential effect of these provisions. E.g. Ginsburg, *Copyright Legislation for the Digital Millennium 1999*, 23 Columbia VLA Journal of Law and the Arts 137 on the fact that it is an offence to circumvent the controls. Boyle, *Foucault in Cyberspace Surveillance, Sovereignty, and Hard-Wired Censors* 1997.

<http://www.wcl.american.edu/pub/faculty/boyle/foucault.htm>

³¹ The EC has already implemented a directive concerning circumvention of technical access controls. Directive 98/84/EC on the Legal Protection of Conditional Access Services. This Directive (the date for transposition into national law was 28 May 2000) requires Member States to prohibit and provide sanctions against the manufacture and commercial dealing in illegal decoders, smart cards and the like. Draft Regulations are currently being discussed. These Regulations would replace the existing s 297A of the CDPA with a new section that would make it a criminal offence to make, import, distribute, sell let for hire, offer or expose for sale or hire, have in ones possession, install, maintain or replace for commercial purposes or advertise for sale any unauthorised decoder. An unauthorised decoder is any apparatus which is designed or adapted to enable an encrypted transmission to be decoded. ‘Unauthorised’ in relation to this decoder means that the decoder

However, during the gestation of the Copyright Directive a slightly different approach has been followed as a result of, at least in part, the intense debate that accompanied the introduction of the Digital Millennium Copyright Act 1998 in the US³².

In 1997, in the Proposal for a Directive on Copyright and Related Rights in the Information Society, it was suggested that protection of digital fences was not to be directed against the circumvention of technological measures as such (the standard adopted in WCT). Rather the focus was to be on preparatory activities, such as writing a program which could itself circumvent a digital fence. This was seen as fundamental: *'because the real danger for intellectual property rights will not be a single act of circumvention by individuals but preparatory activities to produce devices or offer services to circumvent'*³³. So there was to be a wide ban on the act of circumvention which would in turn allow a wide ban on circumventing technologies. The provisions as implemented in the Copyright Directive are to be found in Article 6. This article obliges Member States to *'provide adequate legal protection against the circumvention of any effective technological measures'*³⁴. But in addition, Member States are to:

'provide adequate legal protection against the manufacture, import, distribution, sale, rental, advertisement for sale or rental, or possession for commercial purposes of devices, products or components or the provision of services which:

- a. are promoted, advertised or marketed for the purpose of circumvention of, or*
- b. have only a limited commercially significant purpose or use other than to circumvent, or*
- c. are primarily designed, produced, adapted or performed for the purpose of enabling or facilitating the circumvention of, any effective technological measures'.*

The phrase 'technological measure' is defined as:

will enable an encrypted transmissions to be accessed in an intelligible form without payment of the fee which the person making the transmission charges for it. What these measures do not do (unlike the Copyright Directive) is to outlaw the act of circumvention. See *R v Mainwaring* [2002] FSR 20 for a discussion on the meaning of unauthorised.

³² The US Administration admitted that its preferred legislation went beyond what was in the WIPO Treaty but argued for the broader rule in part to set a standard that would help the US persuade other countries to pass similarly strong rules. House Sub Committee Holds Hearings on WIPO Treaty Bills OSP Liability 54 BNA Pat Trademark & Cop J 414 (9/18/97).

³³ Copyright and Related Rights in the Information Society - Proposal for a Directive 10 December 1997 <http://europa.eu.int/comm/dg15/en/intprop/intprop/1100.htm>.

³⁴ The expression 'technological measures', means 'any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject matter, which are not authorised by the rightholder of any copyright or any right related to copyright as provided by law or the sui generis right provided for in Chapter III of the European Parliament and Council Directive 96/6/EC'.

‘any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject matter, which are not authorised by the rightholder of any copyright or any right related to copyright as provided by law or the sui generis right provided for [by the Database Directive]’.

It might appear from this wording that the standard differs from that to be found in the Digital Millennium Copyright Act 1998. The definition does not refer to *access*, and would appear only to prohibit circumvention and devices which facilitate reproduction of a work where that is not ‘*authorised by the right holder or as provided by law*’. Thus, circumvention of a technological measure in order to gain access to a work that had fallen into the public domain might be permissible, perhaps because the work was no longer protected by copyright. However, that is clearly not the intention, as the Copyright Directive goes on to provide that a technological measure shall be ‘*deemed “effective” where the use of a protected work of other subject matter is controlled by the rightholders through application of an **access** control or protection process, such as encryption, scrambling or other transformation of the work or other subject matter or a copy control mechanism, which achieves the protection objective*’.

Thus, the focus here is also on protection against *access* to works, and is not limited to circumvention for infringing purposes.

Perhaps influenced by the debate which had surfaced in the US as a result of the adoption of the strongest standard of protection in the Digital Millennium Copyright Act 1998, where commentators were worried about the extent to which such controls on access could limit availability of materials in the public domain, the EU has provided that, in certain circumstances, specified classes of users are to be permitted to make reproductions of works. In so doing, technical protection systems may be circumvented. These provisions will be examined in full in chapter 5. However, for present purposes, it is instructive to note that these measures do not extend to gaining access to the work, but affect activities that may thereafter take place. The relevant provision³⁵ states:

³⁵ Copyright Directive Article 6 paragraph 4.

*Notwithstanding the legal protection provided for in paragraph 1, in the absence of voluntary measures by rightholders, including agreements between rightholders and other parties concerned, Member States shall take appropriate measures to ensure that rightholders make available to the beneficiary of an exceptions or limitation provided for in national law the means of benefiting from that exception or limitation, to the extent necessary to benefit from that exception or limitation, where that beneficiary has **legal access** to the protected work or other subject matter concerned'. [emphasis added].*

Before a 'beneficiary of protection' (not further defined in the Copyright Directive) may circumvent technical controls in the way provided for in this paragraph, **legal access** to the work must first be obtained. The prohibition against circumvention thus remains in place where the purpose of circumvention might be to gain *access* to the protected work.

Finally, in line with the obligations imposed under the WCT, and in common with the provisions to be found in the Digital Millennium Copyright Act 1998, the Copyright Directive obliges Member States to provide for adequate legal protection against the removal or alteration of electronic rights management information that may be contained in the work as disseminated over the Internet³⁶: in other words, the information in the database that forms the basis on which rights can be managed and licensed.

4. Summary

Both the US and the EU have chosen to protect digital fences at the highest standard possible. That is protection is given against both the act of circumvention and the devices which may be available to facilitate such circumvention. In both, gaining (or preventing) access to the work is the central feature. These standards have been chosen despite the more relaxed test that was adopted in the WCT, which would appear to allow circumvention of a digital fence if the law of copyright would so permit. What is notable in the measures adopted by the US and EU is that there is no need for infringement of copyright before the prohibition against circumvention takes effect. In other words, no reproduction of a protected work need take place before the liability for

³⁶ *ibid* Article 7.

such circumvention will attach to the person who circumvents the controls³⁷. In the US, both civil and criminal penalties may attach to a person who breaches these rules³⁸. The Copyright Directive is silent on this point, leaving the matter to Member States.

5. Access, publication and confidentiality

Controlling access to a creative work has become a central issue in the push to exert control over the dissemination of works on the Internet. This extends much further than in the terrestrial world. Intermediaries have never had the power to authorise or prohibit every access to a creative work, and such ability does not sit happily with one of the main underlying goals of copyright: to encourage the dissemination of works in the public interest. Progress is of little value unless its fruits are made available to the public. In turn access is necessary because knowledge is cumulative. Public availability of creative works promotes further progress³⁹.

*The good of a book lies in its being read. A book is made up of signs that speak of other signs, which in their turn speak of things. Without an eye to read them, a book contains signs that produce no concepts; therefore it is dumb*⁴⁰.

When control over a creative work becomes control over access to that work, there is a possibility that the boundaries between the concepts of confidentiality and copyright

³⁷ An interesting parallel can be drawn with the tale in Eco's *The Name of the Rose*. In that story, many and varied devices were used in a medieval monastery to conceal the books that it contained. *'This place of forbidden knowledge is guarded by many and most cunning devices. Knowledge is used to conceal, rather than to enlighten. I don't like it'*. Eco *The Name of the Rose* Vintage 1998 p 176.

³⁸ Title 17 USC section 1203 provides for civil remedies and includes injunctions, damages and awards of costs. Statutory damages can also be obtained (s 1203 (3)) *'in the sum of not less than \$200 or more than \$2,500 per act of circumvention, device, product, component, offer, or performance of service, as the court considers just'*. In addition, for violation of section 1202, *'a complaining party may elect to recover an award of statutory damages for each violation of section 1202 in the sum of not less than \$2,500 or more than \$25,000.'* Section 1204 deals with criminal offences and penalties and provides: *'(a) Any person who violates section 1201 or 1202 willfully and for purposes of commercial advantage or private financial gain - (1) shall be fined not more than \$500,000 or imprisoned for not more than 5 years, or both, for the first offense; and (2) shall be fined not more than \$1,000,000 or imprisoned for not more than 10 years, or both, for any subsequent offense'*.

³⁹ For discussion Cohen, *Lochner in Cyberspace: the New Economic Orthodoxy of 'Rights Management'* 1998, Michigan Law Review v97 i2 p462. Elkin-Koren, *Copyright Policy and the Limits of Freedom of Contract* 1997, 12 Berkeley Technology Law Journal 93. Ladnes and Posner, *An Economic Analysis of Copyright Law* 18 Journal of Legal Studies 325. Lemley, *The Economic of Improvement in Intellectual Property Law* 75 Texas Law Review 989. Litman, *The Public Domain* 1990, 39 Emory Law Journal 965.

⁴⁰ Eco *ibid* at 396.

become blurred. If a copyright owner can control every access to a work when disseminated over the Internet, is that work then published, or is it confidential?

Copyright owners argue that no one who owns a work protected by copyright has to make that work publicly available. An author can write a poem and then lock it in a safe. No one has the right to demand access, and the author has no obligation to open the safe and allow access to that work. That includes any individual member of the public, and the public in general. Despite the fact that the work is not published, it is still protected by copyright⁴¹. Equally, an individual could own a masterpiece by an eighteenth-century artist, and have it hanging on her living room wall. That individual has no duty, and no obligation, to open the doors and let passers-by view that work, and no third party has a right to demand access to that work. Copyright may have expired, and the work might be in the public domain, but access cannot be demanded to the original for any purpose, including making a copy of it. A company working in a highly specialised area of gold mining may produce a report and circulate it to a small number of people under an obligation of confidentiality. The report might contain information on the geographical possibilities of gold being found in a small Scottish village. The company certainly does not want the information in the report to become public knowledge, and is under no obligation to make it publicly available⁴².

In each case, the owner is perfectly entitled to prevent third parties obtaining access to the work. So what is different about the Internet? If a copy of a work is disseminated over the Internet by the owner, why should it not be within the power of that owner to decide who should and who should not obtain access? The tools at the disposal of the intermediary are not a key to a safe or a front door, but the digital fence surrounding the work, and the rules which make it unlawful to circumvent that protection.

But poems in a safe have never been made available to the public. The eighteenth-century masterpiece hanging on a wall may never have been subject to public gaze, nor

⁴¹ In the UK, copyright subsists in a literary dramatic and musical works when it is recorded in writing or otherwise. CDPA s 3(2).

may there have been any reproductions made. A confidential report circulated to a small number of people has never been made public. On the other hand, if the author decides to publish the poems, to make and circulate copies of the painting, or to publish the report, and use State-backed sanctions to control the subsequent copying of those works without authorisation, these benefits come with the countervailing balances in copyright law. The physical copies of the works must thereafter be allowed to circulate freely without any further input from the owner. The works can be reviewed, criticised, and copied (within limits) for private study and research⁴³. The ideas and information they contain may be freely used by others. Similarly, once works have been placed on a server that is available to surfers to access via the Internet, they are available to the public. The definitions of the new rights to be found in the WCT and repeated in the Copyright Directive suggest that this is the case as they refer to '*communication to the public*' and '*making available to the public*⁴⁴'.

But there is a tension here that has not been resolved. On the one hand, works are made available by publishing them on the Internet. On the other hand, control over access to those works is within the remit of the copyright owner. It would appear that publication or making available to the public over the Internet is not the same as publication in hard copy form. Publication is defined in the Copyright Designs and Patents Act 1988 (CDPA) as 'issuing copies of a work to the public'⁴⁵, and, in the case of literary, dramatic, musical or artistic works, includes 'making it available to the public by means of an electronic retrieval system'⁴⁶. Publication must not be 'merely colourable', and must be intended to satisfy the reasonable demands of the public⁴⁷. Performance of a work is not counted as publication in the case of literary, dramatic and musical works, nor is broadcasting or inclusion in a cable programme service, unless for

⁴² It may be that only limited circulation is necessary for the report to be considered published and thus subject to the fair dealing provisions. *PCR Ltd v Dow Jones Telerate Ltd* [1998] FSR 170; [1998] EMLR 407 Ch D. See also the discussion in chapter 6 of this study on fair dealing in general.

⁴³ *The Church Of Spiritual Technology v Spaink*. The District Court of the Hague Civil Law Sector Chamber D 96/1048 9 June 1999. Works which were distributed to over 25000 individuals were considered published and thus free for third parties to use for the purposes of criticism and review. The fact that a confidentiality requirement had been placed on the people who received the works did not detract from this.

⁴⁴ WCT Article 8. Copyright Directive Article 3.

⁴⁵ CDPA s 175(1)(a).

⁴⁶ CDPA s175(1)(b).

⁴⁷ CDPA s175(5). *Francis Day & Hunter v Feldman* [1914] 2 Ch 728.

the purpose of an electronic retrieval system⁴⁸. In other words, there must be some permanence in relation to the publication for a work to be deemed published. Although perhaps not drafted with the Internet in mind, it would seem clear from these definitions that in the UK, placing a work on the Internet (the electronic retrieval system) with the consent of the copyright holder would count as publishing the work⁴⁹.

In the US the Copyright Act provides a definition of 'publication' to draw the line between published and unpublished works. 'Publication' is the distribution of copies of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending⁵⁰. As with the UK, a public performance or display of a work does not of itself constitute publication⁵¹. Thus, *'any form of dissemination in which a material object does not change hands - performances or displays on television, for example - is not a publication no matter how many people are exposed to the work'*⁵². Nevertheless, the NII Report took the view that there was no reason to treat works distributed to the public by means of transmission, differently from works distributed to the public by other, more conventional means.⁵³ Copies distributed via transmission are as tangible as any distributed over the counter, or through the mail. Through each method of distribution, the consumer receives a tangible copy of the work⁵⁴.

It would therefore appear that placing a work on a server connected to the Internet satisfies the tests of publication. Nevertheless the owner may still deny access to those works through the use of a technological protection system. Is there therefore an argument to say that the works are confidential? Certainly in the UK, the type of information that can be subject to an obligation of confidentiality is broad enough to cover trade secrets⁵⁵, commercial records⁵⁶, information of political significance⁵⁷ and

⁴⁸ CDPA s 175(4).

⁴⁹ The courts have found under the previous Copyright Act of 1956, that: *'an artistic work is issued to the public and so published when reproductions of the work are put on offer to the public'*. *British Northrop v Texteam Blackburn* [1974] RPC 57 Megarry J.

⁵⁰ US Copyright Act 17 USC s 101.

⁵¹ *Ibid.*

⁵² NII Report p 21.

⁵³ *Ibid.*

⁵⁴ The copy may be tangible for the purposes of the definition of publication. However one still cannot rely on the exhaustion of rights for onward transmission because that involves making a copy.

⁵⁵ *Morison v Moat* (1851) 9 Hare 241.

that in relation to personal relationships⁵⁸. But in order for such information to be kept confidential, it must also be imparted in circumstances which import an obligation of confidence⁵⁹. Could the mere placing of works behind a digital fence give those works the necessary quality of confidence, or subject those who access those works to an obligation to keep them confidential? The question of placing an obligation of confidentiality on purchasers of a machine available for purchase in the market place was considered in the UK in *Mars v Teknowledge*⁶⁰. Mars produced coin receiving and changing mechanisms for machines operated by a computer program which detected the size of the coin. The software could be re-programmed for changes in coin sizes. Teknowledge purchased a machine, reverse engineered the software that had been encrypted, and offered the reprogramming service to customers of Mars. The question was whether these activities amounted to a breach of confidence in law⁶¹. Is an engineer who finds encryption in a program upon which he is carrying out reverse engineering put on notice that the maker regards what is encrypted as confidential? If so, it would mean that an obligation of confidence might be imposed on anyone on anyone who receives information by acquiring an article in the open market, or on any third party who happens to come upon that article. This could equally apply to works disseminated over the Internet in encrypted form. Are they to be regarded as confidential? In the *Mars* case, it was held that no obligation of confidence was so imposed. Anyone could purchase the machine, and anyone with the skill to de-encrypt the program has access to the information⁶². Now admittedly in the case the purchase of the machine prior to the reverse engineering was necessary, but nonetheless the court found that encrypting a work does not *per se* make it confidential. By contrast, on the Internet what it appears is being argued is that encrypting a work (placing it behind a digital fence) makes that work confidential and presumably, by extension, subjects those who access the work to an obligation of confidence.

⁵⁶ *Lamb v Evans* [1893] 1 Ch 218.

⁵⁷ *Fraser v Evans* [1969] 1 All ER 8, *Att-Gen v Jonathan Cape* [1976] QB 752, *Att-Gen v Guardian Newspapers* (No 2) [1990] AC 109.

⁵⁸ *Prince Albert v Strange* (1849) 2 De G & Sm 652.

⁵⁹ *Coco v Clark* [1969] RPC 41 Megarry J. at 47.

⁶⁰ *Mars UK Ltd v Teknowledge Ltd* [2000] FSR 138.

⁶¹ The other question was whether there was a common law defence to the agreed copyright infringement.

These two important concepts, confidentiality and publication, appear to have been confused in relation to dissemination of works over the Internet, and they are not applied with any consistency. It is recognised that it is not lawful to break into a lock-fast place in order to steal secrets. But if those ‘secrets’ have been published, they are no longer secret. On the Internet, works are published, so it should not be possible to wrap them up in an obligation of confidence by means of a technological protection system. Validation of these protection systems inhibiting access to works and information leads to inconsistency by, on the one hand, arguing that works on the Internet are published, but on the other hand, arguing that they are confidential.

5.1 UCITA, publication and confidentiality

This same tension, between publication and confidentiality, is apparent in UCITA. On the one hand, it is argued that UCITA is merely a contract law statute, which does not change or modify or create property rights. Thus, the contract is only good as between two people⁶³. But on the other hand, UCITA is directly specifically towards mass market licensing, by validating standard form contracts used for transactions with the general public⁶⁴. This has led one commentator to say: *‘The argument that the copyright owner of a mass marketed work can create a confidential relationship with the entire world is, quite simply, ridiculous. A restriction applied to the entire public amounts to private legislation’*⁶⁵. The restriction is the ability to establish universal conditions of access.

6. Summary

Copyright owners see the development of digital fences as the only realistic means of controlling distribution of creative works over the Internet. However, the legal

⁶² In the US one is permitted to reverse engineer to discover the trade secret. *Kewanee Oil Company v Bicon Corp* 416 US 470 476 (1974). *‘A trade secret law...does not offer protection against discovery by fair and honest means, such as independent invention, accidental disclosure, or...reverse engineering’*.

⁶³ Ring Jr. and Nimmer, *The 2B Guide* August 26 1999 Revised version of document made available at the NCCUSL conference in Denver July 23-30 1999 <http://www.2bguide.com/docs/Q&apm.html> p 2.

⁶⁴ This, by the drafters own admission, is a revolutionary concept *ibid* p10.

protection being developed is far from free from controversy. The limits of the laws enacted in the US have already become the subject of a number of law suits. Content providers are suing those who make available details of software programs that decrypt the protection surrounding the digital works. It would appear that as fast as the content providers take this action, so other decryption programs appear.

A case of particular importance which has tested the limits of the Digital Millennium Copyright Act 1998 (DMCA) and introduced in chapter 2 of this study, is *Universal City Studios Inc v Shawn Reimerdes*⁶⁵. The focus of the discussion in chapter 2 was on the implications for linking. For the present purposes, the focus is on the liability in relation to circumvention of the encryption program (Content Scrambling System or CSS) designed to protect the contents of the DVD by the dissemination of the decryption program, DeCSS. At first instance, the major motion picture associations accused the defendants of violating the anti-circumvention provisions of the DMCA by making details of the DeCSS code available on the web site, and by linking to other web sites containing the same code. In the lower court the defendants were found liable for infringing the terms of the DMCA section 1201(a)(2), which prohibits making available technologies which are designed to defeat technological protections controlling access to a work. DeCSS was found to be just such a technology. That court did appreciate that prohibiting circumvention of access controls in some cases may make it impossible to use the underlying work in a way which might otherwise have been fair⁶⁷. However, it was pointed out that the defendants were not being sued for infringement of copyright, but for offering and providing technology that could overcome the controls which guarded access to a creative work. So here there was clearly recognition of a divide between gaining *access* to a work, and infringement of copyright, with stress being laid on access⁶⁸. On appeal⁶⁹ the main challenge was to whether the DMCA was

⁶⁵ Cohen, *Some Reflections on Copyright Management Systems and Laws Designed to Protect Them* 1997, Berkeley Technology Law Journal Vol 12 Issue 1. <http://www.law.berkeley.edu/btlj/articles/12-1/cohen.html>.

⁶⁶ 00 Civ 0277 (LAK) <http://www.nysd.uscourts.gov/courtweb/pdf/D02NYSC/00-08117.PDF>.

⁶⁷ *ibid* p 41.

⁶⁸ For a full discussion see <http://www.nytimes.com/library/tech/00/07/biztech/articles/31rite.html>.

For a discussion on how the case affects linking, see chapter 2 of this study. Apparently, the DeCSS code has also been printed on a number of T-shirts which may result in liability for those who produce them.

<http://www.wired.com/news/technology/0,1282,37941,00.html>.

<http://www.zdnet.com/zdnn/stories/news/0,4586,2610482,00.html>.

constitutional, specifically whether that Act violated the US First Amendment⁷⁰. It was argued that computer code (in this case DeCSS) is 'speech' and thus entitled to First Amendment protection. The court agreed that this was indeed the case. However, the protection provided by the First Amendment in these circumstances had to be tempered because of the capacity of DeCSS *'to accomplish unauthorised....unlawful access to materials in which the Plaintiffs have intellectual property rights'*⁷¹. The Court thus said that there was a choice between impairing some communication and tolerating decryption. In other words, using encryption techniques and prohibiting decryption did result in some limit on the principle of freedom of speech, but a balance had to be struck between the two. The court found the choice that had been made by Congress to implement the DMCA was consistent with the limitations on the First Amendment *as applied in this case*. The Appellants therefore lost, and the injunction granted by the lower court upheld.

So for the time being at least, the DMCA and in particular the anti-circumvention provisions survive. To this point, the lobbying by the content providers in the US appears to have been successful, and to have resulted in robust protection for the digital fences surrounding access to creative works. However, the court faced critical arguments from both sides of the divide. These go on the one hand to the heart of the programme pursued by right holders for the protection of creative works on the Internet, and on the other hand to the heart of the grievances of users of works who consider that the protection surrounding creative works tip the balance of protection in favour of right holders too far, notably to the detriment of authorship.

Even though the lawfulness of the programme directed towards the protection of these digital fences has been upheld to date in the US, that does not preclude a constitutional or other challenge in the future. Equally it does not preclude a challenge to the Copyright Directive, possibly on the basis that it does not have proper legal basis in the

⁶⁹ *Universal City Studios v Eric Corley* US Court of Appeals 2nd Circuit November 28, 2001.
http://www.2600.com/news/112801-files/UniversalBrief_3.pdf.

⁷⁰ The US First Amendment provides that *'Congress shall make no law....abridging the freedom of speech.'* US Constitution Amendment 1.

⁷¹ *Universal City Studios v Eric Corley* US Court of Appeals 2nd Circuit November 28, 2001.
http://www.2600.com/news/112801-files/UniversalBrief_3.pdf.

EC Treaty⁷². Nonetheless, it is thus to the effect that these digital fences have on *use* of works in the public domain for authorship that we turn in the following chapters.

⁷² See Hugenholtz, *Why the Copyright Directive is Unimportant, and Possibly Invalid*. [2000] EIPR 11, p. 501. Hugenholtz points out that the Copyright Directive, as with all previous directives in the field of copyright and neighbouring rights, is based on articles 47.2, 55 and 95 (ex articles 57.2, 66 and 100A) of the EC Treaty. *These are the same legal foundations that the Tobacco Advertising Directive (Directive 98/43/EC) was built on. In a case brought before the European Court of Justice, Germany has challenged that directive's legal basis and requested its annulment, pursuant to article 230 (ex 173) of the Treaty. On October 5, 2000, the Court delivered its judgment. The Court notes that the Directive does not facilitate the free movement of goods or the freedom of services, and does not remove distortions to competition. In sum, the Directive lacks a proper legal basis, and should be annulled*'. Hugenholtz argues that the validity of the Copyright Directive could be challenged on the same basis.

Chapter 5

From hard copies to licensing digital bits (from copyright to contract)

1. Introduction

The previous chapter showed that it is now (or soon will be) unlawful to circumvent a technological protection measure that guards access to a work disseminated over the Internet, whether or not the underlying work is protected by copyright law or database right. This, as has been explained, is one of the most important planks in the armoury of right holders. But it was considered that such technical protection was not sufficient to ensure right holders have full legal control over dissemination of works over the Internet, at least not for many countries. The question arose as to whether placing digital works on a server was already encompassed within the existing exclusive rights belonging to the copyright owner, or whether it was a new right which should be protected accordingly. Some argued that Internet dissemination was akin to broadcasting; others pointed to the fact that broadcasting was a wireless technology, whereas the Internet (at least at present) depends on wire transmission. In addition, Internet communication is on a one-to-one basis, at the behest of the user, whereas the content of broadcasting is determined and put out by the broadcaster on a one-to-many basis. Others still wondered if the performance rights would cover Internet dissemination, only to come up against the problem that the legislation in many countries requires a performance to be in public before it infringes the exclusive right. In order to overcome these difficulties it was suggested that new rights - *'communication to the public'* and *'making available to the public'* - should be introduced at Treaty level and thence into the domestic laws of contracting parties. The purpose of this chapter is to discuss these new rights specifically in the context of the principle of exhaustion of rights, as it will be argued that exhaustion in the law of copyright contributes, however tangentially, to authorship. The second main point to note from this chapter is that the 'new' rights facilitate the move to licensing of works when disseminated over the Internet by stripping the work from the tangible object in which it has hitherto been embodied.

1.1 Exhaustion of rights

The doctrine of exhaustion of rights is one that operates to a greater or lesser extent in most jurisdictions¹. The owner of copyright in a protected work has the exclusive right to place the object in which the copyright work is embodied (or consent to the placing of the object) such as the video cassette, book or computer program, on to the market for the first time. This is what is known as the distribution right. However, once that work has been first placed on the market, the right of distribution is exhausted, and the owner of the copyright may not, thereafter, prevent the further movement of that object, embodying the work, in the marketplace. The owner of the copyright may not object to wholesalers selling to retailers; retailers to the public; and a member of the public giving, lending (but not for commercial gain) reselling, or reading the purchased copy as many times as required, all without payment to, or permission from, the copyright holder. The copyright owner thus has the 'first sale' right as regards the physical object, but not the second, third or subsequent sales. The exhaustion of this right does not, however, affect the other rights embodied in that work which belong to the copyright holder. The copyright owner will still have the exclusive right to authorise or prohibit the purchaser from making a copy of that work; adapting it; renting it out for commercial gain²; broadcasting³, or carrying out any of the other exclusive rights⁴.

However, the exhaustion rule does not apply where the supply is one of services rather than goods, as there is no physical object placed on the market. Authorisation is required each and every time the service is supplied, or a performance takes place. An example is the broadcast of a work. The area in which the work may be broadcast, for how long, and how many times, is subject to agreement with the right holder, as each broadcast is considered a separate act⁵. Thus, in *Coditel v Cine-Vog Films*⁶, a Belgian company, Cine Vog Films, had obtained the exclusive performance rights to the French

¹ E.g. in the UK, CDPA ss 16(b), 18. In the US, US Copyright Act 17 USC s 106(3). The right is 'to distribute copies . . . by sale or other transfer of ownership.'

² *Warner Brothers v Christiansen* [1988] ECR 2605. When rental right for films existed in Denmark but not in England, a Dane purchased a video of *Never Say Never Again* in England and took it back to Denmark to rent it out. The owner of the copyright in the film and the manager of the exclusive rights in the rental in Denmark obtained an injunction under Dutch copyright law. The ECJ found that Danish rental rights applied equally to Danish and imported videos.

³ CDPA s 20.

⁴ See generally Cornish *Intellectual Property* para 13-56.

⁵ *Cine Vog v Coditel (No 1)* [1980] ECR 881.

⁶ *Coditel v Cine-Vog Films (No 2)* [1982] ECR 3381 (*Coditel II*). See generally Anderman *EC Competition Law and Intellectual Property Rights: The Regulation of Innovation* Clarendon Press Oxford 1998 p68.

film, *Le Boucher*, for five years. When *Cine Vog* discovered that a Belgian cable company had obtained a copy of the film from a transmission, and were re-transmitting it by cable, *Cine Vog* was able to obtain an injunction to prohibit *Coditel* from showing the film on Belgian television. In giving judgement, the ECJ noted that the product comprised a literary or artistic work available to the public which may be infinitely repeated. This presented difficulties for the copyright owner, which differed from the circulation of works in hard copy form, such as books and videos. The right of a copyright owner to consent to and require fees for any showing of that work was considered to be part of the essential function of copyright in this type of literary and artistic work⁷. The owners of the copyright in a film thus have the right to authorise each and every broadcast and performance of that film in public, and indeed to charge for such authorisation. Equally, rental is a different form of exploitation from distribution. The rental right remains one of the prerogatives of the copyright owner, notwithstanding sale of the physical recording, and is not exhausted by the distribution of the object incorporating the work⁸. Indeed, the very essence of rental is that the restricted act is performed many times with the same object.

1.2 The territorial limitations on exhaustion

At a political level, exhaustion of rights has been a difficult issue. In international negotiations, the question has been whether, once a physical work is lawfully placed on to the market anywhere in the world (or in any of the territories of the signatory states to an International Treaty such as TRIPS), the right holder has any further rights to control distribution of that copy. At the time of the negotiation of TRIPS, the issue was considered controversial, and no agreement was attained as to whether a doctrine of international exhaustion for physical goods should be applied. TRIPS merely provides that *'nothing in this agreement shall be used to address the issue of the exhaustion of intellectual property rights'*⁹. The same difficulties were encountered in the negotiations for the WCT. This Treaty states that *'authors of literary and artistic works shall enjoy the exclusive right of authorising the making available to the public of the original and copies of their works through sale or other transfer*

⁷ In *Coditel 11* the court also held that an agreement conferring an exclusive right to exhibit a film for a specified period in the territory of the member states with absolute territorial protection is not necessarily caught by Article 85(1) of the Treaty (now Article 81(1)).

⁸ Case C-200/96 *Metronome Musik GmbH v Music Point Hokamp* [1998] 3 CMLR 919. Nor is the rental right exhausted when it is first exercised in one of the Member States of the Community. Case C-61/97 *Foreningen af danske Videogramdistributører v Laserdisken*. Judgement of 22 Sep 1998.

⁹ TRIPS Agreement Article 6.

of ownership' and that 'nothing in this Treaty shall affect the freedom of contracting parties to determine the conditions, if any, under which the exhaustion of the right in paragraph (1) applies after the first sale or other transfer of ownership of the original or a copy of the work with the authorisation of the author'¹⁰.

Exhaustion of rights occurs nationally, within the UK, and on an EU-wide scale. Thus, goods incorporating works protected by copyright are able to move freely around the UK and the EU once the right holder has placed those goods anywhere on the market within the EU¹¹. If, however, goods are placed on the market without the consent of the right holder, then the exhaustion rule does not apply¹². In order to clarify the EU approach, the Copyright Directive provides in the recitals:

*'Copyright protection under this Directive includes the exclusive right to control distribution of the work incorporated in a tangible article. This first sale in the Community of the original of a work or copies thereof by the rightholder or with his consent exhausts the right to control resale of that object in the Community. This right should not be exhausted in respect of the original or of copies thereof sold by the rightholder or with his consent outside the Community. ...'*¹³.

The Articles provide:

*'The distribution right shall not be exhausted within the Community in respect of the original of their works or of copies thereof, except where the first sale or other transfer of ownership in the Community of that object is made by the rightholder or with his consent'*¹⁴.

By contrast, as there is no internationally agreed rule of international exhaustion¹⁵, a UK copyright owner who places books on the market in the US, wherever those books have been manufactured, can prevent those books from being imported into the UK or any other part of the EU¹⁶. Equally, a copyright owner who places protected works on the market in the EU has a right to prevent their export and importation into the US.

¹⁰ WCT Article 6.

¹¹ *Deutsche Grammophon v Metro* [1971] ECR 487 where Deutsche Grammophon (DG) sold records in Germany and France - but its French subsidiary Polydor charged a lower price due to market conditions. Metro bought the records in France and re-imported them into Germany for resale at a lower price. DG invoked its copyright in the records to stop the practice. The ECJ said that DG had exhausted its right in the records by putting them on the market with its consent.

¹² *EMI Electrola v Patricia Im - und Export and Others* [1989] ECR 79.

¹³ Copyright Directive Recital 18.

¹⁴ Copyright Directive Article 4 Distribution Right.

¹⁵ Countries that have no export for their books, for example Finland, favour international exhaustion as it allows them to import cheaply. Countries with strong export markets for languages favour developing orderly international markets and exclusive rights.

¹⁶ *EMI v CBS* [1976] ECR 811 where trade marks were in issue and the ECJ held that trade mark rights in any Member State could be used to prevent the importation of goods from the US without offending Article 30.

However, the US has a slightly different approach to exhaustion. Where a work protected by copyright has been lawfully made within the US, and exported for consumption outwith the US, the right holder has no right to rely on copyright to prevent its re-importation into the US¹⁷. However, where the copies are manufactured outside the US with the permission of the right holder, then the US right holder can prevent their re-importation into the US¹⁸.

1.3 The purpose of the exhaustion rule

In the EU, the exhaustion doctrine stems from the desire to allow the existence of national intellectual property rights to continue, while at the same time recognising that some limits are necessary on the exercise of those rights. Without exhaustion, markets could be partitioned within the EU, and free trade in goods restricted. Although copyright is a territorial right, the application of the Berne Convention¹⁹ and the non-discrimination rules in the EU ensure that the owner of the copyright in a work in the UK is equally the owner of the copyright in that same work in France²⁰. Without exhaustion, the owner of the copyright in a work contained in a book in the UK could prevent that book being exported to France after a first sale in the UK unless that movement was authorised. Exhaustion within the EU prevents this market-partitioning by use of copyright. Because goods can move freely within and between territories, consumers are said to benefit because it is difficult to charge higher prices to consumers in one territory as compared to another²¹. If prices differ, a parallel importer can export a work from the territory where the prices are lower, to sell that work in a territory where the copyright owner is trying to charge higher prices. The parallel importer can sell the work at a lower price, thus benefiting the consumer. Thus a copyright owner cannot use copyright to prevent the free flow of goods within designated territories, and has to sell at the same or similar prices throughout those territories.

¹⁷ In the US in *Quality King Distributors, Inc. V. L'anza Research International, Inc.* Certiorari Court Of Appeals Ninth Circuit No. 96-1470. 1998 the court decided that for works protected by copyright where they were lawfully made in the US, that exhausted the resale right even where the goods were exported and then re-imported.

¹⁸ *Ibid.*

¹⁹ Berne Convention Article 5.

²⁰ *Phil Collins v Imtrat* Cases C-92 & 326. [1993] ECR I-5145.

²¹ Higher prices in the UK have been challenged in recent months by supermarkets. *'Britain's biggest supermarket chain challenged the might of Hollywood, calling on Warner Home Video and other film studio to abandon the 'zonning' that inflates DVD prices in Britain'*. <http://www.qlinks.net/items/qlitem6717.htm>

Where exhaustion does not operate, right holders (most notably the publishers²²) strongly defend the ability to partition the market. Publishers (and other copyright owners), argue that the role of exclusivity is to encourage and to sustain investment in a territory. Such investment ensures that stocks of a particular title will be available for distribution. In addition, new titles can be marketed effectively, both building up the reputation of an author and serving the interests of readers through making the works of authors known. In other words, publishers argue that the ability to partition markets means that consumers have a greater choice of products within their territory²³.

1.4 Exhaustion and authorship

Exhaustion not only contributes to market efficiency, but is also a significant factor in contributing to the free flow of works, information and ideas, which, in turn, can influence authorship. The doctrine means that the owner of a physical object embodying the work can read it, listen to it, or view it, as many times and for as long as required. The physical article may be lent, or sold, giving wider access to the ideas embodied within it. The copyright owner retains the exclusive first right of distribution. But the exhaustion doctrine provides a balance. Because the owner's rights are at that time exhausted, the works protected by copyright, and embodying the ideas, views, facts, knowledge and information, are thereby allowed to circulate freely, be considered, discussed, and re-used as a building blocks in the process of authorship. In this a certain 'leakage' might occur²⁴: more than is lawfully permitted might be copied from the tangible object, or a copy made for a friend. But this leakage is balanced: analogue copies made from the original may not be of a particularly good quality. In addition, although this 'leakage' is not authorised, it is part of the imperfect control²⁵ that is found in the balance between the interests of the author, the intermediary and the public, and which contributes towards making authorship possible.

²² Clark, *Net Law, A Cyberspace Agenda for Publishers* Geneva September 14 to 16 1999 WIPO/EC/CONF/99/SPK/12-B.

²³ Hugenholtz, *Adapting Copyright to the Information Superhighway in The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p96. In practical terms, if right holders were always to give permission to the sale on of physical copies, the eventual chain of permissions and licences could be almost unworkable. Exhaustion therefore contributes to allocative efficiency and orderly markets.

²⁴ Dreyfuss, *Do you want to know a Trade Secret? How Article 2B will make Licensing Trade Secrets Easier (But Innovation More Difficult)* (1999) 87 California Law Review 191. 'A core premise of federal innovation policy...[is] that information leaks: That is, knowledge flows inevitably into the domain of the public, where innovators can use what others have learned and improve what they have done'. p 198.

²⁵ 'Sufficient incentive , ...is something less than 'perfect control'. Lessig, *Intellectual Property and Code* 1996, 11 St John's J Legal Comment 635 at 638.

2. The exhaustion doctrine and the distribution of goods by way of the Internet

The Internet holds not only enormous possibilities, but also enormous difficulties for the workings of the exhaustion rule, both for goods traded over the Internet, and for transmission of digitised material. Although digitised material will be the focus of this enquiry, physical goods, such as video cassettes, books, and computer programs on disk, deserve brief comment.

2.1 Hard copies

It is not clear whether the doctrine of exhaustion operates in relation to hard copies of works sold over the Internet. One example arises from the business run by Amazon.com²⁶. Amazon.com is a website based on the underlying business of, *inter alia*, selling hard copies of books, videos and software. When the web site was first launched, both the company operating the business, and its web site, were situated in the US²⁷. However, this did not stop any surfer, wherever she may have been in the world, from purchasing books from the web site in the US, and having them shipped to the home territory. This led Amazon.com into some problems, in particular with the sale of banned material into certain territories. But the question arises as to whether the exhaustion rule would operate to limit Amazon.com selling titles only to particular territories. The exhaustion rule does not apply to retailers, nor to individuals purchasing copies of works for their own personal consumption. Thus retailers can freely sell books to anyone for personal consumption. There is nothing to stop an individual traveller from the US visiting the UK, and purchasing a copy of a book or a video that is available only in the UK and has not yet been released in the US. The traveller can re-import that book or video into the US for personal consumption, and vice versa. So does the exhaustion rule apply to a virtual book store selling hard copies of books all over the world? When Amazon.com ships these hard copies to customers all over the world, does it act as a retailer or as a parallel importer? Does it merely offer a shop window, allowing surfers to enter its virtual doors and purchase any product, safe in the

²⁶ <http://www.amazon.com>.

²⁷ There are now a number of 'amazon.com' websites around the world. For instance, amazon.co.uk, amazon.de, amazon.fr.

protection afforded to real-world travellers who purchase copies of books in other territories, and then re-import them into their home territories for personal use? Or is Amazon.com acting as a parallel importer in sending its products all over the world? If the former, then the exhaustion rule applies, and the copyright owner has no right to prevent the site from selling any tangible product to anyone anywhere in the world. If the latter, then the territorial restrictions would apply, and Amazon.com could be prevented, for example, from shipping certain books and videos from the US to any purchaser in a Member State of the EU²⁸.

It appears that the International Publishers Copyright Council (IPCC) consider Amazon.com (and presumably similar organisations) to be parallel importers and would like to control the practice of cross-border selling²⁹. IPCC are endorsing a project set up by an organisation called Book Data³⁰, the mission of which is to compile a database of information from publishers, detailing what products they produce, and what permissions have been given, and to whom, to sell these products into specified territories. The aim appears to be to allow a virtual bookseller to ascertain whether a book, or other product, may lawfully be sold in a particular territory. If this project is endorsed, it would appear to accept the proposition that a consumer is not permitted to make a personal purchase from a site located in a territory in which a work protected by copyright is available, for personal consumption in a different territory, in which the copyright may be licensed to a different entity, or which may not have been licensed at all to date.

If the publishers prevail in their view of the categorisation of stores such as Amazon.com, the effect will be to inhibit the circulation of hard copies of creative works purchased for personal consumption, from virtual booksellers.

²⁸ Apparently *Harry Potter and the Prisoner of Azkaban* was released in the UK several months before it became available in the US. This led to a large number of purchases being made from such virtual bookstores as Amazon.co.uk much to the annoyance of the publisher who owned the rights in the US. As a consequence *Harry Potter and the Goblet of Fire* was released in the UK and the US at the same time. Quoted in Lynch *The Battle to Define the Future of the Book in the Digital World* First Monday http://firstmonday.org/issues/issue6_6/lynch/index.html at fn 20.

²⁹ Clark, Net Law, *A Cyberspace Agenda for Publishers* Geneva September 14 to 16 1999 WIPO/EC/CONF/99/SPK/12-B.

³⁰ *ibid.* The web site can be found at <http://www.bookdata.com>. On studying the website the company has a comprehensive range of information available about titles available from a number of regions of the world. However, there is now no suggestion that the company is specifically formed, or has one of its

3. Digital works

For the distribution of digital works protected by copyright over the Internet, the question of exhaustion of rights has proved to be even more acute. One of the problematic areas identified early on in the discussion on the application of copyright to the Internet was how the exhaustion doctrine might work in practice for works disseminated in digital form. If the exhaustion doctrine applies to the distribution of digital works over the Internet (whether within defined territories or internationally), so one distribution of a work might mean that the copyright owner would have no further control over onward dissemination of that particular work. Take the example of a book, digitised, and transmitted to one customer: that customer could make that work available to others, by e-mailing it to a friend; by sending it to a distribution list to share with others; or by placing it on a server for all to visit.

The initiatives taken, and views expressed in the WCT, the NII Report and the Copyright Directive, together serve to suggest that the exhaustion doctrine will have no place in relation to the distribution of creative works in digital form over the Internet.

3.1 The NII Report - reproduction

The first position, relating to the exhaustion of rights doctrine as it applied to digital works disseminated over the Internet, was set out in the NII Report. The arguments used were based on the view that such dissemination involved at least one, if not more, reproductions of that work:

*'the first sale doctrine does not allow the transmission of a copy of a work (through a computer network, for instance), because, under current technology the transmitter retains the original copy of the work while the recipient of the transmission obtains a reproduction of the original copy (i.e., a new copy), rather than the copy owned by the transmitter. the doctrine is applicable only to those situations where the owner of a particular copy disposes of physical possession of that particular copy'*³¹.

prime aims to inform virtual booksellers of countries to which they can, and those into which they cannot sell any particular title. It is not, however, doubted that the information could be used for these purposes.

³¹ NII Report p 119. See 17 U.S.C. s 109(a). *'The owner of a particular copy or phonorecord . . . is entitled . . . to sell or otherwise dispose of the possession of that copy or phonorecord'*. *Columbia Pictures Indus. v. Redd Horne, Inc.*, 749 F.2d 154, 159 (3d Cir. 1984). *'first sale doctrine prevents the copyright owner from controlling the future transfer of a particular copy once its material ownership has been transferred'*.

Thus, because the exhaustion rule applies only to physical copies of works, it cannot apply to materials distributed over the Internet, because a physical copy is never sent. Any onward transmission involves a further reproduction, and the exhaustion doctrine has never permitted a new reproduction of a work to be made.

3.2 The EU

In 1995, the EU held the view that the distribution of digitised material over the Internet amounts to the supply of a service, rather than the sale of goods,³² pointing to the ECJ decision in *Coditel v Cine-Vog Films*³³. The same arguments were applied to the dissemination of a work over the Internet. The transmission of a work was considered to be a supply of that work, akin to a broadcast, rather than the distribution of that work in tangible form. Thus, once the copyright owner has given authorisation for a work in a web page to be sent to an individual surfer, that in no way diminishes the right to authorise, or to refuse to authorise, further transmissions of the same web page and the work contained within it. Neither does the surfer, or any third party, have the right to demand repeat transmissions of the same material. Just as with a film in the terrestrial world, merely because it has been shown in one cinema, that cinema does not have the right to show that film again, unless agreed with the copyright owner. Neither does it give to the customer a right to see the film again without paying, or fulfilling other conditions, once more. So the view at this time was that distribution of a work over the Internet amounted to the supply of a service, rather than a reproduction of a work. However, the argument did depend on a transmission over the Internet falling within the recognised modes of distribution to which this rule applied, such as a performance, broadcast or cable programme, and it was not clear that this was the case. Both broadcasting and cable programmes depend on a single transmission, dictated by the broadcaster or cable programmer. By contrast, on the Internet transmissions are accessible by individuals at times chosen by them. Further, performances need usually to take place in public before copyright is infringed. On the Internet, calling up a web site, or 'performance' of that site normally takes place on a one-to-one basis. Also, performance and broadcasting are temporary: the performance or the broadcast takes place and then is over (unless further recorded in some way which without authorisation

³² EU Green Paper *Copyright and Related Rights in the Information Society* COM (95) n382 final p47.

³³ [1980] ECR 881. *Ministere Public v Tournier* [1989] ECR 2521. See generally Anderman, *EC Competition Law and Intellectual Property Rights: The Regulation of Innovation* Clarendon Press Oxford 1998.

would be an infringement). Surfing the Internet and calling up web sites, however, can readily result in permanent reproductions being made. It was thus not clear whether making works available over the Internet fitted into any of the recognised modes of supply of creative works. There were others who argued that such a transmission was a new way of distributing material, and thus not in itself caught by the existing exclusive rights of the copyright owners. In line with this thinking, the EU indicated that the right of communication to the public would be clarified and harmonised as between Member States³⁴.

Thus, measures affecting the '*communication to the public right*' have been linked to a '*making available to the public right*' and were introduced at international level in the WCT³⁵ which in turn are found in the Copyright Directive discussed below. The US felt that its domestic legislation already adequately covered these areas³⁶, and so no specific provisions were incorporated into the Digital Millennium Copyright Act 1998.

These, in turn, are the rights which facilitate the licensing of each and every communication of a work between the placing of the work on the server and the end user.

3.3 The WCT

On the making available to the public right, and the communication to the public right the WCT provides that:

'...authors of literary and artistic works shall enjoy the exclusive right of authorising any communication to the public of their works, by wire or wireless means, including making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them'.

This Article is designed to cover placing material on a server connected to the Internet, which can be accessed and viewed by individuals when and where they please.

³⁴ EU Green Paper *Copyright and Related Rights in the Information Society* COM (95) n382 final.

³⁵ For an introductory discussion see chapter 2 of this study.

³⁶ Under the US statute, performances and displays are defined to be 'public' when they are '*transmitted or otherwise communicated to members of the public by any device or process whereby the public can receive the transmission or communication at the same time and place or at separate times in separate places*'. USC Title 17, s.101. The statute defines a transmission as '*communication of a performance by any device or process whereby sounds or images are received at a place beyond the place from which they are sent*'. USC Title 17, s.101.

Here there is a change to the copyright framework concerning public performance. This provision would appear to turn private performances, those that might take place within the sphere of a private home, into public performances because the works in question are available to the public. In the UK for a performance to be in public there needs to be some grouping of people to witness the performance³⁷. In France, authors are not entitled to prohibit free private performances exclusively within the family circle³⁸. For the WCT, this 'performance' is made available to the public because the work is placed on a server. This would appear to change the status of works that have normally been judged by their permanency such as books, articles and pictures. These can now be 'communicated to the public' as well as disseminated in hard copy form. This may mean that for some works which are only ever made available over the Internet, such as books and music, videos and software, no tangible article encompassing this work will ever be available on the market.

3.4 The Copyright Directive

Following the reasoning in the WCT, the Copyright Directive provides in Article 3:

Member States shall provide authors with the exclusive right to authorise or prohibit any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.

Member States shall provide for the exclusive right to authorise or prohibit the making available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them:

for performers, of fixations of their performances;

for phonogram producers, of their phonograms;

for the producers of the first fixations of films, of the original and copies of their films;

for broadcasting organisations, of fixations of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite³⁹.

The difference between paragraphs 1 and 2 (paragraph 1 referring to the acts of *communication to the public* and *making available to the public*, whereas, by contrast paragraph 2

³⁷ For a discussion of 'in public' see chapter 4 of this study.

³⁸ French Intellectual Property Code L122-5.

³⁹ Copyright Directive Article 2.

only refers to the act *of making available to the public*) arises because the Copyright Directive deals with both author rights, and neighbouring rights. It has also been said that the neighbouring rights, catered for in the second paragraph, are only intended to cover acts of making available the works to members of the public who are not present at the place where the act of making available originates, and not other acts, for instance broadcasting⁴⁰.

It has to be said that this distinction is far from clear, although is one that has been discussed since the negotiation of the WCT. During those negotiations, the EC tabled papers suggesting that the distinction should be expressed in the Treaty on the basis that no case had been made for granting neighbouring right holders a communication to the public right *separate* from the making available right⁴¹. In addition, during these negotiations, it was suggested that the expression 'communication to the public' of a work should mean making a work available to the public by any means or process other than by distributing copies. Therefore the making available to the public right is within the communication to the public right. On the communication to the public right, it has been noted that:

*'communication of a work can involve a series of acts of transmission and temporary storage, such incidental storage being a necessary feature of the communication process. If, at any point, the stored work is made available to the public, such making available constitutes a further act of communication which requires authorization'*⁴².

Thus, each communication, even if intermediate, would be a new communication, and thus require authorisation. This would cover the scenario where a work was cached and then called up again by the user. That act of calling up the work again would be a new communication, and thus require authorisation.

In relation to the making available right, it has been said that the relevant act is the making available of the work by providing access to it. What is important

'is the initial act of making the work available, not the mere provision of server space, communication connections, or facilities for the carriage and routing of signals. It is irrelevant

⁴⁰ Copyright Directive Recitals 15 and 15 *bis*.

⁴¹ WIPO May 1996 session of the Committees of Experts (document BCP/CE/VII/1-INR/CE/VI/1).

⁴² See generally the discussion on Article 10 of the negotiations leading up to the WCT: *Draft Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works*. 1996. Paper CRNR/DC/4 found on the WIPO website.

*whether copies are available for the user or whether the work is simply made perceptible to, and thus usable by, the user*⁴³.

Thus this part is intended to make it clear that interactive on-demand acts of communication are within the scope of the provision. This, it is said, is done by confirming that the relevant acts of communication include cases where members of the public may have access to the works from different places and at different times. The element of individual choice implies the interactive nature of the access.

In order to confirm that such acts of communication to the public, and making available to the public, are not exhausted by any act, paragraph 3 of Article 4 provides '*The rights referred to in paragraphs 1 and 2 shall not be exhausted by any act of communication to the public or making available to the public as set out in this Article*⁴⁴'.

Perhaps in order to accommodate the concern that providing copyright owners with these rights moved public communication into the private sphere, an interesting provision was included in a Recital⁴⁵ to an earlier draft of the Directive. This Recital had emphasised the need for copyright owners to have an '*exclusive right to make available to the public copyright works or any other subject matter by way of interactive on-demand transmissions, characterised by the fact that members of the public may access them from a place and at a time individually chosen by them*', but added the caveat '***whereas this right does not cover direct representation or performance***' (*emphasis added*). The words in emphasis replaced the words in a previous draft '***whereas this right does not cover private communication***'. It would appear that concessions were being sought for communications (and thereby reproductions) exclusively within the private sphere, much as exist now in the UK in respect of 'time shifting' for broadcasts⁴⁶, or for performances in private, and as the French have for performances within the family sphere⁴⁷. However, this Recital has now gone, possibly to the relief of copyright owners who were, and remain, against any form of private communication exception. The Copyright Directive now provides that *reproductions* in any medium may be made for

⁴³ *ibid*

⁴⁴ Copyright Directive Article 3.

⁴⁵ Copyright Directive concerning Copyright and Related Rights in the Information Society 21 May 1999 (COM(1999) 250 final), OJ 1999, C180/6) Recital 16.

⁴⁶ CDPA s 70.

⁴⁷ French Intellectual Property Code L122-5.

private purposes, on condition that the right holder receives fair compensation⁴⁸. There is, however, no limitation purely for private entertainment and domestic purposes to the public communication and public availability rights.

Thus, in terms of the Copyright Directive, placing a work on a server amounts to a communication to the public, which requires authorisation each time it occurs. If a book was released on to the market, normally it would be judged by its permanency, and hard copies permitted to circulate. There may be no such hard copies available when works are made available purely over the Internet.

4. The development of the temporary reproduction right

The developments discussed above will give the copyright owner the right to authorise, or to refuse authorisation, for any and every transmission of digital works over the Internet. Thus, if a work was made available over the Internet, and communicated to the public (within the definitions discussed above) without the consent of the copyright owner, there would be an infringement. Any subsequent transmission of that work would also be an infringement.

If the work has lawfully been made available to the public, and the surfer has accessed and downloaded a copy on to a computer, would the exhaustion doctrine apply to permit further movement of that copy of the work? The surfer may have paid for the copy, and, just as with tangible copies in the physical world, might like to lend it to a colleague. The surfer might also want to store the copy on the hard disc of the computer, and bring it up on the computer screen to re-read at a more convenient time, or to share with others. The surfer might also want to copy the work to listen to in a different place, for instance an MP3 file⁴⁹ on a portable player. A number of these activities may involve only temporary reproductions of the work, such as where a copy is deleted once read. Others, such as copying a music file on to a portable player, involve permanent reproductions, but for personal use.

The view taken in the NII Report was that any transmission of a work from one person to another, or from one medium to another, would involve a reproduction of the original

⁴⁸ Copyright Directive Article 5.2.a. See also the discussion in chapter 6 of this study.

copy and would thus be unlawful without consent. Further, it would not be possible even to delete the copy that had been received over the Internet while at the same time transmitting a copy to a friend (thus retaining only one copy in existence) because: *In this case, without any doubt, a reproduction of the work takes place in the receiving computer. To apply the first sale doctrine in such a case would vitiate the reproduction right*⁴⁹.

So any further movement of the work received over the Internet would involve a further reproduction⁵¹. In the NII Report, it was argued that US law already reflected this view: *'It has long been clear under U.S. law that the placement of copyrighted material into a computer's memory is a reproduction of that material because the work in memory then may be, in the law's terms, perceived, reproduced, or . . . communicated . . . with the aid of a machine or device'*⁵². Further: *'When a work is placed into a computer, whether on a disk, diskette, ROM, or other storage device or in RAM for more than a very brief period, a copy is made'*⁵³.

This view has been challenged by some commentators⁵⁴. Nonetheless it would appear that all but the most fleeting copies may be covered as reproductions in the US. The effect is that the doctrine of exhaustion of rights never comes in to play. The surfer never receives a physical copy of anything (such as the book or the video), and any onward movement from the computer on to which the work has been downloaded involves a further reproduction, and therefore would be an infringement if done without authorisation by the owner of the copyright. Merely the 'use' of the work is licensed.

⁴⁹ <http://www.mp3.com>.

⁵⁰ NII Report p 109.

⁵¹ Although putting a musical work lawfully received over the Internet onto an MP3 player to be heard at a more convenient time can, in the US fall under the fair use limitation. *Recording Industry Ass'n of America Inc. v Diamond Multimedia Sys Inc.* 29 F Supp 2d 624.

⁵² NII Report p 75. In 1978, the CONTU Final Report noted, '[T]he application of principles already embodied in the language of the [current] copyright law achieves the desired substantive legal protection for copyrighted works which exist in machine-readable form. The introduction of a work into a computer memory would, consistent with the [current] law, be a reproduction of the work, one of the exclusive rights of the copyright proprietor. CONTU Final Report at 40.

See also *MAI Systems Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 519 (9th Cir. 1993), cert. denied, 114 S. Ct. 671 (1994). *Vault Corp. v. Quaid Software Ltd.*, 847 F.2d 255, 260 (5th Cir. 1988). *Advanced Computer Services v. MAI Systems Corp.*, 845 F. Supp. 356 (E.D. Va. 1994).

⁵³ NII Report p 76. *MAI Systems Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 519 (9th Cir. 1993).

⁵⁴ Elkin-Koren, *Cyberlaw and Social Change: A Democratic Approach to Copyright Law in Cyberspace* (1995-96) 14 Cardozo Arts & Entertainment Law Journal. 215. Litman, *The Exclusive Right to Read* (1994-95) 13 Cardozo Arts & Entertainment Law Journal 29.

4.1 Temporary reproductions and the WCT

Spurred on by many copyright owners, who argued that the right to control temporary reproductions was essential to control the distribution of work over the Internet, the US lobbied hard for the insertion of a such a temporary right of reproduction in the WCT in 1996. An early draft of the Treaty contained an Article⁵⁵ which provided that authorisation of the reproduction of works, whether permanent or temporary, was a right exclusive to the author. Exceptions to the right would have allowed signatory states to legislate within the confines of the Berne Convention. Exceptions could have been made, provided they did not prejudice the legitimate expectations of the author⁵⁶. The effect would have been to grant authors rights over temporary copies, with only limited exceptions for users. It was argued by some delegates at the negotiations that the proposal contained an entirely novel rule, and by others as merely representing existing law⁵⁷.

One of the fundamental objections to the inclusion of this article related to public access to works and information disseminated over the Internet⁵⁸. If enacted, every act of pulling information on to a screen by a surfer would have been an infringement of copyright. This result was considered too draconian and far-reaching by many delegates. Another objection was that the proposed wording of the Article would not have allowed exceptions to be provided for infrastructure and other service providers; transient copies of packets of information passed around the network, copied by, and held on, servers and host computers, would have constituted copyright infringement. The result was that no agreement was attained for formal entry of an Article dealing with the temporary

⁵⁵ The original Article 7(2), which was deleted before the adoption of the WCT proposed:

'Subject to the provisions of Article 9(2) of the Berne Convention, it shall be a matter for legislation in Contracting Parties to limit the right of reproduction in cases where a temporary reproduction has the sole purpose of making the work perceptible or where the reproduction is of a transient or incidental nature, provided that such reproduction takes place in the course of use of the work that is authorised by the author or permitted by law'.

⁵⁶ Article 9 of the Berne Convention states: *'(1) Authors of literary and artistic works protected by this convention shall have the exclusive right of authorising the reproduction of these works, in any manner or form. (2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author. (3) Any sound or visual recording shall be considered as a reproduction for the purposes of this Convention'.*

⁵⁷ See for example the arguments of Spoor, *The Copyright Approach to Copying on the Internet* in Copyright in a Digital Environment Hugenholtz ed. Kluwer 1996 p 70. Also Vinje, *The New WIPO Copyright Treaty: A Happy Result in Geneva* [1997] 5 EIPR 230 for comment on the controversy.

⁵⁸ For a discussion on the objections see Goldberg, *The New WIPO Treaties: A Report on the December 1996 Diplomatic Conference: The WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty*. From

reproduction right in the WCT. However, a statement was agreed in the following terms: *'It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 of the Berne Convention'*.⁵⁹ It is not clear whether this was intended to cover temporary reproductions, although the reference to 'storage' might suggest not.

4.2 Temporary reproductions and the Copyright Directive

Within Europe the debate resurfaced, and a temporary reproduction right has been introduced in the Copyright Directive. The EU, in the follow-up paper to the Green Paper on Copyright and Related Rights⁶⁰, stated an intention to harmonise the reproduction right⁶¹. This paper recognised that there whereas all Member States provided an exclusive reproduction right for all categories of right holders, the scope of the right and the exemptions differed in relation to temporary acts of reproduction. Thus the intention was that a harmonised temporary right of reproduction would be introduced in all Member States, but this would in turn be limited by means of a legal licence which might, or might not, provide for remuneration for the right holder⁶².

The UK already provides that a transient or temporary copy of a work amounts to an infringement of copyright. This is as a result of the implementation of the EC Software Directive on Computer Programs⁶³. This Directive obliged Member States to provide

Papers from proceedings of Fifth Annual Conference on International Intellectual Property Law and Policy. Fordham University School of Law New York 3 and 4 April 1997.

⁵⁹ The Agreed Statement on Article 7.

⁶⁰ Follow up to the Green Paper on Copyright and Related Rights in the Information Society COM (96) 568 final 20.11.1996.

⁶¹ The four areas on the agenda for harmonisation were the reproduction right; the right of communication to the public; provision of remedies against the circumvention or abuse of electronic management systems; and the distribution right. The Copyright Directive achieves these aims.

⁶² The 'legal licence' aims provide that ISPs will not infringe where temporary reproductions are made purely as a result of the technical workings of the Internet and of their equipment. To this end, Article 5(1) of the Copyright Directive provides: *'temporary acts of reproduction such as transient and incidental acts of reproduction which are an integral and essential part of a technological process, including those which facilitate effective functioning of transmission systems, whose sole purpose is to enable use to be made of a work or other subject matter, and which have no independent economic significance, shall be exempted from the right set out in Article 2'*. Its inclusion has, however, been protested by right holders. They argue that many temporary acts of reproduction occur on a daily basis. Site licenses, whereby copies of programs are made from a central server each time a computer is switched on, are based around the act of temporary reproduction. Right holders would rather see liability issues for ISPs dealt with under the provisions in the E-Commerce Directive. Article 5, however, remains in the Copyright Directive.

⁶³ 91/250 [1991] OJ L122/42 implemented by way of Copyright (Computer Programs) Regulation 1992 SI 1992 No 3233 amending the 1988 Act. As Cornish argues this development *'has driven the copyright in copies to a point where it virtually overlaps with the notion of performance (but without being tied to the concept of public availability)'* Cornish *Intellectual Property* para 13-29.

that the right holder should have right to do or authorise *'the permanent or temporary reproduction of a computer program by any means and in any form'*⁶⁴. This was translated into UK⁶⁵ law in by providing that *'copying includes the making of copies which are transient or incidental to some other use of the work'*⁶⁶. In other words, the transient copy refers to all categories of works, not just computer programs. The provision has caused discussion as it could mean that surfing, which in many cases only involves a temporary reproduction on a computer, could constitute an infringement. Many commentators believe that, despite this provision, there must be an implied licence to cover many activities relating to the Internet, such as surfing, where those works have been placed on the Internet with the consent of the right holder⁶⁷.

To harmonise the laws in Member States of the EU, not all of which contain a general temporary reproduction right, the Copyright Directive provides that: *'Member States shall provide for the exclusive right to [authors and neighbouring rightholders to] authorise or prohibit direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part'*⁶⁸.

This temporary right of reproduction means that a copyright owner will have (if she does not already under domestic law) the right to authorise, or to refuse authorisation for, a surfer to view a web page on a computer. If such temporary reproductions are not authorised, then surfing would infringe this right. This right has implications for a number of activities and people. A temporary reproduction is made by the person who digitises the work to place to on the Internet; by the ISP whose equipment makes continuous temporary copies of works, as these works travel around the network; and the surfer browsing the Internet, bringing up pages on to the screen of the computer.

Even where a surfer is permitted by the copyright owner to make a hard copy of a work disseminated over the Internet, it would appear that the doctrine of exhaustion will not apply to permit that copy to circulate. The Copyright Directive Recital 19 provides:

'The question of exhaustion does not arise in the case of services and on-line services in particular. This also applies with regard to a material copy of a work or other subject matter made

⁶⁴ Computer Programs Directive Article 4(1).

⁶⁵ CDPA s 17.

⁶⁶ CDPA s 17(6).

⁶⁷ MacQueen, *Copyright and the Internet* in Law and the Internet: A Framework for Electronic Commerce Edwards and Waelde eds Hart 2000.

⁶⁸ Copyright Directive Article 2.

by a user of such a service with consent of the rightholder...every on-line service is in fact an act which will have to be subject to authorisation where the copyright or related right so provides.' (emphasis added).

Thus, it would appear, even if a surfer makes a hard copy of a work, where the consent of the right holder has been given to the making of that copy, then that copy is not subject to the exhaustion rule. That copy could therefore not be lent to a colleague or resold without infringing this right.

4.3 Making available, communication to the public, temporary reproductions and exhaustion

Taking these rights together, it would appear that the doctrine of exhaustion will not operate in relation to digital works made available over the Internet. At the point of placing a work on a server the copyright owner is able to authorise when a work should be made available over the Internet. Thereafter, the copyright owner will be in a position to determine if that work can be accessed and used by the surfer. If a surfer makes a temporary or permanent copy without permission, that will infringe the rights of the owner. Equally, any further reproduction of that work, whether temporary or permanent, is a right reserved to the copyright owner. Thus the surfer, who may have lawfully accessed and downloaded a copy of that work, cannot 'lend' that work to a friend without authorisation. Equally, that surfer cannot print out a copy for personal use or to lend to a friend as that would also result in a reproduction of the work⁶⁹. Even the loan of the computer to a colleague to view the work could be inhibited, as bringing the work on to the screen of the computer would make a further temporary reproduction. No physical or tangible copy of a work is disseminated over the Internet, and thus there is no copy on which the exhaustion doctrine can operate. The reach and control of the law extends to private use of works ⁷⁰, for which a charge could be levied for each access⁷¹.

⁶⁹ The novel by Stephen King *Riding the Bullet* was made available only on computer and hand held instruments like the palm top. The technology built around the book prevents any copies being made. <http://www.laestrelladigital.com/news/doc/1047/1:COMP27/1:COMP270327100.html>

⁷⁰ Elkin-Koren, *Cyberlaw and Social Change: A Democratic Approach to Copyright Law in Cyberspace* (1995-96) 14 Cardozo Arts & Entertainment Law Journal 215. Litman, *The Exclusive Right to Read* (1994-95) 13 Cardozo Arts & Entertainment Law Journal 29.

⁷¹ Some have made this point during the various debates in the US. *This new right could well prove to be the legal foundation for a society in which information becomes available only on a pay-per-use basis*. H7094 Congressman Riley.

Digital fences surrounding the work, coupled with further contractual terms on use of the underlying work, could serve as the mechanisms by which the communication to the public right, the making available to the public right, and the temporary reproduction right can be enforced. As digital fences become more sophisticated, there would appear to be no reason why the market could not be partitioned by copyright owners.

Exhaustion in relation to tangible copies of works operates to ensure that does not happen in relation to specified territorial areas. But as it does not apply to services, copyright owners can control release of works, not only to particular territories, but also within those territories. A film owner can currently release a film at expensive inner-city cinemas, before releasing it to those in outlying areas. The film may be released in cinemas before copies are made available on DVD's and videos, broadcast, or included in a cable programme⁷². Highly refined price discrimination between and within territories may become possible, under the control of the right holders. At the moment this does not happen on the Internet because there does not appear to be a reliable method of maintaining territorial boundaries. However, it is perhaps only a matter of time before such possibilities become apparent.

5. Authorship

At the outset of this chapter, it was suggested that exhaustion contributed to the free flow of works, and thus to authorship. Thus, exhaustion does not mean that copies of works, or of parts of works can be made. However, it does mean that there is a relatively free movement of hard copies of works, once those works have been placed into general circulation. On the Internet, these works are never placed in general circulation, and no tangible copy is disseminated on which the exhaustion doctrine can operate. In addition, the technological controls may mean that there will be no room for the leakage that traditionally occurs. Admittedly, one of the difficulties in pointing to this leakage that occurs in hard copy form and its consequent contribution to authorship, is that it is not a good platform on which to call for similar leakage on the Internet. Simply because unauthorised reproductions may be made does not mean that such reproductions should be condoned. However, the leakage that occurs in relation to hard copies of works does

⁷² DVD's are currently 'zoned' by the rights holders. This means, for example, a DVD purchased in the US could not be played on a DVD player purchased within the EU. This practice is currently under investigation by the European Commission because the effect is that rights holders can charge different prices in different zones. For a report see http://news.bbc.co.uk/1/hi/english/business/newsid_1382000/1382152.stm.

so within a framework that has allowed for balancing rights in favour of the owner. Given that on the Internet there will be no leakage, so this should argue for greater balancing freedoms in favour of the user of the work, in particular where an author wishes to glean inspiration for the creation of future works. Without such freedom, an author may be hampered in the search for inspiration.

6. Summary

The purpose of this chapter has been two-fold. It has been to discuss exhaustion and the contribution that it makes to the public domain and to authorship. Secondly it has been to analyse the changes that have been made to the exhaustion doctrine as it will operate in connection with works disseminated over the Internet and explain how, in turn, that provides the necessary platform for a paradigmatic shift in the way in which right holders can protect works: from copyright to contract. Over the next chapters the main parts of the public domain will be analysed and their contribution to authorship discussed. In that debate, it will become noticeable that the boundaries of the public domain have shifted away from the would-author towards facilitating more control in favour of the right holder. In that move, both the protection of technical controls and the validation of licensing of works are vital factors.

Chapter 6

Fair dealing, fair use and the public domain

1. Introduction

Perhaps one of the most widely recognised elements of the public domain concerns what is called fair dealing in the UK and fair use in the US. Broadly, these exceptions to copyright protection, found both in Anglo-American and Civil law systems, allow an author when creating a new work, or using the existing work to enhance knowledge, to borrow a substantial part of the expression of that existing work without permission from, or payment to, the copyright owner.

2. Fair dealing and authorship

Bearing in mind the derivative nature of creativity, fair dealing can be seen as a vital tool in that process. For instance, the UK category of criticism and review¹ allows an author to copy what might be qualitatively the heart of an existing work, and repeat it in a new work with a review or a criticism of the substance and ideas contained in that work. It allows consideration and reflection of the first work in a second, without needing to seek permission of the author. The criticism might be negative, but so long as done fairly prevents the first author from using copyright in the original work to censor the comment. The recombination of expression and ideas in the second work might reach a wider, or different audience, facilitating the spread of knowledge. Similarly with fair dealing for the purpose of reporting news²: because issues of current concern can be copied and re-used, the information can reach a wide audience. Alternative comment and views can be aired, giving the public a variety of sources on which to draw. The third category, fair dealing for the purposes of research and private study, is also immensely valuable for authorship³. Being able to copy a substantial amount of a protected work, take it to the privacy of one's own work space, read it, re-read it, mull it over, scribble comments on it, show it to others, discuss it, learn from it, combine it with other works, is for the advancement of knowledge, not just for the individual who pleads the privilege

¹ CDPA s 30.

² *Ibid.*

³ Some guidelines exist for what authors and publishers consider to be fair dealing. For details see *Photocopying from Books and Journals* The British Copyright Council. <http://www.cla.co.uk/www/fairdeal.htm>.

in the first place, but also for the wider consuming public, who might then have the benefit of further works drawing on the first. The balances represented in the law of copyright through *inter alia* the fair dealing defences/limitations support and nurture a healthy authorial culture.

The fair use defences and their potential demise on the Internet has prompted passionate debate⁴ in the US. There has been less debate in EU Member States. This is possibly because, as will be discussed, the fair dealing provisions in the US are broad open-ended categories. By contrast, they are narrower in the UK, and narrower still in authors' rights systems. Thus there may not be as much reliance, or at least not as much acknowledged reliance, on these limitations to copyright protection when creating new works, as there has been in the US. The burning question in the US has been: will fair use function on the Internet? The focus in this chapter will be on fair dealing⁵ and fair use.

Although an exclusive right of reproduction is conferred on authors in the Berne Convention⁶, signatory States are permitted to legislate for exceptions to this right, *'in certain special cases which do not conflict with the normal exploitation of the work by the author, and so*

⁴ Bell, *Fair Use v Fared Use: The Impact of Automated Rights Management on Copyright's Fair Use Doctrine* 1998, 76 North Carolina Law Review 557. Elkin-Koren, *Copyright Policy and the Limits of Freedom of Contract* 1997, Berkeley Technology Law Journal Vol. 12. Schlachter, *The Intellectual Property Renaissance in Cyberspace: Why Copyright Law Could be Unimportant on the Internet* 1997, Berkeley Technology Law Journal Vol. 12. Litman, *Copyright Noncompliance (or Why We Can't Just Say Yes' to Licensing)* 1997, 29 NYU Journal of International Law & Policy 237.

⁵ These are not the only statutory limitations on copyright and which allow re-use of protected works. The CDPA chapter 3 ss 28-77 contains an assortment of privileges including library privileges CDPA ss37-44, certain uses for educational purposes CDPA ss32 - 36A, public administration CDPA ss45-50, computer programs and databases CDPA ss50A - 50D, acts carried out on the assumption that copyright has expired or the author has died CDPA s57, public readings CDPA s59, and time shifting of broadcasts and cable programmes CDPA s70. In many cases, the intention is that licensing schemes should be set up to licence the use of works under these sections. These include the copying of abstracts of technical or scientific articles CDPA s60: provision of sub-titled copies of broadcast or cable programmes CDPA s74: and recording by educational establishments of broadcasts and cable programmes CDPA s35. To the extent that licensing schemes are not available, then fair dealing may be relied upon as a defence in an action for infringement of copyright. However, once a licensing scheme is in place, then this must be used for the purposes of substantial copying. In pursuance of this policy various schemes have been created. Examples of licensing schemes in operation include: 1993 SI No 74 Copyright (Recording for Archives of Designated Classes of Broadcasts and Cable Programmes) (Designated Bodies) Order 1993. 1989 SI No 1012 Copyright (Recordings of Folksongs for Archives)(Designated Bodies) Order 1989. 1990 SI No 879 Copyright (Certification of Licensing Scheme for Educational Recording of Broadcasts and Cable Programmes)(Educational Recording Agency Limited) Order 1990 as amended by 1992 SI No 211, 1993 SI No 193 and 1994 SI No 247. 1993 SI No 2755 Copyright (Certification of Licensing Scheme for Educational Recording of Broadcasts)(Open University Educational Enterprises Limited) Order 1993 (previously 1990 SI No 2008).

⁶ The right is *'the exclusive right of authorising the reproduction of these works in any manner or form'*. Berne Convention Article 9 (1).

*long as such takings do not unreasonably prejudice the legitimate interests of the author*⁷. This has been said to be a three-step test, because (1) it applies only in special cases, (2) the exceptions must not conflict with normal exploitation, (3) the takings must not unreasonably prejudice the legitimate interests of the existing author. The formula is repeated in the TRIPs agreement and in the WCT⁸. The fair dealing limitations are considered to fall within this three-step test.

Contrasts can be drawn between the approach of Anglo-American systems and Civilian systems to fair dealing. Anglo-American systems generally view fair dealing provisions as a limitation on the grant of the property right in the work. By contrast, Civilian systems tend to view the fair dealing provisions as an exception to the grant of the right to the author. This stems in part from the differing historical development between the systems. As one Dutch writer has commented: *'Viewed from the perspective of public interest, limitations are inherent to copyright law, viewed from the perspective of the copyright owner's interest, they are exceptions to copyright law'*⁹. Thus, on the one hand, a property right is never considered as granted in those parts of works subject to fair dealing or fair use. On the other hand, in the authors rights systems, the property right is given, but then taken away. This difference in approach finds expression in domestic legislation. In the Anglo-American systems, in particular the US, the categories of fair dealing are considered broad and open-ended. By comparison, the Civilian systems tend to list specifically what activities are permitted to be carried out in relation to protected works without permission. There is also an interesting difference in the approach taken in the US, as compared with the UK. In the US the categories of fair use are wider than those in the UK. In the UK fair dealing has grown up in the form of tightly worded defences to infringement in the 1988 Act¹⁰. The categories, as introduced above, are research and private study¹¹, criticism or

⁷ The understanding of the current hierarchy of the 3 step test is where a proposed use threatens the normal exploitation of a work then the consideration of the test comes to an end and any contemplated exception permitting the proposed use is not authorised by the test. Rickeston, *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986* (1987) p483. For comment Heide, *The Berne Three Step Test and the Proposed Copyright Directive Opinion* [1999] EIPR 105.

⁸ TRIPS Article 13.

⁹ Grosheide, *Mass Market Exploitation of digital Information by the Use of Shrink Wrap and Click Wrap Licenses. A Dutch Perspective on Article 2B UCC* in Grosheide and Boele-Woelki (eds), Molengrafica: Europees Privaatrecht 1998.

¹⁰ CDPA ss29-31.

¹¹ Research and private study is not further defined in the CDPA. In the Australian case of *De Garis v Neville Jeffres Pidler Pty Ltd* (1990) 18 IPR 292 the court took the view that 'research' meant diligent and systematic enquiry or investigation into a subject in order to discover facts or principles', and 'study' as the application of the mind to the acquisition of knowledge by reading, investigation or reflection; the cultivation of a particular branch of learning science or art; a particular course of effort to acquire

review¹² and reporting current events¹³. By contrast, the US has a broader notion of fair use, and the categories are open-ended¹⁴. Thus the relevant statutory provision refers to: ‘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 reporting¹⁵, teaching, scholarship or research ...’¹⁶ (emphasis added). Such is the flexibility of the doctrine in the US it has been said that it could be used ‘in arguably any circumstance’¹⁷. ‘A creature of common law, fair use conforms to no simple test, bright line rule or systematic presumption’¹⁸.

The purpose of this part is to compare how fair dealing and fair use function in the ‘terrestrial’ world, and examine the rationales for their existence, before turning to look at how they might function on the Internet.

knowledge; or an examination and analysis of a particular subject p630. In *Television New Zealand v Newsmonitor Services Ltd* [1994] 2 NZLR 91 p 105 the New Zealand High Court said that research involves the study of things including written materials or those captured in electronic form. In the UK, the research and private study exemption only applies to case where an individual makes a copy of a work for his own research or private study and not, for example to the making of multiple copies for distribution to other persons *University of London Press Ltd. V University Tutorial Press Ltd* [1916] 2 Ch 601 p613-4.

¹² The early origins of comments on this defence indicate some confusion with the notion of substantial copying. Thus in *Chatterton v Cave* [1877-78] 3 App Cas 483 p492, Lord Hatherley said that books are published with the expectation that they will be criticised and reviewed, and therefore quoting from them is fair use so long as the amount quoted was not substantial. *Independent Television Publications Ltd v Time Out Ltd* [1984] FSR 64 where Whitford J said that once the conclusion is reached that the whole or a substantial part of the copyright work had been taken, a fair dealing defence is unlikely to succeed. Criticism and review need not be confined to the literary style of the work, but may extend to the thoughts underlying it, for example the ideas or philosophy. *Hubbard v Vosper* [1972] 2 QB 84 p93. But of course, copyright does not in any event extend to ideas, only to their expression.

¹³ In *Newspaper Licensing agency Ltd v Marks & Spencer Plc* [1999] TLR 60 Lightman J considered that the words ‘reporting current events’ were of a wide and indefinite scope and should be interpreted liberally. Case reversed on appeal on the grounds that the copying done of the typographical arrangement did not constitute a substantial amount of the work as a whole. [2001] Ch. 257 [2000] 3 W.L.R. 1256 [2000] 4 All E.R. 239 [2000]. See also *Pro Seiben Media AG v Carlton UK Television Ltd* [1999] FSR 610 (CA).

¹⁴ The doctrine of fair use was first recognised in US in 1841 in *Folsom v Marsh*, 9 F Cas 342 (CC Mas 1841)(No 4901) where the defendant copied a twelve volume historical work on George Washington by editing it down to two volumes. 353 pages had been copied verbatim. In finding for the plaintiff the court took the view that granting fair abridgement would unduly reduce the economic incentives of authors to produce. Moreover, there was no specific public interest in producing the work as no new work was created nor productive meaningful transformative use: ‘In deciding questions of this sort, look to the nature and objects of the selection made, the quantity and value of materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supercede the objects, of the original work’ p348.

¹⁵ Fair use was considered in a case concerning news reporting on the Internet. The court, however, found that the fair use defence did not succeed.. *LA Times v Free Republic* 2000 U.S. Dist. LEXIS 20484, 56 U.S.P.Q.2D (BNA) 1862; 29 Media L. Rep. 1028.

¹⁶ Copyright Act USC 17 s107.

¹⁷ Phan, *Will Fair Use Function on the Internet?* 1998, 98 Columbia Law Review 1998, 169 at p 182.

2.1 Fair dealing and fair use

As mentioned above, fair dealing¹⁹ in the UK and fair use²⁰ in the US are privileges that allow a user of a work protected by copyright to copy substantial²¹ proportions of that work for specified purposes without the consent of, or direct payment to, the copyright owner. Any new work created can be further disseminated without the permission of the copyright owner in the first work. In other words, the fair dealing provisions allow an author to copy the expression of ideas fashioned by authors that came before, and use the expression of those ideas in creating new works. Thus where passages from a book are fairly included in another, or where news is re-broadcast²², or where one work is incidentally included in a second²³, the user may distribute copies of the new transformed work without permission from, or payment to, the original copyright owner.

There are some similarities in the subject matter of the cases that come to the courts for consideration under the fair dealing and fair use principles. Under the narrow UK categories have been questions over the publication of photographs in a newspapers which were taken from another newspaper²⁴. In similar vein was the case in the US where one magazine scooped the serial rights in a story belonging to another²⁵. In neither case was the defence of fair dealing/use successful. But there are questions to come before courts in the US where a case for fair use is made out, but would not be in the UK. Thus, in the US, a court has held that videotaping by individuals, at home, of off-air television broadcast programming for the purpose of 'time shifting', is fair use²⁶.

¹⁸ Leval, *Fair Use* 1990, 103 Harvard Law Review 1105.

¹⁹ CDPA ss 28 - 31.

²⁰ US Copyright Act Title 17 USC s 107.

²¹ CDPA s 28.

²² In some circumstances, it may be permissible to take the whole of an existing work. *Hubbard v Vosper* [1972] 2 QB 84; *Beloff v Pressdram* [1973] 1 All ER 241.

²³ CDPA s 31(1). But see CDPA s 31(3) which provides that music and song lyrics are not to be regarded as incidentally included 'if it is deliberately included'. In *Hawkes & Son (London) Ltd v Paramount Film Service Ltd* [1934] Ch 593, bars from the march 'Colonel Bogey' were included deliberately in a newsreel as background music, and therefore copyright was infringed. This case was decided under the 1911 Act. Laddie, Prescott and Vitoria, para 2.160, suggest that the case would be decided differently under current legislation.

²⁴ *Francois-Marie Banier v News Group Newspapers Ltd* [1997] FSR 812.

²⁵ *Harper & Row* Nation magazine's scoop of Time magazines first serial rights in President Ford's memoirs held infringing notwithstanding newsworthiness of the account of the Nixon pardon set out therein. *Harper & Row Publishers Inc v Nation Enterprises* 471 US 539 549-50 (1985).

²⁶ *Sony Corp. of America v Universal City Studios* 464 US 417, 455 (1984) holding that 'time shifting' of television shows protected by copyright constitutes fair use under the US Copyright Act, and thus is not an infringement. The US courts have also opined that 'space shifting' is fair use. Space shifting is copying a work from one medium to another, in this case from a computer to an MP3 player. *Recording Industry Ass'n of America Inc. v Diamond Multimedia Sys Inc.* 29 F Supp 2d 624.

This does not fall under the fair dealing provisions in the UK, but there is a specific exemption in the CDPA²⁷. Other cases reach similar outcomes. In the US an unsuccessful attempt was made to argue that a school's practice of taping educational broadcasts for later use in classrooms was fair use²⁸. In the UK, the same result would be achieved as there is a specific provision encouraging licensing the taping of off-air broadcasts for educational purposes²⁹. And finally, reverse engineering of a computer program to discover the interface to create an interoperable program, *is* fair use in the US³⁰. In the UK it is subject to a specific statutory provision which permits decompilation of a program by a lawful user, if the purpose for such decompilation is to discover the interface to enable the creation of a new and interoperable program³¹.

2.2 The factors in the Anglo-American approach in determining whether a case is made out

A comparison between the UK and US approach shows a number of similarities as to the factors to be taken into account in deciding whether a particular use is fair. But in neither case is it easy to determine exactly when a defence of fair dealing will be successful³².

In the UK legislation there are no guidelines as to what factors should be taken into account in determining a case of fair dealing. By contrast, in the US, specific factors are listed in the Copyright Act s107. These are: the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes; the nature of the copyrighted work; the amount and substantiality of the

²⁷ CDPA s70.

²⁸ *Encyclopaedia Britannica Edic Corp v Crooks* 558 F Supp 1247 WDNY (1983)

²⁹ CDPA s 35(2)

³⁰ *Sega Enterprises Ltd v Accolade Inc* 977 F 2d 1510 (9th Cir 1992) p 1523. For a Critique of the case see Miller, *Copyright Protection for Computer Programs, Databases and Computer Generated Works: Is Anything New Since CONTU?* [1994] 26 IPLR. See also *Sony Computer Entertainment Inc. v Connectix Corporation* 203 F.3d 596, 2000 U.S. App. LEXIS 1744, 53 U.S.P.Q.2D (BNA) 1705 where the US 9th Circuit Court of Appeals ruled that Connectix was entitled to reverse engineer products for the Sony Playstation. The decision overturned a lower court decision that prohibited the practice.

³¹ CDPA s 50B. *Mars UK Ltd v Teknowledge Ltd* [2000] FSR 138.

³² 'No generally accepted definition of fair use is possible and each case raising the question must be decided on its own facts'. HR Rep No 1476 94th congress 2nd Sess at 65 (1976). *Campbell v Acuff-Rose Music Inc* 114 S Ct 1180 1182 (1994): 'the task is not to be simplified with bright line rules, for the statute like the doctrine it recognises calls for case by case analysis'. See generally Loundy, *Revising the Copyright Law for Electronic Publishing* 1995, 14 J. Marshall J. Computer & Info. 1.

portion used in relation to the copyrighted work as a whole, and the effect of the use upon the potential market for or value of the copyrighted work³³.

In the UK, fair dealing protects a reviewer or commentator who may want to use a work to illustrate comments made on that work³⁴. But where the motive might be to damage the copyright owner, or to take unfair advantage of a work, or to compete commercially with the owner, a case of fair dealing will not be made out³⁵. This 'commercial purpose' factor is one that has grown in importance in recent years, particularly in the US. There the courts have gone so far as to state that '*every commercial use of copyrighted material is presumptively unfair*'³⁶. In the UK this was considered important in *Associated Newspapers Group plc v News Group Newspapers Ltd*³⁷. The Daily Mail had printed a number of letters which had passed between the late Duke and Duchess of Windsor. One was copied in an edition of The Sun. The court found that the purpose was to attract readers, and was therefore not fair dealing. Similarly, the Court of Appeal in *Newspaper Licensing Agency v Marks & Spencer*³⁸ said '*a dealing by a person with a copyright work for his own commercial advantage – and to the actual or potential commercial disadvantage of the copyright owner – is not to be regarded as 'fair dealing' unless there is some overriding element of public advantage which justifies the subordination of the rights of the copyright owner*'. Commercial use does not, however, preclude a successful defence of fair dealing in either the UK or US. In *British Broadcasting Corp. v British Satellite Broadcasting Ltd*³⁹ the defendant, a satellite broadcaster, frequently transmitted significant excerpts of BBC sports bulletins⁴⁰. The court found that the use of the material was fair dealing, because it was pertinent to the news reporting character of the programme. Although the defendant was a competitor of the BBC, there was no intention of poaching viewers. In the US in *Campbell v Acuff-Rose Music Inc.*⁴¹ the court held that a commercial parody may qualify as fair use, if the use of the copyright material transformed the original to the extent that an independent work was created. There also

³³ For a general discussion on Fair Use in the US see Leval, *Fair Use* 1990, 103 Harv. L. Rev. 1105.

³⁴ Copinger & Skone James on *Copyright* (1991) 13th ed Para 10-10.

³⁵ *Johnstone v Bernard Jones Publications* [1938] Ch 599 p607. Laddie Prescott and Vitoria *The Modern Law of Copyright and Designs* (1995) 2nd ed Vol 1 Para 2.158 Butterworths.

³⁶ *Sony Corp of America v Universal City Studios Inc* 464 US 417 (1984) p451.

³⁷ [1986] RPC 515.

³⁸ [2000] 4 All ER 239,257 (Chadwick LJ). The case was confirmed by the House of Lords but on the grounds that infringement of typographical arrangement depended on a qualitative rather than quantitative assessment. *Newspaper Licensing Agency v Marks & Spencer plc* [2001] UKHL 38; [2001] 3 W.L.R. 290; [2001] 3 All E.R. 977.

³⁹ [1992] Ch 141.

⁴⁰ The excerpts lasted between 14 and 37 seconds.

⁴¹ 114 S Ct 1180 1182 (1994).

had to be some critical comment on the original material. If activities are for non-profit educational activities in the US there is a presumption favouring fair use⁴². By contrast in the UK these uses have to fall under the research and private study or criticism and review provisions, or one of the other limited statutory provisions, or else be licensed if such a scheme is available.

The amount and importance of the work taken, have also been considered important factors. UK courts have persistently said that this element depends on the facts of each case, since it is impossible to define exactly what amounts to fair dealing:

*'You must consider first the number and extent of the quotations and extracts. Are they altogether too many and too long to be fair? Then you must consider the use made of them. If they are used as a basis for comment, criticism or review, that may be a fair dealing. If they are used to convey the same information as the author, but for a rival purpose, that may be unfair. Next you must consider the proportions. To take long extracts and attach short comments may be unfair. But short extracts and long comments may be fair'*⁴³.

All factors considered, taking large extracts may well be fair⁴⁴ where the level of the review and criticism is high.

What the cases do show in both jurisdictions is that there are no hard and fast standards that can be applied to determine when a particular case will be successful on the grounds of fair dealing. Rather, each case needs to be considered on its own merits.

*'Although no simple definition of fair use can be fashioned, and inevitably disagreement will arise over individual applications, recognition of the function of fair use as integral to copyright's objectives leads to a coherent and useful set of principles. Briefly stated, the use must be of a character that serves the copyright objective of stimulating productive thought and public instruction without excessively diminishing the incentives for creativity. One must assess each of the issues that arise in considering a fair use defence in the light of the governing purpose of copyright law'*⁴⁵.

The criticism of this approach is that it leaves much uncertainty for those who would plead fair dealing, and for those who oppose it. Copyright owners may be tempted to

⁴² *Salinger v Random House* 811 F 2d 90 (2d cir) concerned biography of Salinger whereby 'dazzling' passages of the original writing were taken. Fair use was found mainly on the overall instructive character of the biography.

⁴³ *Hubbard v Vosper* [1972] 2 QB 84 per Lord Denning MR p94.

⁴⁴ *Time Warner v Channel 4* [1994] EMLR 1. But for a critique see Bradshaw, *Fair Dealing and the Clockwork Orange Case: A Thieves Charter in Readings in Intellectual Property* [1995] 17 EIPR 304.

complain that their works are 'stolen' by the decisions of the court, which rely on facts and impressions without any guidelines, and that courts have almost complete discretion in deciding what amounts to fair dealing. Those who wish to rely on fair dealing as a defence, are often faced with expensive court battles to prove their case.

What is noteworthy from the decided cases is that, in the UK at least, the majority concern the extent to which the *media* (newspapers, broadcasters) can copy from another source and claim fair dealing for those activities. There have been surprisingly few cases in other areas, notably concerning research and private study, or criticism and review where the media has not played a part. This could be for one of two reasons: either authors, in creating new works simply do not engage in 'copying' from the work of another, or, and the most likely explanation, is that it is clearly accepted that there are limitations on the property right in existing works, and it goes without saying that those elements can be used in creating new works. Without being able to borrow from what exists, authorship would not be possible. What also matters is the justification for those takings. Does fair dealing/fair use arise merely in response to market failure, or are there broader policy oriented goals served by their inclusion in the copyright framework? And if so, what are they?

3. The Justifications for the fair dealing/fair use defences in the UK and US

It would appear that there is no single overall justification or theory for the existence of the fair dealing rights that would explain either why they exist in the legislation of Anglo-American countries, or the boundaries on their application. Rather a number of justifications have developed, sometimes attempting to give an over-arching theory, sometimes attempting to explain single judgements by the courts. These theories draw in large part on the overall justifications for copyright protection⁴⁵. Thus, the fair dealing provisions are said to operate as part of the public/private interest bargain struck by the

⁴⁵ According to Leval, *Towards a Fair Use Standard* *ibid* at p1110, the fair use doctrine is: '*intended to avoid the rigid application of the copyright law when such an application would defeat the law's underlying purpose*'.

⁴⁶ For a general discussion see *Rights Limitations and Exceptions: Striking a Proper Balance* Imprimatur Consensus Forum 1997 generally, and *Fierce Creatures Copyright Exemptions: Towards Extinction* in Institute for Information Law University of Amsterdam. Paper delivered at conference 30-31 October 1991 by Hugenholtz.

law of copyright, in place of the implied consent of the author, or as the expression of a fundamental human right.

*Exemptions are instruments in finding the necessary balance between property rights in information and safeguarding the public interest. Private copy exemptions are primarily aimed at protecting the individual's private sphere. Library privileges, archival exemptions, rights of news reporting and quotation rights are intended, inter alia, to safeguard our cultural heritage and foster the free flow of information. Other exemptions protect basic academic freedoms or serve essential educational purposes*⁴⁷.

Many commentators, particularly from the US, have argued that the fair dealing limitations are essential to the overall scheme of copyright⁴⁸:

*Fair use should not be considered a bizarre, occasionally tolerated departure from the grand conception of the copyright monopoly. To the contrary, it is a necessary part of the overall design*⁴⁹.

3.1 Fair dealing as market failure

In application to the Internet, one of the most prominent, and hotly debated, views for the existence of the fair dealing limitations is that they arise purely in response to market failure. Seeking consent to re-use substantial parts of a work on every occasion would be costly. Thus, fair use has arisen in response to the circumstances in which bargaining may be excessively expensive⁵⁰.

This theory has been strengthened in recent years in the US as a result of *American Geophysical Union v Texaco Inc*⁵¹. In this case, eighty-three publishers of scientific and technical journals joined in a class action copyright infringement suit against Texaco, alleging that unauthorised photocopies of individual articles had been made by

⁴⁷ See Hugenholtz, *Adapting Copyright to the Information Superhighway* in *The Future of Copyright in A Digital Environment* Hugenholtz ed. Kluwer 1996 p 94-95.

⁴⁸ Although in the digital age, many commentators are now arguing that the fair dealing privileges stem purely from market failure and therefore should not be tolerated. See the discussion *infra*.

⁴⁹ Leval *Fair Use* at 1110. Some provisions falling under the head of fair use would appear to have no basis in any theory at all. For instance, in the US where performances of musical works by 'non-profit agricultural or horticultural organisations, in the course of an annual agricultural or horticultural fair or exhibition' does not infringe copyright. US Copyright Act Title 17 USC 110(6). Perhaps best explained an indication of the bargaining that occurs during the legislative process, rather than as part of a coherent theory.

⁵⁰ Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and its Predecessors* [1982] 82 Columbia Law Review 1600.

⁵¹ No 92-9341, 1994 WL 590563 (2nd Cir. Oct 28 1994).

employees of the company and circulated amongst scientific research staff. The case turned upon the fourth factor of the US fair use defence which requires the court to consider *'the effect of the use upon the potential market for or value of the copyrighted work'*. The Court held that the publishers had created a *'workable market for institutional users to obtain licenses for the right to produce their own copies of individual articles via photocopying'*. This made it difficult for Texaco to argue that their photocopying had no effect on the revenue stream of the plaintiffs. The court said: *'the right to seek payment for a particular use tends to become legally cognisable under the fourth fair use factor when the means for paying for such a use is made easier'*. Commentators have taken this case⁵² as demonstrating that US courts have *'concluded that the fair use defence should give way when copyright owners can conveniently collect licensing fees'*⁵³.

The expense and difficulties of seeking consent has certainly been recognised as a factor in UK legislation. In some circumstances, substantial copies of certain works can be made for specified purposes without infringing copyright. For instance, recording a broadcast or cable programme on behalf of an educational establishment is permissible without authorisation⁵⁴. However, when there is a licensing scheme in place to collect fees for such reproduction, copyright will be infringed unless a licence has been acquired⁵⁵. So market failure underlies the permission to copy as it would be too expensive to seek consent every time. However, once the market has corrected that failure by developing a collective licensing scheme, copies can no longer be made without paid-for permission. But these market failure exceptions which encourage licensing schemes are limited in UK legislation. They are in addition to the fair dealing categories. This would suggest that market failure is not the only reason for fair dealing.

⁵² Also *Princeton University Press v Michigan Document Services Inc* 99 F 3d 1381 6th Cir 1996 photocopying for classroom use.

⁵³ Bell, *Fair Use v Fared Use: The Impact of Automated Rights Management on Copyright's Fair Use Doctrine* 1998, 76 NC L Rev 557. See also Elkin-Koren, *Copyright Policy and the Limits of Freedom of Contract* 1997, Berkeley Technology Law Journal Vol 12. Schlachter *The Intellectual Property Renaissance in Cyberspace: Why Copyright Law could be Unimportant on the Internet* 1997, Berkeley Technology Law Journal Vol 12. Litman *Copyright Noncompliance (or Why we Can't Just Say Yes' to Licensing)* 1997, 29 NYU Journal of International Law & Policy 237.

⁵⁴ CDPA section 35(1).

⁵⁵ CDPA section 35(2). Examples of licensing schemes in operation include: 1993 SI No 74 Copyright (Recording for Archives of Designated Classes of Broadcasts and Cable Programmes) (Designated Bodies) Order 1993. 1989 SI No 1012 Copyright (Recordings of Folksongs for Archives) (Designated Bodies) Order 1989. 1990 SI No 879 Copyright (Certification of Licensing Scheme for Educational Recording of Broadcasts and Cable Programmes) (Educational Recording Agency Limited) Order 1990 as amended by 1992 SI No 211, 1993 SI No 193 and 1994 SI No 247. 1993 SI No 2755 Copyright (Certification of Licensing Scheme for Educational Recording of Broadcasts) (Open University Educational Enterprises Limited) Order 1993 (previously 1990 SI No 2008).

If fair dealing arises purely in response to market failure, then economists should agree that once the market is functioning in such a way that all copying can be metered and paid for (such as through collecting societies, by way of levies on recording equipment, or through one-to-one licensing on the Internet), fair dealing would no longer be needed. However, that is not the case. Although the rise in granting property rights over intellectual products is generally attributed to economic argument, some economists do recognise the value of leaving elements in the public domain:

'the less extensive copyright protection is, the more an author, composer, or other creator can borrow from previous works without infringing copyright and the lower, therefore, the costs of creating a new work....if copyright protection effectively prevents all unauthorised copying from a copyrighted work, the effect would be to raise the cost of creating new works....and thus, paradoxically, perhaps, lower the number of new works created'⁵⁶.

So the fewer property rights there are in existing works, and the wider the public domain, so the lower the financial costs in creating a new work⁵⁷. In turn, the public domain is enriched and authorship facilitated.

Those who support the theory that fair dealing arises purely in response to market failure consider it has no place in relation to works disseminated over the Internet. No longer will authors need to take parts of works without consent. Rather, the development of digital fences, coupled with contractual controls on the use of creative works, will mean that every taking can be both controlled and authorised by the copyright owner (by contract). Instead of limited property rights granted under copyright, copyright owners will have an unrestricted property right in their works, the fair use provisions simply having been an historical anomaly, essential where full control was not possible. Digital fences and contract will prove to be more efficient than the fair use defences, which in turn will increase access and use, and reduce costs⁵⁸.

⁵⁶ Ladnes & Posner, *An Economic Analysis of Copyright Law* [1990] 22 IPLR 447 at 455.

⁵⁷ 'fair use can be understood as attempts to promote economic efficiency by balancing the effect of greater copyright protection against the effect of less protection - in encouraging the creation of new works by reducing the cost of creating them' *ibid*.

3.2 The bargain

However, there is a body of opinion against the view that every fair dealing limitation arises as a result of market failure. These commentators consider the fair dealing provisions are part of the bargain that has been struck between authors, and the public, with the intervention of the State. In return for the State granting statutory copyright protection for certain works, rights which are good against the world, and which would be unenforceable by private bargain, authors must allow the public to use a certain amount of these works without return. In this way, fair use encourages authorship:

'the fundamental goal of fair use, as with the Copyright Act as a whole, is the encouragement of creativity. Fair use is not a general 'safety valve' designed to judicially eliminate from copyright protection uses that have nothing more to recommend themselves than that they make the reproduction of copyrighted works easier and cheaper'⁵⁹.

This argument is persuasive. Although recent years have witnessed a rise in the property right in creative works, nonetheless, that right still is, and always has been, limited. Allowing authors and users to take a substantial part of a work for fair dealing purposes is part of that bargain. Limited property rights were granted because the author and publisher could not control the dissemination of works without State help once those works were in the hands of third parties. However, the theory does run into difficulties in relation to the dissemination of works over the Internet, because it is possible for the owner to control all uses without State help through the use of digital fences and one-to-one electronic contracting. So if the owner does not need assistance in controlling the dissemination of works, why should a limitation on the property right be accepted? One answer might lie in pointing to the legislation in place protecting against the circumvention of digital fences: State assistance is therefore still required. But a further argument is that the limitation on the property right is a policy choice that has been accepted for many years. Should a copyright owner be able, or permitted, to opt out of a bargain when it suits the interests of that one party only? It is one matter as to whether a copyright owner can technically limit fair dealing by a combination of digital fences and contract. It is quite another matter whether such limitations should be permitted. The

⁵⁸ Bell *Fair Use v Fared Use: The Impact of Automated Rights Management on Copyright's Fair Use Doctrine* 1998, 76 North Carolina Law Review 557.

⁵⁹ Party, *The Fair Use Privilege in Copyright Law*, The Bureau of National Affairs Inc. Washington DC 1985. Requoted from Katz, *Reprography and Fair Dealing* [1993] 15 EIPR 67 p71.

argument also avoids the fact that use of existing materials is essential for new creations: the limited property right assists is that re-creation.

3.3 Implied consent

A third theory is that fair dealing operates in place of a copyright owner's implied consent. In other words, if the copyright owner was asked for permission to carry out a certain act in relation to a work protected by copyright, consent would be freely given⁶⁰. However, as it is not practical to get hold of all the authors whose consent is required in all the circumstances in which consent may have to be obtained, the author impliedly agrees to the use to which the work is to be put. The limitations on what can and cannot be done under the guise of fair dealing are then designed to coincide with the consent that the author would have given if asked.

This justification, whilst persuasive in some circumstances, does not hold good in every case. Certainly authors of books, directors of films, composers, artists, and other primary copyright creators, may be anxious to have their works reviewed and criticised, thus impliedly giving consent for the use of a substantial part of the work for these purposes. The greater the publicity, the better for all concerned. Similarly, academics, scientists, historians and others are generally pleased to have their work researched and studied, thought about, reviewed and perhaps criticised, all in the name of increasing the depth of public knowledge. However, there are circumstances in which the copyright owner would certainly not have given consent if asked: for instance, where a work is parodied⁶¹, or where the copyright owner has withdrawn a licence for the work to be put on general release⁶². The author has not given consent in these cases, either expressly or impliedly. Nonetheless, the law permits taking of a substantial part of those works under the head of fair dealing.

If the implied consent theory holds true in relation to works disseminated over the Internet, then this justification could be easily accommodated in relation to digital works. Consent can be given (or refused) through digital fences and contract. But this, in turn,

⁶⁰ *Harper & Row Publishers Inc v Nation Enterprises* 471 US 539 549-50 (1985).

⁶¹ *Campbell v Acuff-Rose Music Inc* 114 S Ct 1180.

⁶² *Time Warner v Channel 4* [1994] EMLR 1.

may lead to further problems of a copyright owner preventing re-use of a work for alternative purposes: the underlying motive may be to prevent critical comment.

3.4 Human rights

Of growing importance in recent years, and gaining prominence as a justification for the fair dealing provisions, is the theory that they are connected with fundamental human rights⁶³. In particular, fair dealing guarantees freedom of speech⁶⁴. The US guards the constitutional right to freedom of speech jealously, although on occasion there can be tension between this constitutional right and copyright⁶⁵:

‘...what comes naturally to copyright – what has always been there, embedded in the history of copyright, and what remains when all is said and done – is the deliberate, if selective, suppression and advancement of speech’⁶⁶.

This justification is most clearly seen in operation in the UK in cases concerned with reporting current events. In *Fraser v Evans*⁶⁷, where the Sunday Times (the defendant)

⁶³ The EU Legal Advisory Board has expressed the view that: ‘many existing copyright exemptions do not exist because of market failure, but to protect human rights and basic societal needs. In the opinion of the LAB, exemptions are not exceptions’. <http://www2.echo.lu/legal/en/ipr/reply/general.html>. See also Institute for Information Law Faculty of Law University of Amsterdam *Contracts and Copyright Exemptions* 1997 at p 20-21. http://www.imprimatur.alcs.co.uk/IMP_FTP/except.pdf contending that constitutional law including ECHR article 10 could serve in certain circumstances as an additional limit to the exercise of exclusive rights in cases where restrictions imposed by copyright owners on the use of protected material affect users fundamental rights and freedoms: ‘the interests of rightholders, society and the economy as a whole have to be carefully balanced.... considerations of informational privacy and freedom of expression are practically absent from the Green Paper...the extent and scope [of the rights in Articles 8 and 10 of the ECHR] are clearly at stake if...the economic rights of right holders is to be extended or interpreted to include acts of intermediate transmission and reproduction, as well as acts of private viewing and use of information’. Article 10 of the ECHR is reproduced below. Article 8 provides:

1. Everyone has the right to respect for his private and family life, his home and his correspondence. 2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others’.

⁶⁴ The European Convention on Human Rights Article 10 protects freedom of expression and provides:

1. Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. This article shall not prevent States from requiring the licensing of broadcasting, television or cinema enterprises. 2. The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.

⁶⁵ E.g. the US Governments efforts to prevent the Pentagon papers from being published *New York Times Co v United States* 403 US 713 (1971). Howard Hughes attempts to suppress biographies *Rosemount Enterprises Inc v Random House Inc* 366 F2d 303 (2d Cir 1966). These were unsuccessful, but a successful challenge was where J.D. Salinger brought an action against a biographer who was prevented from publishing letters on file in a library *Salinger v Random House Inc* 811 F2d 90 (2d Cir 1987).

proposed to print short extracts from a confidential report, Lord Denning M.R. stated the importance of the rationale as follows:

*There are some things that are of such public concern that newspaper, the press, and indeed everyone is entitled to make known the truth and to make fair comment on it. This is an integral part of the right of free speech and expression. It must not be whittled away. The Sunday Times ought not to be restrained*⁶⁸.

In *Pro Sieben Media A.G. v Carlton U.K. Television Ltd.*⁶⁹, concerning a report about Mandy Allwood who was pregnant with a number of babies, and criticism in a follow-up report of 'cheque book journalism', the court, in allowing the defence of fair dealing to succeed, considered that the words 'reporting current events' were of a wide and indefinite scope and should be interpreted liberally⁷⁰.

Now that the Human Rights Act 1988, implementing the European Convention on Human Rights (the Convention) is in force in the UK, its provisions have already raised the question of freedom of expression⁷¹ in defence to an action of copyright infringement. This was one of the issues that came before the court in the UK in *Ashdown v. Telegraph Group Ltd.*⁷². The Sunday Telegraph sought to rely on the Human Rights Act to resist attempts by Lord Ashdown to protect his copyright in a leaked document. The Sunday Telegraph relied on defence of *inter alia* fair dealing, contending that the defence was required to be interpreted in a way compatible with the Convention⁷³. In particular, the Sunday Telegraph argued that Article 10(2) of the Convention provided that any restriction on the right to freedom of expression had to be limited to that which was necessary in a democratic society. On appeal, the Court of Appeal upheld the judgement of the lower court which had found that the Daily Telegraph had infringed Lord Ashdown's copyright. However, some of the comments made in relation to the law of copyright might be questioned. Notably, Lord Phillips MR stated several times that it is only the *form* of a literary work that is protected by

⁶⁶ Lange, *At Play in the Fields of the Word: Copyright and the Construction of Authorship in the Post-Literate Millennium* 1992, Law and Contemporary Problems Vol 55 No. 2 p139.

⁶⁷ [1969] 1 QB 349 at 363.

⁶⁸ See also *Pro Sieben Media A.G. v Carlton U.K. Television Ltd.* [1999] F.S.R. 610.

⁶⁹ *ibid.*

⁷⁰ See also the Court of Appeal in *Newspaper Licensing Agency v Marks and Spencer plc* [2001] Ch. 257; [2000] 3 W.L.R. 1256; [2000] 4 All E.R. 239 [2000], affirmed by the House of Lords [2001] UKHL 38, [2001] 3 W.L.R. 290; [2001] 2 All ER 977.

⁷¹ As found in Article 10 of the Convention reproduced above.

⁷² *Ashdown v Telegraph Group Ltd* [2001] EWCA Civ 1142, [2001] 3 W.L.R. 1368.

⁷³ As required by s.3(1) of the Human Rights Act 1998.

copyright. *'Copyright does not normally prevent the publication of the information conveyed by the literary work. Thus it is only the freedom to express information using the verbal formula devised by another that is prevented by copyright'*⁷⁴. It is certainly the case, and is accepted, that copyright does not protect ideas but merely the form in which those ideas are expressed. However, there is no rule that the actual words in a literary work must be used before copyright in that work can be infringed. Thus, the copyright in a literary work can be infringed by turning it into a play; the copyright in an artistic work can be infringed even if nothing in the second work exactly reproduces any part of the first⁷⁵. The judgement given by the Court of Appeal was thus coloured in that there was a focus on the *actual* words used.

In giving judgement, the Court of Appeal looked not only to the defence of fair dealing for the purposes of news reporting, but also to the wider public interest defence to be found in the Copyright Designs and Patents Act 1988: *'Nothing in this part affects any rule of law preventing or restricting the enforcement of copyright on the grounds of public interest or otherwise'*⁷⁶. This defence has been used to refuse relief to the copyright owner in cases where a work is considered to be obscene⁷⁷, or where information contained within the work is deemed misleading⁷⁸. It has also been said that public interest considerations can lead to a refusal to grant copyright protection where there is a balance in favour of dissemination of that information. *Beloff v Pressdram*⁷⁹ is a case is similar on its facts to *Ashdown*. A journalist wrote a private memorandum to colleagues about a Minister's view on succession to the leadership of a political party. This was printed verbatim in an article attacking the journalist. On the facts, the public interest defence failed, as it was said that the defence only justifies disclosure of *'matters relating to the country's security, breach of law, including statutory duty, fraud and other matters destructive of the country or its people, including matters medically dangerous to the public, and other misdeeds of similar gravity'*. The public interest defence was subsequently narrowed in *Hyde Park Residence v Yelland*⁸⁰. This case concerned the publication by a newspaper (The Sun) of photographs of Princess Diana and Mr Dodi Fayed with the times at which they appeared in the photograph recorded on the still. The photographs had been taken by a security video camera owned by Mr

⁷⁴ *Ashdown v Telegraph Group Ltd* [2001] EWCA Civ 1142, para 31.

⁷⁵ *Designers Guild Limited v. Russell Williams (Textiles) Limited (Trading as Washington DC)*. 2000 WL 1720247 (HL), [2001] 1 All E.R. 700, [2001] F.S.R. 11. Hoffmann LJ.

⁷⁶ CDPA s171(3).

⁷⁷ *Glyn v Weston Feature Film* [1916] 1 Ch 261.

⁷⁸ *Slingsby v Bradford Patent Truck* [1906] W.N. 51. CA.

⁷⁹ [1973] 1 All ER 241 p 249.

⁸⁰ [2001] Ch 143.

Al Fayed. The Sun published the photographs as they argued that they showed the claims being made that Princess Diana and Mr Dodi Fayed had remained at a particular location for a lengthy period of time were untrue. The claim that such publication was in the public interest, although it was an infringement of copyright, was rejected. Aldous LJ said that those circumstances in which a public interest defence could be used should derive from the nature of the work itself, and not from ownership of a work. The court would be able to refuse to enforce copyright if the work is: *'(i) immoral, scandalous or contrary to family life; (ii) injurious to public life, public health and safety or the administration of justice; (iii) incites or encourages others to act in a way referred to in (ii)'*⁸¹. In the *Ashdown* case, the court considered that this test was too narrow: that the circumstances in which the public interest may override copyright are not capable of precise categorisation or definition. Furthermore, the court also said that: *'now that the Human Rights Act is in force, there is the clearest public interest in giving effect to the right of freedom of expression in those rare cases where this right trumps the rights conferred by the Copyright Act'*⁸². The rare cases were not fully specified. Nonetheless the effect of the judgement appears to be to broaden those grounds on which a public interest defence to a charge of infringement of copyright can be pled: such a defence can be based on freedom of expression in addition to those grounds identified by Aldous LJ. In *Ashdown*, the Court found, however, on the facts that this was not applicable to the instant case.

On the defence of fair dealing, the Court of Appeal held that exceptions to copyright must be read in the light of the European Convention on Human Rights:

'rare circumstances can arise where the right of freedom of expression will come into conflict with the protection afforded by the Copyright Act, notwithstanding the express exceptions to be found in the Act. In these circumstances, we consider that the court is bound, insofar as it is able, to apply the Act in a manner that accommodates the right of freedom of expression'.

In the event, the court found that although the publication of the material might have been for the purposes of reporting current events, it was not fair dealing even read in light of Human Rights obligations. The judgement does thus, however, hold open the possibility of widening the circumstances when a fair dealing defence might be applicable, where freedom of expression is under threat. As a consequence, and because of the slightly misleading focus on the actual words used in the judgement, it is perhaps

⁸¹ *Hyde Park Residence v Yelland* [2001] Ch 143 at p 168.

only a matter of time before further cases are brought before the courts seeking to elucidate the boundaries between freedom of expression, public interest and fair dealing. Whether the public interest defence is capable of providing comfort to authors must, however, be open to debate. The result of a public interest defence is that copyright is not enforced: in other words the owner is not given the relief sought. What is then to stop the owner from hiding that work behind a digital fence and denying access to anyone but a select few? Certainly, if the work is considered immoral, and subsequently leaks out into the open, there would be no redress if further copied. Equally, there are no countervailing circumstances under which would-be authors might be able to require access to a work to use parts in authorship. For the defence of fair dealing, the human rights debate might offer more assistance. As the distribution of creative works and the potential to engage in fair dealing alters markedly on the Internet, it may be that in this context freedom of expression will develop to provide some comfort for authors faced with an ever diminishing stock of raw materials with which to ply their trade.

Already the Internet has had a number of cases which illustrate a tension between freedom of speech, and copyright protection. An early example concerned Nottingham County Council social services department⁸³. The department commissioned a report by a body known as the joint enquiry team, which comprised members of the police force and social services. The purpose was to investigate evidence of satanic abuse in the county. The report contained certain revelations: it was leaked to the press and subsequently released on the Internet. Nottingham County Council claimed copyright infringement (although the case does not appear to have proceeded to trial). The report was then mirrored on over 35 sites, with commentary which painted the council as censors, unconcerned by the public interest and freedom of information⁸⁴. In the US case of *Religious Technology Center v Netcom On-Line Communication Services Inc.*⁸⁵ a contributor to a discussion group posted works protected by copyright belonging to the plaintiff, using Netcom, an Internet service provider. Religious Technology Center sued for copyright infringement on the basis of the copies made in this technological process. The court found that while ‘*browsing technically causes an infringing copy of the digital information*

⁸² Para 58.

⁸³ Gwatkin, *The Jet Report. The Suppressed Findings of the Joint Enquiry Team - Evidence of Satanic Ritual Abuse in Nottinghamshire* <http://www.users.globalnet.co.uk/~dlheb/introduc.html>. Craddock, *UK Activists Let 1000 Mirror Sites Bloom*. Wired News <http://www.wired.com/new.politics.story>.

⁸⁴ Cohen, *Cyber Censorship: No tickets for Speeding on the Information Superhighway* 1999, South African Law Journal 710 at p 722.

to be made in screen memory', it was the functional equivalent of reading, and, in the absence of a commercial or profit-depriving use, was probably fair use. The result might have been fair use, but the motive of the action appeared to have been to censor adverse comment about the founder of the Church of Scientology, Ron Hubbard. In other words, the motive for using the law of copyright was to censor critical authorship⁸⁶.

These tensions between copyright and freedom of speech are similar to those that have arisen in relation to the interaction between copyright and confidentiality on the Internet, discussed in chapter 4. As yet, they have not been resolved: with the Internet, and technical controls on access to and use of works, it may be that they will be exacerbated. What is not at all clear yet is the extent to which a plea of freedom of speech might be of assistance to the author who is faced with increasing numbers of works disseminated over the Internet controlled by technological means, and where it is within the authority of the copyright owner to permit or deny access and to license subsequent use.

4. Fair dealing and Civilian systems

Author's rights systems in continental Europe tend to have a general right or tolerance of private use, but otherwise do not have general fair dealing defences. Permitted uses of protected works concern the economic rather than the moral rights of the author. The French Intellectual Property Code prescribes the private performances and private use of protected works that may take place without authorisation⁸⁷, albeit that such use may be subject to royalty payments on the equipment that makes such copying possible. It also allows limited re-use of works, and brief quotations to be taken, so long as they are justified by the critical, polemical, pedagogical, scientific or informational character of the work in which they are incorporated. Parodies, pastiches and caricatures are also permitted⁸⁸. These provisions relate to both the economic rights granted to authors and

⁸⁵ 907 F Supp 1361 (ND Cal 1995).

⁸⁶ See also *Religious Technology Centre v Lerma* 908 F. Supp 1362 (E.D. Va 1995) and the discussion on linking in chapter 2 of this study.

⁸⁷ Although payment is required for private reproductions of works under the neighbouring rights through a system of compulsory remuneration for private copying. French Intellectual Property Code Book 3 Title 1.

⁸⁸ The wording in the French Intellectual Property Code L 122-5: *Once a work has been disclosed, the author may not prohibit: Private and gratuitous performances carried out exclusively within the family circle: Copies or reproductions reserved strictly for the private use of the copier and not intended for collective use, with the exception of copies of works of art to be used for purposes identical with those for which the original work was created ... On condition that the name of the author and the source are clearly stated: Analyses and short quotations justified by the critical, polemic, educational, scientific or informatory nature of the work in which they are incorporated: Press reviews: Dissemination, even in their entirety, through the*

the neighbouring rights⁸⁹. No mention of these limitations are to be found in the chapter of the Code dealing with moral rights⁹⁰. However, it would appear that where a work is re-used under one of these exceptions, then the moral right of the author may not be used to interfere with that re-use⁹¹.

One question arises. The fair dealing provisions in the Anglo-American systems, and in particular the US, are seen as vital to authors in the creation of new works. The French Code appears to have much narrower categories, and yet France still seems able to sustain a thriving cultural output. Why should this be? An explanation might lie partly in the way in which the cultural industries have developed over the years in the different systems. The US, in comparison with many European countries, is a young country. Consequently, its history and cultural tradition is modern in comparison with France. This means that it does not have a long cultural tradition on which to draw. Rather the US has tended to be an importer of cultural goods from elsewhere, which intermediaries such as the film industry have, in turn, changed into products which are consumed by the public and in turn, re-exported. In this, wide categories of fair use are important to give these intermediaries sufficient room for manoeuvre in this transformation. By contrast, European countries have a much longer tradition of creation of works containing creative expression. These in turn are considered personal to the author, who is given control as a result. Allowing a third party to change or alter that work without permission is considered an exception to the right of the author in that work. Thus the tradition is for protecting the basic author's work, rather than permitting others to create derivative works from that original. In turn, exceptions to the control exercisable over the work by the author are permitted only in certain limited circumstances. Nonetheless, the mere fact that exceptions are catered for in legislation suggests that these States consider that in some circumstances, the public interest must be satisfied and that authors need existing works to use in the creation of new ones. The exceptions do not derive solely from market failure.

press or by telediffusion, as current news, of speeches intended for the public made in political, administrative, judicial or academic gatherings, as also in public meetings of a political nature and at official ceremonies. Parody, pastiche and caricature, observing the rules of the genre. (Taken from the collection of laws on the WIPO website).

⁸⁹ French Intellectual Property Code *ibid* and L211-3.

⁹⁰ French Intellectual Property Code Book 1 Title 11.

⁹¹ *Queneau v L* [1997] Info.T.L.R. 257.

Despite the different traditions, there are similarities between the UK fair dealing provisions, and the Civilian exceptions, even though the terminology differs. This is particularly so since the UK courts have said that activities pled under the fair dealing limitations must fall squarely into one of the categories to be relevant. Thus, the UK research and private study looks much like the French reproduction for private purposes. The UK criticism and review category is similar to the French use of quotations which can be used so long as justified. In this there is a divergence from the US approach where the categories remain open ended. This in turn, may have an effect on the arguments from these jurisdictions directed towards the function and operation of fair dealing on the Internet.

5. Summary

A number of factors have come together to persuade some that fair use and fair dealing should have no place in relation to works disseminated over the Internet. The first is because the boundaries of fair dealing and fair use are so uncertain. The second, and central, argument relates to the function of fair dealing: that fair dealing stems purely from market failure. Because, on the Internet, digital fences can prevent any taking from a protected work without the consent of the owner of the copyright, so the use of digital fences means that every taking can be controlled and licensed, i.e. the market can now operate.

It would be convenient if fair dealing could be explained purely in terms of market failure. If this was the case, then there would be no difficulty in denying access to works placed on the Internet, or denying access except at a price, or charging for every taking from, and use of a work. There might be questions as to whether access was really available, and there might be arguments over the price, but the principle would remain: copyright owners would be justified in controlling all uses of existing works. However, as argued above, fair dealing and fair use do not stem purely from market failure. Rather these limitations on the property right in the Anglo-American systems, and exceptions in the Civilian traditions, are there for a variety of purposes. That they are there, and that access to, and use of, parts of those works cannot generally be controlled, or metered, by the copyright owner once the work has been published in the terrestrial world, means existing creative works, within limits, can be used in the formulation of new ones. But

the shape of these limitations and exceptions are changing quite dramatically on the Internet.

6. The proposals for fair dealing on the Internet

The purpose of this part is to examine how fair dealing and fair use might function on the Internet. The enquiry will focus firstly, on the proposed changes to the fair dealing doctrine; second, on how fair dealing and fair use might interact with digital fences; and third, on how contractual controls might curb the exercise of fair use.

There are two opposing views as to the function and role of fair use in the digital era, both of which were articulated by US commentators. The first is:

I believe that what is at stake today in this argument over fair use is the very preservation of the constitutionally based incentive for authors to create new works and for entrepreneurs in information based ventures to profit from the creative expressions of the mind. The dawn of the digital age is not the time to re-debate the issue of a right to take another's property and means of livelihood without compensation. What you and others like you in the creative content community face today in Washington is nothing less than a crisis for copyright as we have come to know it - an attempt by some to establish a radical new regime that puts fair use ahead of property rights⁹².

The second is:

'... fair use and fair dealing doctrines may be increasingly useful as flexible instruments with which to balance the interests of authors in the continued fixity of their works and the interests of owners of copies of copyrighted works who may want to take advantage of digital tools to enjoy the plasticity of works in the digital medium, just as it will to deal with other situations arising in digital networked environments, such as making non-commercial copies of some copyrighted texts distributed on the Net. Countries that do not have fair use or fair dealing doctrines may find it more difficult to adapt their copyright laws to dealing with questions posed by digital technologies because they lack a balancing mechanism of this sort. Since it is necessary to make copies of digital works in order to use them, a copyright law that regards all uses of digital versions of copyrighted works as infringements may be too rigid to be enforceable or to command respect⁹³.

These quotes sum up the opposing arguments. The one is that fair use is an exception to the property right granted to creators of works, and any detraction from that property

⁹² Lehman, *Protecting Intellectual Property in a Global Economy: Some Thoughts and Comments* Fordham University School of Law Sixth Annual Conference on International Intellectual Property Law and Policy (1998).

right should be limited. This encapsulates the views of those who consider fair use should be limited in the digital era⁹⁴. The other is that fair use is an essential part of a bargain struck with the State, should continue into the digital era, and should if anything be expanded.

6.1 The WCT

The extent to which fair dealing should apply in the Internet environment has taxed regulators since the first Treaty, the WCT, dealing with dissemination of works over the Internet, was negotiated in 1996. The formula from the Berne Convention, expressing the circumstances under which the exclusive right of the author to control reproduction of a work may be limited, has been repeated in the WCT⁹⁵. This Treaty permits Contracting Parties to provide: *'limitations of or exceptions to the rights granted to authors of literary and artistic works under [the WCT] in certain special cases that do not conflict with a normal exploitation of that work and do not unreasonably prejudice the legitimate interests of the author'*⁹⁶. Perhaps, concerned during negotiations that the Berne Convention might advocate wider exceptions than considered appropriate for the digital age, the WCT exhorts contracting parties when applying the Berne Convention to: *'confine any limitations of or exceptions to rights provided for therein to certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the author'*⁹⁷. But, somewhat inconsistently, the WCT Agreed Statements⁹⁸ provide that Contracting Parties can: *'carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws which have been considered acceptable under the Berne Convention'* and to *'permit Contracting Parties to devise new exceptions and limitations that are appropriate in the digital network environment'*. So while the Articles of the WCT might seem to suggest that the exceptions to the exclusive right of an author should be limited, the Agreed Statements seem rather to point the other way, that existing limitations and exceptions should be carried through to the Internet, and, if anything, extended.

⁹³ Samuelson, *Copyright, Digital Data, and Fair Use in Digital Networked Environments in The Electronic Superhighway: the Shape of Technology and Law to Come*. Poulin, ed., Kluwer 1995.

⁹⁴ It is notable that this argument comes from a US commentator where fair use has tended to be considered a limitation on the property right, rather than an exception to it.

⁹⁵ WCT Article 10.

⁹⁶ WCT Article 10(1).

⁹⁷ WCT Article 10(2).

⁹⁸ WCT Agreed Statement Concerning Article 10.

6.2 Digital fences and fair use

A number of issues arise in the interaction between fair dealing and fair use and digital fences. One central question is how a fair dealing privilege can be exercised in relation to a work disseminated on the Internet if access to that work is protected by a digital fence. In this a number of points of tension are apparent.

The first is that access to exercise fair use may be limited, or subject to a payment. Neither fair use, nor fair dealing have operated to date to give a positive right to gain access to, or use of a work. Rather, they have acted as a defence to a charge of infringement of copyright in certain circumstances. But if access to a work cannot be gained, then fair dealing cannot be exercised.

The second point of tension is that, even if intermediaries were willing to permit access to a work to exercise a fair use privilege, a digital fence cannot (yet) be configured to permit access for those purposes, but not for others. The fair use limitations in particular do not have defined parameters: the defence could be applicable in a diverse range of circumstances. Therefore it would be difficult or impossible to programme fair use into a digital fence.

A third point arises, in that fair use has generally not permitted a copy to be made of the whole of a work⁹⁹. Rather what is permitted is to make a copy of a substantial part. If fair use were to be exercised in relation to a work disseminated over the Internet, this would entail making a copy, even if only temporary, of the whole of a work. Although some assistance may be given to authors in the UK, where a court has indicated recently that it might be proper to take one copy of a whole of a work, if the purpose is to use extracts in a way that is legitimate¹⁰⁰.

⁹⁹ In the case of research and private study the Copyright Licensing Agency in the UK suggests that authors and publishers will consider as fair a single photocopy, made for the purposes of research or private study, of up to one chapter from a book (or five percent of the literary work, if greater). <http://www.cla.co.uk>. In relation to the electronic environment, the Publishers Association and the Joint Information Systems Committee of the Higher Education Funding Councils of the UK have produced guidelines that suggest viewing the whole of a document on a screen is fair dealing. However, fair dealing would cover printing only part and not the whole of that document. <http://www.ukoln.ac.uk/services/elib/papers/pa/licence/fairnote.html>.

¹⁰⁰ *Pro Sieben v Carlton UK TV* [1999] EMLR 109 per Walker J at 127.

Another problem is that it is not clear whether a work is published on the Internet, or whether it is confidential until accessed lawfully. It has already been mentioned that there remains a question as to whether works placed on the Internet surrounded by technical controls can be considered published, or whether they remain confidential until lawfully accessed. Fair use does not operate in relation to unpublished works: at least not to the extent that it does in relation to published ones¹⁰¹. UK law has rather vacillated on this point, moving from a position in *British Oxygen Co Ltd v Liquid Air Ltd*.¹⁰² where Romer J said:

*It would be manifestly unfair that an unpublished work should, without the consent of the author, be the subject of public criticism, review or newspaper summary*¹⁰³,

to a modified rule in *Hubbard v Vosper*¹⁰⁴, where Lord Denning MR said:

*'I am afraid I cannot go all the way with those words of Romer J. Although a literary work may not be published to the world at large, it may, however, be circulated to such a wide circle that it is 'fair dealing' to criticise it publicly in a newspaper or elsewhere. This happens sometimes when a company sends a circular to the whole body of shareholders. It may be of such general interest that it is quite legitimate for a newspaper to make quotations from it, and to criticise them, or review them, without thereby being guilty of infringing copyright*¹⁰⁵.

Another view, concentrating on the seriousness of the infringement of copyright, was taken in *Beloff v. Pressdam Ltd*¹⁰⁶, where a defence of fair dealing was rejected:

*'The law by bestowing a right of copyright on an unpublished work bestows a right to prevent its being published at all; and even though an unpublished work is not automatically excluded from the defence of fair dealing, it is yet a much more substantial breach of copyright than publication of a published work*¹⁰⁷.

¹⁰¹ *PCR Ltd v Dow Jones Telerate Ltd* [1998] FSR 170. In *Hubbard v Vosper* [1972] 2 QB 84, the plaintiff, the founder of the Scientology cult, sought to restrain the defendant from publishing a book which contained substantial abstracts from the plaintiffs literature which had been circulated to cult members, but which was confidential. The action for interim injunction for infringement of copyright was unsuccessful on the basis that the defendant had an arguable defence on the ground of fair dealing for the purposes of criticism and review. In relation to this case, Laddie, Prescott and Vitoria para 2.158, argue that the principle should not be applied indiscriminately in all cases. *'For example, if it was proposed to publish innocuous trade secrets the balance of convenience may well justify the granting of an interlocutory injunction even though the defendant had an arguable case of fair dealing'*.

¹⁰² [1925] Ch D 383.

¹⁰³ *ibid* Romer J at 393.

¹⁰⁴ [1972] 2 Q.B. 84.

¹⁰⁵ *ibid* p 94.

¹⁰⁶ [1973] 1 All E.R. 241.

¹⁰⁷ *ibid* at 263.

It also becomes clear from the cases that the intention of the person claiming fair dealing will be a relevant factor in determining whether the dealing is fair.

*'Thus the cases establish, and I believe it right, that it is appropriate to take into account the motives of the alleged infringer, the extent and purpose of the use, and whether that extent was necessary for the purpose of reporting the current events in question. Further if the work had not been published or circulated to the public that is an important indication that the dealing was not fair'*¹⁰⁸.

Therefore, if a work made available over the Internet but guarded by technical controls is considered confidential until accessed lawfully, fair use and fair dealing might not apply, or might be limited in operation. But to the extent that fair dealing will remain, the courts which will be called upon to adjudicate in disputes over the coming years should have an appreciation of the arguments surrounding publication versus confidentiality, lest over-broad claims in the second category negate the defence altogether.

The final point to be addressed is to what extent can fair dealing be limited by licence terms supported by the use of digital fences?

6.3 The NII Report.

The NII Report contained no general proposals for limiting or expanding the US fair use doctrine in the digital era apart from a recommendation to change some definitions for public libraries¹⁰⁹. There might be a number of explanations for this. Either the Committee considered that the fair use defences were an important part of the regime of copyright and so should continue to apply on the Internet. Or, in line with their view that the fair use limitations are a 'murky'¹¹⁰ part of copyright law, so their application on the Internet could be controlled by copyright owners through the development of digital fences which would in turn be protected by law against circumvention¹¹¹.

Much of the attention in the US has been directed to the question as to whether, and when, it might be lawful to circumvent a digital fence to obtain access to the underlying work in order to exercise fair use. The question was raised in the NII Report, where the

¹⁰⁸ *Hyde Park Residence Ltd v Yelland* [2000] 3 WLR 215.

¹⁰⁹ NII Report p 225.

¹¹⁰ *The most significant and, perhaps, murky of the limitations on a copyright owner's exclusive rights is the doctrine of fair use*. NII Report p 57.

Committee opined that: *'if the circumvention device is primarily intended and used for legal purposes, such as fair use, the device would not violate the provision, because a device with such purposes and effects would fall under the 'authorized by law' exemption'*¹¹². This would suggest that circumvention devices could be manufactured which would allow access to works, if the reason for access was to exercise fair use rights. However, there are inconsistencies in the Report. It also states that: *'the fair use doctrine does not require a copyright owner to allow or to facilitate unauthorised access or use of a work'*¹¹³. Indeed, one of the most potent arguments in favour of the owner seized upon during the course of the debate leading to the DMCA was that:

*'the fair use doctrine has never given anyone a right to break other laws for the stated purpose of exercising the fair use privilege. Fair use doesn't allow you to break into a locked library in order to make 'fair use' copies of the books in it, or steal newspapers from a vending machine in order to copy articles and share them with a friend'*¹¹⁴.

Further there are suggestions in the NII Report that fair use would be limited in application on the Internet: *'technological means of tracking transactions and licensing will lead to reduced application and scope of the fair use doctrine'*¹¹⁵. This suggests that because digital fences can track and monitor usage, so such use may be licensed. In other words, fair use is simply a manifestation of market failure, and on the Internet the means to correct that market failure are available.

The debate continues to provoke passion in the US. Some commentators appear to accept the inevitability of digital fences, and argue that US courts may eventually distinguish between circumvention aimed at getting unauthorised access to a work and circumvention aimed at making non-infringing uses of a lawfully obtained copy¹¹⁶. For example, fair use would provide a poor excuse for breaking into a computer system for getting access to a work one wished to parody. However, if one had lawfully acquired a copy of a work and it was necessary to bypass a technical protection system to make fair use from that copy, this would arguably be lawful, at least under US law¹¹⁷. Others

¹¹¹ Cohen, *WIPO Treaty Implementation in the United States: Will Fair Use Survive?* [1999] 5 EIPR 236 discussing the possible effect of the Digital Millennium Copyright Act on fair use.

¹¹² NII Report p164.

¹¹³ NII Report p 231.

¹¹⁴ Adler. Testimony Hearing Before the Subcommittee on Courts and Intellectual Property of the House Judiciary Committee on H.R. 2281 105th Cong 2d Sess September 17 1997.

¹¹⁵ NII Report p 82.

¹¹⁶ Samuelson, *Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need to Be Revised*, 14 Berkeley Technology Law Journal, pp. 519-566.

¹¹⁷ *Ibid.*

continue to resist the implications of being unable to gain access to a work to exercise the fair use doctrine, pointing to the great difficulties this entails for such activities as teaching and research¹¹⁸. Because the debate has caused such controversy, a study was carried out into the potential effect digital fences and anti-circumvention rules may have on the exercise of fair use¹¹⁹. The House Committee on Commerce on the Digital Millennium Copyright Act of 1998¹²⁰ provided that the prohibition against circumvention *'shall not apply to persons who are users of a copyrighted work which is in a particular class of works, if such persons are, or are likely to be, adversely affected by virtue of such prohibition in their ability to make noninfringing uses of that particular class of works under this title'*¹²¹. To ascertain whether there were any such 'class of works' which should be exempted from the prohibition against circumvention, the relevant section of the DMCA (section 1201(a)(1)(A))¹²² was not to be brought into force until October 28, 2000. During this time the Librarian of Congress was charged with making a determination as to which (if any) classes of works should be exempted¹²³. After extensive consultations, two classes of works were exempted from the prohibition on circumventing access controls. These are:

- Compilations consisting of lists of websites blocked by filtering software applications.
- Literary works, including computer programs and databases, protected by access control mechanisms that fail to permit access because of malfunction damage or obsolescence.

During these consultations it had been argued that an exemption should be introduced to permit circumvention of access control measures for the purpose of accessing materials in the public domain, in particular where the use of that work might fall under the head

¹¹⁸ Cohen, *Copyright and the Jurisprudence of Self-Help* 13 Berkeley Technology Law Journal, pp. 1089-1143.

¹¹⁹ DMCA ss 1201(a)(2) and 1201(b) were brought into force immediately. Section 1201(a)(1) was the focus of the enquiry.

¹²⁰ HR Rep No 105-551 pt. 2 at 36 (1998).

¹²¹ The full text of the Federal Register release and other related information is available at <http://www.loc.gov/copyright/1201/anticirc.html>.

¹²² USC Title 17 section 1201(a)(1)(A) provides: *(1)(A) No person shall circumvent a technological measure that effectively controls access to a work protected under this title. The prohibition contained in the preceding sentence shall take effect at the end of the 2-year period beginning on the date of the enactment of this chapter.*

of 'fair use'. However, the Librarian had difficulty with this proposal. The first problem was because the exemption was sought in respect of certain classes of users, or uses for certain purposes. This was beyond the scope of the Librarian's task, which was to determine whether to exempt any particular class of works, and not to consider the use to which the work was to be put. Secondly, those who argued for the exemption could not demonstrate that they had been unable to engage in such uses because of *access* control measures. The concerns related to use of a work once accessed, rather than to failure to obtain access. In other words, the technological controls that prevent access to the underlying works did not thereby prevent non-infringing uses.

In relation to the second main fear, that access controls would result in a 'pay-per-view' business model, the Librarian pointed out that contributors to the debate had failed to show any hard evidence of the model in operation. There were merely 'speculative and alarmist' fears. What was more, such a pay per use model could be 'use facilitating'¹²⁴. Consumers given the choice between paying \$100 for permanent access to a work, or \$2 for each individual occasion, may prefer the latter. This in turn may make access to the work more widely available, thus enhancing use. *'The record in this proceeding does not reveal that 'pay-per-use' business models have, thus far, created the adverse impacts on the ability of users to make non-infringing uses of copyrighted works that would justify any exemptions from the prohibition on circumvention'*. However, it was also hinted that: *'If such adverse impacts occur in the future, they can be addressed in a future rulemaking proceeding'*.

There are two interesting points that arise from the results of this study. The first was that the focus was on *access* to works, and not on subsequent *use*. Thus, there is a recognition that these two steps are distinct and require separate consideration. It is control over access that is the most important factor for right holders. The same issue is also the most contentious for authors. The second point arises in relation to the 'pay-per-view' model highlighted by the Librarian. It is notable that it was argued that this model may facilitate use for *consumers*. This, as has been discussed, is unobjectionable, and economic argument would suggest that it is correct. If all consumers pay a little, and there is a reduced risk of infringement and piracy, so the costs to the right holder and to

¹²³ Federal Register Vol. 65 No 209 Friday 27 2000/ Rules and Regulations 37 CFR Part 201 Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies; Final Rule.

¹²⁴ *Ibid* at 64564.

the consumer can fall, while at the same time facilitating an increase in the numbers of works available. However, this does not address the position of the *author* whose interests differ from those of the consumer. A pay-per-view business model which in effect requires an author to pay for access to works for the purpose of fair dealing would not appear to be a model which encourages creativity.

6.4 Digital fences, fair use and licensing

A second major issue is the use of digital fences to facilitate contractual limitations on fair use. This could arise in two ways. Either contractual controls on access and/or contractual controls on the use of a work once access is obtained. For instance, access or use may be permitted subject to agreeing that no parody be made of a work: or that the work not be reviewed elsewhere: or that the work may be criticised, but only favourably¹²⁵. In the US these arguments have gone on in the course of negotiation of UCITA¹²⁶. In particular, critics of UCITA argue that the fair use provisions in US copyright legislation will become otiose¹²⁷. Contract will trump copyright by allowing licensors to contract out of fair use¹²⁸.

Consider a web site which contains a variety of articles by academics. One of the standard terms incorporated in the contract which governs access to the site and use of the articles incorporated in the site might state:

¹²⁵ Karjala, *Federal Pre-emption of Shrinkwrap and On-Line Licenses* 1997, 22 University of Dayton Law Review 511 at 513. *In the digital future, access to many works may be available only to people who 'contract' in advance, for example....not to further distribute the work or anything contained in the work....not to quote from the work and so forth'.*

¹²⁶ For an overview of the arguments that have raged in the US over UCITA see Samuelson, *Intellectual Property and Contract Law for the Information Age: Foreword to a Symposium* 1999, California Law Review Vol 87 No 1 p1. Lessig points to the opinion of Judge Easterbrook in *Pro Cd v Zeidenberg* 86 F 3d 1447 1453-55 (7th Cir 1996) who, he argues has said plainly that fair use rights can be modified by contract. Lessig *Code and Other Laws of Cyberspace* US Basic Books 1999 p 306.

¹²⁷ Not all commentators are critical of UCITA. Towle, *The Politics of Licensing Law* 1999, Houston Law Review 36:121 says: *'Article 2B is the most important and intellectually impressive legislative proposal in current memory'* at 121. Nimmer, *Article 2B Preface Meeting the Information Age* <http://www.law.uh.edu/ucc2b/1201/pref1201.html>

Nimmer, *Breaking Barriers: The Relation Between Contract And Intellectual Property Law*, 1998, 13 Berkeley Technology Law Journal 827.

¹²⁸ Elkin Koren, *Copyright Policy and the Limits of Freedom of Contract* 1997, 12 Berkeley Technology Law Journal 111.

*'All Rights Reserved. No part of the contents of this web site may be reproduced in any manner whatsoever without written permission except in the case of brief quotations embodied in critical articles and reviews'*¹²⁹.

Such a term would appear to attempt to negate the majority of the elements of the fair use doctrine that have been identified above, as well as limiting other uses of works which are lawful. Copyright is not infringed by taking an insubstantial part of a work. A brief quotation may therefore not require permission. If it is considered to be qualitatively the heart of the work, the taking might be fair if it was for one of the permitted purposes.

The way in which contract might override fair use and other elements of the public domain in the US is framed in terms of pre-emption¹³⁰. As a result of the system of State and federal legislation, rules have been developed to deal with the cases in which the two conflict. In the US contract is State law, while intellectual property is the province of federal law. UCITA provides: *'A provision of this [Act] which is preempted by federal law is unenforceable to the extent of the preemption'*¹³¹. This would suggest that, in the event of a conflict between the two, the rules on copyright would pre-empt contract terms which tried to limit fair use¹³². Several eminent writers, on the other hand, are firmly of the view that, despite what UCITA says, it will be possible to contract out of copyright in general, and fair use in particular. This may be because the law is unclear as to the extent to which copyright may be pre-empted¹³³: or because users of works will simply accept what is being offered by way of licences, which will then become the norm whatever the law of copyright says¹³⁴.

¹²⁹ The publishers statement on the first page of Lessig *Code and Other Laws of Cyberspace* Draft of 1999 stated *'All Rights Reserved. No part of the contents of this book may be reproduced in any manner whatsoever without written permission except in the case of brief quotations embodied in critical articles and reviews'*. The book has now been published with an amended statement. See also Elkin-Koren, *Copyright Policy and the Limits of Freedom of Contract* *ibid*.

¹³⁰ For a detailed examination of the different types of pre-emption see Samuelson and Opsahl, *The Tensions Between Intellectual Property & Contracts in the Information Age: An American Perspective* in Grosheide and Boele-Woelki (eds), *Molengrafica: Europees Privaatrecht* 1998. Rice *Public Goods Private Contract and Public Policy: Federal Preemption of Software License Prohibitions Against Reverse Engineering* 1992, University of Pittsburgh Law Review Vol 53:543 for a general discussion on pre-emption.

¹³¹ UCITA s 105(a).

¹³² See also USC Title 17 s 301.

¹³³ Hardy, *Contracts, Copyright and Preemption in a Digital World* 1995, 1 Richmond Journal of Law & Technology 2.

¹³⁴ Many writers already argue that these default provisions in the law of copyright are regularly overrun by contract in that many do not take into account works or part of works that may not be protected at all see eg. Harper, *Will We Need Fair Use in the Twenty First Century?* http://www.utsystem.edu/ogc/intellectualproperty/fair_use.htm p12 of 32. For a criticism Lessig, *Pain in the OS*, *The Industry Standard* (Feb 5 1999).

One court decision in the US might just prove that contracting out of fair use will be possible¹³⁵. This case concerned Matthew Bender Inc and Jurisline.com. Jurisline had used data from the Lexis Law on Disc CD Roms produced by Bender, in order to create case law databases at its website. Bender sued Jurisline.com for breach of the licence terms. Jurisline.com argued that use of the material was lawful because under copyright law the works were in the public domain. Copyright law should therefore pre-empt the contract terms prohibiting use of the data. However, the court found that the licence agreement was valid and enforceable, and not pre-empted by the law of copyright. Jurisline.com was thus in breach of the provisions of the licence. This case is similar to *Pro CD v Zeidenberg*¹³⁶, which also concerned licensing of factual material (names, addresses and contact details of businesses within defined areas). In that case the licence terms which limited the uses which could be made of the information were found to be valid. These terms had been infringed by Zeidenberg who, contrary to those terms, had extracted a substantial amount of the data in compiling his own web-based database.

These cases both concerned licensing of material in the public domain which was not capable of protection by copyright. What appears yet to be decided is the enforceability or otherwise of a term in a contract which prohibited using a work for one of the fair use purposes. However, such contractual restrictions are not necessary to limit fair use. The mere existence of digital fences means that intermediaries can place restrictions on access by way of technology, rather than by contract.

6.5 Summary

Historically, fair use has been considered an integral part of copyright law in the US. But it has been seen as a defence to an action of infringement, rather than as a right to demand access to a work to exercise a right. Fair use appears to remain unchanged in the digital era, although the extent to which it may ultimately be altered by contract remains unclear. However, its exercise may be more difficult. For authors, problems may be

<http://www.thestandard.com/articles/display/0,1449,3423,00.html>. arguing that such mass market licenses proposed by the seller is not freedom of contract, but rather contract according to what the seller proposes.

¹³⁵ For a discussion see: <http://interactive.wsj.com/articles/SB961462062359036505.htm>.

<http://www.nylj.com/stories/00/06/062000a1.htm>.

¹³⁶ 86 F 3d 1447 (7th cir 1996).

encountered in gaining access to works disseminated over the Internet, and thereafter using those parts that fall into the public domain. Current authors and right holders are protected, but this is perhaps at the expense of those in the future.

6.6 The Copyright Directive

As compared with the US, there has been less vocal debate in the UK over the extent to which digital fences might alter fair dealing in relation to works made available over the Internet. There may be a number of reasons for this. One is that, by contrast with the US, the EU has proposed in the Copyright Directive that the fair dealing limitations for Member States be changed. The proposals have been made partly with the intention of harmonising laws of Member States¹³⁷, and partly with the intention of limiting the scope to plead fair dealing in relation to activities on the Internet¹³⁸. Focus has therefore been on these changes, rather than the interaction between fair dealing and digital fences. Another factor may be the differences in approach to fair dealing between the Civilian systems and the UK. As the exceptions in the Civilian systems are more specific, and in many cases their exercise may be subject to payment, so they lend themselves much more readily to be operated in conjunction with technological controls on access. The UK, in having broader categories, may be a lone voice in Europe in considering that there may be difficulties for the operation of fair dealing on the Internet.

The proposals for fair dealing in the Copyright Directive have undergone fundamental changes since first introduced. It appears that those involved in the negotiations in the EU may have been influenced by the debate in the US as to the effect of digital fences on fair dealing. In addition, participants in the negotiations for the Copyright Directive have had the opportunity to witness some of the litigation occurring in the US, in particular in relation to Napster¹³⁹ and DeCSS¹⁴⁰. This may have had an effect on the shape of the proposals as they have developed. As a result, at least some of the anxieties articulated in the US may not be applicable in Europe.

¹³⁷ Copyright Directive Recital 21.

¹³⁸ *ibid* Recitals 22 and 29.

¹³⁹ For a discussion on the Napster case, see chapter 2 of this study.

¹⁴⁰ For a discussion on the litigation surrounding DeCSS, see chapters 2 and 4 of this study.

6.6.1 Exceptions/limitations in the Copyright Directive

6.6.2 Permitted reproductions

The Berne Convention three-step test, permitting exceptions to be made to the exclusive right of authors in the reproduction of a work, has been repeated in the Copyright Directive¹⁴¹, but with one telling difference. The Berne Convention (and WCT) refer to rights of authors. By contrast, the Copyright Directive refers to the legitimate interests of authors and *rightsholders*. This phrase may have been used because, as discussed, the Copyright Directive covers not only rights of authors, but also the rights of neighbouring right holders, producers of phonograms, films and broadcasting organisations. However, use of this terminology may depart from the standards found in other International Treaties. The Rome Convention¹⁴² has specific areas in which rights of phonogram producers might be limited, including private use and use solely for the purposes of teaching or scientific research¹⁴³. This article in the Rome Convention was applied to phonogram producers in the TRIPS agreement¹⁴⁴. What the effect of applying the ‘authors’ formula’ to exceptions for neighbouring right holders will ultimately entail is not at all clear.

6.6.3 Exceptions or limitations

The terminology in Article 5 of the Copyright Directive refers to ‘exceptions or limitations’. This arises as a result of the differing views taken as to the purpose of the provisions. As previously discussed, the Anglo-American approach is to view them as limitations on the property right granted to the copyright owner. By contrast, author’s rights systems view them rather as exceptions to the property right. The dual terminology in the directive is no doubt an attempt to satisfy the negotiators. For the purposes of the ensuing discussion, the term exceptions will be used.

¹⁴¹ Copyright Directive Recital 29 and Article 5.4.

¹⁴² For a brief discussion on the Rome Convention, see chapter 2 of this study.

¹⁴³ Rome Convention Article 15.

¹⁴⁴ TRIPS Agreement Article 14.6.

The exceptions in the Copyright Directive are to be found in Article 5 and provide exceptions to the exclusive rights of reproduction¹⁴⁵, communication to the public and making available to the public¹⁴⁶, and distribution¹⁴⁷. While it was not obvious at some points during the passage of the Copyright Directive whether the exceptions were designed to replace all existing fair dealing provisions in domestic legislation, it has now become clear that is the case¹⁴⁸. Apart from a few examples¹⁴⁹, the Copyright Directive is intended to provide a complete code for fair dealing both on and off the Internet.

Article 5.1 of the Copyright Directive exempts from the reproduction right temporary acts of reproduction which are transient or incidental to the functioning of the Internet¹⁵⁰. The purpose of the inclusion of this article was to ensure that Internet Service Providers (ISPs), and others who own and operate equipment that make the Internet function would not be liable for such technological processes as caching, or for copies made on servers as works are transmitted around the Internet. It is not yet clear how the ISP liability provisions will interact with those to be found in the Electronic Commerce Directive, but no doubt will be clarified once the necessary implementing measures are drawn up¹⁵¹. However, this Article is not the focus of the present discussion. More important for authorship are those found in Articles 5.2 and 5.3.

Article 5.2 provides that Member States *may* provide for limitation to the exclusive right of reproduction in cases ranging from:

'reproductions on paper or any similar medium, effected by the use of any kind of photographic technique or by some other process having similar effects, with the exception of sheet musical work, provided that the rightholders receive fair compensation;'
to

¹⁴⁵ Copyright Directive Article 2.

¹⁴⁶ *ibid* Article 3.

¹⁴⁷ *ibid* Article 4.

¹⁴⁸ *ibid* Recital 22.

¹⁴⁹ *ibid* Recital 25 provides that: 'Existing national schemes on reprography, where they do exist, do not create major barriers to the Internal Market. Member States should be allowed to provide for an exception in respect of reprography'.

¹⁵⁰ Copyright Directive Article 5.1 states: 'Temporary acts of reproduction referred to in Article 2 [of the Copyright Directive], which are transient or incidental, which are an integral and essential part of a technological process, whose sole purpose is to enable a transmission in a network between third parties by an intermediary or, a lawful use of a work or other subject matter to be made, and which have no independent economic significance, shall be exempted from the right set out in Article 2.'

¹⁵¹ For a discussion on how this provision might operate in tandem with the E-commerce Directive, and an analysis of some of the unanswered questions see Hugenholtz, *Caching and Copyright. The Right of Temporary Copying*, [2000] EIPR 11.

‘in respect of specific acts of reproduction made by publicly accessible libraries, educational establishments or museums, or by archives, which are not for direct or indirect economic or commercial advantage;’

It is noteworthy that implementation by Member States of the measures contained in Article 5.2 is not mandatory: if the purpose is to produce a uniform law, it may well not do so. Some might also argue that the permissive nature of the exceptions underlines the low importance attached to their existence. A more persuasive reason might be found in looking to the extensive negotiations and lobbying surrounding their incorporation into the final Directive. Earlier drafts contained fewer measures pertinent to this area. It was only at a fairly late stage during the Directive’s gestation that it became apparent that existing national measures in this area were to be supplanted by those found Directive. Once this became clear, those who considered the exceptions important to the law of copyright, including would-be authors, worked hard to ensure that representative measures were included in the final instrument. This was against the background of right holders who lobbied hard, if not for their total exclusion, at least for them to be limited as far as possible.

One important measure found in Article 5.2.b, provides limitations to the reproduction right may be made *‘in respect of reproductions on any medium made by a natural person for private use and for ends that are neither directly nor indirectly commercial, on condition that the rightholders receive fair compensation’* This would appear to be the measure in the Copyright Directive that is closest to the current UK exception for private study for individuals. However, it is hedged with a number of conditions. One is that right holders must receive fair compensation. If this is the measure that is intended to equate to fair dealing for the purposes of research and private study, and the UK Government decides to implement it in domestic law, it changes the current law, from a defence to a charge of infringement of copyright for the purposes of private study, to a compulsory licence for which the right holder must receive compensation. When it was added to the Copyright Directive, it may be that the drafters had in mind the French Code which permits private reproductions of phonograms, for which a charge must be paid by way of a levy on equipment, rather than the UK private study exception. This would mean that if, for example, a copy of an MP3 file were placed on the Rio, so that the surfer could listen to that at a more convenient time, the right holder would need to receive fair compensation for that reproduction. This has always been a ‘chargeable’ reproduction under UK law,

as such private copying has not been considered fair dealing. By contrast, this 'space shifting' would appear to remain categorised as fair use in the US, so long as the act was carried out by the owner of the original copy¹⁵². A second point is that it is relevant only to the right of *reproduction*, and not to the communication to the public and making available to the public rights. This would appear to prevent a library making copies of works available on terminals in a library, to be consulted by researchers under this heading¹⁵³.

Much more extensive are the exceptions to be found in Article 5. 3. This article permits exceptions to be made to the exclusive rights of reproduction and communication to the public and making available to the public. The details are therefore applicable to works placed on servers and disseminated on the Internet, as well as to other forms of reproduction. Article 5.3 provides a list of circumstances for which Member States may provide for limitations to these exclusive rights. These are:

- (a) *use for the sole purpose of illustration for teaching or scientific research, as long as the source, including the author's name, is indicated, unless this turns out to be impossible and to the extent justified by the non-commercial purpose to be achieved;*
- (b) *uses, for the benefit of people with a disability, which are directly related to the disability and of a non-commercial nature, to the extent required by the specific disability;*
- (c) *reproduction by the press, communication to the public or making available of published articles on current economic, political or religious topics or of broadcast works or other subject matter of the same character, in cases where such use is not expressly reserved, and as long as the source, including the author's name, is indicated, or use of works or other subject matter in connection with the reporting of current events, to the extent justified by the informatory purpose and as long as the source, including the author's name, is indicated, unless this turns out to be impossible;*
- (d) *quotations for purposes such as criticism or review, provided that they relate to a work or other subject matter which has already been lawfully made available to the public, that, unless this turns out to be impossible, the source, including the author's name, is indicated, and that their use is in accordance with fair practice, and to the extent required by the specific purpose;*
- (e) *use for the purposes of public security or to ensure the proper performance or reporting of administrative, parliamentary or judicial proceedings;*
- (f) *use of political speeches as well as extracts of public lectures or similar works or subject matter to the extent justified by the informatory purpose and provided that the source, including the author's name, is indicated, except where this turns out to be impossible;*
- (g) *use during religious celebrations or official celebrations organised by a public authority;*
- (h) *use of works, such as works of architecture or sculpture, made to be located permanently in public places;*

¹⁵² In *UMG Recordings Inc and others v MP3.com Inc* 92 F Supp 2d 349 (S.D.N.Y.) Rakoff J found that MP3.com had infringed copyright belonging to record companies when they (MP3.com) made a compilation of copies of thousands of songs, and then made those songs available to users of their 'Beam-It' and 'Instant Listening' Services. The copies were made by MP3.com, and not by the owner of the original recording, and thus did not fall under the head of 'fair use' in the US.

¹⁵³ There are other measures that affect libraries, discussed *infra*.

- (i) *incidental inclusion of a work or other subject matter in other material;*
- (j) *use for the purpose of advertising the public exhibition or sale of artistic works, to the extent necessary to promote the event, excluding any other commercial use;*
- (k) *use for the purpose of caricature, parody or pastiche;*
- (l) *use in connection with the demonstration or repair of equipment;*
- (m) *use of an artistic work in the form of a building or a drawing or plan of a building for the purposes of reconstructing the building;*
- (n) *use by communication or making available, for the purpose of research or private study, to individual members of the public by dedicated terminals on the premises of establishments referred to in paragraph 2(c) of works and other subject matter not subject to purchase or licensing terms which are contained in their collections;*
- (o) *use in certain other cases of minor importance where exceptions or limitations already exist under national law, provided that they only concern analogue uses and do not affect the free circulation of goods and services within the Community, without prejudice to the other exceptions and limitations contained in this Article.*

This list is lengthy, but that is because it is designed to replace existing exceptions found in domestic laws of Member States. The merger of the UK and the Civilian systems is fascinating. There are clear influences from the French approach, for example in the exception for: *'the purpose of caricature, parody or pastiche'*. Equally, there is evidence of the slightly broader UK fair dealing categories. Thus there is an exception for illustration for teaching and scientific research, another for news reporting, and another for purposes *such as* criticism and review. Each has certain conditions attached, for example that the name of the author and the source must be indicated. Assuming the UK Government was minded to provide for these exceptions within the parameters of the Directive, what will the fair dealing provisions look like for those in the UK, and how will they compare with the existing provisions?

Subject to the discussion above, there is no provision directly equivalent to the UK research and private study exception. However, there is the limitation *'for the sole purpose of illustration for teaching or scientific research'*. The word scientific is likely to be broader than appears at first sight, and relate to knowledge in general, and so to as broad categories as the existing limitation in the UK. In addition, use for the purpose of *illustration for teaching* would be permitted. The UK has no such exception at present¹⁵⁴. There is also the exception for *'use by communication or making available, for the purpose of research or private study, to individual members of the public by dedicated terminals on the premises of establishments referred to in*

¹⁵⁴ A report in 1977 by the National Committee of Inquiry into Higher Education (Chairman Sir Ron Dearing), *Higher Education in the Learning Society* (1997), argued for *'free and immediate use by teachers and researchers of copyright digital information'*. para 13.34. The recommendations have not, to date, been implemented. See MacQueen, *Copyright and the Internet in Law & the Internet: A Framework for Electronic Commerce* Edwards & Waelde eds. Hart 2000.

*paragraph 2c of works or other subject matter not subject to purchase or licensing terms which are contained in their collections*¹⁵⁵. This would appear to be relevant to libraries which may make works available on dedicated terminals within their establishments. However, such use, it would appear, could be limited by contract, although how it might be limited is far from clear. For instance, the purpose of taking out a subscription to an electronic journal is to make the works encompassed in that journal available on a computer: why else take the subscription? So the possible limitations cannot refer to not making it available in the library on a terminal. It may be that what is contemplated is that the terminal in the library should thereafter control the making of subsequent copies by the researcher. For instance, the library might be required to ensure that the terminal on which the work is made available does not allow a researcher to print a copy of the work. Thus the researcher would be precluded from making a physical copy for the purposes of research and private study.

The UK criticism and review limitation would appear to be well catered for. Thus Member States may make exceptions to both the reproduction right and the making available to the public right for '*quotations for purposes such as criticism or review*'. However, this is subject to an important proviso. The quotation must: '*relate to a work or other subject matter which has already been lawfully made available to the public, that, whenever possible, the source, including the author's name, is indicated, and that their use is in accordance with fair practice, and to the extent required by the specific purpose*'. The words 'such as' compare favourably with the current UK section, which is limited specifically to 'criticism and review', and suggest that the limitation would be available in a broader range of circumstances. However, the work being quoted must have been *lawfully made available to the public*. In some ways this is no different from current UK law. As has been discussed, works which are confidential¹⁵⁶ are not subject to the criticism and review exception, at least not to the same extent as published works. But it does raise the tension again, as to when a work, which has been made available over the Internet, has been *lawfully made available* to the public. If that work sits behind a digital fence, is that confidential, or has it been made available to the public? If the work has been made available only to a few select

¹⁵⁵ Article 5.2.n above.

¹⁵⁶ *PCR Ltd v Dow Jones Telerate Ltd* [1998] FSR 170. A number of reports on coco crops had been produced by PCR Ltd and distributed to a limited number of subscribers. Dow Jones acquired copies of these reports, and used some of the material in them to produce three articles. The plaintiff alleged breach of confidential information and copyright infringement. The court found that as the journalist was not

recipients, has that been lawfully made available to the public? In the UK, a claim of confidentiality in respect of a work may fail where that work has been published, notably where it is the Crown seeking to prevent disclosure¹⁵⁷. But it does not therefore follow that a work disclosed to a limited number of people has been 'lawfully made available to the public' within the terminology discussed above. The lack of definition suggests that it will only be a matter of time before more cases like *Religious Technology Center v Netcom*¹⁵⁸ arise, where the copyright owner claims that a work has not been lawfully made available in an attempt to censor critics. As a final point on this particular exception, the use of the quotations must be only to the extent 'required by the specific purpose'. Again, seemingly a limitation, but perhaps no different from the UK fair dealing exception, where the criticism and review must deal fairly with the work.

The news reporting exception also appears to be as wide as current UK law: '*use of works or other subject matter in connection with the reporting of current events, to the extent justified by the informatory purpose and as long as the source, including the author's name, is indicated, unless this turns out to be impossible*'. The wording in the Copyright Directive limits the exception to 'the extent justified by the informatory purpose', but may differ little from current UK law. The article may actually be wider, as it also provides that: '*reproduction by the press, communication to the public or making available of published articles on current economic, political or religious topics or of broadcast works or other subject matter of the same character, in cases where such use is not expressly reserved, and as long as the source, including the author's name, is indicated*'.

However, reproduction under the Copyright Directive in these circumstances is limited to cases where *such use is not expressly reserved*. Instead of a possible limit at the point of access to a work, this news reporting provision could be limited through terms imposed by contract after access is obtained. The addition of this wording here might suggest that it was in the minds of the drafters that criticism and review cannot be limited by agreement, but news reporting can. A few simple terms governing access to any web site, for example those of Reuters or the BBC, stating that no information or works or part thereof to be found on the site were to be reproduced, extracted or re-utilised in any other medium, would seem to be sufficient to prevent the operation of this exception, even if implemented into domestic law.

aware of the confidential nature of the information that claim failed. However, given the reports had been published - albeit to a limited number of people, then the defence of fair dealing was open.

¹⁵⁷ *Lord Advocate v Scotsman Publications Ltd.* [1990] 1 A.C. 812 [1989] 3 W.L.R. 358 [1989] 2 All E.R. 852 1989 S.C. (H.L.) 122.

At first sight, and looking to the wording of the Articles discussed above, it would appear that the UK fair dealing limitations may be well catered for in the Copyright Directive. But, as suggested, there are a number of unanswered questions as to how these will work in practice which will depend firstly, on the application of digital fences, and second, the extent to which it may be possible to limit the exceptions by contract.

6.7 Digital fences and fair dealing

The picture becomes much more complex when the fair dealing provisions in the Copyright Directive are considered along with those for digital fences.

Member States are to provide legal protection both in respect of the act of circumvention of a digital fence, and the circulation of devices designed to facilitate such circumvention¹⁵⁹. Digital fences are thus protected to the extent that they control the use of a work, and comprise an access control limiting access to that work. The arguments that have arisen in relation to access to a work for the purposes of exercising one of the fair dealing limitations in the US apply equally to access to a work under the Copyright Directive. No doubt with these arguments in mind, Article 6.4 of the Copyright Directive appears to be aimed at ensuring that those who are entitled to exercise one of the fair dealing exceptions can exercise their rights.

Article 6.4 of the Copyright Directive aims at facilitating the exercise of some of the exceptions to be found in Article 5, while at the same time upholding the integrity of digital fences. The first paragraph of Article 6.4 provides in part that:

‘Member States shall take appropriate measures to ensure that rightholders make available to the beneficiary of an exceptions or limitation provided for in national law in accordance with article 5.2a, 2c, 2d, 2e, 3a, 3b or 3e the means of benefiting from that exception or limitation, to the extent necessary to benefit from that exception or limitation, where that beneficiary has legal access to the protected work or other subject matter concerned’.

A ‘beneficiary of the exception’ would appear to be a third party who wishes to exercise one of the exceptions specified. Concentrating on Article 5.3, the exceptions referred to

¹⁵⁸ 907 F. Supp. 1361 (N.D. Cal. 1995).

¹⁵⁹ Copyright Directive Article 6.1 and 2 See also the discussion in chapter 4 of this study.

are those for the illustration for teaching or scientific research, for the benefit of people with a disability, and for the purposes of public security and parliamentary or judicial proceedings. So despite the fact that the circumvention of digital fences is to be made unlawful, it would appear that those who wish to take advantage of an exception for the purposes of *inter alia* illustration for teaching or research, must be able to do so. However, before being able to do so, the beneficiary of the exception must have *legal access* to the protected work. So it would appear the help given in respect of exercising the exception refers, for example, to overcoming controls which would otherwise prevent a copy being made for the purposes of scientific research; for example, if the cut and paste functions or the print command on a website were disabled. The help is *not* given in respect of overcoming the access control. So the copyright owner might still refuse access, or condition access on payment. Depending on how the digital controls and business models of intermediaries develop, this exception might either become unusable because the user cannot afford to pay for access, or develop in the form of a compulsory licence with remuneration payable to the intermediary each time it is exercised¹⁶⁰. The payment may not be explicitly required to exercise fair dealing, but be rather for access. This is not quite how fair dealing for the purposes of research and private study is currently understood in the UK. Certainly, in most cases, a payment for the book or other work must be made at some point. However, if that book is purchased, or a copy obtained from a public library, then no further payment need be made to make a copy of a substantial part for the purposes of research. If works are only released on the Internet, then it would appear that a payment could be required each time this exception is exercised.

The provision in Article 5.3.n appears to have been designed to avoid this outcome in respect of libraries. Thus, the reproduction, making available and communication to the public rights may be limited in respect of works made available over dedicated terminals in the library, where those works are to be used for the purpose of research or private study. This could mean, for instance, that books made available in electronic form in libraries could be accessed at dedicated terminals. Reproductions that were made would not infringe these rights so long as they were for the purposes of research and private study. However, that in turn is subject to the proviso that the exception only applies to

¹⁶⁰ In a previous draft of the directive, a limitation was permitted for the sole purpose of illustration for teaching or scientific research, so long as the right holder received compensation. Although, as currently drafted, the limitation looks different, the effect may well be the same.

works ‘*not subject to purchasing or licensing terms*’. It would appear that a digital publisher could stipulate that no copy be made for the purposes of research and private study, or that a payment is required each time, or that the works should not be made available on these dedicated terminals. As far as payment is concerned, none of the exceptions in Article 5.3 specifically state that their exercise is conditioned on payment, although, as discussed above, the copyright owner could so condition access. This is in contrast with Article 5.2, where private copying, paper-based copying, and copying in certain institutions is dependent on the proviso that rightholders should receive fair compensation. However, Recital 36 states that ‘*Member States may provide for fair compensation for rightholders also when applying the optional provisions on exceptions which do not require such compensation*’. So, if the UK or any other Member State chooses to implement any of the fair dealing exceptions, they may opt for a requirement that a fee be paid for each use. Recital 35 does recognise that in certain circumstances, a payment might not be appropriate, however: ‘*In certain situations, where the prejudice to the rightholder would be minimal, no obligation for payment may arise*’. It would appear that *fair dealing*, when not limited by contract, may become *faired dealing*¹⁶¹.

The obligation in the first paragraph of Article 6.4 also raises the question of what appropriate measures a Member State must take in order to ensure that a beneficiary of protection can benefit from an exception. Article 6.4 in part requires that Member States ensure that a beneficiary of protection has the means available to benefit from an exception specified in the Copyright Directive. One way might be to develop State-authorised circumvention tools which could be made available for these specified purposes. However, it would appear odd that such circumvention devices could be developed to allow certain uses of a work for fair dealing, when those who develop digital fences argue that those same digital fences cannot be configured for fair dealing. An alternative would be to have some form of human intervention, responsible for deciding when such a use was acceptable. This type of suggestion was made a few years ago, when one writer proposed the creation of a digital property trust¹⁶². Broadly, the idea

¹⁶¹ The term ‘faired dealing’ is a variation of the term used by Bell in the title to his article: *Fair Use vs. Faired Use: The Impact of Automated Rights Management on Copyright's Fair Use Doctrine*, 1998, 76 North Carolina Law Review 557.

¹⁶² Stefik *Shifting the Possible: How Trusted Systems and Digital Property Rights Challenge us to Rethink Digital Publishing* 1997, 12 Berkeley Technology Law Journal 137. Mark Stefik is the principal scientist at Xerox Palo Alto Research Centre Park in California. His paper provides a very interesting viewpoint from a person who is intimately involved in developing new technologies. Stefik acknowledged that the

was that a trust would be established, charged with being a 'guardian of fair dealing'. If a user wanted to exercise fair dealing rights, an approach would need to be made to the members of the digital property trust. The user would have to convince the trust that he understood what fair dealing was about, and that the proposed use of the protected work fell within the necessary guidelines. The guardian of fair dealing would assess the application and decide if it was genuine. If it was, they would then have the authority to require the owner to grant the use to the user. If it was not, the request, and the use, would be denied. It may be that this type of proposal would satisfy owners. However, it could have negative implications for authorship. The user would be required to go to the expense and trouble of contacting a trust. Processing the application would take time and cause delay. The burden of showing what is fair dealing would lie on the applicant. Fair dealing would become an affirmative request, rather than a defence to an action for infringement. The trust would act as arbiter as to what is, and what is not, fair dealing. By the time a decision was returned, the applicant might just have given up. Certainly the proposal may work in some circumstances, for instance where large investment is to be put into the second work. But on many occasions, where the author, perhaps a busy researcher, is seeking flashes of inspiration from a variety of sources in a limited time scale, it might just prove to be too burdensome. Everything would require to be planned, and cleared, in advance. It remains to be seen what proposals will be forthcoming from Member States in implementation of this obligation.

6.8 Digital fences, exceptions and licensing

One further question remains as to whether it would be possible, under the Copyright Directive, to limit by contract how the limitations could be exercised, either at the point of access to the work, or at the point of use. Some of the questions have been discussed above. One further part of the Copyright Directive suggesting that such action might be possible for at least some exceptions, is contained in the fourth paragraph of Article 6(4). This paragraph states that the *'first and second subparagraphs [of Article 6.4], shall not apply to works or other subject matter made available to the public on agreed contractual terms in such a way that members of the public may access them from a place and at a time individually chosen by them'*. The first and second paragraphs of Article 6.4 place the obligation on Member States to

development of comprehensive technological protection systems could mean that fair use right could not be exercised as it would not be possible to program the system to conform with the fair use rules.

provide the means by which a beneficiary of protection can benefit from a number of the exceptions including making reproductions on paper¹⁶³, and for the purpose of illustration for teaching and scientific research¹⁶⁴. Article 6.4 would appear to imply that works may be made available over the Internet on certain terms and conditions proffered by the owner. If this is the case, and an author agrees to them, for instance by clicking on an 'I agree' icon (a click-wrap licence), then those terms and conditions will govern use of the underlying work by the author. If there is such agreement, then the author will not be able to use any of the exceptions discussed above. Thus, an owner might stipulate that 'no part of the works made available on this web site may be used for the purposes of illustration for teaching or scientific research'. It would appear that these conditions would govern the relationship between the parties.

Such a conclusion means that the provisions of the Copyright Directive are more strict in relation to these exceptions than the others. There is nothing now in the Copyright Directive to suggest that, subject to the discussion above, any of the other exceptions, if adopted into national laws of Member States, could be limited by contract. This is in contrast with a previous draft of the Directive which stated explicitly in the Recitals that the fair dealing exceptions were not to prejudice right holders and users entering into contractual relations. This appeared to suggest that it would be possible to reduce (or expand) fair dealing by contract. This Recital has now gone. So, the other exceptions might become subject to compensation, but not to being limited by contract. By contrast, if an author enters into an agreement not to use a work for the purposes of scientific research, then the terms of that contract could override the exceptions, and the digital property trust would not have competence on behalf of that author.

6.9 Fair dealing and databases

However, those comments should be taken in conjunction with the proposals in the Copyright Directive in relation to databases, which, it would appear, could limit every limitation. Under the Database Directive, certain elements in relation to user rights are entrenched in law. The maker of a database may not prevent a lawful user from extracting and re-using insubstantial parts of that database, whether evaluated

¹⁶³ Copyright Directive Article 5.2.a.

¹⁶⁴ *ibid* 5.3.a.

qualitatively or quantitatively¹⁶⁵. This cannot be limited by contract. In addition, Member States had the option under the Database Directive to allow for the extraction of a substantial part of the contents of a database for limited purposes, including extraction for the purposes of illustration for teaching or scientific research¹⁶⁶.

It appears that this could now be limited under the Copyright Directive. Article 6.(4) paragraph 5 states: *This paragraph shall apply mutatis mutandis toDirective 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases*¹⁶⁷.

Given that web sites and individual web pages fall under the definition of a 'database'¹⁶⁸, regardless of the content, it would appear that it might be possible to limit the fair dealing provisions by contract. Thus, if an owner chose to place restrictions on extraction of information from the database where it was to be used for the purposes of illustration for teaching or research, it may be permissible to do so. If accepted, these terms would govern the relationship between the parties, and the author, teacher or researcher would not be able to seek the assistance of the digital property trust.

6.10 Fair dealing and the UK

It has been noted that there is some debate in the US as to whether it would be possible to limit fair use by contract. This question appears not to have been considered directly in the UK¹⁶⁹. The Copyright Tribunal considered a case in which the Performing Right

¹⁶⁵ Database Directive 96/9/EC Recital 49 and Article 8. In the UK, copyright in the structure of a database is not infringed by a person who copies that structure if it is necessary for the purposes of access to and use of the contents. The database right is not infringed by the fair dealing of a substantial part of the contents if they are extracted (but not re-utilised), for the purpose of illustration for teaching or research and not for any commercial purpose. For favourable comment in relation to this element of the Database Directive see Samuelson Copyright *Digital Data and Fair Use in Digital Networked Environments* <http://www.droit.umontreal.ca/crdp/en/equipes/te.../samuelson.htm>. The other area in which 'user' rights may be said to be entrenched is in relation to computer programs. Broadly Council Directive (EEC) No 9/250 of 14 May 1991 on the Legal Protection of Computer Programs provides that it is not unlawful to copy a program for the purposes of decompilation if it is necessary to find the information necessary to create an independent program which can be operated with the decompiled program or with another program. CDPA s50B(2)(a) See also further restrictions in section 50B.

¹⁶⁶ Database Directive Article 9.a.

¹⁶⁷ This subparagraph also applies to Council Directive 92/100/EEC of 19 November 1992 on Rental Right and on Certain Rights Related to Copyright in the Field of Intellectual Property.

¹⁶⁸ For the definition of a database see chapter 2 of this study.

¹⁶⁹ In Denmark a copyright owner cannot attempt to expand the copyright monopoly through contracts. In *De N V Drukkerij 'de Spaarnestad' v Leeinrichting 'Favoriet'* Hoge Raad 25 January 1952 No 95 A magazine publisher had put a notice in his publications prohibiting the legal acquirer from re-using the printed

Society had requested that Southern Television pay royalties on ephemeral recording made in the course of broadcasting despite the explicit exception of this activity from infringement under the 1956 Copyright Act¹⁷⁰. The Tribunal disapproved of the practice¹⁷¹. This would suggest that it is not possible, by contract, to extend the boundaries of the law of copyright. By analogy, if fair dealing is a boundary, it should not be capable of being altered by contract.

There are anecdotal tales of licences being granted by copyright holders which take no notice of the underlying fair dealing provisions, or otherwise override copyright to the extent that they claim payment for uses which are fair dealing, or seek to prohibit uses which are permitted¹⁷². But these may rather represent the desire of the licensee to use works protected by copyright, and obtain something of an insurance policy against being sued, as opposed to an acceptance of the ability to contract out of the rights.

As there has been surprisingly little debate in this area, and a good deal of uncertainty exists, the UK Government might consider introducing a provision into domestic law explicitly providing that the limitations cannot be contracted away. However, such a move would run counter to many of the measures being introduced in the Copyright Directive discussed above. This will be canvassed further in chapter 9 of this study.

material in subsequent reading portfolios. The defendant nonetheless published a portfolio and distributed it to his clients. The Plaintiff sued on the grounds of copyright infringement. The court found in favour of the defendant on the basis that the plaintiffs copyright was exhausted as soon as he had made his magazines available to the public. He therefore had no right to restrict the user's subsequent actions and the notice was therefore contrary to the exhaustion doctrine under the Dutch Copyright Act. Quoted in *Contracts and Copyright Exemptions*. Institute for Information Law Amsterdam 1997 ISBN 90-74243-11-8 p 30.

¹⁷⁰ UK Copyright Act 1956 s6(7).

¹⁷¹ Case 2/1958 Quoted in Cornish, *Intellectual Property* para 12-58.

¹⁷² O'Rourke, *Drawing the Boundary Between Copyright and Contract: Copyright Preemption of Software License Terms* 1995, 45 Duke Law Journal 479-558 argues that it is becoming established in practice for electronic publishers to attempt to alter the bargain struck by the copyright regime through licence agreements, and for libraries to agree to contractual terms which may restrict their users right to make copies under the fair use exemption. See also Grosheide, *Mass Market Exploitation of Digital Information by the Use of Shrink Wrap and Click Wrap Licenses. A Dutch Perspective on Article 2B UCC* in Grosheide and Boele-Woelki (eds), *Molengrafica: Europees Privaatrecht* 1998 at 305. 'What happens to copyright under a consortia license? The short answer is: you negotiate a licence that overrides copyright. With the right license you should not have to worry about copyright'.

6.11 The implications of the proposals in the Copyright Directive for the public domain

On the one hand, the proposals in the Copyright Directive represent a genuine attempt by the EU to balance the interests of the owner and author: the owner in the need to protect a work disseminated over the Internet, and the author in the need to use parts of works for authorship. If the justifications for the grant of property rights in creative works have not been lost in the legislative process, these attempts suggest that the EU do not view fair dealing limitations purely in terms of market failure, but rather appreciate that they do have a public interest function in facilitating authorship, which in turn will ensure that a wide variety of works are available for education and the furtherance of knowledge. On the other hand, the way in which these proposals might work conjures up some concerning images. In this there remains one central feature that has not satisfactorily been tackled: the question of access to materials in the public domain for use in authorship.

7. Summary

The differences in the approaches to the fair dealing/fair use exceptions as between the US and the EU are telling. The US has largely left the terrestrial fair use provisions untouched: the EU, on the other hand, is attempting to construct a new framework for these rights at this stage. This is, in part, explained by the desire of the EU to harmonise the limitations as between the Member States, incorporating varying historical backgrounds and legal traditions. In part it is also explained by the ever increasing move towards granting full property rights to owners.

As fair use is not limited in the US, authors might be considered to be in an enviable position. However, the limitation on the exercise of these rights through the operation of digital fences, coupled with the possibility of being able to limit the rights by contract, means that these limitations may be just as difficult, if not more so, to operate in practice. Within the EU regulators do not seem to have suggested that fair dealing should disappear. Instead, the complex structure described above has been put in place which certainly at least pays lip service to the doctrine. However, control over access coupled with the fact that it appears it will be possible to make the fair dealing limitations subject

to contractual restrictions do not sit happily with the concept of the public domain. This leaves the question open as to whether the public domain remains, but is restricted, or if it is disappearing. What is perhaps particularly interesting is the seeming convergence between the Anglo-American and author's rights systems, not in the substantive law, but in the effect that the protection of digital fences has on access to the underlying works. The once 'free' fair dealing and fair use provisions in UK and US law become subject to access restrictions. The extension for each jurisdiction concerns the use that may be made of the underlying materials through contractual restrictions.

For the public domain, and in particular for an author's use of the materials in the public domain, the changes are fundamental. Fair dealing, contractual limitations and potential difficulties over access to creative works, may operate together to limit the materials available necessary to create new works. Taken on their own, the proposals for, and limitations on, fair dealing on the Internet might be considered restrictive. But taken together with the complex alterations to other elements of the public domain, the changes in this area are profound.

Chapter 7

Originality/Substantiality/Ideas

1. Introduction

Fair dealing is one limitation or exception to the copyright monopoly. Although, as has been discussed in the last chapter, the boundaries are far from clear, they can perhaps be more easily stated than those under scrutiny in the present chapter. This chapter concerns the boundaries on the copyright monopoly, and thus elements in the public domain, found by examining three central concepts in copyright law. The first is the requirement that a work be original for copyright to subsist; the second is that insubstantial parts of works protected by copyright may be copied without infringing the right; and the third is that ideas are not protected but only their expression. There are no clear demarcation lines between these, particularly where infringement of copyright is under scrutiny¹. Each however, does provide a limitation on the property rights granted to current authors. The level at which these doctrines operate determines which works, or parts of works, are accorded protection, and which are not, and thus fall into the public domain. For instance, the higher the level of originality required from the author, the fewer the number of works that will be accorded protection: the lower the level of originality, the more widespread protection becomes. The more substantial the part of an existing work can be taken in fashioning new works, the lower the protection for the author: the less substantial the part, the greater the cover.

An example may help to illustrate the point. Take a painting of sunflowers in a yellow vase. Van Gogh may have been the first artist to have the idea that these flowers would make an excellent subject for a painting. Sunflowers in a yellow vase of course pre-existed Van Gogh's idea to paint them. But if he was the first to commit his brush to canvas, would this then prevent any other painters painting pictures of sun flowers? Sunflowers in yellow pots? Yellow pots? Any still life picture of flowers? Any picture of flowers in oils? Or any picture of flowers? Van Gogh's expression of the idea was sufficiently original, and sufficient skill and labour was expended, to attract copyright protection in the painting. If the idea is protected, as well as the expression of that idea, so all subsequent paintings of sunflowers in yellow pots would infringe copyright (at least for the term for which the painting was protected). If copyright protection extends to

¹ Laddie, Prescott and Vitoria, *The Modern Law of Copyright and Designs* Butterworths 2nd ed para 2.57.

taking any part of the expression, so any subsequent painting of a sunflower may infringe copyright. The more extensive the protection, so the less there is left to the public domain from which others may draw inspiration, style, technique and some expression, in creating new works².

The ideas-expression dichotomy, the requirement of originality, and the limitation that only the taking of a substantial part of the expression infringes copyright, mean that copyright protection in respect of that painting and the subject encompassed in the painting is limited. As a result, there exist many and varied paintings of sunflowers, yellow vases, and sunflowers in yellow vases³. The three doctrines thus attempt to balance past rights - Van Gogh's in his painting; current rights - more recent paintings of sunflowers and yellow vases; and future rights - the next generation of paintings of sunflowers and yellow vases. So for authorship, while copyright protects existing works, it is broad enough to support and facilitate the creation of new works, without allowing the monopoly of existing right-holders to inhibit that creation.

Limitations on the creative property right are vital for exploitation and protection of works in the digital environment from two perspectives. The first is that, as the parameters of the property right shift, to make it possible for owners of existing works protected by copyright to extend the property right in those works. The public domain is diminished. For instance, as works are altered to make them suitable for digital dissemination, these alterations may result in a new work being created, thus starting a new period of copyright protection. The would-be author may face many overlapping copyrights in existing works, which could further diminish the availability of those parts available for re-use. The second is that as the parameters move in favour of the right holder by giving new or extended rights in an existing work, so it becomes possible for that right holder to exert greater control over the onward use of elements of existing works, well beyond terrestrial limitations. Once again, the effect of this is the diminution of the materials necessary for authorship.

² Somewhat ironically, a web site containing pictures by Van Gogh is currently the subject of dispute as it is alleged that a third party has extracted a substantial part of the contents of the original web site and used that content in creating a new web site. *Digital Art Heist? Van Gogh Web Sites in Rights Battle*. <http://www.qlinks.net/items/qlitem10625.htm>.

³ For an indication as to how Van Gogh's painting has inspired others, see <http://www.vangoghgallery.com/misc/sunflowers.htm>

The purpose of this part is to examine these boundaries in the non-Cyber world, and then analyse what happens to them in connection with digital dissemination.

1.2 The boundaries

The first question to be tackled is when a new work can be considered to be original. A literary, dramatic, musical or artistic work must meet this threshold before attracting copyright protection⁴. Those works which are not original fall into the public domain, free for use by others in authorship⁵. Although defining the level of originality required has been attempted on a number of occasions by the courts, it is not an issue that has caused too many problems when deciding whether something is protected by copyright, and when it is not. In the UK an author is required to expend 'skill judgement and labour' in the creation of a work⁶, a fairly low level of originality:

'The word 'original' does not ...mean that the work must be the expression of original or inventive thought.....The originality which is required relates to the expression of the thought....the work must not be copied from another work'⁷.

It has been suggested that the UK standard of originality will rise due to the provisions of a number of European directives which require that a work should be '*the author's own intellectual creation*'⁸ in order to attract protection. This is a level that is closer to the authors' rights systems test for originality⁹. That besides, and despite the current very low level in the UK, there are some works which fall outwith the ambit of copyright protection. Titles of books, films and plays,¹⁰ together with single words¹¹ and facts¹², have been denied copyright protection. These 'little bits' of works thus fall into the

⁴ CDPA s1(1).

⁵ But note the discussion on the Database Directive below.

⁶ Cornish, *Intellectual Property* para 10-05.

⁷ *University of London Press Ltd v University Tutorial Press Ltd* [1916] 2 Ch. 601 at 608 Peterson J. But even for computer generated works, the author still requires to expend some effort, although it is the entrepreneurial, rather than the creative effort that is rewarded. The author is the person '*by whom the arrangements necessary for the creation of the work are undertaken*'. CDPA s 9(3).

⁸ Council Directive EEC No 91/250 of 14 May 1991 on the Legal Protection of Computer Programs Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Databases.

⁹ '*Authors' rights systems take as their starting point the intellectual act of formulating a 'work' and, therefore, tend to maintain in their law some initial criterion relating to creative expression.*' Cornish *Intellectual Property* para 10-10.

¹⁰ *Francis Day v Twentieth Century Fox* [1940] AC 112 at 123 (The Man Who Broke the Bank at Monte Carlo - title of a song); *Hogg v Maxwell* (1867) 2 Ch App 307 (Belgravia - name of periodical); *Dick v Yates* (1881) 18 Ch D 76 CA (Splendid Misery - title of novel).

¹¹ *Exxon Corp v Exxon Insurance Consultants International* [1982] Ch 119; [1981] 3 All ER 241.

public domain¹³. Questions at the margins which have caused particular problems relate (among other things) to compilations such as telephone directories.

The Berne Convention provides that protection shall be granted for compilations of information, but that protection shall not extend to the contents as such. Thus there is a recognition that the information, or data contained within the compilation should not be protected, but the structure might be if it met the required level of originality. The extent of protection that might be accorded to such directories has not been fully answered in terms of copyright law in the UK¹⁴, but in *Waterlow Directories Limited v. Reed Information Services Limited*¹⁵, an interim injunction was issued prohibiting the defendants from publishing a directory containing a list of names and addresses, some of which had been gleaned from the plaintiffs' directory on the same subject. Unfortunately, the question of originality of content was not argued in the case, but appeared to be assumed as discussion revolved around the question of whether a substantial part of the plaintiffs' directory had been copied. But of course, within the EU the issue is not nearly so pressing for those who compile such directories since the introduction of the Database Directive. As discussed¹⁶, this Directive gives to the maker of a database the right to prevent the extraction and re-utilisation of the whole or a substantial part of the contents of the database whether or not the contents are original. It appears possible that the numbers of names and addresses extracted and re-used in the *Waterlow Directories* case may well qualify as a substantial part of a database, and thus infringe the *sui generis* right.

The originality standard in the US may be slightly higher than that in the UK. In the US in *Feist Publications v Rural Telephone*¹⁷ copyright protection was denied for a telephone directory. This decision was applauded by some as meaning that the facts, in the form of the names and addresses were freely accessible and thus in the public domain¹⁸. It has, however, been criticised by others because those who compile these facts, for which effort, time and resource may be expended, receive no protection for the resultant

¹² *Ravenscroft v Herbert* [1980] RPC 193 (Brightman J): 'an author has no copyright in his facts, nor in his ideas, but only in his original expression of such facts and ideas'.

¹³ Subject to other forms of protection in particular by way of trade marks and incorporation into a database.

¹⁴ In Australia it has recently been decided that a directory qualifies for copyright protection on the basis of 'industrious collection' (para 93) of the facts presented in the directory. *Telstra Corporation Limited v Desktop Marketing Systems Pty Ltd* [2001] FCA 612.

¹⁵ [1992] F.S.R. 409.

¹⁶ See the discussion on the Database Directive in chapter 2 of this study.

¹⁷ *Feist Publications v Rural Telephone* 499 US 340 1991.

product¹⁹. However, there have also been changes in this area in the US. As discussed, UCITA would permit licensing of this information, whether it is protected by the law of copyright or not²⁰.

So the relevance of originality to the extent that works which are not original fall into the public domain appears only to be important at the margins. In addition, with the introduction of the Database Directive even those parts normally considered to be in the public domain for copyright law may not be in the public domain as it is traditionally understood.

More problematic is the question of whether a new 'original' work can be created from a work which already exists and is protected by copyright, perhaps by adding new elements to the first work. The issue is important when considering the dynamic nature of the Internet and digital dissemination. Digitisation facilitates the making of amendments and alterations to works on an on-going basis, both in relation to individual works such as an article, and to a web site as a whole. Indeed, the most popular web sites tend to be those which are regularly updated. This question has arisen in connection with non-digitised works in relation to the creation of new editions of works. In *Black v Murray & Son*²¹ Lord Kinloch said:

'I think it clear that it will not create copyright in a new edition of a work, of which the copyright has expired, merely to create a few emendations of the text, or to add a few unimportant notes. To create copyright by alterations in the text, these must be extensive and substantial, practically making a new book.'

So minor additions will not suffice to qualify the amended text for protection by copyright because they do not result in a new original work. Rather, it appears that what is necessary are quite substantial alterations. The issue was considered again in *Interlego AG v. Tyco Industries Inc.*²² where the question was whether drawings of bricks, which had been protected by design right, could attract copyright protection anew as a result of the addition of a few changes to the drawings together with explanatory material. Before such copying and additions could attract copyright protection for the work as a whole,

¹⁸ But see the discussion on UCITA and licensing in chapter 1.

¹⁹ For a discussion on the requirement of originality see Sherwood-Edwards, *The Redundancy of Originality* 1994 IIC Vol 25 p658.

²⁰ For discussion see chapter 2 of this study.

²¹ (1870) 9 M 341.

²² [1989] AC 217, [1988] 3 All ER 949.

Lord Oliver said that: '[t]here must in addition be some element of material alteration or embellishment which suffices to make the totality of the work an original work.' It is thus possible to obtain copyright protection for a second work which has been derived from an earlier one.²³ But perhaps an important point is that the material which has been derived from the first may be considered to have only 'thin' copyright protection at the most. Or to put it another way which is important for authorship, almost an exact representation of the second work would have to be made in another in order to infringe copyright in the second work – although copyright will still subsist in the first²⁴. So an author may still use facts derived from an existing database, so long as the totality used does not amount to a substantial part of the original database. Equally, if copyright protection has expired on an original work, and a new edition is produced, any additions will not necessarily lead to a new period of copyright protection for the work as a whole, although the additions, such as head notes and commentary, may qualify for their own protection. This has implications for authorship. As suggested, because works which are digitised and disseminated over the Internet can be regularly and continuously amended, changed and updated, the right holder may seek to exert continuing copyright protection for the work. Nonetheless, the public domain elements in the revised work remain, and can be used by the would-be author in an independent creation.

A final question arises relating specifically to originality, and that is whether a slavish copy of something else can be original and thus attract its own copyright protection. This is a question that has been around for a long time, and again has implications for the would-be author seeking to re-use materials found on the Internet. Often, it is works which exist in hard copy form that are digitised and made available over the Internet. Could that act of digitisation attract its own copyright protection, where to the naked eye the resultant product may look like an exact representation of the original? This question, in relation to the term of protection of copyright, will be explored in the next chapter. For the present discussion it is the originality element that is important. Generally it would appear that direct copies cannot confer originality on a work. In *British Northrop Ltd v Texteam Blackburn Ltd*,²⁵ Megarry J stated: '*A drawing which is simply*

²³ *Warwick Film Productions Ltd v Eisinger* [1969] 1 Ch 508.

²⁴ *Kenrick & Co v Lawrence & Co* (1890) 25 QBD 99.

²⁵ [1974] RPC 57 at 68.

traced from another drawing is not an original artistic work'. Similarly, Lord Oliver, in *Interlego v Tyco*²⁶ commented:

'Take the simplest case of artistic copyright, a painting or a photograph. It takes great skill, judgment and labour to produce a good copy by painting or to produce an enlarged photograph from a positive print, but no one would reasonably contend that the copy painting or enlargement was an "original" artistic work in which the copier is entitled to claim copyright. Skill, labour or judgment merely in the process of copying cannot confer originality'.

By analogy, this should mean that the process of digitisation of existing works which are protected by copyright cannot be sufficient to attract copyright protection²⁷. So while permission would need to be sought to digitise an existing work protected by copyright because the act of digitisation involves a reproduction, the digitised work, being a copy of the original, should not of itself be protected by a new copyright separate from the protection accorded to the original. Certainly, as discussed above, if there are additions to the original, then it may be that those additions will attract their own protection.

1.3 Substantiality

The question of originality seldom comes up in isolation in case law but is often associated with the problem as to whether a substantial part of the original work has been copied, or whether a new (original) work has been created in the second²⁸.

Copyright in a work is generally only infringed if a person carries out one of the restricted acts²⁹ in relation to the whole or a substantial part of the protected work³⁰.

Insubstantial copying therefore does not infringe copyright, and does not require consent of the author or right holder. This is important for authorship as the would-be author is thus able to re-use insubstantial parts in new creations. However, that begs the question as to what is an insubstantial part of an existing work.

²⁶ *Ibid.*

²⁷ But see the discussion in chapter 8 of this study.

²⁸ Laddie Prescott and Vitoria, para 2.57. 'Originality is of far greater relevance to the topic of infringement, where there has been incomplete or inexact imitation'.

²⁹ For restricted acts in the UK, see the discussion in chapter 2 of this study. Secondary infringements of copyright include importing infringing copies, CDPA s 22; possessing or dealing with infringing copies, CDPA s 23; providing means for making infringing copies, CDPA s 24; permitting use of premises for infringing performances, CDPA s 25; providing apparatus for infringing performances CDPA s 26.

³⁰ CDPA section 16(3)(a).

The test for substantial infringement can be either a quantitative, or more often a qualitative test³¹. The higher the test to overcome, so the more elusive the property right becomes for the author, and the more can be copied without infringing copyright. However, it is not easy to determine what is and is not a substantial part of a work. A very small part of the whole of a work can be considered qualitatively a substantial amount for the purposes of infringement, if what is copied is the heart of the work, or is a very recognisable element³². In this, there is some blurring of the lines between questions of what is a substantial part of a work for the purposes of infringement with the third strand under discussion in this chapter, the ideas/expression dichotomy. The cases which have considered whether the copyright in plays and novels has been infringed illustrate the difficulties quite well. Because the questions focus on the plot, there has been no question of a reproduction on paper. Rather it is the theme, or idea, that is under consideration. If that theme is considered commonplace, so there will be no infringement³³. Thus, where a film was alleged to have reproduced a series of incidents in a prior play, including 'husband forgets wedding anniversary; buys wife flowers; quarrel; wife leaves husband; relation attempts to patch up quarrel; husband and wife meet in hotel' and so on, ending up with a final reconciliation after being accused of theft and almost being arrested, it was found that nothing of 'any substantial originality' had been taken, and there was no qualitative infringement of copyright³⁴. However where a story about a nightingale, whose breast was pierced by a thorn so her blood stained a white rose red was represented as a ballet on a stage, the court found that there was infringement of copyright in the story³⁵. The story was original, and a substantial part of that originality had been infringed.

This same merging of these doctrines can be seen in *Designers Guild Ltd v Russell Williams (Textiles) Ltd*³⁶ where the question was whether the design of a textile had been copied from another. In this case, Lord Hoffmann stated:

'...there are numerous authorities which show that the 'part' which is regarded as substantial can be a feature or combination of features of the work, abstracted from it rather than forming a discrete part.....the original elements in the plot of a play or novel may be a substantial part,

³¹ *Ladbroke v William Hill* [1964] 1 All ER 465 at 469 per Lord Reid.

³² *Hawkes & Sons (London) Ltd v Paramount Film Service Ltd* [1934] Ch 593.

³³ *Laddie Prescott and Vitoria* *ibid* para 2.87.

³⁴ *Dagnall v British and Dominions Film Corp Ltd* [1928-35] MCC 391.

³⁵ *Holland v Vivian van Damm Productions Ltd* [1936-45] MCC 69.

³⁶ [2001] 1 All ER 700, [2000] 1 WLR 2416.

so that copyright may be infringed by a work which does not reproduce a single sentence of the original'.

This is similar to the discussion above on the difficulty of determining whether what has been copied is merely the theme or idea encompassed in the plot of a play, or whether what has been appropriated is actually the expression of that idea. Indeed, Lord Hoffmann went on to say: *'If one asks what is being protected in such a case, it is difficult to give any answer except that it is an idea expressed in the copyright work'*. Here, the discussion on what is a substantial part of the original work merges with the idea expressed in the work. On the subject of ideas in copyright law, it is generally well accepted that ideas are not capable of protection by copyright³⁷. It is only the expression of those ideas that are protected³⁸. Ideas are free for all to use and build upon as they will.

If nature has made any one thing less susceptible than all others of exclusive property, it is the action of the thinking power called an idea which an individual may exclusively possess as long as he keeps it to himself: but at the moment it is divulged, it forces itself into the possession of everyone, and the receiver cannot dispossess himself of it. Its peculiar character, too, is that no one possesses the less, because every other possesses the whole of it'.³⁹

Perhaps, strangely, the Berne Convention does not deal with the ideas-expression dichotomy. TRIPS, on the other hand, provides that: *'Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such'*⁴⁰. This formula is repeated in the WCT⁴¹. In the US, the Copyright Act provides: *'In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept principle or discovery, regardless of the form in which it is described, explained, illustrated or embodied in such work'*⁴².

However, defining the boundary between an idea and the expression of that idea is as complex as trying to define those between originality and substantiality. The formulation in *Designers Guild* indicates how difficult it is to separate the two. In the US the same

³⁷ Goldstein, *Copyright: Principles, Law and Practice* 4-11 (1989) at 78-42. Landes and Posner, *An Economic Analysis of Copyright Law* 1989, 18 *Journal of Legal Studies* 325 at 347-353. Although note the discussion in Laddie Prescott and Vitoria *ibid* para 2.73 who opine that the maxim *'there is no copyright in ideas'* is subject to confusing analysis.

³⁸ *'Copyright does not extend to ideas, or schemes or systems, or methods; it is confined to their expression; and if their expression is not copied the copyright is not infringed'*. *Hollinrake v Truswell* (1894) 3 Ch 420 at 427 per Lindley LJ.

³⁹ Letter From Thomas Jefferson to Issac McPherson (Aug 1813) in *Thomas Jefferson, Writings* 1286 1291-92 Peterson ed. Library of America 1984.

⁴⁰ TRIPS Agreement Article 2.

⁴¹ WCT Article 2.

⁴² Title 17 USC at 102(b).

problem arose as early as 1789 in the case of *Baker v Selden*⁴³. That case concerned the extent of copyright in a book which contained information on the procedures designed to operate a new system of book-keeping. The court found that copyright in the books did not confer rights in the book-keeping system itself, nor in the forms which were copied in the book. Both of these elements belonged to the public:

'The very object of publishing a book on science or the useful arts is to communicate to the world the useful knowledge which it contains. But this object would be frustrated if the knowledge could not be used without incurring the guilt of piracy of the book....(they) are given to the public; not given for the purpose of publication in other works explanatory of the art, but for the purpose of practical application'.

It has been suggested that the question to ask in determining whether what is being used is an idea, or the expression of an idea, should be: *'to ask oneself whether the defendant's work not only was copied (a purely historical fact), but so closely resembles the original in point of its overall structure that it looks as if it probably must have been. On the other hand, the mere presence of a general idea, common to both, however ingenious, does not presuppose any infringement'*⁴⁴. This again shows the difficulty in distinguishing between an idea, the expression of that idea, and whether a substantial part of that expression has been copied. Perhaps slightly more useful are the suggestions from Judge Learned Hand in the US when he said:

*'Upon any work and especially upon a play a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may be perhaps no more than the most general statement of what the play is about and at times consist of only its title, but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his ideas to which, apart from their expression, his property is never extended'*⁴⁵.

A similar attempt was made in *Plix Products Ltd v Frank M Winstone*⁴⁶ to draw the boundary between ideas and their expression and in so doing tries to tease out distinctions between different types of ideas:

⁴³ 101 US 99 (1879).

⁴⁴ Laddie Prescott and Vitoria *ibid* para 2.79.

⁴⁵ *Nicols v Universal Pictures Co* 45 F 2d 119 at 121 (1930) per Judge Learned Hand. This last has strong parallels with the test that was applied in the first major case in the UK which was called upon to determine whether there had been infringement of the copyright in a computer program: there was talk of 'levels of abstraction' and the need to get to the kernel of what was protected by copyright, abstracting from and filtering out what was not protected nor protectible. *John Richardson Computers v Flanders* [1993] FSR 497.

⁴⁶ [1986] FSR 63.

'There are in fact two kinds of 'ideas' involved in the making of any work which is susceptible of being the subject of copyright. In the first place there is the general idea or basic concept of the work. This idea is formed (or implanted) in the mind of the author. He sets out to write a poem or a novel about unrequited love or to draw a dog listening to a gramophone... Then there is a second phase - a kind of 'idea'. The author of the work will scarcely be able to transform the basic concept into a concrete form - i.e. 'express' the idea - without furnishing it with details of form and shape. The novelist will think of characters, dialogue, details of plot and so forth. All these modes of expression have their genesis in the author's mind - these too are 'ideas'. When these ideas ... are reduced to concrete form, the forms they take are where the copyright resides'⁴⁷.

Thus the first kind of idea, which is abstract and unformed, forms the kernel of what will come later. The second kind of idea is when the author starts to add detail to the general or abstract idea. These, when only in the mind of the author, are not protected. Once expressed, then copyright protection will attach to the work.

In *Designers Guild Ltd v Russell Williams Textiles Ltd*⁴⁸ Lord Hoffmann also attempted to define ideas. On the one hand he said that: *'copyright work may express certain ideas which are not protected because they have no connection with the literary, dramatic, musical or artistic nature of the work'*. He went on to give the example of an inventive concept expressed in a literary work which others (in the absence of patent protection) would be free to express in works of their own. The second proposition he made was that: *'certain ideas..... might not be protected because they are not original, or so commonplace as not to form a substantial part of the work'*. It is particularly in this last sentence that the inter-twining of the three concepts - originality, substantial part and ideas-expression dichotomy - becomes apparent.

Merging the above analyses, three types of ideas in creative works become apparent. The first focuses on the level of abstraction in a work: the more abstract, the more likely it is to be an idea, rather than the expression of an idea. The second, drawn from Lord Hoffmann in *Designers Guild*, is where ideas are those which have no connection with the underlying work itself; and the third, also drawn from *Designers Guild*, is that unprotected 'ideas' are those which are commonplace. In each case, if it is only the idea that is taken from the existing work, there is no infringement of copyright.

It has to be said that the above analysis does serve to demonstrate that the boundaries between originality, a substantial part, and the ideas-expression dichotomy are not clear.

⁴⁷ At p 93. Less helpful are the comments of Lord Hailsham in *LB Plastics Ltd v Swish Products Ltd* [1979] RPC 551 at 629 who merely stated that: *'it is trite law that there is no copyright in ideas'*.

That holds true, not only when attempting to define the demarcation lines between the three concepts, but also when determining clearly whether they will operate either to deny copyright protection, or whether it will be found that a second work infringes (or does not infringe) a first. Nonetheless, between them they represent important limitations on the property rights of current owners in existing works, as well as leaving some elements unprotectable. All the theories discussed in chapter 2 support this limitation of the property right. Given the extent to which one work merges into another in practice, it might be concluded that it is hard to support the current breadth of the property right in creative works. Nonetheless, because the property right is limited, so the public domain is enriched. As authorship is the transformation and recombination of old ideas into new, using as building blocks what others have done in the past, so the use of at least some parts of existing works in the creation of new is possible⁴⁹.

Neither the WCT nor the NII Paper contain measures that would affect these standards as such at international, or national level. However, UCITA and the Database Directive in particular, together with some parts of the Copyright Directive, may have an impact. The central issues revolve around how the doctrines will operate in conjunction with digital fences, access controls, and contractual limitations.

2. Originality, insubstantial elements, ideas and digitisation

Drawing on the analysis above, and turning first to the act of digitisation of works protected by copyright, it has been suggested that the act of digitisation *per se* should not result in a new copyright subsisting in the digitised work. Copyright may subsist in material added to that work for digitisation, but nonetheless, those parts of the public domain which can be used by the would-be author would still be available not only in relation to the original work, but also in relation to the amendments. Thus, when a work is digitised and disseminated over the Internet, the would-be author should be in no worse a position in relation to the ability to re-use ideas, insubstantial parts and unoriginal elements of these works for authorship. However, there may be more serious consequences for the would-be author when these elements of the public domain

⁴⁸ *ibid*

⁴⁹ Litman, *Copyright as Myth* 1991, University of Pittsburg Law Review Vol. 53 p235.

interact with the provisions of the Database Directive in conjunction with contract and digital fences.

2.1 Originality, insubstantial elements, ideas, the Database Directive and UCITA

As discussed, copyright protection does not extend to facts, or data, or unoriginal insubstantial parts of works, or to lists of single words. However, both the Database Directive in the EU and UCITA in the US affect the protection of these materials. Both cover unoriginal material. A database includes: *'a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means'*⁵⁰. UCITA permits licensors to licence: *'data text images sounds mask works or computer programs including collections and compilations of them'*. In neither case is it necessary for the information, or data, or other elements, to be original. Therefore unoriginal works, not subject to protection by copyright, may be incorporated into a database in the EU, or licensed under the terms of UCITA. These unoriginal works may therefore, if disseminated over the Internet, not fall freely into the public domain. This could include such information as listings of names and addresses, compilations of historical facts, raw scientific data, and much more. Now it certainly is the case that the incorporation of this data into a database disseminated over the Internet will not render it exclusive in many cases. In other words, it can still be obtained elsewhere. For example, the database maker who wants to compile a list of names and addresses of practising solicitors can obtain that information from sources other than a database compiled by a competitor company. However, unless the maker of the original database is willing to license the information (at a price), perhaps the only way it could be obtained without infringing the database right in the existing database is for the would-be database maker to visit each existing solicitors' practice that she wished to include in the new directory.

The following scenario might help to illustrate the point. There are currently two existing publications containing just such information about solicitors enrolled in Scotland: the Blue Book and the White Book⁵¹. The publishers of the White Book could not update the information it contains by extracting and re-utilising information

⁵⁰ Database Directive Article 1.2. CDPA s 3A.

contained in the Blue Book as that would infringe the maker's database right⁵². Equally, the publishers of the White Book could not consult a telephone directory and extract and re-utilise a substantial part of the contents from there, as that would infringe the rights of the maker of the telephone directory. In addition, the publishers of the White Book could not extract and re-utilise the contents of the database of solicitors maintained by the Law Society of Scotland as that would infringe the Law Society's rights in their database. This is so despite the fact that neither the makers of the telephone directory nor the Law Society are in direct competition with the publishers of the White Book. So the would-be compiler is left travelling around the country-side, knocking on doors. An example of how this could work in practice in a non-competing business is provided by *British Horseracing Board Ltd v William Hill Organisation Limited*⁵³, discussed in chapter 2. There, the information about the racehorse industry was supplied to the British Horseracing Board by the participants in the industry. Extraction and re-utilisation of a substantial part of the contents by William Hill Organisation amounted to an infringement of the database right belonging to the British Horseracing Board. If William Hill wanted to collate its own data, it would have to have sought returns to be made to them by the participants in the industry, or to physically collate it.

In the US, information might be licensed under the UCITA framework. UCITA, it would appear, does not provide any restrictions on the size or portion of information that may be licensed. Presumably, therefore, one fact, one title, one image, may all be subject to being controlled by licensing terms. This has implications, not only for the originality limitation on the copyright monopoly, but also for the rule that taking of insubstantial portions of a work does not infringe. Paradoxically, licensing unoriginal information under UCITA would appear to give more control over that information than copyright gives to original works.

It appears that some of the concerns voiced by those critics opposed to the introduction of legislation to protect databases in the US may come to fruition under UCITA. One of the particular problems articulated was the way in which legal protection for the contents of a database might inhibit extraction of raw data for the purposes of further research. If

⁵¹ These have historically been compiled by separate publishers, Butterworths and T&T Clark. However, T&T Clark has recently been taken over by Butterworths, so it is likely that there will be only one publication in the future.

⁵² For a discussion on what the compilers of a competing directory of solicitors could not do under the law of copyright see *Waterlow Directories Limited v. Reed Information Services Limited* [1992] F.S.R. 409 Ch D.

a right is granted in the information compiled in a database, and controls are placed on both access to and re-use of that information, so an intermediary can control access, and require payment for further reproduction and use of that data⁵⁴. The preference in the US, from the academic community, researchers and users alike, is to have an approach based on misappropriation rather than property. Only acts which cause 'substantial harm to the actual or neighbouring market' of database proprietors would be impermissible⁵⁵. Those working in the educational, scientific and non-profit fields (including libraries) would be able to extract and use the contents of a database⁵⁶, and would only be liable to the proprietor if they in fact simply sought to avoid paying for the use of the database, or otherwise used the contents to create a competing product⁵⁷. This approach is illustrated in the discussion above concerning the compilation of a directory of solicitors. The compiler of the White Book could not, in the UK, use existing databases such as the telephone directory and that held by the Law Society, to update its own product, even though it would not be in a market that was competing with those products. For the US (as in the EU) in the absence of an approach based on misappropriation, and with UCITA, it would appear that the concerns of the academic commentators may become a reality.

So unoriginal works, facts and data may be incorporated into an electronic database. However, within the EU, the maker of a database may not prevent the lawful extraction and re-utilisation of an insubstantial part of that database, which would include the unoriginal facts and data used for authorship. At first sight it may appear that in relation to this right, would-be authors in the EU are in a better position than their brethren in the US⁵⁸. However, problems do arise. The first is that the right of extraction and re-utilisation of insubstantial parts only applies to databases which have been '*made available to the public*'. This immediately raises the question as to when a database has been so made available. The same tensions are apparent as those discussed in relation to questions over publication and confidentiality discussed in chapter 4. If a database is

⁵³ [2001] EWCA Civ 1268; 24059 2001 WL 825162.

⁵⁴ For an analysis of the EU Database Directive and discussion as to the competing US proposals see Reichman and Uhler, *Database Protection at the Crossroads: Recent Developments and Their Impact on Science and Technology* 1999, 14 Berkeley Technology Law Journal 793.

⁵⁵ Hatch Database Discussion Draft HR 2281 Draft of October 5, 1998 s1302.

⁵⁶ *ibid* s1304.

⁵⁷ *ibid* s1304(a).

⁵⁸ Database Directive Article 8.

placed on a server, has that been made available to the public? Or is it still confidential until such time as the would-be author accesses it?

In accessing the database, the would-be author may be required to agree to contractual terms governing use of the contents. Although the Copyright Directive does not explicitly refer to insubstantial parts of works, nor to the rule to be found in the Database Directive which allows the extraction of insubstantial parts, it is clearly recognised that databases will be made available to the public '*on agreed contractual terms*'⁵⁹. It would appear that this might apply to a term limiting any extraction or re-utilisation of the contents of a database, however insubstantial, and which incorporates unoriginal parts. Such a term might state: '*Reproduction, copying or extracting by any means of the whole or parts of this publication [database] must not be undertaken without the prior written permission of the publishers*'⁶⁰. This would appear to limit the extraction of insubstantial parts, whether measured qualitatively or quantitatively, no matter the substantive content of that insubstantial part. Thus the limitations on the property right disappear in relation to digital dissemination, and right holders are able to control (protect) use of the contents of the database, no matter the quantity extracted. However, there is perhaps a way around this rather surprising result. As discussed in the last chapter, it would appear that Article 6(4) paragraph 4 of the Copyright Directive, allowing a maker to limit by contract certain fair dealing limitations to be found in the that Directive, only applies to those to which the powers of the 'digital property trust' (discussed in the last chapter) would apply. An example is fair dealing for the purposes of illustration for teaching, among others. What it does not appear to apply to is other limitations, such as the extraction of an insubstantial part of the contents of a database or an insubstantial part of a work protected by copyright. Thus, in line with the provisions in the Database Directive, where a database has been made available to the public, a lawful user may not be prevented from extracting and re-utilising an insubstantial part⁶¹. Quite how this interacts with that provision which would appear to allow the fair dealing limitation for the purposes of illustration for teaching to be narrowed by contract, is far from clear. If

⁵⁹ Copyright Directive Article 6.4 para 4.

⁶⁰ Statement in *Intellectual Property Lawyer* 2000 CCH New Law.

⁶¹ Database Directive Article 8.1. The implementing regulations in the UK The Copyright and Rights in Databases Regulations 1997 Article 19 provides that '*A lawful user of a database which has been made available to the public in any manner shall be entitled to extract or re-utilise insubstantial parts of the contents of the database for any purpose*'. A lawful user is defined as '*any person who (whether under a licence to do any of the acts restricted by any database right in the database or otherwise) has a right to use the database*'. The reference to '*whether under a licence....or otherwise*' suggests that a person who does not have a licence to extract contents of the database still has the right to extract insubstantial parts.

however, the reasoning is correct - that it is not possible to limit by contract the extraction of an insubstantial amount of the database or of the works protected by copyright - then it would be useful if a clear legislative provision could be incorporated at the time of implementing the Copyright Directive into domestic law.

On a practical level, some may argue that contractual restrictions on use (if valid) do not matter. Once access to a database has been gained, then insubstantial parts may be extracted, no matter the terms of the agreement by which access to the contents of that database were gained. But if these terms are found ultimately to be enforceable, such an attitude is to invite would-be authors to flout the agreement into which they had entered. That is not a comfortable position to be in. The possibility of introducing measures controlling contract terms that could be used in conjunction with digital dissemination, and which might avoid this conclusion are canvassed in chapter 9.

Other questions arise over the extraction of insubstantial parts. The technology that guards the work may prevent physical copies being made. For instance, the print function may be disabled, as may the technology which allows parts of works to be cut from one and pasted into another. Thus, it would not be possible to make a direct copy of an insubstantial part of a work, or contents of a database. Certainly that would not prevent a would-be author from making manual copies, or taking photographs of a screen image, or taping music on to a stand-alone recorder. But it is strange that authors might be forced to work in such ways, especially when compared with the technological advances inherent in the Internet. In addition, if such restraints are adopted through the use of technology, so in reality the would-be author is prevented from extracting public domain elements from the digitised work, that is, to accept that working practices are driven by right holders. Further, and to the extent that these technological measures become used routinely in association with digital dissemination of creative works, it is to accept that in practice the limits dictated by copyright and database policy are determined by right holders, rather than decided by society through democratic processes

The operation of all three doctrines, to the extent that they are carried through to the digital era, depend on gaining access to the underlying work. This returns the debate to the central question of access to a work protected by a digital fence. How access to

works can be effected: who can access any particular work; and how much that access will cost. These questions will be considered in chapter 9.

3. Summary

The limitations on the copyright monopoly apparent in the terrestrial world nurtured through originality, the ideas-expression doctrine, and insubstantial takings, do mean that information, parts of works, and ideas encompassed in works created by past and current authors, fall into the public domain. Mediating between rights in this way has sustained a thriving cultural and informational society. However, on the Internet, the ways in which these will be expressed may change quite radically. Not only can unoriginal information and parts of works be protected by digital fences, but contract conditions may limit use of insubstantial parts of works and unprotected material. The gates would appear to be almost closed on the public domain.

Chapter 8

Term of Protection

1. Introduction

The subject of this chapter is the term of protection of copyright which relates to the length of time for which a work is protected. When discussing the public domain, it is the expiry of copyright protection due to the passage of time that most commentators will consider. Once that term has expired, the whole of the work is thereafter free for third parties, including the author, to use as they will. New works can be copied and adapted from the first: for example, a new edition of a novel can be printed, or a film can be based on that novel, or a photocopy taken of a painting. The heirs of the author of the work which has fallen into the public domain have no right to prevent a third party from making a direct copy of the work, nor any adaptation. No royalties need to be paid for the use of the work. Having works fall into the public domain is thus vital for authorship, but perhaps for different reasons from those discussed for other parts of the public domain. Those parts discussed in the previous chapters are more immediate, and can contribute to keeping debate, discussion and knowledge current. A work that is published today can be reviewed and criticised immediately, insubstantial parts of and the ideas encompassed in the work taken without delay, and re-used in other works tomorrow. Works in which copyright protection has expired, and which are then re-used and transformed, tend to be those works which are enduringly popular, whether they be literary, artistic, musical or dramatic works. Because no royalties need be paid to the author, they can be circulated freely and cheaply, worked and reworked, and may find a wider or different audience. Authors who re-work material in this way may have a new, or revived copyright in part of what they produce. For instance, a publisher who prints a book will, in the UK, have copyright in the typographical arrangement of that book¹. The investment made in keeping the work in circulation is protected. But that would not prevent any other publisher from reproducing the same work².

¹ CDPA s 8(1).

² For instance, the producer and director of a film adapted from one of Shakespeare's plays, such as *Romeo and Juliet*, will have copyright in that film. But again, that would not prevent another producer and director making another film based on the same play.

The term for which creative works are protected has always been limited, in the sense of being for a fixed period, but long. The period of protection has been justified because of the limited scope of the rights granted in a creative work, including those limitations discussed in previous chapters. However, the period at which that term has been set is neither dictated by any of the theories underlying copyright, nor cast in stone. Rather it is a product of debate and negotiation. The Berne Convention provides that the term of protection shall be a minimum of the life of the author plus fifty years³. This was the term of protection in the UK until 1995 when, as a result of the EC directive harmonising the term of copyright protection throughout Europe⁴, the term was extended for literary dramatic musical and artistic works⁵, and films⁶, to the life of the author plus seventy years. For sound recordings, broadcasts and cable programmes, the term extends to fifty years after the date in which the broadcast cable programme or sound recording was made or released⁷. Fifty years was also the term in the US until 1998 when the U.S. Copyright Term Extension Act⁸ extended protection to the life of the author plus seventy years.

Each time the period of protection has been extended, there have been arguments both for and against such an extension⁹. The most recent debate in Europe was no exception¹⁰. In this round, three formal arguments were given for extending the term. The first was that the original time scale for protection being the life of author plus fifty years, found in the Berne Convention, was designed to cover two generations of the author's descendants. However, because authors now live for longer, so this should be increased to seventy years. The second related to the perceived need to harmonise copyright '*at a high level of protection*' which would '*ensure the maintenance and development of creativity in the interests of authors, cultural industries, consumers and society as a whole*'. Third, there was the view that there should be '*a*

³ Berne Convention Article 7(1) applied by virtue to Article 9 of the TRIPS agreement to TRIPS signatory states.

⁴ Council Directive (EEC) 93/98 of 29 October 1993 Harmonising the term of Protection of Copyright and Certain Related Rights. *Phil Collins v IMTRAT HandelsGmbH* [1993] 3 C.M.L.R. 773.

⁵ CDPA s12(1).

⁶ CDPA s13B.

⁷ CDPA ss13A and 14.

⁸ The extension of the term was challenged in *Eldred v Reno* US Court of Appeals District of Columbia February 16, 2001 Case No. 99-5430 in part on the basis that the extension was unconstitutional. The challenge failed. The documents can be viewed at <http://eon.law.harvard.edu/eldredvreno/>.

⁹ See the discussion in chapter 1 of this study for some of the views that have been expressed over the years.

¹⁰ Cornish, *Intellectual Property* para 9.54 - 9.55.

Dawson, *Copyright in the European Union - Plundering the Public Domain* 1994, Northern Ireland Legal Quarterly Vol 45 No 2, 193.

legal environment conducive to the harmonious development of literary and artistic creation in the Community'. In other words, any disparities in the length of protection between Member States should be ironed out.

The longer the term of protection becomes, the more akin copyright becomes to a perpetual property right. Yet few works are of such enduring market value to attract a financial return for even as much as five years, let alone for seventy years after the death of the author¹¹. Many intermediaries base their revenue predictions on a short term, sometimes no longer than five years. In addition, the longer the term is, and the more descendants there are from the author, the more difficult, and expensive it can be to find out who owns the copyright in a particular work, and who therefore needs to be contacted for permission to use that work, or substantial parts of it in creating new works.

'...Should the author's rights be divided, to infinity, among all his heirs? . . . How shall one unite so many divers consents, when it may be necessary to treat? Who will undertake to find so many scattered individuals, to regulate their respective interests, and to bring their different wills to agree? . . . When the habitual course of human transactions shall have brought a work into the hands of speculators, and concentrated all the copies of it in their possession, . . . [n]ot only will it become lawful for the avarice of every heir to paralyse the circulation of a work; not only may his avidity retard or promote its propagation; but every powerful party every jealous government, every rival author, every speculation of competition, will have the power, by the aid of a little money, to destroy it entirely. . . . The works of genius will no longer belong to humanity; they will become mere merchandise, to be quoted on the exchange'¹².

Paradoxically, the longer the term of protection, the more difficult it may be for those intermediaries whose livelihoods depend on re-packaging existing works, to do just that. With the maturing of the copyright industry, those who exploit rights have historically been able to obtain assignments of the copyright in the works in question from the author. Thus, once the author dies, they can continue to re-use the rights and are not dependant on seeking consent from 'many scattered individuals'. If, in the future, authors manage to retain some control over ownership of copyright, so this might swing the tide of right holders' opinion towards a shorter period of protection¹³.

¹¹ Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies and Computer Programs* 1970, 84 Harv L Rev 281.

¹² Ou, *From Wheaton v. Peters to Eldred v. Reno: An Originalist Interpretation of the Copyright Clause* at <http://cyber.law.harvard.edu/eldredvreno/OuEldred.pdf> which footnotes this statement of Augustin-Charles Renouard, in *Theory of the Rights of Authors* (8, 1839).

¹³ A recent case decided in the US may have just this effect. In *New York Times Co v Tasini* (00-201) the Supreme Court ruled that a group of newspaper and magazine publishers infringed the copyright of freelance contributors by making their articles accessible without permission in electronic databases after publication. The case turned on the interpretation of Title 17 USC s 201(c) which provides that: 'Copyright

1.2 Term of protection for databases

Copyright protection may be limited for creative works, but it is possible that the database right in the EU could be perpetual. The database right lasts until the end of the period of fifteen years from the end of the year in which the database was completed¹⁴, or fifteen years from the point at which it was made available to the public¹⁵. However, where there have been substantial changes to the database, including those resulting from the accumulation of successive additions, deletions or alterations, and which require substantial new investment, then that is to be considered as a new database and qualify for its own protection.¹⁶ Thus, a regularly updated web site is likely to go on attracting database protection for as long as that updating continues plus fifteen years. This extension in the term is not then limited to those parts that are updated. Thus, unless a web site is no longer updated, no part of the contents will fall into the public domain, except possibly those insubstantial parts that can be extracted by a lawful user.¹⁷

UCITA too seems to suggest that it might be possible to obtain an unlimited period of protection for creative and uncreative works. Given that UCITA permits the licensing of *inter alia* creative works, non-creative works and data, there appears no reason (and nothing in UCITA would suggest otherwise) why licensing of the content of any particular database should not just go on and on. The period may be limited, depending on the business model preferred by the right holder. For instance, access can be gained

in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series'. The court found that this section did not authorise the copying in question in the case because the databases in which the articles were held, reproduced and distributed the articles standing alone, and not in their original context. Thus, if the publishers wanted to licence others to reproduce the articles, they had first to seek permission from the authors. The fact that the publishers argued that if the case was decided in favour of the authors this would have devastating consequences for the dissemination of digital works by 'punching gaping holes in the electronic record of history' had no bearing on the question to be decided. 'Speculation about future harms is no basis for this Court to shrink authorial rights created by Congress'. New contracts with freelance authors allow for digitisation and incorporation into databases. However, older contracts which did not contain this provision are affected. If the copyright period had been shorter, then the publishers may not have had to seek permission from the countless authors who contributed articles to their publications. As a result of this case a number of electronic newspapers will apparently remove large parts of their archived material from their electronic databases.

<http://www.nytimes.com/2001/06/26/technology/26BIZC.html>.

¹⁴ Database Directive Article 10 Database Regulations 17.

¹⁵ Database Directive Article 10(2) Database Regulations 17(2).

¹⁶ Database Directive Article 10(3) Database Regulations 17(3).

¹⁷ But see the discussion in chapter 7 of this study.

to a particular database for a defined time. But this could be subject to rolling contracts - year on year, decade on decade.

1.3 Term of protection and digitisation

The Internet heralds a remarkable opportunity to make available works on which the term of copyright protection has expired. Works which might languish forgotten in libraries, or popular works which are still read, enjoyed by millions, and from which inspiration and expression can be gleaned, could relatively quickly, cheaply and easily be made available to those millions in digitised form. There are a number of examples of such collections on the Internet, accessible for free, and from which surfers and authors may take what they want for many purposes. One example is The Perseus Project¹⁸ which illustrates the possibilities of linking source material in ancient languages, translations and commentary. The goal of this project is *'to bring a wide range of source materials to as large an audience as possible'*. The compilers of the web site state that they *'anticipate that greater accessibility to the sources for the study of the humanities will strengthen the quality of questions, lead to new avenues of research, and connect more people through the connection of ideas'*. Another example is the *Valley of the Shadows*, at the University of Virginia which details the American Civil War using works and information drawn from a wide variety of sources¹⁹.

However, it may also be that the same act of digitisation which makes these works in the public domain available over the Internet also results in the commencement of a new period of copyright. Many of the arguments relevant to an extension of the term of protection in this manner are the same as those used in the last chapter when looking at the overlap between originality, substantiality and ideas. There it was suggested that the act of digitisation itself would not confer sufficient originality on the digitised work to qualify for its own copyright protection. It has also, however, been argued that the act of digitisation is, in itself, sufficient to meet the test of originality, and thus for copyright protection. This is particularly so in where the underlying work that is being digitised is itself in the public domain because the original term of copyright protection has expired.

¹⁸ <http://www.perseus.tufts.edu/>

¹⁹ <http://jefferson.village.virginia.edu/vshadow2/>. The materials on the site are made available under the following conditions: *'These materials have been made available for use in research, teaching, and private study. You may reproduce (print, make photocopies, or download) materials from this website for these purposes without prior permission on the condition that you properly cite the source in all copies'*.

What therefore is being argued by some is that digitisation extends the term of copyright because *that* act is sufficient to start a new term of copyright. In other words, the concern of the previous chapter has been, in part, to ascertain when a new work has been created from an existing one. With digitisation and the term of protection what is produced is not a new work as such, but a faithful representation of an existing one.

This view, that digitisation of existing creative works is sufficient for protection by copyright, is illustrated by the position taken by the owners of a large repository of pictures made available over the Internet: the Bettman Corbis archives in the US²⁰. These archives include more than 16 million images from a variety of sources, some of which are in the public domain because of the date of death of the author, others of which are still protected by copyright. The original archive is in private ownership, and not accessible to the public. The owners of the archive have digitised many of these images. They are now available over the Internet on the Bettman Corbis website. The owners of this web site claim that all of the images, whether the originals are in the public domain or not, are protected by copyright in the digital file that has been created to transform the original image into a form necessary for transmission over the Internet. Many of the old original photographs were apparently in a poor physical condition. Therefore substantial authorship may have been required to enhance the quality of the underlying image in the digital file. Other images, in better condition, required creative decisions to be made to make them suitable for digital distribution. Colours may have been changed, shadows removed, or enhanced and so on²¹. Therefore, the argument goes, a new copyright subsists in the digital image, or at least those parts of the image on which this substantial authorship has been expended²².

But, can, or indeed should such 'digital remastering' qualify for protection by copyright for those underlying images on which the term of copyright protection has expired? What is in essence being done is to reproduce an existing work, and make it into a form that is suitable for transmission over the Internet. A number of cases considered in the last chapter have a bearing on this matter. A further case of note is the US case of

²⁰ <http://www.corbis.com>.

²¹ It has been noted in chapter 1 of this study that there are differences between the law of the EU and the US on the subject of databases. This example is used to illustrate the arguments taken by the compilers of the database to assert rights over materials in the public domain.

²² These statements were made by Dave Green Corporate Counsel Corbis Corporation on the cni-copyright@cni.org discussion list on 11/01/00.

*Bridgeman Art Library Ltd v Corel Corporation*²³. This case concerned photographs taken by Bridgeman Art Library of works and pictures within its collection. Many of these were in the public domain as copyright protection had expired. Corel Corporation copied these photographs and reproduced them on various items for sale to the public. Bridgeman sued for infringement of copyright. The court found that the photographs taken by Bridgeman lacked the creative spark necessary for the subsistence of copyright. Therefore there was no infringement by Corel. The case has been the subject of criticism from a number of quarters, possibly as a result of the implications that it could have for those whose business is built around an activity akin to that undertaken by Bridgeman, such as museum shops and galleries selling copies of works of art on which copyright has expired²⁴. Others have applauded the case, on the basis that it is not possible to extend the term of copyright, claiming a new copyright on top of one that may have expired²⁵. For authorship the result could be important as it would leave copies of these works free to be re-used, particularly so when the original work is inaccessible.

Perhaps one of the important points to be taken from the case was that the photographs taken by Bridgeman were intended to look as much like the original as possible. In other words, they were intended faithfully to reproduce the underlying original work of art. This is, in essence, exactly what the owners of the Bridgeman/Corel archive seek to do: produce slavish reproductions of original images which are in the public domain, albeit with alterations to make them suited to the digital environment.

A case which suggests that UK law might differ on this point is *Antiquesportfolio.com plc v Fitch*²⁶. This case concerned the preparation of a website by Fitch for Antiquesportfolio.com for the purposes of selling antiques over the Internet. In the design of the website, as well as in promotional material, Fitch used copies of photographs of antiques found in an existing publication. Some of these were copied directly; in other cases, Fitch had traced the antiques from the photograph. The court

²³ *Bridgeman Art Library Ltd v Corel Corporation* 36 F Supp 2d 191 and 25 F Supp 2d 421 (SDNY) 1998. In this case, the court held that UK law applied to determine the question of originality. However, the case was reopened shortly afterwards whereupon the court applied US law to determine this question. US District Court southern District of New York February 18 1999. The conclusion was the same. The photographs lacked the creative spark necessary for the subsistence of copyright. For a criticism of the decision see Garnett 'Copyright in Photographs' [2000] EIPR 229.

²⁴ *ibid.*

²⁵ Deazley, *Photographing Paintings in the Public Domain: A Response to Garnett* [2001] EIPR 179.

²⁶ *Antiquesportfolio.com plc v Rodney Fitch and Co Ltd* [2001] FSR 23.

found that copyright did subsist in the photographs of the antiques, albeit that the creative spark needed to take the photograph was low. Therefore, reproduction of these on the website infringed. However, where Fitch had traced the underlying items displayed in the photographs, the court found that these reproductions did not infringe copyright because those parts of the photograph that contributed to originality (and thus to protection by copyright) which included the lighting, angle and focus²⁷, were not carried through into the drawing.

The conclusion reached in this case sits quite happily with the comments made by Lord Oliver in *Interlego v Tyco* (ibid) who stated that: '*no one would reasonably contend that the copy painting or enlargement was an "original" artistic work in which the copier is entitled to claim copyright*'. In *Antiquesportfolio.com*, the court recognised that where an underlying image is reproduced, no matter the skill exerted by the copyist, that does not qualify for copyright protection. At the same time, the court recognised that photographs themselves do take skill and effort to produce, albeit that the originality element may be low. Thus the photographer is protected while at the same time, the underlying image is in the public domain available for re-use by the author.

So what would be the effect of these cases on the claims by the Bettman Corbis archive that the act of digitisation is sufficient to start a new period of copyright protection running for those works in the public domain? Where it becomes important for the would-be author is when the original images for which the term of copyright protection has expired are not available from other sources, as is the case with many of the images digitised by the Bettman Corbis archive. *Bridgeman v Corel* might suggest that the claim for copyright protection in the US would not be upheld: that the effect of the digitisation was merely to produce a slavish copy of the original. Thus digitisation would not lead to a new period of copyright protection. In the UK, as a result of *Antiquesportfolio.com v Fitch*, that act of digitisation may well qualify for protection as a result of the decisions needed to reproduce the underlying image to its best advantage: expertise equivalent to decisions made in relation to lighting, angle and focus by the photographer. If the reasoning is correct, conversion of any analogue works such as digitally reproduced and re-mastered original analogue recordings, the conversion of

²⁷ The court relied on Copinger and Skone James on *Copyright* 14th ed (1999) where those authors considered that the requirement of originality may be satisfied 'by little more than the opportunistic pointing of the camera and pressing of the shutter button' at 3.104.

films and perhaps even the conversion of text to digital form, could result in a new period of protection by copyright commencing from the point of digitisation, at least in the UK.

One possible argument might arise to prevent this conclusion. If digital re-mastering could be equated with the work of those who restore old paintings, rather than with the creative effort expended by photographers, then it might be possible to avoid the conclusion that a new term of copyright protection commences. As far as this writer is aware, no-one has yet suggested that the work involved in the restoration of a painting should result in a new period of copyright protecting either the fully restored painting, nor indeed those parts so restored, despite the creative effort that is undoubtedly needed for such work. If however the conversion of an analogue work to digital form is considered as resulting in a derivative work, then, in the UK, there must be some qualitative material alteration or embellishment before copyright can subsist in the derivative work²⁸. Copyright would be limited to that alteration or embellishment²⁹. But should what is in effect the use and manipulation of computer programs really qualify as a derivative work? The '*qualitative material alteration*' only applies to the need to make alterations to make a work suitable for the new medium. That standard differs from the expertise in relation to lighting, angle and focus employed by the photographer, and could not be considered to be a *qualitative* change to the original work.

Suffice it to say that the arguments have not as yet been aired in a court of law. However, if the proponents are successful in arguing for digital re-mastering to qualify for copyright protection, then the period of protection of existing works, especially those that are at or are near their original term will be greatly increased. Where those works are available other than in digital form, then the Internet as a means of distribution will give the author no benefits. Where however the originals of those works are locked away in vaults (such as in the Bettmann Corbis Archives), the digital age may be disadvantageous.

1.4 Term of protection and digital fences

A work on which the term of protection has expired may be incorporated into a web site on which there are access controls in the form of a digital fence. This digital fence will

²⁸ *Interlego AG v Tyco Industries Inc* [1989] AC 217.

be protected against both the act of circumvention and the distribution of devices designed to overcome the digital fence³⁰, whether the work is protected by copyright or database right or not. Therefore, although the work lies in the public domain, the web site owner may control access to that work. On this inaccessibility, the comments of the makers of the Bettman Corbis archive are instructive, and represent a view that may be taken by others:

'Corbis does not intend to restrict individuals from lawfully reproducing copies of public domain material acquired from other sources'.

In some cases, copies of works may be available from other sources, libraries and museums being obvious examples. However, in other cases, the web site may be the only place where the work is available. In this case, the maker of the database may be in a monopoly position in the supply of that particular work³¹.

1.5 Term of protection and licensing

Even if digitisation does not start a new term of copyright protection running, the maker of a database in the EU who compiles a website containing copies of works in the public domain will have the database right in those contents, and could restrict a would-be author from extracting or re-utilising substantial parts of that database³². The fair dealing provisions, to the extent that they remain, may be subject to contractual restrictions, or, if the contents are not protected by copyright may not apply at all³³. Therefore, even if copyright protection has expired, it may be that the rules surrounding re-use are even more limited than if they were still under protection.

2. Summary

Since copyright was first placed on a statutory footing, battles have been fought over the length of time for which protection should be accorded to a creative work. These contests are far from over. It would appear that the way the legislation is developing for

²⁹ *Warwick Films v Eisinger* [1969] 1 Ch 508.

³⁰ For discussion, see chapter 4 of this study.

³¹ It might be that compulsory licensing may be required through the application of competition law. *RTE v Commission (Magill)* [1995] ECR I-743. For a further discussion on the potential application of competition law see chapter 9 of this study.

³² See the discussion in chapter 7 of this study.

the protection of creative works over the Internet, many works may never fall fully and freely into the public domain. If the term of protection has expired in the terrestrial world, then the act of digitisation may start a new period of copyright running. Even if that argument is not accepted, those works which are in the public domain can be incorporated into the database right of the website maker in the EU, and may be the subject of licensing restrictions under UCITA. Controls on access could mean that the works are inaccessible, subject to payment for access, and have licensing terms attached. For authors, this may mean that it will be difficult to re-work popular works, especially where the originals or copies are not available from other sources.

The copyright term has, historically, been justified partly because of the other limitations to be found on the property right. But those limitations, as discussed over the last chapters, may not work in the same way in relation to works disseminated over the Internet as compared with those disseminated in the terrestrial world. In all cases, the control that can be exercised by the copyright owner is increased quite considerably. Such a conclusion might suggest that the term of protection should be reduced, particularly for works disseminated over the Internet, rather than increased. However, such a solution is perhaps unlikely, as many may consider that such a move may amount to expropriation of private property and thus contrary to the European Convention on Human Rights³⁴. But without such a balance, it appears that copyright owners may be able to exercise lengthy and unlimited monopoly rights in creative works.

Although it is impossible to predict exactly what the public domain will look like in relation to works disseminated over the Internet in the coming years, it seems inevitable that it will differ significantly from what it looks like in relation to hard copy works. Copyright owners will have the rights, and the technology, to exert control over each dissemination and each use of those works. Each part may be limited (or expanded in the case of works on which the term of copyright has expired) by technology and by contract. Copyright owners may require payment for each access and use. Equally, they may target some markets for some works, and exclude others. Authors creating the next

³³ See the discussion on fair dealing in chapter 6 of this study.

³⁴ The first Protocol to Article 1 of the Convention for the Protection of Human Rights and Fundamental Freedoms states: *'Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law'*.

generation of works may have to change habits significantly in order to adjust to the dissemination of digital works. Permission, payments, and restrictions may become a feature of working practice, with the spectre of civil, and possibly criminal sanctions in the event of failure to comply.

Copyright owners and current authors might rest assured that works will remain within their control. But the moves are perhaps, short sighted. The authors and content providers of today may also be the authors and content providers of tomorrow. There may be a small minority who consider that we have reached a peak in terms of creation, and future works should simply consist in repackaging what exists today. But for the majority who believe in progress, and the vital contribution of the public domain to that progress, would do well to consider how the public domain can be nurtured on the Internet, for the sake of future generations.

Chapter 9

The public domain on the Internet

1. Introduction

In the discussion concerning *Napster* in chapter 2, it was suggested that if works are disseminated over the Internet with no controls, then the complex rules surrounding jurisdiction, choice of law and appropriate remedy facing a copyright or database owner may serve, in practice, to deny an effective remedy for infringement of rights in those works. As a result of these problems, a framework designed to control the flow of those works has developed. This framework has as a core feature legal protection for digital fences erected around the work. In addition, the recognition that works are protected, no matter that they are divorced from the tangible copy in connection with which they have historically been embodied, means that the contract by virtue of which the digital bits can be licensed attains increasing importance. As a result, it becomes possible for the copyright owner to control *access* to works, and to license not only every reproduction but also every *use* of the underlying work. Users of those works, most notably would-be authors, may find themselves subject to both civil and criminal penalties for any attempt to circumvent the legal controls to gain access to, and use of, the whole or parts of those works, including the parts traditionally associated with the public domain.

The effect of this framework is to change the traditional balance to be found in the law of copyright between the current author, intermediary and the end user. Historically, copyright has encouraged dissemination of works, in both the general public interest in having works available, and the private economic interest of the author and intermediary. In so doing, copyright protection has not extended to control over every part, or every use of a work. Those parts which the copyright owner does not own, or over which the copyright owner cannot exert control lie in the public domain, have been free for future authors to use in the creation of new works. However, the new framework changes the balance. The public domain is no longer 'free' in the traditional sense of the word. Instead, to the extent that the public domain remains, both access and use is capable of being licensed by the right holder. The question arises, is there still a public domain as understood in the traditional sense? One current philosophy appears to be that all users should pay a small bit for any use of any part of a work – hence the public domain is

licensed. The alternative view is that the public domain ceases to exist. Rather all parts of all works form part of the property right of the copyright owner. But this shift lacks a theoretical basis. Even during the recent debates, the traditional theories of copyright have been trumpeted by those who seek to exert greater control; but most of the traditional theories embrace the public domain.

During the progress of the debate, there has been a war of both words and actions between the intermediaries, who argue that every hard-won right is justified and essential, and those who would seek to maintain the traditional balances, or to inject new balances suitable for the digital era. Currently it would appear that the more the intermediary seeks to assert control over a work, in particular by the use of digital fences, the faster certain users of the Internet work to try and prove that these fences cannot prevent access and dissemination. The result is a series of moves and counter-moves by each party which ultimately benefits no-one.

The aim of this chapter is to discuss ways in which balance might be facilitated within the framework that has developed, in particular how the public domain might evolve and grow on the Internet. The first line of enquiry will concentrate on what is or should be the role of copyright on the Internet. In chapter 1 the traditional justifications for the law of copyright were analysed. However, other theories, that may be more applicable to the distribution of works over the Internet, are emerging, and deserve consideration. The second line of enquiry will consider the access issue: that by the use of digital fences, intermediaries may control access to the underlying works. Three avenues will be explored: the possible denial of access, that charges may be levied for that access, and the interrelated question of the further diminishing of the elements of the public domain by contract. Finally, in discussing the increasing practice of licensing use of the work, possible regulatory controls will be canvassed.

2. What is the role for copyright?

*'The relationship between intellectual property rights and technology poses a very important question: If laws are dependent for their emergence and validation upon technological innovations, might not succeeding innovations require that those very laws pass back out of existence?'*¹

¹ Palmer, *Intellectual Property: A Non-Posnerian Law and Economics Approach*, 1989, 12 Hamline Law Review 261 271-73.

Three distinct means of regulating the distribution of creative works on the Internet have emerged: copyright, contract and technological management systems. All three have always existed together. Works protected by copyright are subject to contractual licensing, and since the advent of technology whereby copies can easily be made, copy control devices have been built into both software and hardware². Exploitation has traditionally been based on the premise that copyright is the standard from which the others flow: copyright law provides the backdrop against which contracts have been negotiated, and technical measures to control copying implemented. The latter two have generally (although by no means always) followed the contours of the first. Now this is changing, so that it is the technological measures that have the upper hand, followed by contract, with copyright, incorporating all its public policy objectives, playing only a minor role, to be used when works are released without authorisation of the right holder³. The raw material necessary for the creation of new works will either disappear, or to the extent they remain, be parcelled in the rights belonging to the copyright owners as an item for trade⁴.

2.1 Justifications

The explanation for the change in emphasis of the role of the law of copyright is the increase in property rights in creative materials granted to copyright owners⁵. The justification is that first identified in the NII Report and repeated in the Copyright Directive: strong intellectual property rights are necessary for the distribution of works over the Internet, and, in the final analysis, for the development of the Internet itself. Historically, the grant of copyright has been justified because it encourages the dissemination of more works. Around that justification, and the rights granted, the

² Reidenberg, *Governing Networks and Rule Making in Cyberspace* 1996, 45 Emory Law Journal 911. Digital Audio Technology poses a threat to copyright. Therefore code is built in to the technologies to control perfect unlimited copying. When a machine is used to copy a CD a serial number is recorded in the tape machines memory. If more copies are made than is permitted, so the quality deteriorates.

³ *Copyright is about who controls information and information flows* Drahos, *Don't Leave it to the experts*. *Financial Times* 8 March 2000.

⁴ Netanel, *A Perspective on Interpretation: TRIPS, The WIPO Copyright Treaties and Freedom of Expression* Fordham University School of Law Sixth Annual Conference on International Intellectual Property Law and Policy 16 and 17 April 1998.

⁵ Lemley, *Romantic Authorship and the Rhetoric of Property* 1997, Texas Law Review 75 pp 873-906 criticises the approach taken by Boyle in *Shamans, Software, and Spleens: Law and the Construction of the Information Society* Cambridge: Harvard University Press 1996. Boyle tries to justify copyright on the grounds of romantic authorship. Lemley explains that this is not what actually happens. What happens is a growth in property rights.

publishing and entertainment industries have grown and thrived. But copyright was not granted in works directly for the purpose of building cinemas, or developing broadcasting or cable programme companies. These industries have grown on the back of copyright, but have not been directly justified by the grant of copyright. The justification for increasing property rights in creative works on the Internet has become confused with the development of the medium through which they are disseminated. The original policy objectives behind the grant of copyright have become subsumed in the push by many governments to encourage their nationals to 'get on-line'.

As with those who protest at the growth of property rights in creative works, so there are those who dissent from the wider drive to expand e-commerce. But the private sector interest in the Internet leaps forward. The possible merging of a number of important corporations such as AOL/Time Warner suggest that the market may soon be dominated by a few large players⁶. There are also signs that music and book publishers may be looking towards the Internet as their only method of distribution, at least for some of their products. EMI have made some of their repertoire available only over the Internet⁷. Time Warner has unveiled a new venture aimed at online publishing. Through iPublish.com, Time Warner have said they will explore new avenues for the production, distribution, and sale of fiction and non-fiction material, developed strictly for the Web⁸. Other companies in the news and information industries are moving towards a more fully based Internet environment, such as Encyclopaedia Britannica⁹ and Reuters¹⁰.

But this is part of a much wider debate as to the future direction of the Internet and the role that it will play¹¹, of which its use as a means of distributing creative works, information and knowledge is only a small, but significant part. On the one hand, the

⁶ The EU investigated this merger under its competition powers. Some were concerned at the control the merged company might have over both access to, and content on the Internet, and lack of bandwidth for competitors.

⁷ *Financial Times*, 30 July 2000.

⁸ *Giants Set to Embrace Electronic Publishing*, New York Times, 28 May 2000.

<http://www qlinks.net/items/qlitem7511.htm>. See also the discussion on Rosettabooks.com in chapter 1 of this study.

⁹ <http://www.britannica.com>.

¹⁰ <http://www.reuters.com>.

¹¹ Drahos, *Information Feudalism in the Information Society* 1995, *The Information Society* 11 p 209. Netanel, *Copyright and a Democratic Civil Society* 106 *Yale Law Journal* 283 (1996) analysing copyright law and policy in terms of its democracy enhancing function: 'Copyright is in essence a state measure that uses market institutions to enhance the democratic character of society'. Shapiro, *Who owns Cyberspace (and can they control it?): Street Corners in Cyberspace*. *The Nation* July 3, 1995 reprinted <http://www.corpwatch.org/trac/internet/whoowns/streetcorners.html>. arguing that public spaces should be available in Cyberspace for democratic dialogue.

Internet has been hailed by many as holding out the possibility of information exchange, and communication in which all can share: not only individuals, companies, and Governments, but also the developed and less developed nations. In this, it is a many-to-many means of communication, rather than the traditional one-to-one, or one-to-many modes. But the strictures placed on information flows have, it is said, the potential to divide the world into those who 'have', and those who 'have not'¹²: those who have access to the information and ideas available and can afford to pay for them will increase their stock of 'having', while those who can afford neither access in terms of the equipment necessary, nor the charges for access, fall further behind¹³.

Some writers have attempted to stall the changes that have occurred. There has been the debate, most particularly in the US, over preservation of the fair use rights¹⁴; the extent of the protection granted to digital fences and the effects on access to information has been criticised¹⁵; the loss of the exhaustion doctrine lamented; and the effect of the database legislation in the EU and UCITA in the US derided. Proposals have been made by legislators and criticised by commentators; the legislation once passed has been criticised again by commentators. The critics have not managed to stall the process, and if they have failed at this stage, it will be almost impossible to reverse the measures that have been passed, to return to a more balanced approach for the protection of creative works.

¹² For there to be any chance of people in developing countries taking advantage of the Internet there will have to be substantial investment. *OECD chief warns against creation of digital divide*. Speaking at the Organisation for Economic Coordination and Development's (OECD) Forum 2000 in Paris, Ignazio Visco, chief economist at the OECD, has warned that the digital divide between information-rich countries and their technologically under-developed counterparts is set to widen. <http://www.qlinks.net/items/qlitem7856.htm>.

¹³ *ibid*.

¹⁴ Lemley, *Intellectual Property and Shrinkwrap Licenses* 1995, 68 S California Law Review 1239. Nimmer, *The Metamorphosis of Contract into Expand* 1999, 87 California Law Review 17. Samuelson, *Intellectual Property and Contract Law for the Information Age* 1999, 87 California Law Review 1. Lemley, *Beyond Pre-emption The Federal Law and Policy of Intellectual Property Licensing* 1999, 87 California Law Review 111.

¹⁵ Ginsburg, *Copyright Legislation for the Digital Millennium* 1999, 23 Columbia VLA Journal of Law and the Arts 137 on the fact that it is an offence to circumvent the controls. It has been argued that the provisions of the DCMA have been drafted as a result of 'high rhetoric, exaggerated claims, and power politics from representatives of certain established but frightened copyright industries' in Samuelson 'Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need to Be Revised' 14 Berkeley Technology Law Journal, p 519. Boyle, *Foucault in Cyberspace Surveillance, Sovereignty, and Hard-Wired Censors* 1997. <http://www.wcl.american.edu/pub/faculty/boyle/foucault.htm>.

To this end, and having accepted the march of progress, other writers have sought to limit, in the public interest, the legislative measures that have been put in place¹⁶. In other words, what has been legislated is accepted, but ways in which the worst excesses of the exercise of rights could be controlled are considered¹⁷. This is particularly so in the US, where theories about abuse of rights and copyright misuse doctrine have been analysed¹⁸ to see how these might be used to control the exercise of 'copyright' in the digital era.¹⁹ Copyright misuse doctrines in this context result in copyright being unenforceable if the copyright owner has engaged in certain reprehensible acts in connection with licensing or enforcement. So, for instance, in *Lasercomb v Reynolds*,²⁰ a US court held that a licensor's anti-competitive clauses in its standard licensing agreement constituted misuse of copyright, and that defence was available to those who were not parties to the standard licensing agreement. Again in the US, 'misuse of copyright' was found in an attempt to extend copyright beyond its boundaries by a plaintiff who was attempting to use copyright to obtain a patent-like monopoly over unpatented microprocessor cards²¹. Other writers have argued that on the grounds of public policy copyright might not be enforced²² and in the UK this defence has been used as a means to exert some control²³. However, in *Hyde Park Residence Ltd v Yelland* ²⁴, the Court of Appeal determined that if copyright was not to be enforced on the grounds of public policy, then the circumstances must arise from the nature of the work itself: for instance, it must be immoral²⁵. Certainly the scope of this public interest defence

¹⁶ See generally also *Contracts and Copyright Exemptions* Imprimatur Institute for Information Law Amsterdam December 1997 ISBN 90-74243-11-8 p21.

¹⁷ For a comment on types of controls to be found in a number of EU countries see Guibault, *Pre-emption Issues in the Digital Environment: Can Copyright Limitations be Overridden by Contractual Agreements Under European Law?* in Grosheide and Boele-Woelki (eds), *Molengrafica: Europees Privaatrecht* 1998.

¹⁸ Keller, *Condemned to Repeat the Past: The Re-emergence of Misappropriation and Other Common Law Theories of Protection for Intellectual Property* 11 *Harvard Journal of Law & Technology* 401.

¹⁹ Useful as such comment might be, neither have a significant foothold in common law jurisdictions Dworkin, *Judicial Control of Copyright on Public Policy Grounds* in *Intellectual Property and Information Law Essays in Honour of H Jehoram*. Kabel and Mom eds Kluwer 1998 p137.

²⁰ *Lasercomb America Inc v Reynolds* 911 F.2d 970 (4th Cir. 1990).

²¹ *DSC Communications v DGI Technologies* 81 F 3d 597 (5th Cir. 1996).

²² Dworkin *ibid* citing *Glyn v Weston Feature Films* [1916] 1 Ch 261 and *AG v Guardian (No 2)* [1988] 3 All ER 652. CDPA s 171(3).

²³ In the UK the public policy controls on copyright are limited, and have been described as an '*unruly horse*' which should only be mounted in exceptional circumstances. Dworkin, *Judicial Control of Copyright on Public Policy Grounds* *ibid* at 147.

²⁴ [2000] TLR 104 (CA). 104. The Court of Appeal also held that there was no public interest defence separate from that of public policy, and that where an act was found not to be fair dealing, then a public interest defence would not be upheld. But see *Ashdown* *infra*.

²⁵ One writer has suggested starting again, and defining a new paradigm of copyright control based on what people really believe copyright to be all about Litman, *Copyright as a Myth* 1991, 53 *University of Pittsburgh Law Review* 235 discussing view that copyright law is counterintuitive to authorship process.

appears to have been widened in *Ashdown v Daily Telegraph*²⁶, although the parameters remain opaque.

Despite the rather uncertain boundaries, these suggestions are useful in their own way, and do represent a recognition that limits should be placed on the enforceability of copyright. But each tends to take a piecemeal approach, and in their application to the Internet problems can be foreseen. The theories concentrate on those circumstances in which copyright will not be enforced. If applied to the Internet, the work itself may still be protected by a digital fence. So even if copyright were not enforceable, the work would not thereby be 'liberated'. The owner might simply place the work behind a digital fence and control access and use by way of these technical protections and contract. Any 'user rights', such as they are, may then not be applicable in this context. The owner might therefore have more, and not less, control over the work²⁷. Given these shortcomings, it would be preferable to focus on encouraging the public domain within the framework that has developed at international and national level.

The justifications for protecting creative works when disseminated over the Internet appear to have moved a long way from the original theories supporting the protection of such works. As suggested, what seems to have happened is that copyright law and the development and expansion of the Internet itself have become synonymous. The train of thought seems to run: if the Internet is to reach its full potential, creative works disseminated over the Internet must be adequately protected, because without such protection rights holders in particular will be reluctant to participate in the development of the Internet. Without the participation of these players, so the utility of the Internet will be reduced. Therefore, the general development of the Internet depends on creative works being adequately protected. Perhaps recognising this argument, and wishing the Internet to evolve to provide more than a distribution method for creative works, a new theory, the Social Planning theory, is developing which takes account of this debate.

²⁶ *Ashdown v Telegraph Group Ltd* [2001] EWCA Civ 1142, [2001] 3 WLR 1368. See chapter 6 fn 40.

²⁷ If the work was placed on the Internet without authorisation, then presumably copyright could not be used to chase further reproduction. In this, the owner might be disadvantaged.

2.2 Social Planning theory²⁸

Broadly, those who adhere to this theory see the current debate between those who regard expressive works as commodities, and those who argue that new technologies render copyright irrelevant, as a debate that is more suited to the historical function of copyright than to the ownership and exploitation of property rights in creative works on the Internet. The social planning theorists advocate, as an alternative, a democratic paradigm under which copyright is an important tool which can help to shape political and social discourse on the Internet²⁹. The theory paints a picture of ‘*a just and attractive culture*’. Property rights can help to foster, and to achieve this aim. Such a culture is one in which citizens have access to a wide array of information ideas and forms of entertainment: there is also access to a broad range of intellectual products for self-determination and self-expression: and a rich artistic tradition is positively nurtured to allow its members opportunities for creativity and subtlety in communication and thought. The availability of such a diversity of materials engenders a culture which enables its citizens to participate in decision-making at all levels, and thus enhances the democratic character of society as a whole³⁰.

This theory takes into account the origins of the Internet, and the hopes that many have as to what it can do for all the participants. The argument is that the Internet is a special place. Because of its origins, because it is not owned by anyone, and because of the main guiding philosophy at conception, that it would facilitate the exchange of information and views, so it should be treated as a place apart, and rules developed accordingly. None of those who adhere to this view argue that controls should be absent. Rather, the controls should be different. Thus, some control over creative material is essential because some property rights are necessary for self-determination in any society. But the question remains as to what control and how that should be exercised?³¹ Because, in common with other philosophies, this theory rests on subjective criteria³², there is no pre-determined answer to any of the difficult questions that arise in relation to the extent

²⁸ Fisher, *Theories of Intellectual Property* in *New Essays in the Legal and Political Theory of Property*, Munzer ed. Cambridge University Press 2001. Ch 6.

²⁹ Netanel, *Copyright and a Democratic Civil Society* 1996, 106 Yale Law Journal 283.

³⁰ *Ibid.*

³¹ Fisher, *Property and Contract on the Internet* 1998, 73 Chi.-Kent. Law Review 1203 at 1216 asks: ‘*What are the features of a just and attractive culture? The difficulty of answering that question is, I think, the principal reason the method has not gained more adherents*’.

³² For a resume of these theories, see the discussion in chapter 1 of this study.

of the control that should be exerted, or be capable of being exerted, over creative works. If one of the aims is to ensure that there is unhindered social discourse, this should call for a public domain, unhampered by property rights of copyright owners. This might include limitations that do not in substance look much different from those found in the terrestrial world, such as the fair dealing limitations, and the ideas/expression dichotomy.

A further problem with the theory (as with others), is that it is possible to mould elements to suit individual aims. One writer³³ has drawn together a number of features that would contribute to this society, one of which is respect. This feature, he argues, means that society should grant and protect the right of attribution: where an author has created a work, that act should be recognised. Equally, an author should not be credited with having produced a work, when that is not the case. These arguments accord with moral right obligations under the Berne Convention. However, the writer goes on to argue that this is the extent to which moral rights, as currently understood, should be protected. An author should not be permitted to object to mutilation of a work (the right of integrity). This is because re-use of a work in a just society is more important than the ability of the author to control such re-use. This argument is typical of the views held by many who adhere to the Anglo-American tradition, most notably those from the US³⁴. A supporter of moral rights from the Civilian tradition might equally argue that the right of integrity, a natural right, is essential for self-determination and self-expression, another, seemingly equally important aspect of the same theory.

There are other elements to the theory that raise difficult questions, and potential conflict. It has been argued that rights over intellectual creations are in some way necessary for sovereignty, security and privacy³⁵. '*Some sovereignty over a range of personal possessions is essential to dignity*³⁶' even to the extent that '*these cannot be justified*'. The European Convention on Human Rights also gives individuals certain fundamental human rights, such as the right to privacy and freedom of expression. If care is not taken with the extent of the grant of property rights in intellectual products, so it is argued,

³³ Fisher, *Theories of Intellectual Property* *ibid* .

³⁴ For a resume of these arguments, see the discussion on moral rights in chapter 1.

³⁵ Hettinger, *Justifying Intellectual Property* 1989 Philosophy and Public Affairs 18 at 45.

³⁶ Dworkin, *Liberalism in Public and Private Morality* ed. Cambridge University Press 1978 at 139.

these human rights may be infringed³⁷. But there is no answer as to which should prevail - copyright or the human right - in the event of conflict. For example, if property rights are granted to protect privacy, that could also encourage censorship and deter free speech - a problem that has been discussed in previous chapters³⁸.

The expression of the theory, unhindered access to these 'free elements', is similar in substance to the theory that argues for the liberation of the global commons which stems in part from the teachings of Locke. In chapter 1, Locke's justifications for the grant of property rights in creative products were discussed. His theory, that mixing labour with elements in the commons made the resultant product capable of ownership, has proved to be influential in both the Anglo-American and Civilian systems. However, in Locke's view there were limitations on what could be owned as a result of this mix of labour with raw materials. He considered that, after the appropriation of material from the commons, there must be enough and as good left in common for others³⁹, and no more material than can be used should be taken from the commons⁴⁰. In other words, you cannot appropriate all the raw materials and leave nothing for others to build upon in the future. His theory did elaborate on what should be left in the commons. However, the traditional limitations on the property right examined over the last chapters have ensured that the commons exist as a pool from which authors can draw⁴¹.

But what of the commons, or the 'global commons', on the Internet? The content of the global commons has been debated in the international trade arena⁴² in response to the growth of world international trade and investment. The benefits to be gained from this growth have been questioned by environmentalists and other pressure groups who see

³⁷ EU Legal Advisory Board paper: *The LAB notes with concern that considerations of informational privacy and freedom of expression and information are practically absent from the Green Paper. The LAB wishes to underline that these are basic freedoms expressly protected by Articles 8 and 10 of the European Convention on Human Rights and therefore part of EC Law. In the opinion of the LAB these extent and scope of these rights are clearly at stake, if.....the economic rights of right holders is to be extended or interpreted to include acts of intermediate transmission and reproduction, as well as acts of private viewing and use of information*'. ECHR Article 10 was considered in *Church of Spiritual Tech v Spain* No 961160 Summary judgement of the President of the District court of the Hague March 12 1996. The court found that the defendant did not violate Dutch copyright law by quoting in a web page a church of Scientology document and thus that the court did not need to decide whether the defendants action was protected by ECHR Article 10.

³⁸ It is interesting to note that in *Ashdown v. Telegraph Group Ltd.* [2001] EWCA Civ 1142, [2001] 3 WLR 1368 one of the arguments used to justify the use of the work was that it was fair and in the interests of a democratic society. See the discussion in chapter 6 of this study.

³⁹ Locke, *Second Treatise* Chap 5 sec 27.

⁴⁰ Locke *ibid* sec 31.

⁴¹ See also Spector, *An Outline of a Theory Justifying Intellectual and Industrial Property Rights* [1989] 8 EIPR 270 at 272.

themselves as ‘guardians of the commons’⁴³. The global commons, they argue, contains all those non-exclusive goods held in common by the collective population of the planet where private ownership is not feasible⁴⁴. The goods include such things as the air that we breathe, biological diversity, and ‘knowledge’ such as the theorem of Pythagoras. These are goods that have tangible impact on the quality of human life and on which society places positive value. In order to maximise societal value, one should neither assign property rights in these goods, nor trade them as if they were private commodities. In addition public goods are free because they are non-rivalrous. Use by one does not deplete the good available for use by another. In relation to creative works, the actual content of the global commons appears not to have been defined⁴⁵. There appears to have been no debate on the topic during any part of any legislative process. As with the ‘free elements’ suggested by the Social Planning theory, the contents of a global commons may not look too different from the public domain as understood in the terrestrial world.

In seeking to justify the public domain, the Social Planning theory clearly draws on the approach first taken by Locke. A point of convergence is that ‘free places’ must be available for the collective good. Both theories appear to be premised on the basis that access can be gained to raw materials. That, on the Internet, may depend on overcoming digital fences. A core difficulty for both is that it appears digital fences cannot be configured to allow for access for justified or agreed purposes⁴⁶ without giving free access to the whole work. This is just the result that copyright owners have been resisting, and the reason why the development of technological controls and legal protection for those controls discussed over the previous chapters have been developing apace.

Discussion on underlying theories for the existence and development of any law or set of laws is vital for the law-making process. A view that the need for any particular law or area of law is ‘self-evident’, leads to the inevitable question: why?⁴⁷ But simply because

⁴² Boyle, *The Politics of Intellectual Property: Environmentalism for the Net?* 1997, 47 Duke Law Journal 87.

⁴³ Graham *National Treatment of Foreign Investment: Exceptions and Conditions* 31 Cornell Int'l Law Journal 566.

⁴⁴ *ibid* at 599.

⁴⁵ But see the oblique reference to Intellectual Property Rights in Nye, *Navigation in the Internet Age* Financial Times 3 February 2000.

⁴⁶ Stefik, *Shifting the Possible: How Trusted Systems and Digital Property Rights Challenge us to Rethink Digital Publishing* 1997, 12 Berkeley Technology Law Journal 137.

⁴⁷ McCarthy, *The Rights of Publicity and Privacy* New York: C. Boardman, 1992, Section 1.1[B][2], describes the right of publicity as: ‘a self-evident legal right, needing little intellectual rationalization to justify its existence’. at 1-5.

any one theory cannot supply an overarching justification for orderly development of the law does not mean that the theories are without value. Developing the law based on one theory or another can provide attractive solutions to problems that might arise. But perhaps more importantly theory can supply a reason for the development with a particular end goal in mind. Currently, as regards authorship, it would appear that not one of the theories pays particular heed to this element of the literary process. Each does in its own way (apart perhaps from the most extreme form of the economic theory) take cognisance of the author, the intermediary, and the public interest, and tries to balance each of these. In this there seems to be the implicit assumption that the author needs materials from which to create afresh. It is perhaps Locke who has come the closest to recognising this factor, when he argued that as much and as good needs to be left in the commons for others to use⁴⁸. The public domain and its contribution to authorship has been discussed over the last four chapters, and it has been argued that the developments of the digital age have tipped the balance in favour of the intermediary. It is true that the interests of the author to earn an economic return from existing works have also been of concern to regulators and legislators, and through a combination of digital fences and licensing controls, this factor can be enforced. In addition, the public interest in having a variety of works available at a reasonable price would seem satisfied: because expansive consumer markets become accessible to publishers, and because dissemination can be controlled, so prices to the consumer could fall. But, as has been stressed in this study, the consumer, the existing author and the intermediary do not share all of the interests of the would-be author. That author needs those elements in the public domain for authorship: it is this element of the copyright framework that is most under threat. For an author, access to and use of existing creative works is essential.

3. The access problem.

In the NII Report, it was argued that strong rights for the protection of creative works were needed in order to ensure that the public could have '*unrestricted use of the ideas and information they convey*'⁴⁹. But by granting increased property rights over creative works, and validating the means to protect access to them, *unrestricted* use is a long way from the

⁴⁸ For a discussion on Locke's theories, see chapter 1 of this study.

⁴⁹ Discussed in chapter 3 of this study.

reality. Use of works is not unrestricted because access to the underlying work can be controlled.

The access problem has three main aspects. The first is the ability (or right) of a copyright owner to refuse access. The second concerns the price of access. The third is that access might be subject to contractual controls which do not recognise the limitations on the right of the copyright owner to control use of parts of that work which fall into the public domain⁵⁰.

3.1 Access: publication vs confidentiality

One tension, highlighted in chapter 4 of this study, is that which arises between 'publication' of a work on the Internet, and claims of confidentiality. Normally, when a work is published in the terrestrial world, that work is public and a tangible copy exists. Despite the definitions in the WCT, which refer to 'making a work available' and 'communication to the public'⁵¹, a work, when made available on the Internet, may not be public, or published, in the sense traditionally understood in association with the law of copyright. Equally, no hard copy of that work may exist. A copyright holder or database maker may refuse access to a work on the grounds that it is confidential. This would appear to be at the heart of the arguments made by those who seek legal protection of digital fences. Works placed behind those fences are 'confidential' and no one has the right to break into a lockfast place in order to steal those secrets⁵². This is despite the fact that a 'public' distribution system, the Internet, is used for the dissemination of those works.

The question arises as to when it might be possible to demand access to a work that has been placed on a server because it has been made available to the public, or when access to a work can be refused, at any price, because that work is confidential. Not all works should be subject to mandatory access. There may be genuinely confidential information made available to a limited number of people. But some thought must be given to the

⁵⁰ Subcommittee on Courts and Intellectual Property US House of Representatives Executive Summary of Statement of the Nation's Libraries on HR 2441 NII Copyright Protection Act of 1995 Feb 8 1996: *'instead of society's currently balanced regime of shared information resources....a new, commercially grounded philosophy will 'trump' the Copyright Act and all information, no matter how small the unit, can and will be licensed or otherwise accessed only pursuant to contract'* p573.

⁵¹ WCT Article 8.

⁵² See the discussion in chapter 4 of this study.

boundaries between publication and confidentiality, lest spurious claims of confidentiality arise which may have more to do with censorship or anti-competitive practices.

In the quest for an appropriate standard, the wording of the TRIPS Agreement might provide some assistance. On the one hand it is recognised in that Agreement that anti-competitive practices could result from the protection of intellectual property. The Preamble states care should be taken to ensure: *'that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade'*⁵³. However, the Agreement also recognises that genuinely confidential information should be protected. In this respect, confidential information is that which:

- a. is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question*
- b. has commercial value because it is secret; and*
- c. has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret*⁵⁴.

This standard might suggest itself as an appropriate starting point when considering what information to be found on the Internet is genuinely confidential. There is the advantage that TRIPS is an international agreement, and already has many signatories, so something of an international accord has been attained. However, it cannot provide a complete answer, particularly when the wording of paragraph (c). is considered. A copyright owner could argue that 'reasonable steps' consist of placing the work behind the controls facilitated by a digital fence. In which case, all works might be considered confidential. The first two paragraphs would, however, allow those who prepare confidential company reports, for example, to argue that they are genuinely confidential.

Other guidelines could be suggested. For instance, if a work made available on the Internet can be accessed by any person, albeit in return for a price, that should be regarded as published. But such a simple test would no doubt be open to manipulation. For instance, if the teachings of a religious sect were available at a price, other conditions may be placed on accessibility, such as membership of a named organisation. Or the price might be paid in some way that was not directly related to accessing the work, for instance membership dues of a club.

⁵³ TRIPS Agreement Preamble.

Another way might be to require the owner of the work to make a decision as to whether the work is to be protected by copyright, prior to it being made available over the Internet. If it is, then the work is to be regarded as being published when placed on that server, and thus subject to the public domain obligations that the law of copyright has imposed, at least historically. The copyright owner would then be able to rely on the law of copyright to control further dissemination of that work. If the owner elects instead that the work should be confidential, and thus not subject to mandatory access, then the copyright limitations would not apply. The advantage for the provider of that work would be that access could not be insisted upon. However, if the work becomes publicly available, the owner would have to rely on the laws of breach of confidence and contract to chase unauthorised reproductions of that work.

The answers to the question as to when a work should be regarded as published, and when an owner should successfully be able to claim that it is confidential, are far from clear. However, courts in the various jurisdictions, when faced with these questions, should remain alive to the potential abuses that could be wrought if excessive claims of confidentiality were successful. Not only may censorship and anti-competitive practices result, but elements of the public domain, in particular the fair dealing limitations would be jeopardised still further.

3.2 Access: refusal to supply

Even if a work is not deemed to be confidential, the copyright owner might still refuse to *supply* it to a third party (as opposed to refuse to give access to the work). Where works are not rendered exclusive by virtue of their being under the control of one entity, then the refusal to supply is unlikely to cause problems. For instance, if the question is whether a recording of a particular piece of classical music will not be supplied by one record publisher, then a recording of the same piece of music may be obtained from another. Alternatively, a recording of a different piece of music might be chosen. In other words, there is cross-elasticity in the market for the particular work. However, where refusal to supply could become problematic is when information, perhaps factual information, is both created and held by one entity, and that entity refuses to supply that

⁵⁴ TRIPS Agreement Article 39.2.

information to a third party. In *British Horseracing Board Ltd and others v William Hill Organisation Limited*⁵⁵ the information that William Hill sought to use may not have been created by the British Horseracing Board, but that was the central repository for it. The question of refusal to supply did not in this case arise, but if it had, then competition law may have been called upon to provide an appropriate remedy for the bookmakers because of the difficulties of obtaining that information elsewhere.

The refusal to supply works protected by copyright did arise and was considered by competition law authorities in the EC in the judgement of the European Court of Justice in *Magill*.⁵⁶ In this case, the court had to tackle the question of the refusal to license listings of forthcoming television programmes protected by copyright. Three TV broadcasting companies, RTE, BBC and ITP, refused to license the information contained in their television listings for publication in a comprehensive TV guide which Magill wished to develop for the newer market. On appeal to the Court of First Instance in Europe, that court found that the TV companies were in a dominant position on the market for TV listings by virtue of their factual monopoly over information on which the programmes were based. The refusal to supply in such circumstances was an abuse under Article 86 of the Treaty of Rome⁵⁷. The remedy was to license the listings at an appropriate rate⁵⁸.

On appeal, the ECJ found that the exclusive right of reproduction is part of the author's rights. Thus, a refusal to grant a licence even by a firm in a dominant position cannot in itself constitute abuse of a dominant position. However, in exceptional circumstances, the exercise of an exclusive right may amount to abusive conduct. In *Magill*, three factors made these exceptional circumstances:

1. there was no actual or potential substitute for a weekly guide offering listings for the coming week
2. there was no objective justification for the refusal to supply

⁵⁵ [2001] 2 C.M.L.R. 12; [2001] R.P.C. 31. For a discussion on this case see chapters 1 and 6 of this study.

⁵⁶ *RTE and ITP v EC Commission* [1995] 4 CMLR 718, [1995] FSR 530.

⁵⁷ Now Article 82 of the Consolidated version of the Treaty establishing the European Community.

⁵⁸ During the course of judgement by the Court of First Instance, that court discussed the 'essential function' of copyright, which is to protect the moral rights in the work and ensure a reward for creative effort while respecting the aims of Article 86. Case [1991] ECR II-485.

3. the TV companies reserved to themselves the secondary market for listings by excluding competition and denying access to the necessary basic information. They had a de facto monopoly on one market consisting of an essential facility⁵⁹

However, there may be limitations to the supply of copyright works that can be demanded. Firstly, the work in *Magill* consisted of fact-based information. The low level of originality required to attract copyright protection meant that these listings were protected by copyright. Where works under consideration exhibit a greater degree of originality, a court may be more circumspect about granting compulsory licences⁶⁰. In addition, where fact-based information is not in question, there may be products that can be substituted for the work under consideration. The second possible limiting factor is that by exercising copyright in this manner, the television companies prevented a new market from being exploited. *Magill* wanted to sell weekly listings of television programmes, rather than limit the dissemination of the information to daily listings. Finally, the power exercised over the listings by the television companies was ancillary to their main activity, broadcasting⁶¹. Where the copyright owner engages in its primary market area, the exploitation of creative works, then the courts may be far less willing to require supply of those works against the wishes of the owner, as that is exactly the type of monopoly that copyright is designed to give.

To keep in step with these guidelines, some database makers may adjust their behaviour so that they do not refuse to supply substantial parts of the contents of the database: particularly where the information is fact-based. But it is not clear how much more useful the ruling is. In particular, for authors seeking random access, wishing to copy insubstantial parts of works, glean ideas, or exercise one of the fair dealing limitations, competition law may not prove to be so useful.

The courts in the US have shown themselves equally willing to apply competition law to monopolies and monopolistic practices which involve copyright. The recent (and ongoing) *Microsoft* case is an example⁶². In this case, one of the problems the court in the US had to address was Microsoft's refusal to allow their competitors access to the source

⁵⁹ For a discussion on the potential implications see Anderman, *EC Competition Law and Intellectual Property Rights. The Regulation of Innovation* Clarendon Press Oxford 1998 p211.

⁶⁰ *Ibid.*

⁶¹ Cornish, *Intellectual Property* para 18-16.

⁶² *United States of America v Microsoft Corporation* Civil Action No 98-1232 (TPJ).

code of their operating system and certain application systems. Having found that Microsoft occupied a dominant position, which it had abused, one of the orders made by the judge was that communication interfaces, technical information and application programming interfaces should be disclosed to competitors⁶³. These parts of the computer programs developed by Microsoft are protected by copyright. Despite reverse engineering of computer programs in the US being fair use⁶⁴, Microsoft had argued that these interfaces comprised trade secrets.

As with *Magill*, the case concerned information that could be considered factual rather than creative, despite the fact that it is protected by the law of copyright. Withholding publication of, or access to, a creative work is one of the prerogatives of an owner of copyright. How far a court would go in mandating access and supply in relation to more creative works, or to authors, against the wishes of a copyright owner remains to be tested.

3.3 Access: refusal of access

A copyright owner might refuse access to a creative work disseminated over the Internet on the grounds that the work is confidential. This problem has been discussed above. Where claims of confidentiality do not arise, and refusal to supply is not in question, refusal of access to creative works might not pose too much of a problem, especially where access is sought to products disseminated by the entertainment industries. Many copyright owners will have made, and packaged, products specifically for the purpose of as wide a dissemination as possible. The question for the author then becomes one of price of access, and what it is that is being paid for.

3.4 Access: open access, but not free access

The emerging theories for the grant of property rights in creative works over the Internet do appear to call for access to those works. The purpose of access may be re-use of the works in the creation of others, or it may be to ensure that a wide variety of stimuli are

Final judgement at <http://eon.law.harvard.edu/msdoj/judgement/ms-final2.html>

⁶³ *Ibid* note 2.b.

available to promote a just and attractive culture. The theories which support a global commons also call for access to those parts of works which cannot be owned. Both of these appear to be premised on the assumption that such access will be free.

In the main, access to works protected by copyright has never been free in the sense in that at some point, a payment has to be made. If a book is borrowed, the person from whom it is obtained will have already paid the book store for the copy of that book⁶⁵. If a copy of an article from a journal is made, for the purposes of research and private study, the library will already have paid for the copy of the journal. The publisher of a book may have to deposit a number of copies with the National Library of Scotland and other copyright libraries, and thus make them available to be consulted by others. But the library is already paid for through public funding. In many countries, private copying is funded through a levy on the price of the blank tape or CD⁶⁶. Exhibition in public galleries is supported through public funding, and an entrance fee may have to be paid. The BBC is funded through the television license fee. Cable or satellite television depends on subscription charges. An entry fee may be required for a cinema or theatre. Operators of web sites who stream music may have to pay a fee for that service⁶⁷. Those who rent a work are likely to have to pay for the privilege⁶⁸. Whatever payment is made might be immediate, in the sense of having to hand over cash, or further removed, in the sense of being supported by taxes, or spread out over a longer term, as paying the license fee for the BBC in instalments. In each case a payment is required. Why should it be different for works disseminated over the Internet?

⁶⁴ *Sony Computer Entertainment Inc. v Connectix Corporation* 203 F.3d 596, 2000 U.S. App. LEXIS 1744, 53 U.S.P.Q.2D (BNA) 1705.

⁶⁵ Lessig, *Code and Other Laws of Cyberspace* New York Basic Books 1999 p139. *Today, when you buy a book, you may do any number of things with it. You can read it once or 100 times. You can lend it to a friend. You can Xerox pages in it or scan it into your computer. You can burn it, use it as a paper weight or you can sell it. You can store it on your shelf and never once open it'.*

⁶⁶ French Intellectual Property Code Book III Title 1. In the US payment has to be made on all digital home recording devices. Audio Home Recording Act 1992 USC 17 Chapter 10. *Recording Industry Ass'n of America Inc. v Diamond Multimedia Sys Inc.* 29 F Supp 2d 624.

⁶⁷ Digital Performance Right in Sound Recordings Act of 1995 17 USC ss 106(6) and 114 and Digital Millennium Copyright Act 1998. See generally Spaulding, *Copyright Protection of Music on the Move* <http://eon.law.harvard.edu/mp3/>. *UMG Recordings Inc v MP3.com Inc* US District Court, SDNY (Rakoff J), 4 May 2000, and the discussion in chapter 1 of this study.

⁶⁸ For the position in the EU see EC Directive on Rental, Lending and Related Rights 92/100. UK law gives rental and lending rights in literary, dramatic, musical and most artistic works, films and sound recordings. CDPA s 18A. Rental is the temporary provision of copies 'for direct or indirect economic or commercial advantage' on terms that they will or may be returned. Thus electronic provision is excluded. Cornish *Intellectual Property* para 11.28.

The concept of 'paying to read', which is what the right to charge for access appears to amount to, sits uncomfortably with the public domain and the global commons and the inhibiting effect this could have on authorship. It does, in essence, represent a shift in the cost to be paid at some point, but in so doing it becomes a '*per use*' or '*per idea*' cost rather than a '*per copy*' cost⁶⁹. For the consumer this is not a problem, but perhaps critically, for the author, the cost may represent a charge for access to and use of the public domain.

In the terrestrial world, images, sounds, text, pictures, and other material bombard us all the time. These make authorship possible. These images are imbibed, shared, developed, and new works created which further enrich the public domain. If each time a researcher wanted to access and read an article that might be important for the ideas that it contains, a payment were required, how many researchers would actually be able to afford to read and research widely? If an historical novelist in search of facts for a forthcoming book had to pay for each hit on a web site that might contain relevant information, and equally might not, how deep and far reaching would that research be? If a new band in search of inspiration for a new song had to pay to have music streamed, how much would the band afford to be able to listen to? And if an artist wanted inspiration from other painters, but had to pay in order to view each and every image, how much inspiration might she be able to afford? Having to pay to read does not facilitate random access. In addition, because making a work available over the Internet, and any subsequent copying of that work involves different rights, a charge could be made for each use of the work. Making the work available on the server could be subject to a charge. Making a temporary reproduction could be subject to a charge. Downloading a work could be subject to a charge. Any further copying could be chargeable. These charges involve metering those parts of the work that historically have been considered to be in the public domain. Further, because the exhaustion doctrine does not operate in relation to works disseminated over the Internet, it amounts to metering the public domain each and every time it might be accessed. It matters because increased rights have been made available for rights holders in connection with digital dissemination of works over the Internet. A new and very different business model is developing for the dissemination of creative works over the Internet whereby access is controlled, and use licensed. In this, the public interest in the form of the economic

⁶⁹ See Spoor, *The Copyright Approach to Copying on the Internet* In the Future of Copyright in the Digital

return for authors and rights holders, together with the interest in ensuring that there are a variety of works available, are met. That part of the public interest not met is the part that requires raw materials to be available for future creation: in other words, the needs of would-be authors.

Free access to surf, and listen to, works on the Internet (those which are not genuinely confidential) would, at a stroke, solve the problems of subjecting the public domain to charging, and ensure that those elements were freely available. Those who were not prepared to allow such free access would not undertake the cost of putting material on the Internet, and then close off access. But mandating for free access is not a viable option. Consider the news and information gathering company, Reuters⁷⁰. That company recently announced the intention to develop the Internet side of their business by making available information over the Internet, by e-mail and on their web site. If Reuters were obliged to make this information available for all to read, they would not be able to receive a return on their investment⁷¹. And that will be true of countless other companies. If payment to view cannot be obtained, then it is possible (although not necessarily the case) that information gathering and dissemination will be reduced⁷². As one commentator has noted: *'to suppose that [the uncalculating exchange of ideas] .. will supplant the need for informational, educational and entertainment material which is generated upon the expectation of a market return is the stuff of dreams'*⁷³.

Others have argued that free access is a misnomer, and that access has never been free. The right holder has always been able to control access through such mechanisms as limited print runs of a particular work. In addition, the extent to which any individual work can be accessed and used by individuals depends on their being relatively closely

Environment Hugenholtz ed. Kluwer 1996 p67.

⁷⁰ <http://www.reuters.com>.

⁷¹ One could try and make distinctions in the mode of delivery of the information. For instance, there would be no obligation to give free access to information sent in e-mails - only to information on web sites. But this exercise which seeks to concentrate on technology specific solutions would soon be surpassed by advances in technology, which might render any such distinctions otiose. This writer is not advocating that information in e-mails should be free for all to read. Rather the argument is that if you want to raise distinctions on such things as 'push' or 'pull' technology (one of the differences between e-mails and web sites) then you have to be very sure that the technology will remain the same. Information gatherers might otherwise be tempted to call a web site an e-mail. Technology develops far too fast for technology specific solutions.

⁷² Sherwood Edwards, *The Redundancy of Originality* 1994, IIC Vol 25 658 at p670 arguing that the refusal to grant property rights in facts results in fewer new facts being collected and made available on the market. On the other hand it may lead to wider dissemination of what is already there.

⁷³ Cornish, *Intellectual Property* para 9-44.

connected⁷⁴. In relation to the former point, limiting a print run has undoubtedly more to do with keeping prices high, rather than controlling access. In relation to the latter, this may be quite true. However that control in the non-Internet world has never been perfect: control in the Internet era is in danger of becoming just that.

3.4.1 Self regulatory solutions

But if open free access cannot be mandated, it can at least be encouraged to develop and be maintained. To this end, there are a number of strategies that could be pursued.

Self-regulation might be one option. The Internet has had a long history of self-regulatory solutions to legal and practical problems that have been encountered. Flame wars, prevalent in Usenet news groups, are one example. When discussion in a news group becomes heated, these tirades are controlled by 'Netiquette', a form of social pressure developed by the users of these groups to control the behaviour of others to the satisfaction of all⁷⁵.

Self-regulation directed towards open access is one that has been openly pursued on the Internet in relation to software. Partly in response to the hold that Microsoft has over the market for software, the Internet community has been developing the 'Open Source Movement'⁷⁶. This movement is premised on the basis that the source code of computer software should be freely available and freely modifiable⁷⁷. This broadly means that all third parties are free to develop the software, but any developments to that software, in turn, have to be made freely available and modifiable. What is interesting is that the movement does use copyright and contractual solutions to achieve this aim and which are an essential factor in keeping the software free⁷⁸. Thus, one of the best known parts

⁷⁴ Brennan, *Locksmiths and Safecrackers in Cyberspace* 2000, Digital Technology Law Journal Vol. 2 No 1 <http://www.law.murdoch.edu.au/dtlj/index.html>.

⁷⁵ Quittner, *Johnny Manhattan Meets the Furry Muckers* WIRED March 1994 at 92. <http://www.wired.com/wired/archive/2.03/muds.html>. Lessig *Code and other Laws of Cyberspace* ibid. pp107-109. Dibble, *A Rape in Cyberspace* The Village Voice 23 December 1993.

⁷⁶ <http://www.opensource.org>. For a general overview of the open source movement see Wallich, *The Best Things in Cyberspace are Free* Scientific America March 1999.

⁷⁷ For the arguments in favour of the open source movement see Operebs, *The Open Source Definition* in Open Source: Voices From the Open Source Revolution. DiBona, Ockman, Stone eds. O'Reilly and Associates Inc 1999.

⁷⁸ Gomulkiewicz, *How Copyleft Uses License Rights to Succeed in the Open Source Software Revolution and the Implications for Article 2B* 1999, 36 Houston Law Review 179.

of this movement 'GNU'⁷⁹ requires all those who want to participate in the project to attach a licence to the program they work on. This licence does not place the material in the public domain as such, but rather provides that any one who wishes to distribute or use a program under the GNU project must distribute it along with terms stating that a user has the freedom to run the program for any purpose, to modify the program to suit whatever needs arise, to redistribute copies, and modified versions of the program. The purpose of insisting on the use of these conditions is to ensure that ownership of the work that is carried out on making improvements cannot be 'captured' by commercial interests. Thus using copyright (or copyleft as it has been termed⁸⁰) in this way ensures that it reverts to one of its original goals: the dissemination of creative works.

A similar model used to encourage free access to works protected by copyright is being promoted at the Berkman Centre at Harvard University⁸¹. A coalition called 'copyright's commons' has been set up with the aim of invigorating the public domain through a number of projects, including one to ensure free access to creative works disseminated on the Internet. The campaigners encourage authors and right holders to place the symbol [cc] on their works. To do so invites others to use and build upon these works. However, one difficulty with this particular campaign might lie with the licence that the coalition appears to be encouraging authors to grant to others.

If you place a [cc] icon at the end of your work, you signal to others that you are allowing them to use, modify, edit, adapt and redistribute the work that you have created'.

There is no explicit limitation to redistribution for non-commercial purposes in this licence. But perhaps more tellingly, no author from a Civil law system, nor any author who values the integrity of a work, would sign up to this provision. The grant by the author is even in excess of what authors from the Anglo-American systems are used to. Perhaps the [cc] campaign might encourage adherents if this 'licence' were modified to provide that a [cc] at the end of the work signified that an author was encouraging others to use the ideas incorporated in the work; to review and criticise the work; to parody the work; or to use the work in the course of research, study and teaching. But it was not

⁷⁹ GNU was apparently chosen following a hacker tradition, as a 'recursive acronym' for: 'GNU's Not Unix.' <http://www.gnu.org/gnu/thegnuproject.html>.

⁸⁰ The term 'copyleft' is used by Richard Stallman, one of the founders of the Open Source Movement to describe the distribution programme at the heart of the movement. <http://www.gnu.org/gnu/thegnuproject.html>.

⁸¹ <http://cyber.law.harvard.edu/cc/>.

authorising mutilation of work; nor to pass it off as your own; nor to distribute it commercially. Despite these limitations, the open source and [cc] campaigns make valuable contributions to access problems.

Governmental and international support of these campaigns could assist in promoting awareness. Such support might be granted in the form of Government or internationally approved Charter marks (much like the Investors in People Standard)⁸². Those who supplied free access would receive public recognition. Such public recognition might also raise the visibility of web sites and therefore might well be of interest to right holders. Recent research shows that although the number of web pages grows exponentially, surfers concentrate on a fairly small number of well established web sites, such as Yahoo! and AOL.com. So attaining visibility in the market place is difficult. If web sites gained accreditation, this might help them in their quest⁸³.

3.4.2 Government-sponsored information

Governments themselves could have an important role in ensuring that at least some works are freely available on the Internet, and from which elements of the public domain can be taken. A number have developed, and are developing such repositories. For instance the UK Government has an active programme to ensure there is a vast repository of information available on-line particularly directed at school-age children. This type of initiative is certainly not free, in the sense that it is paid for through public taxes. However, the benefit for many is that the charge is not immediate. In addition, not every use, and each taking from the public domain is metered, nor perhaps, limited by contract. The content is, however, dictated by Government policy. In this, it may not provide the materials the author seeks.

⁸² One example of a State backed campaign to encourage retailers to be trustworthy in the interests of consumers is the one run by Which?, the consumers magazine. Which? gives a seal of approval to online retailers who agree to protect consumer privacy, ensure that payments are secure, disclose sufficient details to let consumers make an informed buying decision, and allow customers to cancel orders.

⁸³ One could envisage tax policy being used in creative ways to encourage free access to the public domain. See Abbott, *The WTO Trips Agreement and Global Economic Development* Chicago Kent Law Review Vol. 72:385 1996 discussing an IPR related tax policy and arguing that: 'It is also worth noting that IPR's based taxes might be used in the OECD countries to balance the rights of IPR holders and the public'. p 402.

3.4.3 Libraries

Public libraries, where the cost is absorbed by the state purse, may be able to fulfil the function of facilitating random access. Public libraries have historically fulfilled the role of providing access to creative works for those who might not otherwise be able to afford it. However, suggestions that public libraries should fulfil this role are met with little enthusiasm. Perhaps this is because it overrides the philosophy of the Internet. The great advancement of the medium is that it has always been seen as a method of communication that is available to all, no matter where or who you are. It spreads information wherever it goes on a many-to-many basis. To argue that its benefits can only be realised by visiting a public library negates those advantages.

How public libraries may fulfil their role in relation to digital works has been considered in the Copyright Directive. As discussed in chapter 5, exceptions to the ‘making available to the public’ and communication to the public’ rights for the purpose of research and private study may be made on: ‘*dedicated terminals on the premises of [public libraries]*’. But this only applies to: ‘*works or other subject matter not subject to purchase or licensing terms which are contained in their collections*’. This does raise the spectre of copyright owners providing, by contract, that works should not be made so available. Purchasing or licensing terms may provide that these works are not to be made available in this manner; or that they are not to be subject to the research and private study exemption.

Multiple charging, for each and every access to a work, and for each taking from the public domain, might be affected by Recital 24bis of the Copyright Directive, which provides:

In certain cases of exceptions, rightholders should receive fair compensation to compensate them adequately for the use made of their protected works or other subject matter. When determining the form, modalities and possible level of such fair compensation, account should be taken of the particular circumstances of each case. When evaluating these circumstances, a valuable criterion would be the possible harm to the rightholders resulting from the act in question. In cases where rightholders have already received payment in some other form, for instance as part of a license fee, no specific or separate payment may be due. The level of fair compensation should take full account of the degree of use of technological protection measures referred to in this Directive. In certain situations where the prejudice to the rightholder would be minimal, no obligation for payment may arise.

This recital would appear to hold out the possibility of limiting the number of times that payment may be required for accessing works available on terminals in public libraries. Thus, an author who wished to extract a substantial part of a work for the purposes of criticism or review might be able to do so without paying (or having a payment made) over and above what has been already been paid by the library to license the material. But how such a provision could be legislated for is far from clear. Governments do regulate prices to final consumers, but normally only when the service supplied is in the form of a monopoly. For instance, before competition was opened up in the markets for gas and electricity, the price paid by consumers was set by a government-imposed formula. The regulation was considered necessary because the industry was in transition from a government-owned monopoly to a freely competitive marketplace. As the market moves further towards a competitive state, so the regulatory interference decreases. Governments do not regulate prices in the free market, although domestic and regional competition policy might have an effect on both excessive and predatory pricing⁸⁴, but only at the margins, and where a supplier is abusing a dominant position⁸⁵, or a cartel has formed⁸⁶. If the terms and prices offered to libraries are part of a licensing scheme operated by a collecting society⁸⁷, then the bodies set up to have oversight of such schemes⁸⁸ might be best placed to consider the terms of this Recital. However, it is far from clear whether collecting societies will have a role to play in the licensing of works offered over the Internet. Publishers and other intermediaries might prefer to disseminate their own content.

In addition, it is not only the creative works found in libraries that are used for authorship, and authorship is not limited to those who patronise public libraries in search of inspiration. Take music composers. Libraries may operate lending schemes whereby recordings of works may be borrowed. But will EMI make those recordings that are to be released only on the Internet available to public libraries? Other sources of information may not be available from libraries, for example the service provided by Reuters. There appears to be no obligation on owners to make available web sites on these dedicated terminals. In any event, the budgets of libraries may not extend to the costs involved.

⁸⁴ Anderman, *EC Competition Law and Intellectual Property Rights. The Regulation of Innovation* *ibid*.

⁸⁵ Treaty of Rome Article 82 (formerly Article 86).

⁸⁶ *ibid* Article 81 (formerly Article 85) In addition, competition law aimed at cartels deals with agreements between two or more economic undertakings, rather than an economic undertaking and a consumer.

⁸⁷ For example the UK Copyright Licensing Agency. <http://www.cla.co.uk>

Public libraries have and will continue to have a vital role to play in the availability of creative works in the digital era. However, they cannot provide a complete answer to the access problems under discussion.

3.4.4 Market forces

At present, there are a number of high-profile companies which supply free access to users on the Internet. This might suggest that market forces will ensure that there is a wide variety of works freely available. Dorling Kindersley⁸⁹ and Encyclopaedia Britannica⁹⁰ are examples⁹¹. Dorling Kindersley has complete books available for viewing on line for no charge. One suspects that the intention is that surfers will not want to read everything from a screen, only enough to know that they want to buy the hard copy. Encyclopaedia Britannica have moved over the years from a model where they sold books in hard copy, to providing the encyclopaedia on CD Rom, then to a fee-based usage for access to the encyclopaedia on the Internet, and finally to free access on the Internet⁹².

However, events might just overwhelm right holders. Internet companies which own creative works are currently losing money on their Internet ventures. Revenue for these companies depends on a variety of different sources, such as advertising and telephone charges. However, the model for both of these is changing. There are only a finite number of advertisers interested in publicity on the Internet, and it has been said that 70% of advertising revenue is directed towards 10% of web sites⁹³. There is not sufficient advertising to go around all the developing web sites to keep businesses viable. Web site owners have also depended for income on a proportion of the telephone

⁸⁸ In the UK the Copyright Tribunal CDPA s149.

⁸⁹ <http://www.dk.com>

⁹⁰ <http://www.britannica.com>.

⁹¹ There are many others. For instance the Austlii site providing free access to a database of Australian acts, case law etc. However, not everyone is interested in the law!

⁹² The Economist has cited this as a model of how a company can decline in the digital world. Viewed from the perspective of the free flow of ideas it is an excellent model. Interestingly, the Economist has recently placed back and current copies of the magazine on the Internet, for free.

<http://www.qlinks.net/items/qlitem7555.htm>.

⁹³ *Financial Times* 11 March 2000.

charge made for access to the Internet⁹⁴. But in many jurisdictions, telephone charges are dropping as wider and more affordable access to the Internet is sought. Thus this source of income is diminishing. Almost no Internet company has yet made a profit, and indeed many are turning in substantial losses. At some point this bubble has to burst⁹⁵. The shareholders of these companies, who have invested millions, are going to want to see a return. The most obvious way in which that return can be obtained is to charge for access to and for the exercise of each and every protected act. And once one right holder starts to charge, so a sea change in attitude might follow. Charging might become the norm rather than the exception⁹⁶. Music publishers, in particular, in response to the perceived and actual threats posed by free dissemination as practised by Napster, are increasing their efforts to find a workable business model which will allow for Internet distribution of works, while at the same time permitting charging for use of the works⁹⁷.

Some might argue that, despite the attendant difficulties for authorship, charging for access is the only feasible solution. After all, the Internet now offers unparalleled access to information. The quid pro quo may now be that copyright owners can enforce and charge for rights they (should) have always had. Everyone should pay a little no matter what the work is to be used for, rather than a smaller number paying more. This could be 'use-facilitating' rather than the opposite⁹⁸. But such an argument really avoids the point. First, copyright has never been purely about market failure. Rather it pursues a far wider range of public policy goals as discussed in chapter 2. Second, with the loss of the exhaustion doctrine on the Internet and consequential licensing, every taking from the public domain (to the extent that the public domain remains) can be metered. Charges and restrictions are placed on material not owned by the copyright owner and which should circulate at least relatively freely. Third, as has already been argued, this view is valid in balancing the interests between the author, the intermediary and the user, when the user is a consumer. When the user is the *would-be author*, the justification loses

⁹⁴ For a discussion see Carlyle, *Legal Regulation of Telecommunications: The Impact on Internet Services in Regulating the Internet in Law and the Internet: A Framework for Electronic Commerce* Edwards and Waelde eds. Hart 2000.

⁹⁵ Given the hiatus in the financial markets for internet related stock, it would appear that it already has. Consider the collapse of shares in dot com companies over the last two years.

⁹⁶ A new publishing web site has been set up Inside.com, an online magazine covering the media industry. A subscription is required of \$19.95 per month. *Financial Times* 23/5/00.

⁹⁷ Napster, closed since July 2001 and subsequently taken over by Vivendi. As discussed in chapter 1 it is apparently set to open 'early in 2002' with a new fee paying service.

⁹⁸ For the views of the Librarian of Congress in the US see chapter 4 of this study.

its appeal. But in the absence of this essential balance, the question then is, how much will access cost?

4. The price of access

Copyright owners argue that, once fully automated systems are available, and they are reliable, then it will be possible to give open access to those wishing to view or listen to the work⁹⁹. The argument is premised on open access, not free access¹⁰⁰. As regards the price of that access, there are a number of forces that might combine to keep it low, or negligible.

4.1 Let the market sort it out

One response to the price for access question is that it will not be an issue. It is in the interests of copyright owners to have their work accessed, and in order to reach as wide an audience as possible, so the price of access to the work will be kept reasonable. In addition, competition in the marketplace for creative works disseminated over the Internet will mean that prices will be kept low. Such competition may come, not only from competitors in the market place, but also from works made available through public funding, such as libraries, and Government information services. So long as these are kept free, and other copyright owners and database makers are competing with these services, so those in the private market place will be forced to keep prices low.

In addition, because the Internet offers wide distribution, and holds out the possibility of charging for many and varied uses, these factors could combine to ensure that many people will each pay a little towards the costs of producing creative works, rather than more being paid by fewer participants in a limited market. Some economists go further¹⁰¹ and argue that, because there is substitutability across works protected by copyright, so demand curves would be flat. This in turn would force content providers

⁹⁹ Clark, *The Answer to the Machine is in the Machine* in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p139.

¹⁰⁰ See Dommering, *Copyright Being Washed Away* in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p 10 where he argues that 'the multimedia network requires a different approach and the development of criteria for free use'.

¹⁰¹ Harvard Law Review Association *Clarifying the Copyright Misuse Defence: The Role of Antitrust Standards and First Amendment Values* 1991, 104 Harv Law Review 1289. 'The fact that copyright prevents...works from being copied does not mean thatauthors and composers enjoy market power'.

to push access costs back towards marginal costs¹⁰². Price discrimination might be possible:

'Expanded control may increase the private cost of reading, viewing and listening to authors' expression to such an extent that, in some cases and for some people access becomes prohibitively expensive. [But] digital technology may make possible highly refined price discrimination that could, in theory, alleviate this problem'¹⁰³.

But it is exactly this price discrimination that can partition markets, both between different markets and within the same market. With the disappearance of the exhaustion doctrine, there is nothing to stop the rights holder from charging discriminatory prices for equivalent digitised services. Unless they occupy a dominant position, or have a relevant market share and have entered into some form of cartel, there is nothing that competition law could do to prevent such behaviour.

Further, it is perhaps just those works that are valuable for authorship which will ultimately prove to be the most lucrative for publishers able to charge prices totally unrelated to economic incentive. One example might be the journal 'Nature' published by MacMillan. This journal is essential reading for researchers and teachers in the science and medicine professions. An individual subscription costs around £400 per journal. A site licence for a University for one year can cost up to £8000, depending on the numbers of staff and students within that University¹⁰⁴. If the University decides to take the electronic subscription (which includes one hard copy) and to drop all other hard copy subscriptions (around 10), the price to the University has doubled, although for that year access to the publication within the University may be significantly enhanced. The licence, however, only lasts for one year. If at the end of that year the University finds that it can no longer afford the price of access, which could be significantly increased by the publisher, not only does it not have access to the electronic version, but neither does it have the hard copies that used to adorn the shelves. The library can, of course, refuse to take an on-line subscription. However, in these circumstances, the benefits of the digital age are denied to just that interest group that copyright is designed to support. Price discrimination in these circumstances may be

¹⁰² Fisher, *Reconstructing the Fair Use Doctrine* 1988, 101 Harvard Law Review 1659. The degrees of market power enjoyed by copyright holders vary considerably.

¹⁰³ Netanel, *Copyright and a Democratic Civil Society* 106 Yale Law Journal 283 at 295

¹⁰⁴ Information received from electronic licensing division of the main library at the University of Edinburgh.

possible allowing the library to be charged what it can afford, but here it leaves the uncomfortable feeling that the producer is exploiting the de facto dominant position that it holds in relation to that particular digitised product. This scenario has echoes of the views put forward by Lord Camden in *Donaldson v Beckett* in 1774, who argued against the introduction of a property right in literary works: '*All our learning will be locked up in the Hands of the Tonsons and the Lintots of the Age, who will set what Price upon it their Avarice chuses to demand, 'till the Public become as much their Slaves, as their own Hackney Compilers are*'¹⁰⁵. If the reference to 'Public' were replaced by reference to the 'would-be author', then the same concerns are apparent today.

4.2 Add-on services

Some content providers have moved to publishing entire works on the Internet, not for free, but at or below the price that might be paid for a tangible copy. One example can be found at www.onlineoriginals.com. In exchange for a fee this company will e-mail the text, which can then be read, printed out, searched and indexed. However, the text may not be distributed to a third party¹⁰⁶. This company sells other services: for instance, contributors and readers can participate in organised events and exchange e-mails.

Models such as this depend upon add-on services to keep readers interested, and paying the fee. They are reminiscent to those suggested by Dyson: '*value shifts from the transformation of bits rather than bits themselves, to services, to the selection of content, to the presence of other people, and to the assurance of authenticity - reliable information about sources of bits and their future flows. In short, intellectual assets and property depreciate while intellectual processes and services appreciate*'¹⁰⁷. The user pays, not just for the product itself, but for the service provided by the publisher. The cost of access to the creative work is kept relatively low, because the user pays for the other services.

¹⁰⁵ Quoted in Rose, *The Author as Proprietor*, in *Of Authors and Origins* Sherman and Strowel eds. Clarendon Press 1994 p 43.

¹⁰⁶ This negates the exhaustion doctrine in relation to a tangible copy that the copyright owner has given permission to be made. The argument presumably remains that no tangible copy ever changes hands between the owner and the purchaser - what changes hands is a copy of a copy.

¹⁰⁷ Dyson, *Intellectual Value* 1995 *Wired* 3:07. <http://www.wired.com/wired/archive/3.07/dyson.html>.

4.3 Global compulsory licences

One suggestion that has started to emerge in some literature is that of an imposition of a 'royalty' on the purchase of hardware (such as a computer and modem) or levied by way of access providers¹⁰⁸. Such 'royalties' would be ingathered by collecting societies and then distributed to their members. In this case, it would be all right holders whose work was distributed on the Internet. The imposition of a royalty or levy on blank recording media is used in a number of European countries¹⁰⁹ but has so far been resisted in the UK. Broadly, the levy is designed to cover private copying of audio and audio visual works, very little taping of which, it is said, could be justified as fair dealing for the purposes of research and private study as that exemption does not cover sound recording and film copyright¹¹⁰. Thus for those countries which do permit private copying, the economic interests of the authors and right holders are protected by way of the imposition of the royalty or levy on the recording media that makes such copying possible, such as the video or cassette tape. However, the debate over such levy is far from settled. Those who oppose the levy argue that these media are used for many purposes other than copying of protected material, and that the levy represents little more than a special interest tax¹¹¹. Those who are in favour of it see it as representing no more than the return to which the right holder and author is entitled.

However, in its potential application to the Internet, a number of factors should be borne in mind. Firstly, in those countries where the levy applies, because it is put on to a formal footing, so private copying is permitted, or at least tolerated. If a levy were to be imposed on the hardware that makes up the Internet, then, by analogy, so private copying should be tolerated. It is not at all clear, and perhaps unlikely, that private copying would be in the contemplation of those who push this line of thought. Rather, it appears that the levy would be to compensate those who lost revenue through the unauthorised and unremunerated copying using facilities such as those provided by Napster. There would thus be no direct benefit for those who paid the levy. Secondly, it is notable that one of the advantages that right holders take from the Internet is the

¹⁰⁸ See for example Fisher, *Digital Music: Problems and Possibilities* http://www.law.harvard.edu/Academic_Affairs/coursepages/tfisher/Music.html. Fisher considers the matter of tax and royalty systems, but then seems to dismiss it.

¹⁰⁹ For instance Germany, Austria and France. Kreile (1992) 23 IIC 449.

¹¹⁰ CDPA s 29(1) Cornish, *Intellectual Property* para 13-19.

¹¹¹ See generally Davies, *Copyright and the Public Interest* Max Planck Institute Germany 1994.

making of individual licences. They are unlikely to want to give up the potential for such control, and indeed individualised payment for specific uses in return for a blanket fee that may bear no relation to underlying use¹¹². Thirdly, the ability for individual right holder control is significantly increased by the introduction of protection against the circumvention of technical devices used to protect access to a work. Certainly, unauthorised copying goes on and will no doubt continue. But, in the absence of the right to make private copies because a levy is imposed, what that levy would in fact amount to would be a tax on every purchaser of hardware designed to compensate right holders for those who continued to make private copies but with no additional benefit to themselves.

In light of the extensive framework that has been put into place to allow right holders to disseminate works over the Internet, and to have control over payment for and use of those works, it does not seem equitable that a compulsory levy be placed on those who use the Internet for perfectly legitimate purposes¹¹³.

5. Terms of access and use of the work

Price of access to a creative work is not the only feature that may have an impact on the accessibility of materials in the public domain. Over the previous chapters, both the Copyright Directive and UCITA have been discussed in relation to the debate as to whether it is possible, by contract, to limit the public domain. Neither instrument resolves the question. The Copyright Directive would appear to imply that, in certain circumstances concerning the exercise of at least some of the fair dealing limitations, contract terms could alter the boundaries, or provide that fair dealing was not to be exercised in conjunction with specific works. UCITA certainly has a section which provides that copyright will pre-empt contract terms where those terms seek to extend copyright. However, that at least some limits imposed by copyright can be altered is

¹¹² Note Geller, *Conflicts of Law in Cyberspace: International Copyright in a Digitally Networked World* in *The Future of Copyright in a Digital Environment* Hugenholtz ed. Kluwer 1996 p 27, who argues that there is no role for compulsory licences in relation to the Internet because it is possible to licence individually. There is thus no economically justifiable reason for recourse to compulsory royalty rates since there need be no absence of agreement as required by the Berne Convention Article 11bis 2. Legal licences would contravene normal modes of network exploitation. At p45.

¹¹³ As it is, purchasers of computers will be paying an uplift in price to meet the needs of rights holders. Marks & Turnbull *Technical Protection Measures: The Intersection of Technology, Law and Commercial Licences* [2000] EIPR 198 who discuss the initiatives taken by right holders and equipment manufacturers in developing

clear from the cases deciding that it is valid to use licence terms to control use of information in the public domain. How far the exercise of the fair use limitations might be so altered remains to be seen. Some might argue that contractual restrictions are irrelevant. Once a work has been accessed, then those parts in the public domain can be re-used by authors, no matter the terms of any contract governing use. In other words, ignore the terms of the contract. But this would be to invite millions of users to flout the terms of the bargain into which they have entered. Such a move sits uneasily with the ideals of a *'just and attractive culture'*.

It would be of great benefit to authors in the EU were the 'pre-emption' debate foreclosed by including measures in national legislation to the effect that the limitations and exceptions to be found in the Copyright Directive could not be limited by contract. However, as can perhaps be appreciated from the discussion above, such a provision would not avoid the debate as to what could then be included in a database, and thus be subject to the database right. Neither would it solve the problems associated with the possibility of a new term of copyright running from the point of digitisation. It would also seem to run counter to the provisions of the Copyright Directive which appear to envisage that such alteration by contract is permissible in at least some of the provisions.

The problems might be alleviated by introducing some over-arching legislation which would make contract terms unenforceable if they were not considered to be *fair and reasonable*. EU and UK law have a history of introducing such measures, notably to protect consumers in the market place faced with standard terms presented by a supplier, and where there is no chance of the consumer negotiating the terms. Thus, in the UK, the Unfair Contract Terms Act 1977 (the 1977 Act) and the Unfair Terms in Consumer Contracts Regulations 1999¹¹⁴ (the 1999 Regulations) both impact on standard terms used in consumer contracts where those terms are not considered to be fair and reasonable in the case of the 1977 Act, or which is contrary to the requirement of good faith in terms of the 1999 Regulations.

copy protection systems for hardware. It will ultimately be the consumer who pays for these developments.

¹¹⁴ The Unfair Terms in Consumer Contracts Regulations came into force on 1st July 1995. The 1999 Regulations came into force on 1st October 1999 implementing EU Council Directive 93/13 on Unfair Terms in Consumer Contracts and replace the 1995 Regulations.

The 1977 Act has been the subject of litigation, although perhaps not quite as much as might be expected in relation to standard forms to be found in consumer contracts. Matters which have come before the courts include determination of whether a clause is fair and reasonable by looking to the relative bargaining position of the parties¹¹⁵, attempts at exclusion of implied terms as to quality and fitness for the purpose under consumer legislation¹¹⁶, and exclusion of implied terms as to the quality of services supplied¹¹⁷. The 1999 Regulations, being newer, have been subject to less judicial scrutiny but were considered in *Director General of Fair Trading v First National Bank plc*¹¹⁸. In order to show that a term is unfair under the regulations, three requirements must be met. The first is to show the term is contrary to the requirement of good faith¹¹⁹; the second is to show that the term causes a significant imbalance in the parties rights and obligations arising under the contract; and the third is to show that it is to the detriment of the consumer. Although the House of Lords reversed the judgement of the Court of Appeal and found that the term in question was not unfair, the Court of Appeal made some interesting comments in relation to the test which were not expressly disproved of by the higher court. Thus, in relation to the first part of the test, the Court of Appeal said: *'the good faith element seeks to promote fair and open dealing, and to prevent unfair surprise and the absence of real choice....Terms must be reasonably transparent and should not operate to defeat the reasonable expectations of the consumer.'* In relation to the second and third parts of the test that court said: *'The element of significant imbalance would appear to overlap substantially with that of the absence of good faith. A term which gives a significant advantage to the seller or supplier without a countervailing benefit to the consumer (such as a price reduction) might fail to satisfy this part of the test of an unfair term'*. As a more general principle, it was said that the notion of good faith appears to reflect the notion of: *'playing fair, coming clear or putting one's cards upwards on the table'*¹²⁰. It would appear from these tests that there is both a procedural and substantive hurdle to overcome. This might suggest that the more procedurally fair a supplier has been, the more likely it is that a term will be found to be substantively fair, and vice versa. However, as discussed, these provisions relate to *consumer* contracts: the issue in

¹¹⁵ *Zealand v Laing Homes Ltd.* (2000) 2 TCLR 724. The clause in question could have created a 'significant imbalance' between the parties.

¹¹⁶ Sale of Goods Act 1979 s 14(3). See *Re B Customs Brokers Co v United Dominions Trust* [1988] 1 WLR 321.

¹¹⁷ Supply of Goods and Services Act 1982 ss7, 8, 9. *Fry v First National Leasing Ltd.* June 7 2000.

¹¹⁸ *Director General of Fair Trading v First National Bank Plc* [2001] UKHL 52 [2001] 3 W.L.R. 1297 [2002] 1 All E.R. 97 [2001] 2 All E.R. (Comm) 1000 rev'g Court of Appeal [2000] 2 All ER 759 (a case on the 1994 Regulations).

¹¹⁹ 1999 Regulations 5(1).

this study is the would-be author. Whether the would-be author would fall within the definition of a 'consumer' for the extra protective measures the legislation incorporates must be open to doubt, as it is at least arguable that a would-be author who wishes to re-use a part of a work for the purposes of creation is not a consumer in relation to that work¹²¹. One might nonetheless consider introducing protective legislation targeted towards the would-be author by merely changing the word 'consumer' in the passage quoted above, to 'would-be author', thus providing a similar tier of regulatory oversight in relation to the standard form click-wrap contracts that will inevitably be used in conjunction with digital dissemination of works protected by copyright. Would that then give the would-be author the freedom needed to re-utilise those parts of the public domain for authorship, even where a contract term limited such use? If terms limiting use were buried in small print, or generally hard to find, in other words procedural fairness was in question, then, as discussed, the terms may be considered unfair. However, the reaction from the well-advised right holder would be to make the terms limiting re-use absolutely transparent prior to permitting access to the work. In terms of the above test, it is likely to be considered that such terms were substantively fair, particularly where the right holder was doing no more than was permitted by the Copyright Directive in any event.

Regulation of standard form contracts used in connection with the dissemination of digital works will no doubt be important in many circumstances, even where it is a would-be author, rather than a consumer, faced with non-negotiated terms¹²². Existing measures to be found in the Unfair Contract Terms Act 1977 also apply to standard form contracts where the person dealing with the supplier is not a consumer. In these circumstances the term must still be fair and reasonable¹²³. So it might be that the right

¹²⁰ Per Bingham LJ in *Interfoto Picture Library v Stiletto Visual Programmes Ltd* [1988] 1 All ER 348, 342 cited with approval by the Court of Appeal in *Director General of Fair Trading v First National Bank* *ibid* at 768-9.

¹²¹ The Unfair Contract Terms Act 1977 s 12 provides that: *A party to a contract "deals as consumer" in relation to another party if-- (a) he neither makes the contract in the course of a business nor holds himself out as doing so; and (b) the other party does make the contract in the course of a business.* Note that the section does not extend to Scotland. See also *The Chester Grosvenor Hotel Company Ltd v Alfred McAlpine Management Ltd* 56 Build LR 115 QBD. *R & B Customs Brokers Co Ltd v United Dominions Trust Ltd* [1988] 1 WLR 321

¹²² 'Standard Form Contract' (Unfair Contract Terms Act s 17) has been considered in *M'Crone v Boots Farm Sales Limited* 1981 SC 68. The term '*was wide enough to include any contract, whether wholly written or partly oral, which included a set of fixed terms or conditions.*'

¹²³ Unfair Contract Terms Act s 17 provides: *(1) Any term of a contract which is a consumer contract or a standard form contract shall have no effect for the purpose of enabling a party to the contract -- (a) who is in breach of a contractual obligation, to exclude or restrict any liability of his to the consumer or customer in respect of the breach; (b) in respect of contractual obligation, to render no performance, or to render a performance substantially different from that which the consumer or customer reasonably expected from the contract; if it was not fair and reasonable to incorporate the term in the*

holder seeks to insert terms in the contract which alter the nature of the agreement anticipated by the would-be author as customer. If this is so, then those terms must be fair and reasonable. One might envisage a term which excluded liability for the quality of the work disseminated, such that it could not be read or listened to, would be found not to be fair and reasonable. By contrast, and in common with the points noted above, it would be difficult to find a term limiting re-use of the work as being unfair and unreasonable, especially where that is what appears to be permitted by the Copyright Directive.

Historically copyright has not required any further tier of regulation in order to ensure re-use in line with fairness. Fairness, in the sense of balance, has been an integral part of the law and there has been no need for further controls. It may well be argued that the law as it will apply to digital reproduction retains that sense of balance which is true, at least as far as it impacts on the right holder, the author and the consumer as user.

Where, however the impact is the greatest is on the would-be author as user. What is really required is that the fairness, in the sense of balance that is required for the would-be author to ply his trade, is reflected in the law itself. That is what copyright law has always struggled to do, but that is the balance which has changed in the digital era, to the detriment of authorship.

5.1 Intelligent digital fences

Content providers have always argued that digital fences cannot be configured to cope with the public domain. Either access is given to a work, or it is not. However, the pace of development in relation to the technical aspects of the Internet is quite startling, and might be expected to continue in the foreseeable future. It is conceivable that 'intelligent' digital fences could be constructed to take account of uncertain boundaries for example, of fair dealing. If so, then many of the difficulties that have characterised the debate will be overcome. However, if such 'intelligent' digital fences are to develop, then there need to be standards in place against which they can be measured. For instance, no technology would be developed to allow access to a work for the purposes of criticism and review, if such a rule were not in place, or if the rule could be limited by

contract. (2) In this section 'customer' means a party to a standard form contract who deals on the basis of written standard terms of business of the other party to the contract who himself deals in the course of a business.'

contract. At present it would appear that any development of intelligent fences is according to standards mandated by copyright owners:

*'legislators should also look at copying opportunities that are in practice being built into copy protection structures under development. Technical measures may be useful in facilitating certain exceptions and limitations to the rights of content owners. If this works out in practice, then there is little need to provide for exceptions to the general rule against circumvention of such measures.'*¹²⁴

But this is perhaps unsurprising, given the highly equivocal stance that regulators have taken towards the public domain. What is perhaps required is a greater commitment to a free public domain on the Internet, and against that standard digital fences can be developed. Thus the architecture that makes up the Internet can be developed against a backdrop which both protects a work to ensure the financial incentive can be obtained from use of that work, while at the same time ensuring that authors are able to make use of the materials in the public domain¹²⁵.

6. Summary

Access, and the price of access, to creative works and databases distributed over the Internet, coupled with potential contractual restrictions on use, are the central, and most difficult features relating to the dissemination of these works over the Internet. This is particularly so if the Internet is to support a thriving public domain, and if authors are to find and to be able to use the raw material necessary to create the next generation of digital works. Digital fences can provide much needed protection for creative works, allowing content providers to control distribution and reproduction. However, at present digital fences appear only to be able to provide an all-or-nothing solution. They can control access to and each use of a protected work. That means that access can be denied or payments can be levied for each such step in a transaction. It appears that the major control on whether and for what such charges will be levelled, and how much those charges will be, is the free market. There are factors which can influence that development, including both government-sponsored and self-regulatory moves to ensure that access to some works is free. That in turn may help to keep the prices charged by

¹²⁴ Marks and Turnbull *ibid*.

¹²⁵ Lessig refers to this approach as building an architecture of cyberspace where the code (the law) is reflected in the code (the software and other elements that make the Internet function) Lessig, *Code and other Laws of Cyberspace* Basic Books (US) 1999.

commercial operators low. Equally, the worst excesses of refusal to supply, or excessive pricing, may be controlled by competition law. Questions also remain over the extent to which the public domain can be altered by contract. This results at least in part from the rather equivocal stance of legislators on this subject, spurred on by right holders keen to ensure that their 'property rights' are not watered down. Measures could be taken at the margins to ensure that in the interests of would-be authors such terms are reasonable. However, the extent to which such measures might conflict with the approach taken in the Copyright Directive which would appear to permit at least some elements of the public domain, such as they remain, to be altered by contract is far from clear.

In this environment, authorship is going to become more difficult, or at least more expensive. Charging for access and use, coupled with contractual restrictions, valid or not, are not conducive to creating the necessary environment in which authorship can flourish.

Chapter 10

Conclusion

The intention behind this study has been to discover whether the development of the law of copyright and its application in the digital era changes the balance between author, intermediary and user to be found in the existing law of copyright. If it does, then the second purpose was to assess the implications for the public domain, and in particular, on the availability of raw materials for authorship.

The discussion in the last chapters has suggested that quite remarkable changes are underway, both in the balance between the respective parties, and for the public domain.

It is the author who will be most affected. Not the existing author, but the future author who depends on elements of the public domain for the raw materials necessary to create new works. Those elements, which include the fair dealing limitations, the term of protection of copyright, the ideas expression doctrine, and the exhaustion rule, each of which has historically contributed to these raw materials, may no longer be freely available, or exist, in relation to works disseminated over the Internet.

The preceding chapters have analysed how this will happen: from the creation and legal protection of digital fences, through the imposition of contractual limitations on the public domain, and through changes to the public domain itself, whether *de jure* or *de facto*. Each move represents a small shift in favour of the current copyright owner. Taken together, they represent a profound transfer away from a framework in which the law of copyright supports a thriving public domain, to a situation where the intermediary may be able to control, monitor, and charge for every access to, and use of, existing creative works. That includes those parts in the public domain, to the extent that the public domain remains.

Not all commentators view these changes with alarm: a number of arguments underlie the ease with which the changes are accepted. Firstly, many point to the still unrivalled potential of the Internet as a means of global communication and information dissemination. For these benefits, some drawbacks have to be accepted. Among those drawbacks is that the public domain can no longer be free, nor freely available. This

view might, in part, be based on the assumption that there will always be at least some 'street corners' on the Internet over which right holders do not seek to exert control. In addition, market forces will act to keep down prices for access and use, while terms and conditions on which works can be accessed and used will be reasonable, and the public interest will require works to be made available through such institutions as public libraries. Those who take this view may also agree with the right holders (most notably those from the Anglo-American traditions) who argue that intellectual products are property, no more and no less. In other words, it accepts the theory that copyright is historically, and currently, capable of explanation in terms of market failure.

In reply to this view, it has been suggested that both private and public controls on pricing and terms may not be as effective as one might hope, and that market forces might just conspire to privatise most spaces in part due to the economic difficulties facing Internet participants seeking to obtain a financial return from Internet content. But perhaps more importantly, market failure is not a sufficient explanation for the historical development of copyright, where various forces have, over the years, determined the shape of the law. To concentrate on market failure as a justification for increased control over the dissemination of creative works over the Internet is to ignore the public policy and social aspects that have historically characterised the development of this branch of the law: that copyright owners should bear some limitation on economic incentives they derive from property rights in order to further other policy goals within society. In particular, these limitations are necessary to ensure that future generations of authors are able to create new works. This policy factor has been lost sight of during the legislative process, where an observer obtains the impression that any concessions for authors arise rather as a result of barter than principled development. If the implications of these changes could be confined solely to the consumer market, then a market failure approach might be justifiable. A financial return has to be obtained from the dissemination of works, or they will not be created. But the changes affect far more than the consumer market. This study has been about the public domain providing the raw materials necessary for authorship: in this, authors and consumers are two different bodies with different needs.

There is no doubt that policy in relation to any area of law shifts over time to reflect changing values within society. It has not been the intention to state, nor has the

argument been made in this study that the balance is immutable. One policy factor over the years may take precedence over another, or one development favour one interest group over another¹. However, that is not an argument for losing sight of the fact that copyright has always represented a balance, more or less, between the diverse groups. To make the argument, as some do, that: *'[r]ather more insight may arise from the observation that it is generally considered socially desirable for people to be permitted to protect by their own means what they create'*², completely ignores every argument for the subsistence of copyright from the view that creative works, being an amalgam of what has come before, cannot be owned in full, to the argument that has been the subject of this study, that free parts, or at least a public domain, is essential for future creation.

The second view, related to that about market failure, is that copyright has in any event had its day. Contract can now govern the relationships between the producers and users, and what is required is some means to ensure that contract can cope with some of the abuses that could be thrown at it by copyright owners. New or extended mechanisms may need to be found to ensure contracts in standard form³ entered into between suppliers and consumers are fair as between the parties⁴. But above that, it would be for the parties to reach agreement on the terms of their bargain, including agreement over payment for access to, and use of those parts of works in the public domain. The slot left by copyright would be filled by contract, where the focus is on consumer protection, rather than, as historically been the case, fulfilling the needs of the copyright owner in preventing dissemination of works without consent. But this view seems to rest on the assumption that it is the consumer market, and that market alone, that is affected by the dissemination of works on the Internet. It gives little comfort to the future author seeking to use the public domain in creating new works. There are others who recognise that the future author merits attention, and to that end have suggested that as contract and digital fences come to replace copyright on the Internet, then legislators would do

¹ Ginsburg, *From Having Copies to Experiencing Works: the Development of an Access Right in US Copyright Law* Columbia Law School, Public Law & Legal Theory Working Paper Group, Paper No 8. For example, when the photocopier was invented, this could be seen as favouring the user (infringer) over the right holder.

² Brennan, *Locksmiths and Safecrackers in Cyberspace* 2000, Digital Technology Law Journal Vol 2 No . <http://www.law.murdoch.edu.au/dtlj/index.html>.

³ The majority of contracts entered into between the supplier and the consumer on the Internet will not individually negotiated between the supplier and the consumer, but rather in standard form. The supplier will offer the terms, and the consumer click on an 'I agree' icon, or arguably exhibit agreement merely by proceeding into the site.

⁴ For a discussion on the controls on standard form contracts in the consumer market see chapter 9 of this study.

well to take care: *'to apply to these two substitutes the historical norms of copyright'*⁵. So, for example, copyright has always recognised that there must be limitations on property rights to ensure that there is sufficient in the commons for the creation of new works. Thus, new rules of contract could be developed to reflect that norm: a new rule might provide that it was not possible make those elements of creative works which are not property rights the subject of contract, such as those parts of creative works which may be used for the purposes of fair dealing. But such an approach would be bound to suffer from the difficulties already encountered in deciding if, and when, the property limits on copyright can be narrowed (or expanded) by contract whether as a result of the Copyright Directive, or as a rule of domestic law. It seems also to reinvent copyright under a different name: contract.

A further objection to copyright becoming contract is that an author who wants to *use* elements in the public domain may be forced to ignore contractual restraints that have been placed on this use. Even if many terms may be unenforceable by the copyright owner once a web site is accessed, for instance that no part may be used for criticism and review, or that no parts may be extracted and re-utilised, inviting authors to ignore a bargain just because it cannot be enforced easily cannot be good policy. It has been suggested that regulatory control could be introduced to provide a measure of oversight of what could, and what could not be included within the standard form contracts that will be used in conjunction with the dissemination of works over the Internet, specifically in relation to the effect of these clauses on would-be authors⁶. The inevitable shortcoming of these proposals has also been highlighted. In so far as the oversight concerned procedural matters, then there may be much to be gained. However, in so far as substantive issues were concerned, it would appear that any such moves would run counter to the majority of the provisions to be found in the Copyright Directive. The result is that if clauses curtailing use are included, and fairly included in contracts, and these are routinely ignored, the effect of the law is to encourage widespread flouting.

A further argument used by those who are sanguine about the disappearance of the public domain is that, no matter the terms of the laws written to assist right holders in their quest for perfect control, in particular those laws designed to protect digital fences, there will always be ways in which the controls can be circumvented. But laws outlawing

⁵ Goldstein, *Copyright and its Substitutes* 1997 Wisconsin Law Review 865 p 871.

circumvention have been written at the most stringent standard in the US, and that same standard has been adopted in Europe. Would-be circumventors fight, not just with one, but with two hands tied behind their backs. Any successful attempt, particularly where entertainment products are implicated, may result in both civil and criminal charges being brought against those who would circumvent these controls. This whether or not a copy of the works is made, and whether any financial benefit derives from the circumvention. The remarkable efforts by the entertainment industry to bring to heel those allegedly responsible for writing and disseminating the code which can overcome the circumvention controls in DVD's provides a good illustration of the lengths to which that industry will go in protecting the integrity of digital fences⁷.

At the moment, it would appear to be the copyright owners and the content creators, in particular through the entertainment industry, who are dictating the shape of legislation. These factions would appear to be inviting legislators, users and authors alike to trust them to ensure that the public domain does not disappear under a welter of digital fences and contract restrictions. They are, in other words, dictating the accessibility and use of the public domain.

Regulators, legislators and policy-makers would do well to take heed of these moves. The wheels of the legislator grind slowly. The development of technology bounds ahead. By the time the legislators and the law catch up, it may be too late. The Internet may be stuffed with content hidden behind devices that will only respond in the way programmed by, and at the behest of, the content providers. These may or may not reflect the laws of the territories in which they are distributed. Content providers may or may not be willing to pursue wider democratic policy objectives justifying the expansion of the Internet, and allow 'free' access to works distributed behind those fences to certain groups within society⁸. There is a hint that a few of those who have been involved in the negotiation of the Copyright Directive might be aware of some of the worst excesses that could result from implementing a programme aimed at the interests of current content providers. The expansion of the 'fair dealing' limitations⁹, together with the

⁶ For discussion of these points see chapter 9 of this study.

⁷ For a comment on these problems, see the discussion in chapter 4 of this study.

⁸ Some content providers voluntarily allow free access to the content contained within their web sites to certain interest groups. For instance, Smith Bernal provides free access to Casetrak for academics. For other commercial subscribers, a fee is payable.

⁹ For a full discussion see chapter 5 of this study.

proposals for the 'digital property trust', combine to suggest that regulators are alert to the danger of the disappearing public domain.

One nagging problem does however remain arising from this study. It has been argued that the public domain is essential for the creation of new works. Theories of copyright, whether those which have been formulated at the inception of legislation in this area, or the newer theories, all justify a public domain. Each system of legislation under scrutiny in this study - the UK, the US and France - supports this to a greater or lesser degree. But there appears to be no solution to the problem as to how access can be mandated for the public domain encompassed within works made available over the Internet, without making the whole of the work available. And if the whole of the work becomes available, the copyright owner may be deprived of a justified financial return. Having accepted the problems faced by content providers if their works are released on the Internet without authorisation, and without the protection of a digital fences¹⁰, there are strong arguments for encouraging the development of just such fences¹¹. But having accepted this, the focus remains on how the would-be author can obtain access to those parts of the work behind the digital fences which lie in the public domain. At best, it has been suggested that a programme could be implemented which might encourage free access to creative works. At worst, it would appear that such access will remain at the discretion of the content provider, with the price of such access subject to the vagaries of the free market.

Only time will tell how serious fencing in and metering the public domain will actually be for the creation of new works. But careful attention must be paid to the potential problems for authorship. Perhaps, in the future, the public domain, historically considered as limitations on or exceptions to private property, will come to be viewed as true user rights¹², or public property. It would be easier for an author seeking to gain access to a work to use a property *right* to argue for that access, rather than to employ an exception to some one else's¹³. This in turn requires an understanding of the importance

¹⁰ For a discussion of the problems, see chapter 2 of this study.

¹¹ For a full discussion of digital fences, see chapter 4 of this study.

¹² This is the terminology used by a number of writers. See eg. MacQueen, *Copyright and the Internet in Law and the Internet: A Framework for Electronic Commerce* Edwards and Waelde Eds. Hart 2000.

¹³ *'Public domain in the fields of literature, drama, music and art is the other side of the coin of copyright. It is best defined in negative terms. It lacks the private property element granted under copyright in that there is no legal right to exclude others from enjoying it and is 'free as the air to common use'.*Krasilovsky, *Observations on the Public Domain* 1967, 14 Bull. Copyright Soc'y 205.

of the public domain to the production of new cultural, educational and scientific works. To date, that appreciation appears to have been sorely lacking, particularly for regulators and current content providers. It is perhaps only if the production of new works stalls, or becomes prohibitively expensive for those same content providers who shout so loudly for enhanced rights today, that it will be appreciated that the results of what has been achieved to date are in no-one's long-term interests.

To this end, it is notable that many of the changes that have been made to copyright over the past years have been in response to the fears of the right holders in the music industry. Some litigation that has taken place was discussed in chapter 2 of this study, and it certainly is the case that others apart from those in the music industry have been involved. However, there is also no doubt that it is the music industry which has been the most active and vocal in seeking to protect rights. It is music that is so ideally suited to digital dissemination, and it is music that appeals to millions of Internet users. Right holders may, or may not have been right to worry about their content. It is unlikely that even time will tell whether the music-sharing facilities on the Internet have actually decreased the financial return music companies might otherwise have expected. Who knows whether Napster fanatics would actually have purchased a legitimate hard copy of downloaded music¹⁴? However, as the capacity of the Internet expands, without controls these and other entertainment products, such as videos and DVD's may well have been increasingly copied and disseminated around the Internet. The entertainment industry felt it could not afford to wait and find out if their market would actually have suffered. The result has been the raft of measures discussed over previous chapters. In many ways, as has been argued, these moves are justified to protect products in the entertainment industry where those products are sold to consumers. The great difficulty is that the measures are applied indiscriminately to all digital works, no matter their form or substance or potential use. Certainly, during the course of dissemination, one digital bit must look much like another. Would there be any way to distinguish a bit that is a musical note, and one that is a word on a page? One suspects not. Thus it might have proved futile to try and build a framework where there was a true distinction between

¹⁴ A story in the Los Angeles Times discussed the effect of Napster on record sales. The article argues that if the use of Napster diminished record sales, then sales should be up with Napster usage having decreased. Apparently, record sales at that time were down as well. Some suggest that this demonstrates that Napster helps record sales by exposing customers to new music.
<http://www.latimes.com/business/20010620/t000051058.html>. Others might point to the fact that many countries are currently in, or facing a recession.

consumer products and those used for authorship, particularly literary works¹⁵. Certainly the attempt was made in the Copyright Directive, with the fair dealing measures and the digital property trust. Sadly, the regulators lost courage at the final hurdle, and bowed to the pressure from the (music) industry, so that even they are now watered down to the extent that, for the would-be author, they may prove to be of no practical assistance. The entire framework now impacts on the digital dissemination of all works. In chapter 3 regulators were taken to task for not having engaged in any 'what if' scenarios prior to going down the path of increasing the strength of copyright and attendant rights for the benefit of right holders. It was accepted that such an exercise might have been difficult at the time, as many of the developments that have occurred since could not have been foreseen. However, it would have needed only a little imagination to realise that what was beneficial for the entertainment industry in general and the music industry in particular might not be so appropriate for other creative works. With the development of the framework that now supports the digital dissemination of creative works, it would not have taken much to appreciate that in the final analysis it would be for the publisher to set the price, and to determine whether or not restrictive terms on use are employed in connection with that dissemination. A small step from there, and the terms themselves might have been predicted, such as those which were found in conjunction with the first release of the Adobe Acrobat eBook reader. Adobe licensed a number of digital works for use with the reader. One was *Alice's Adventures in Wonderland*, a book which is in the public domain because the author, Lewis Carroll, died in 1898. The 'Permissions' that accompanied the digital download of this book included the following:

'Under the 'Copy' heading, the permissions said: 'No text selections can be copied from this book to the clipboard.' Under 'Print,' it indicated: 'No printing is permitted on this book.' Under 'Lend,' users were told: 'This book cannot be lent or given to someone else.' Under 'Give': 'This book cannot be given to someone else.' And finally, under 'Read Aloud,' the permissions page asserted: 'This book cannot be read aloud' ¹⁶.

In the copyright framework that has been erected for the digital age, there is almost nothing but market forces that would prevent these types of terms being used by right holders in conjunction with dissemination of all types of works. Bearing that in mind, and as promised in the introduction to this study, a challenge follows for all those who

¹⁵ Lynch, *The Battle to Define the Future of the Book in the Digital World*. 2001, FirstMonday Vol 6, No. 6 http://www.firstmonday.dk/issues/current_issue/lynch/index.html.

¹⁶ These permissions are taken from an article by Lessig, *Adobe in Wonderland* The Industry Standard March 19th 2001. http://www.thestandard.com/article/0,1902,22914,00.html?body_page=1

remain relaxed about the developing controls over access to and use of the public domain.

The Internet, and access to and use of content found on the Internet has become an indispensable part of academic life in Universities today. That holds true across the disciplines to be found in these establishments. To take but one example. The University of Edinburgh Department of Architecture, in conjunction with the University of Middlesex Department of Art, Design and Performing Arts, run an MSC in Design and Digital Media. The home page, which can be found at <http://www.caad.ed.ac.uk/postgradstudy/MSc/>, contains links to many projects undertaken by the students who have taken the course over a number of years. Having talked extensively to the students, the degree to which use is made of existing works both in hard copy and digital form found on the Internet and elsewhere, is evident. Copyright is clearly an issue for the students as well as the educators. All would like to work within the confines of the existing law. However, imagine then a model which requires payment for access to works which currently exist on the Internet, coupled with further restrictions on the use which can be made of those works in the new creations by the students, perhaps incorporating those terms found in conjunction with Adobe's digitised Alice in Wonderland. Even the briefest of glances at the work, should amply illustrate that the framework that has been built for the control of dissemination of creative works over the Internet does not facilitate authorship.

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