12 Dealing with rights in copyright-protected works: assignments and licences

Andreas Rahmatian*

1. Introduction: use of copyright

Copyright, in line with all other intellectual property rights, is often referred to as a ‘negative right’, that is, a right to prevent others from doing certain things.¹ However, this is an overstatement. In the same way as a plot of land, for example, is not merely owned to keep out trespassers, but also used for, say, crops or buildings, copyright is a positive right also and cannot be reduced to the infringement component only. Copyright in its conception as a property right, at least in the UK,² arguably shares the conceptual features of any property right, which means that the extent and content of the copyright are expressed by an external and an internal aspect.³ The external aspect denotes the relationship of the holder of the property right to third parties and is the right to exclude, in the form of a trespass/infringement action. The internal aspect denotes the content or substance of the property right and is the right to use: it is what in relation to property rights over tangible objects would be referred to as incidents of ownership, for example, a right to possession and use, a right to management, to capital and income, or a right to alienate and burden.⁴ These incidents of ownership are determined by (among other things) the physical characteristics of the object of the property (if any).⁵ Since in the case of copyright the object of property is purely intangible,⁶ a conceptual

* © 2008, Andreas Rahmatian.
² CDPA 1988, s. 1.
⁵ Rahmatian (2006), 187.
⁶ Purely intangible means that the object of property is an abstract concept created by law, as opposed to air, for example, which has a physical existence, although it is an intangible object. On pure intangibles, see also M. Bridge (2002), Personal Property Law, 3rd ed., Oxford: Oxford University Press, 6.
abstract creation of the law, the incidents of ownership are to be adapted to this characteristic and must manifest themselves in types of use other than possession, especially in the exercise of the right through alienation or permissions to use.⁷ This chapter deals with the internal aspect of the copyright-property right: the right to use in the form of the right to assign or license.

The right to assign or license, as will be shown, depends on the concept of copyright in a given jurisdiction. The object of property, the copyright, has different characteristics in an author’s rights country when compared with a copyright country, and even the proprietary element is less dominant with author’s rights than with copyright in copyright systems. These different characteristics determine the incidents of ownership and the types of use which flow from them. Thus certain components of the author’s right, or the author’s right as a whole, may not be assignable, and in the light of this restriction, the licence obtains a different role.

These problems define the organisation of the following chapter. First, the different ideologies of copyright and author’s right protection and their impact on the legal framework regarding the exploitation and transfer/grant of rights will be discussed (under Section 2). The next section (3) will deal with the forms of transfer of copyright as assignments and licences, including their format and content in the context of exploitation contracts. This is followed by a discussion of the limitations on exploitation and transfer by way of moral rights, unfair competition law and waiver (Section 4). The chapter finishes with a brief consideration of the contract law aspects of assignments and licences and the problems a European harmonisation project in the area of copyright assignments and licences would face.

2. Authorship and ownership of rights: the copyright–author’s rights (droit d’auteur) divide and proprietary aspects of the rights transfer

It is well known that there is a fundamental theoretical difference between copyright and author’s rights systems, although in the light of practical commercial reality the different concepts usually lead to similar results. However, this theoretical difference has a surprisingly significant bearing on the legal framework regarding the use of rights (copyright/author’s rights) in a given system, and the assignment/licensing rules are directly dependent on the conceptual decisions of the copyright/author’s rights system in question. It is therefore necessary to discuss first the conceptual principles of copyright and author’s rights (and its varieties within the latter category) as the basis for an exposition of the rules on dealing with the rights in copyright-protected

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works. It will become apparent that in relation to the provisions on the assignments and licences the outcome is not that similar, even in commercial reality, and certainly not structurally.

The UK copyright system may be taken as the paradigmatic copyright system in Europe. In the UK, a creation is protected by copyright if it constitutes an original ‘work’ (as categorised by the UK Copyright Act8) that is recorded in some permanent form. ‘Original’ means that only one’s independent skill, judgment, labour and effort which has gone into the creation of the work obtains protection; if the skill and labour is derivative (i.e. copying from another source), protection is denied.9 This is the essence of copyright law in the UK; in particular, the ‘work’ need not have any cultural or artistic merits and it need not reflect the maker’s or author’s personality in any way. Copyright protects only the potential, not necessarily actual, economic value of someone’s own skill and labour (which can be limited10) that is represented by the product of that labour, or the ‘work’, in the language of copyright law.11 This approach fits fairly neatly12 with John Locke’s labour theory as a justification of property rights,13 and Locke has indeed been invoked in (historical) copyright cases,14 but one probably has to consider a Lockean argument as a speculative philosophical justificatory gloss on the reality of British copyright law.

Thus copyright is not directed at the protection of ‘creativity’ or artistic creations of any kind; such works may be protected incidentally,15 but merely

8 UK CDPA 1988, ss. 1, 3–8: literary, dramatic, musical, artistic works, sound recordings, films, broadcasts, typographical arrangements.
10 Ibid. There is, however, a de minimis rule, see Cramp v. Smythson [1944] AC 329.
14 Miller v. Taylor (1769) 98 ER 201, 220, 231.
15 Rahmatian (2005), 373.
in the same way as computer programs, compilations of railway timetables, street directories, trade catalogues, football pool competition coupons and other mundane products, none of which typically has any artistic merit or represents their maker’s individual personality. The general principle is that if the work originates from the author’s own skill and labour, it represents a potential economic value and deserves protection (normally) in favour of its maker, and someone’s copying indicates the protectable value of the copied source. This protection philosophy resembles Continental European unfair competition laws which protect against misappropriation or free ride by competitors (parasitic competition, concurrence parasitaire, unlauterer Wettbewerb), a concept which does not exist as a general principle in the UK, partly because copyright, passing off, comparative advertising and trade description laws already cover most of that ground. The characteristic of UK copyright law as a principally economic protection becomes particularly obvious with entrepreneurial copyright works: sound recordings, films, and typographical arrangements do not require originality as a protection prerequisite, but only that the work has not been copied. The difference between ‘original’ and ‘not being copied’ is that in relation to entrepreneurial works not even the already low threshold of protection for authorial works (literary, dramatic, musical, artistic works) applies. The very

16 CDPA 1988, s. 3 (1) (b).
18 Kelly v. Morris (1866) LR 1 Eq 697.
19 Purefoy v. Sykes Boxall (1955) 72 RPC 89.
23 Especially relevant in the present context is a group of cases on exploitative anticompetitive practices or ausbeuterischer Wettbewerb, e.g. for Austria: OGH ÖBl. 1995, 116 – Schuldrecksarten (prohibition under unfair competition law [§ 1 UWG] of direct copying of the layout of forms which would as such not necessarily qualify for author’s right protection under the author’s right system of Austria). The situation is similar in Germany and Switzerland.
24 Cornish and Llewelyn (2007), 423.
25 CDPA 1988, ss. 5A (2), 5B (4), 8 (2). The requirements for broadcasts are similar: copyright does not subsist in a broadcast to the extent to which it infringes the copyright in another broadcast (s. 6 (6)).
making of the work irrespective of any level of skill and labour is regarded as having sufficient potential economic value to justify protection.

The protection concept of copyright has an effect which is essential to the copyright assignment and licensing rules. Once a creation is protected, the copyright turns the creation into property, which is a necessary quality of the protection in its current form. In this way, copyright transforms the individual creation, being a poem, a railway timetable, a song, into an abstract concept which the law recognises and provides: property. This conceptual reduction permits the law to incorporate the elusive idea of an ‘intellectual creation of the human mind’ and its variegated forms and products into its own system: the law cannot ‘perceive’ a poem, a painting or a computer program, but it can ‘perceive’ their reduction as conceptually abstract objects of property, personal property in relation to the physical appearance of the work (the sheet of paper on which the poem is written), and intellectual property (purely intangible property), here copyright, in relation to the intellectual creation therein (the poem itself as an expressed idea). The object of intellectual property represents my own skill and labour that has gone into its creation and the property protection acknowledges the potential economic value of my skill and labour. The conceptual reduction to property rights which the protection of copyright works effects also leads to a legal typification of the intellectual creation: it is no longer my poem describing the sunset in northern Scotland, but the abstract and typified normative category of ‘literary work’ which is property. This propertisation with its innate typification is also commodification: the intellectual creation has become a commodity and is therefore subject to dealings in the same way as other goods and fungibles – in particular, it is capable of being alienated.

Under the British system of copyright, the copyright in protected works is in principle freely transferable by way of assignment, because, as a result of the copyright protection process, the creation is merely a type of property.

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27 CDPA 1988, s. 1. Obviously, the fact that copyright is a property right is a modifiable normative decision and not the result of any fundamental moral principles rooted in natural law or wherever.

28 Rahmatian (2005), 373.

29 The term ‘alienation’ comprises all its historic and socio-economic consequences beyond the technical meaning of ‘transfer’ which cannot be discussed in the present context: alienation as the ability to establish individual wealth by way of unimpeded transfer of property as the rising capitalism demanded in opposition to the feudal privilege system, and alienation as estrangement (here: the author’s estrangement from the works created by him/her), especially in Marx’s conception. On the latter, see S. Gordon (2003), The History and Philosophy of Social Science, London: Routledge, 330.

30 The CDPA 1988, s. 90 (1) says instructively: ‘Copyright is transmissible by assignment . . . as personal or moveable property’. 
and this quality (usually) entails transferability.\textsuperscript{31} In addition, use of the property without outright transfer can be granted by way of a licence: the parallel in the area of tangible property would be the lease of a flat or a licence.\textsuperscript{32} The principal rule is that the first owner is the maker/creator of the copyright property, or the ‘author’\textsuperscript{33} in the somewhat confusing copyright terminology, thus he is initially granted the property right.\textsuperscript{34} But the first assignment splits authorship from ownership: after an assignment the copyright vests in the assignee and no longer in the author. As an exception, the copyright in works created by employees in the course of their employment vests automatically in their employer (subject to any agreement to the contrary),\textsuperscript{35} and no intervening act of assignment is necessary: in this case, authorship and ownership are separated from the outset.

Moral rights are a relatively recent alien insertion in the existing copyright concept in the UK,\textsuperscript{36} and their fringe existence within that system becomes particularly apparent in the context of dealings with copyright works: wherever they could interfere with such dealings, they can be curtailed, especially by way of a general waiver of the moral right,\textsuperscript{37} and often a prudent assignee will combine the copyright assignment with a waiver of moral rights wherever his bargaining power enables him to do so. Thus moral rights have no decisive relevance in a copyright system and can almost always be ignored in the context of assignment and licensing rules.

The situation could not be more different in author’s rights countries. Moral rights are not merely an addendum to the copyright protection laws but


\textsuperscript{33} CDPA 1988, s. 9 (1). The term is confusing in that it also applies to composers, painters, film producers, computer programmers, makers of broadcasts etc., and it may conjure up the inappropriate connotation that the author may be an ‘artist’, which is not a relevant criterion in copyright law.

\textsuperscript{34} CDPA 1988, s. 11 (1). On authorship and ownership, see Chapter 8, J. Phillips, ‘Authorship, Ownership, Wikiship: Copyright in the 21st Century’.

\textsuperscript{35} CDPA 1988, s. 11 (2).


\textsuperscript{37} CDPA 1988, s. 87.
arguably the backbone of author’s right systems and the primary justification as to why protection is granted in the first place. The protection of an author rests principally on the author’s person, thus the author’s right is primarily a personality right from which economic rights also originate. These authorial personality rights are historically partly the product of an increase of the self-understanding of writers and artists during the Enlightenment era, which was coupled with the drive for a development and safeguard of civil liberties in general. From the French revolution onwards, the author’s right has been conceived as a ‘natural right’, although in France, the proprietary element (droits patrimoniaux) of the author’s right was originally not so much separated from the personal element of what would later become the moral rights or droits moraux. Both were rather regarded together under the common notion of propriété littéraire et artistique, until only in the latter part of the nineteenth century scholarly theories emerged which regarded the complex of moral rights as a specific entity within the author’s right (A. Morillot). Germany developed philosophical personality concepts earlier and soon applied them to debates on what would become authors’ rights. An early example is Kant’s pamphlet Von der Unrechtmäßigkeit des Büchernachdrucks (1785) which he also included in his Metaphysics of Morals (1797), followed by personality and ownership theories by Fichte and Hegel, but those who applied these theories to emerging legal frameworks (or helped

43 Also Le Chapelier’s famous statement of 1791 refers to property: ‘La plus sacré, . . . la plus personelle de toutes les propriétés est l’ouvrage, fruit de la pensée d’un écrivain’. See Strowel (1993), 90. However, one should not underestimate the double meaning of propriété as property (an economic element) and quality (a personal element), that is, being individual to, characteristic of, the author, and Le Chapelier qualifies the notion of property considerably, quite in contrast with an Anglo-Saxon liberal view of property.
45 On Kant’s major points of argumentation, briefly Rahmatian (2000), 98 n. 36.
create these) were less well-known figures in intellectual history, such as Eduard Gans, Leopold A. Warnkönig, and Otto von Gierke.

The emphasis on the personal aspect of the modern author’s rights is expressed in the protection criteria, which differ in theory significantly from copyright systems. A work is only protected by an author’s right if it bears the ‘mark’ or ‘stamp’ of the author and is therefore ‘original’ (‘L’originalité s’entend de l’empreinte de la personnalité de l’auteur.’). This mark of the personality on the work results from the author’s creative effort. French author’s rights law refers to originality only obliquely and leaves the interpretation of this concept to court decisions and doctrine, but German law expressly speaks of ‘personal intellectual creations’ which are the only works that enjoy protection (‘Schöpferprinzip’). Austrian law illustrates particularly well the principal idea when it says that protectable works are only ‘distinct intellectual creations’. The actual word used for ‘distinct’ is ‘eigentümlich’ in a now slightly old-fashioned usage. The original meaning of the word was ‘proper to someone’, ‘characteristic’, but tends to be understood today as ‘idiosyncratic, eccentric, peculiar’. This emphasises the underlying notion of originality in author’s rights systems: the work must show the signs of the author’s peculiar and characteristic personality for obtaining protection. Also the concept of related rights/neighbouring rights or droits voisins (protection of sound recordings and broadcasts, performers’ rights etc.) beside, rather than within, the actual author’s rights reflects the

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47 Kawohl (2002), 96–100.
48 Strowel (1993), 517.
49 Lucas and Lucas (2006), 72, with examples of different phrasings of that principle in case law in n. 63, e.g. Cour de Cass. 1re civ., 1.7.1970: D. 1970, 734: ‘tempéra-
51 Strowel (1993), 401.
authorial principle of creativity by human beings. As in the copyright systems, originality does not equal novelty, nor does it have to be of a high standard,\(^{58}\) but unlike the copyright systems, it requires some degree of creativity. Thus the threshold for protection tends to be higher than in copyright systems (where the threshold is not the same in each jurisdiction either\(^{59}\)), and this became particularly apparent in the case of computer programs,\(^{60}\) so that a Europe-wide unified level of originality as a criterion for protection had to be introduced by the EC Software Directive, whereby the actual wording of the relevant provision shows some influence of the author’s rights conception.\(^{61}\) Generally, in author’s rights countries the requirement of originality as creativity is considerably watered down and not without contradictions in reality.\(^{62}\)

A further effect of the personality-based system of author’s rights is that author’s rights systems are reluctant to grant automatic employer’s rights to employees’ works created in the course of employment (such rights are only given in the form of confined exceptions),\(^{63}\) and there is no general ‘works made for hire’ doctrine.\(^{64}\) The author is owner or holder of the author’s right.\(^{65}\) Thus, in principle, (use of) the right has to be granted by the employee in a separate act, although the employee may be required to grant the right (or may be deemed to have granted the right) by virtue of his/her express or implied obligations under the employment contract.\(^{66}\) In Germany, the nexus between

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\(^{58}\) Lucas and Lucas (2006), 73, 75. The German notion of ‘kleine Münze’ also reflects this principle, see Sterling (1998), 260; Schricker in Schricker (2006), Einleitung, n. 30.

\(^{59}\) Compare the somewhat lower level of protection in the UK than in the USA: Feist Publications Inc. v. Rural Telephone Service Co. Inc. 499 US 340; 111 S. Ct. 1282.


\(^{62}\) See examples in Lucas and Lucas (2006), 77 et seq.


\(^{64}\) Strowel (1993), 29.

\(^{65}\) E.g. Germany, § 7 and § 11 UrhG 1965, see Loewenheim in Schricker (2006), § 7 nn. 1–4 and Schricker in Schricker (2006), § 11 nn. 1–2. On authorship and ownership, see also Chapter 8.

\(^{66}\) E.g. in Germany, § 43 UrhG 1965, whereby the general provisions regarding licences also apply to works made under employment contracts, however, subject to possible different rules as a result of the nature of the employment relationship. For this complex proviso, see Kraßer (1995), 86, 88, 90 et seq. See also Rojahn in Schricker (2006), § 43 nn. 1, 22, 23. For employment contracts in Austria, see e.g. OGH 19. 10. 2004, 4 Ob 182/04z – Schutz von Werbemitteln – Dienstnehmerwerke.
author and author’s right is so strong that even the ownership provision in the EC Software Directive concerning software made by employees has not been implemented in the form of a pure ‘works made for hire doctrine’ in the Anglo-Saxon style. The employer obtains all economic rights in a computer program through an exclusive licence by operation of law, but technically, he still acquires the rights derivatively from the author-employee.

In the author’s rights protection system, the moral rights reflect the importance of the author as an individual human being and, in theory, the supremacy of his/her personal rights over the exercise of the economic rights. Besides the most important moral rights, the paternity right and the integrity right which are also enshrined in the Berne Convention (art. 6bis), author’s rights systems recognise a number of others (which differ in each jurisdiction), some of which are capable of affecting directly the exploitation of the author’s right, also under assignments or licences, such as the divulgation right which is closely connected with the essentially economic right to control the destiny of the work, both in relation to the author’s right itself and its physical expression in the form of copies (droit de divulgation) which is closely connected with the essentially economic right to control the destiny of the work, both in relation to the author’s right itself and its physical expression in the form of copies (droit de divulgation).

Further relevant moral rights are the right to repent (droit de repentir, Rückrufsrecht wegen gewandelter Überzeugung, right of the author to change his/her opinion and to have published copies of his work withdrawn), and the right to have access to the work under certain circumstances if the physical work is owned by someone else (droit d’accès à l’œuvre).

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68 See § 69b UrhG 1965, and Loewenheim in Schricker, § 69b nn. 11–12; Kraßer (1995), 99. Elements of the author’s right which qualify as moral rights (urheberpersönlichkeitsrechtliche Befugnisse) remain with the employee in principle, however, the practical aspect of this rule is limited because the author-employee’s rights in this respect are to be interpreted restrictively, see Loewenheim in Schricker § 69b nn. 13–14.
69 These moral rights have been incorporated into copyright law even in the UK since 1988, CDPA 1988, ss. 77, 80.
71 The author’s right, under the Austrian § 29 UrhG, to forfeit a licence of an author’s right under certain circumstances is also closely linked to this group of provisions. Within this category is also § 41 German UrhG 1965 (right to recall the licence because of non-use), see also H.-P. Götting (1995), ‘Urheberrechtliche und vertragsrechtliche Grundlagen’, in Friedrich-Karl Beier et al. (eds.), Urhebervertragsrecht. Festgabe für Gerhard Schricker zum 60. Geburtstag, München: C.H. Beck, pp. 53–75, at 74.
72 Strowel (1993), 131, 495.
The French system of droit d’auteur distinguishes between moral and patrimonial rights, or rights which have ‘les attributs d’ordre intellectual et moral’ and rights which have ‘les attributs d’ordre patrimonial’. This categorisation is not unusual as such, and can also be found, for example, in Germany and Austria (Urheberpersönlichkeitsrechte, Nutzungs-/Verwertungsrechte) and even in the UK, as a kind of emulation, in the form of ‘moral rights’ and ‘economic rights’, but the distinction emphasises a quite important structural feature of French, and also Swiss law: the dualist theory of author’s rights.

According to this theory, there is a conceptual separation between economic and moral rights which form a kind of double-right united in the person of the author. This is for example shown by the fact that French moral rights are not only inalienable (transferability for personality rights would be a conceptual impossibility in any case), but they are also of eternal duration, while the economic rights have the usual limited duration now following the EC-term directive. As the economic rights can be separated notionally from the moral rights, an assignment, whether partial or total, of the economic rights is possible. In contrast, German and Austrian author’s rights laws adhere to the monist theory, which seems to hail from Otto v. Gierke. This notion regards the author’s right as an indivisible whole with personal aspects, the moral rights (Urheberpersönlichkeitsrechte), and patrimonial or economic aspects, the economic rights (Nutzungsrechte, Verwertungsrechte), whereby the latter are considered as manifestations of the underlying personality right. Because the economic rights are intertwined with the moral rights and cannot be separated out, an assignment of the author’s right is impossible in Germany and in Austria, and an economically similar effect can only be achieved with an exclusive licence. Another consequence of the monist system is that

77 F. Dessemontet (1999), Le Droit d’Auteur, Lausanne: Centre du droit de l’entreprise de l’Université de Lausanne, at 136.
79 CPI 1992, art. L. 121-1.
80 CPI 1992, art. 123-1.
85 § 29 UrhG 1965.
86 § 23 (3) UrhG 1936.
87 This will be discussed in more detail infra, under Section 3.
economic and moral rights have the same term of protection, because the protection period is determined by the term of protection for the author’s right (Urheberrecht) as a whole.\(^8\)

This account indicates that in the context of UK copyright law, the often found distinction between economic and moral rights\(^9\) is merely theoretical, in that UK copyright law adheres to an extreme form of dualism,\(^9\) whereby the whole copyright comprises the economic rights, and the moral rights are in fact an irrelevant ornamentation, for they are not part of copyright at all. As discussed above, the ‘economic’ copyright is also a property right in quite unrestricted form, whereas the situation is more complicated in author’s rights countries. The monist systems of Germany and Austria, in which the economic rights are ‘marbled’ by the moral rights, are reluctant to assign author’s rights the status of outright property rights and resort to a \textit{sui generis} classification of \textit{Immaterialgüterrechte} which has features of property, but also personal elements (that can still have economic value),\(^9\) and the personalised interpretation of what English law would simply qualify as ‘property’ are characteristic of the monist author’s rights systems. The term \textit{geistiges Eigentum}, intellectual property (or: ownership), is historical.\(^9\) The notion that the incorporeal author’s right could be a property right never gained general recognition in German academic doctrine,\(^9\) but the old term nevertheless seems to experience a certain rise in importance,\(^9\) no doubt because of the economic influence of the copyright countries, above all the United States. However, German law stresses that central is not the protected work, but its author.\(^9\) The conceptual separation of the French dualist system permits more easily the notion of a property right, and the author’s rights are indeed referred to as \textit{propriété intellectuelle}, and specifically, \textit{propriété littéraire et artistique}. However, the general notions in English law (and common law) of ‘property right’ and in French law of \textit{droy de propriété} differ considerably, which is frequently overlooked.\(^9\) The modern French law – in this respect remaining

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\(^8\) Germany: § 64 UrhG 1965, Austria: § 60 UrhG 1936.
\(^9\) Cornish (1989), 449.
\(^9\) Kawohl (2002), 72, 77, 93.
\(^9\) This is partly because of the (pandectistic) idea of property as \textit{res corporales}, see Götting (1995), 56. This idea of property is also reflected today in the definition of property (i.e. things) in § 90 BGB. See also Schricker in Schricker (2006), Einleitung, n. 69.
\(^9\) Schricker in Schricker (2006), Einleitung, n. 11.
\(^9\) Schricker in Schricker (2006), § 1 n. 2.
\(^9\) Strowel (1993), 123. On the multifaceted meanings of ‘property’ in English law, see Rahmatian (2006), 180 \textit{et seq}.
in the tradition of the first author’s right laws of 1791 and 1793 – does, however, refer to the droit d’auteur as a property right with the attributes of a property right (‘droit de propriété incorporelle exclusif et opposable à tous’),97 and that is essentially echoed by the courts, while academic doctrine is more divided.98 However, the author’s rights countries do not have the complete propertisation/commodification and typification of creations of the human mind which can be found in copyright systems.

The way in which a given system conceives and constructs the rights of an author – as a purely economic property right or as, ultimately, a personality right from which economic rights flow – not only affects the interpretation of originality as a prerequisite of protection, but also the availability and qualities of assignments and licences, and the powers which an author may retain over rights granted in these.

3. Forms of transfer of copyright: assignments and licences

3.1 Nature of, and difference between, assignment and licence

An assignment is the outright transfer of a copyright/author’s right or a part of it and effects a change of ownership. In case of a licence, the owner grants rights of a certain type, for a certain duration and/or in relation to a certain territory, and in this way permits the exercise of exploitation rights otherwise restricted to him, but he does not part with ownership.99 However, the licence or a combination of a number of separate licences may exhaust all possible forms of exploitation and leave the ownership right empty in effect. The theoretical difference between a licence situation of this kind and the underlying ownership nevertheless remains relevant, particularly for the monist author’s rights systems and their strong emphasis on the personal nature and inalienability of the author’s right. Since the economic aspect cannot be severed from the personal aspect of the author’s right, which precludes the possibility to assign, the licence is regarded as a burden on the author’s inalienable ownership right,100 whereby the latter covers the author’s right, being the wholeness of the moral and economic rights. In monist systems, licences are regarded as the author’s creations of separate rights of use rather than as devices of temporal and partial transfer of existing exploitation rights, and that may also affect the position of the licensee as title holder.101

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100 And the burden comes to an end with the end of the licence, see in Austria explicitly § 26 UrhG 1936: the economic right ‘regains its earlier force’ with the termination of the licence.
101 Rahmatian (2000), 99, and n. 42, and infra under Section 3.
Although theoretically strictly separated from one another, the commercial results of assignments and licences do not necessarily differ substantially.\(^{102}\) This is particularly the case with very wide exclusive licences which effectively emulate assignments, and with assignments that contain a reverter clause after the passing of a certain period of time, which come close to exclusive licences. Some jurisdictions have recognised the similarity of assignments and licences in effect and find it difficult to distinguish between these two.\(^{103}\)

3.2 Assignments and availability of outright transfer

The British conception of copyright as a freely transferable property right in principle consequently allows the assignment of copyright. The legal title to copyright is assigned in writing signed by or on behalf of the assignor; if these formality requirements are not complied with, the assignment is ineffective at law.\(^{104}\) No special format beyond the writing requirement is necessary, and if general expressions can be construed to intend the transfer of copyright, then the assignment is effective.\(^{105}\) A foreign instrument governed by foreign law purporting to assign a UK copyright has to fulfil the formality requirements under UK law, but if the foreign agreement is void under its governing law, then the copyright assignment is also ineffective.\(^{106}\) Copyright is technically a chose in action,\(^{107}\) but different to choses in action in general, no notice to any third party to perfect the transfer is required.\(^{108}\) An invalid assignment at law may nevertheless take effect in equity: typically, a defective assignment of the legal title is construed as an agreement to assign and therefore takes effect as an equitable assignment of the copyright, provided it is supported by consideration and thus specifically enforceable.\(^{109}\) Validity in equity only would also be the normal rule for the assignment of future copyright, but for the special provision of CDPA 1988, s. 91 (1) which allows the assignment of future copyright, provided it is in writing: once the copyright comes into existence, it vests with the assignee. However, for future rights in relation to an existing copyright (e.g. a rental right), the general rule for assignments under contract

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\(^{102}\) Rahmatian (2000), 102.


\(^{104}\) CDPA 1988, s. 90 (3).


\(^{107}\) *Orwin v. Attorney-General* [1998] FSR 415, 421.

\(^{108}\) Copinger (2005), 5-82, at 249.

\(^{109}\) *Ibid.*, 5-73, at 244.
law applies: an assignment of such future rights is invalid at law (subject to possible statutory transitional provisions), but takes effect in equity as an agreement to assign.¹¹⁰ Partial assignments with regard to only a certain number of rights exclusive to the copyright owner, or with regard to part of the copyright protection period only, are permissible under CDPA 1988, s. 90 (2).¹¹¹

Those author’s rights systems which are based on the dualist theory permit the total or partial assignment¹¹² of the economic rights. The concept of a divided ownership in legal title and equitable interest in English law has no equivalent in the civil law systems. In France, the ‘patrimonial’ (i.e. economic) rights of performance and reproduction can be freely assigned, with or without payment.¹¹³ The reference to ‘performance’ and ‘reproduction’ may make the right to assign appear more restrictive than it actually is, for these two terms comprise the usual list of exploitation rights.¹¹⁴ Whether there is a writing requirement depends on the type of the contract: performance, publishing and audiovisual production contracts and free performance authorisations must be in writing by virtue of the author’s rights law; in all other cases, possible formality requirements depend on the relevant provisions in the French Civil Code,¹¹⁵ as do the general rules on assignment (cession) and on formation of contract as being the underlying legal concepts of the author’s rights contracts in question.¹¹⁶ Naturally, the moral rights cannot be assigned, but they are inheritable.¹¹⁷ In the Benelux countries, the situation is the same, whereby a written instrument is generally necessary to effect or evidence the assignment.¹¹⁸ The situation is similar in Italy.¹¹⁹ The author’s rights systems are cautious in relation to the transfer of future works. In France, a total transfer of future works is void,¹²⁰ but an assignment of a future, unforeseeable form of exploitation is valid, provided the transfer is explicit and the contract

¹¹¹ See, with regard to the problem of dividing up the copyright between different territories by partial assignments, which is in principle possible, Copinger (2005), 5-99 at 255 and below in the context of exclusive licences, where the same problems occur.
¹¹² E.g. partial assignment rule in France, CPI 1992, art. L. 131-7.
¹¹⁴ As set out in CPI 1992, arts. L. 122-2 et seq.
¹¹⁷ CPI 1992, art. L. 121-1.
¹¹⁹ Ibid., at 94–5.
¹²⁰ CPI 1992, art. 131-1.
allows sharing of the profits from the new type of exploitation. A broadly similar situation can be found in Italy. Belgium prohibits the assignment of future rights (except for commissioned works and works created in employment), Luxembourg allows it (subject to remuneration), while in the Netherlands, opinion as to the validity of assignments of future rights is divided.

The monist author’s rights systems of Germany and Austria prohibit the assignment of author’s rights altogether, and any purported assignment is void. The only recognised form of transfer of an author’s right is transmissibility on death. If the use of an author’s right is to be granted to someone other than the author-owner, this has to be effected by a non-exclusive or exclusive licence.

3.3 Licences, types of licences and formality requirements

Under a licence, no proprietary interest passes, and the licensee’s legal position derives from the contract with the licensor. In contrast, an assignment transfers a proprietary interest, and the assignee obtains a property right which he can then assign. Licences can be in relation to one, several or all economic rights, and they can also be exclusive or non-exclusive. Exclusive licences, i.e. where rights are given to the licensee with the exclusion of anybody else, including the licensor, give the licensee a position which can come close to that of an assignee, and sometimes only contractual construction can determine whether the parties’ intention was to create an assignment or a licence. In the UK, exclusive licences are required to be in writing, signed by the licensor. As the exclusive licensee acquires a position akin to that of an assignee, only assignable rights can be licensed exclusively.

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121 CPI 1992, art. 131-6.
123 Ibid. at 49–50.
124 Germany: § 29 (1) UrhG 1965, Schricker in Schricker, Vor §§ 28 et seq. nn. 17–18. This also applies to a purported assignment of economic rights only; Austria: § 23 (3) UrhG 1936.
126 E.g. Copinger (2005), 5-201, at 300.
127 Compare in the UK, CDPA 1988, s. 92 (1).
128 For the UK, Copinger (2005), 5-202, at 301. The words ‘assignment’ or ‘licence’ are indicative of the kind of intention, but not conclusive, ibid.
129 CDPA 1988, s. 91 (1).
130 This is particularly important in relation to territorial splitting of economic rights, either by way of an assignment or an exclusive licence: in the UK, for example, an assignment or exclusive licence that grants rights to England only (rather than the whole of the UK), would be void, see Copinger (2005), 5-204, at 303.
exclusive licensee can sue under his own name and has the same rights and remedies as if the licence had been an assignment.\textsuperscript{131} All licensees have a certain protection in the case of subsequent dealings of the licensor: if the licensor assigns his copyright, the assignee of the licensor takes subject to the licence, unless the assignee is a purchaser in good faith for valuable consideration without notice.\textsuperscript{132} Licences can be implied from the surrounding circumstances in which copyright-protected works have been delivered. For example, the courts held that the commission of the preparation of an architectural plan normally entails an implied licence to reproduce the plan (i.e. erect the building) in the absence of further factors.\textsuperscript{133}

Under the monist systems of Germany and Austria, rights can be granted in the form of licences only. Both countries also recognise the partial and total licence,\textsuperscript{134} as well as the exclusive licence (in Germany: \textit{ausschließliches Nutzungsrecht};\textsuperscript{135} in Austria: \textit{Werknutzungsrecht};\textsuperscript{136} and the non-exclusive licence (in Germany: \textit{einfaches Nutzungsrecht};\textsuperscript{137} in Austria: \textit{Werknutzungsbewilligung}),\textsuperscript{138} which are granted on the basis of the economic rights (in Germany: \textit{Nutzungsrechte};\textsuperscript{139} in Austria: \textit{Verwertungsrechte}) as part of the author’s right or \textit{Urheberrecht}. However, due to the strong personal nature of the author’s right, the exclusive licensee’s position can potentially be weaker than in the UK. In Austria, the author retains his standing to sue,\textsuperscript{141} and also in Germany,\textsuperscript{142} although the law is silent in this respect. (The practical relevance of these distinctions is limited, because the author will invite the licensee to join the claim – and would have to do so even in the UK in case of

\textsuperscript{131} CDPA 1988, s. 101.
\textsuperscript{132} CDPA 1988, s. 90 (4).
\textsuperscript{136} § 24 (1) UrhG 1936.
\textsuperscript{137} § 31 (2) UrhG 1965.
\textsuperscript{138} § 24 (1) UrhG 1936.
\textsuperscript{139} § 31 (1) UrhG 1965.
\textsuperscript{140} § 14 (1) UrhG 1936. The British equivalent of the Austrian §§ 14 et seq. UrhG 1936 would be the acts restricted to the copyright owner, CDPA 1988, ss. 16 et seq.
\textsuperscript{141} So expressly in the Austrian § 26 UrhG 1936. This is not a feature of the monist systems only. A similar rule applies in the Netherlands, art. 27 (1) of the Dutch Copyright Act, see Hugenholtz and Guibault (2002), 58.
\textsuperscript{142} German BGH 17.6.1992, [1993/94] IIC 539 – \textit{Alf}. See also Schricker in Schricker (2006), Vor §§ 28 et seq. n. 48. This view (which follows Schricker) is, however, controversial in Germany.
a non-exclusive licensee, or the author may be contractually obliged to join the licensee.) Furthermore, the exclusive licensee has a separate right to sue and in principle he also excludes the author from the economic rights granted, but it can be agreed that the licensor-author is not precluded from exercising these rights. The content of the licence, including whether it is or is not an exclusive licence, is determined by the contract (which constitutes the licence) and its stipulations. Formality requirements exist for special licences only, such as (in Germany) licences in relation to future works, or licences regarding hitherto unknown forms of exploitation, both of which have to be in writing. Licences can be assigned in Germany and in Austria, whereby in both countries the author’s consent is normally required. The assignee of the licence obtains the licence subject to the obligations undertaken by the assignor of the licence (i.e. the licensor), and assignor and assignee can become jointly and severally liable to the author in relation to the assigned obligations. The assignability of licences may come as a surprise, but one will find no contradiction in the conceptual framework of the author’s right if one appreciates the fact that the rights of exploitation granted in licences are in fact new rights and notionally separate, therefore

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143 For the UK, see e.g. CPR 19.1 and A. Zuckerman (2006), Zuckerman on Civil Procedure. Principles of Practice, 2nd ed., London: Thomson/Sweet & Maxwell, at 501. (See also the general rule of CDPA 1988, s. 102 (1) regarding exclusive licensees: joinder requirement if concurrent rights of action between copyright owner and exclusive licensee.) The relevant Civil Procedure Codes of the Continental European countries have corresponding provisions regarding joinder.

144 See, for Germany, Schricker in Schricker (2006), Vor §§ 28 et seq. n. 48, § 31 n. 5 (Negatives Verbotsrecht, eigenes Klagerecht).

145 Germany: § 31 (3) UrhG 1965; Austria: § 26 UrhG.

146 Germany: § 31 (5) UrhG 1965; Austria: § 26 UrhG 1936. On the special rules of contractual interpretation for author’s rights contracts, see infra under Section 3.4.

147 Germany: § 40 (1) UrhG 1965; in Austria, the corresponding § 31 UrhG 1936 does not require writing.


149 Germany: § 34 UrhG 1965, the necessary consent must refer to the conveyance (the assignment itself), not the underlying contract of the assignment of the licence; further assignment is possible but still subject to the author’s consent requirements, see Schricker in Schricker § 34 n. 5, 7.

150 Austria: § 27 (1) and (2) UrhG 1936.


152 In Germany, this is the case if the author has not consented expressly to the assignment (§ 34 (4) UrhG 1965). In Austria, the joint and several liability is based on a liability of the assignor of the licence as surety for the assignee’s obligations (§ 24 (3) UrhG 1936).
assignable, entities, though created out of the economic right (as part of the
non-transferable author’s right).

A look at representatives of the dualist systems reveals that in Switzerland,
for example, the author’s right law contains few provisions regarding the deal-
ing with rights. As a dualist system, Swiss law allows the transferability of
economic rights, but contains no further rules, either on assignments, or on
licences as possible means of transfer. The Swiss Author’s Rights Act
impliedly refers to the general contract law provisions of the Civil Code. The
transfer is to be effected (either by way of an assignment or by way of a
licence) according to the general contract rules, and certain types of contract
have emerged in the context of the transfer of economic rights, such as the
publishing contract, which is specifically regulated in the Civil Code. The
principal rule for publishing contracts is that rights are only transferred to the
publisher to the extent to which it is necessary to fulfil the contractual obliga-
tion. The law is silent as to the form of the transfer, whether this is to be as
an assignment or a licence. In Belgium, the Netherlands and Luxembourg, the
law is equally terse: it merely states that economic rights can be assigned or
granted under a simple or exclusive licence. Sweden (effectively a dualist
system) ensures the inalienability of the moral rights, but leaves freedom as
to the transferability of economic rights: the author’s right (except the personal
rights) can be transferred totally or in part. There is a distinction between
total assignment (överlåtelse), partial assignment (upplåtelse) and (non-exclu-
sive) licence (tillstånd) which is also available and tends to be the most
common form of granting rights. However this distinction seems to be a termi-
nological problem only in Swedish literature. This shows that for dualist
systems the question as to whether a transfer is effected in the form of an
assignment or a licence is merely a technical question, and not one of
substance, because once a conceptual separation of economic rights from the

154 See F. Dessemontet (1999), Le Droit d’Auteur, Lausanne: Centre du droit de
l’entreprise de l’Université de Lausanne, 563.
155 Dessemontet (1999), 566.
156 Arts. 380 et seq. Obligationenrecht (Code des Obligations).
157 Art. 381 (1) Obligationenrecht (Code des Obligations).
158 Hugenholtz and Guibault (2002), 47.
159 § 3 Swedish Author’s Rights Law.
160 § 27 (1) Swedish Author’s Rights Law, see M. Levin and A. Kur (1995),
‘Urhebervertragsrecht in ausgewählten Ländern: C. Skandinavien – unter besonderer
Berücksichtigung Schwedens’, in Friedrich-Karl Beier et al. (eds.),
Urhebervertragsrecht. Festgabe für Gerhard Schricker zum 60. Geburtstag, München:
moral rights is made, the decision as to the format of the actual grant of
exploitation rights can be left to the parties of the contract. In France, the strict
separation between assignment (cession) and licence (licence) obviously
exists as a concept under the general rules of private law, but is rather irrele-
vant in the context of the transfer of the economic rights (as part of author’s
rights) within an exploitation contract (contrat d’exploitation), and indeed, it
is doubtful whether there is even a separate notion of ‘licence’ beside the
assignment, save for special cases.162 The term ‘cession’ (assignment) signi-
fies that powers of a greater ambit have been conferred on the transferee, but
otherwise the difference between assignment and licence is regarded as one of
degree rather than substance.163 Conversely, in the two extreme contrasting
examples of the jurisdictions of the UK and Germany (also Austria), a clear
distinction between assignments and licences has to be made; in the UK,
because copyright is essentially an unfettered property right and thus follows
the general rules regarding the use and transfer of property based especially on
sale, gift and hire, and in Germany, because the ousting of the assignment by
the monist systems presupposes a definition as to what constitutes an assign-
ment and, in connection, a distinction between assignment and licence. Les
extrêmes se touchent.

3.4 Assignment or licence contracts regarding the exploitation of economic
depends primarily on
rights and their content in different jurisdictions
The actual content of the assignment or licence contract depends primarily on
the agreement the parties to the contract have reached – in this respect the
jurisdictions are very similar – but also on the position which the individual
copyright/author’s right laws give to the author as initial holder of the author’s
right during negotiation and after the grant of rights has been made – and in
this respect the various systems differ considerably.164 The simplest situation
be found in Britain: a specific law of copyright contracts does not exist
and, according to general contract law principles, there are only very few
mandatory rules and no presumptions of interpretation regarding the content
of the exploitation contract beyond the general contractual doctrines, such as

163 Lucas and Lucas (2006), 432: ‘En somme, il importe peu qu’un contrat d’ex-

ploitation soit dénommé cession ou licence . . .’. See also the discussion in the 1st
164 The following account does not deal with arrangements with collecting soci-
eties, collective bargaining and compulsory licences, which would deserve a whole
chapter in their own right. See Chapter 16 of this book and, for the UK, briefly, Cornish
and Llewelyn (2007), 513, for France, Lucas and Lucas (2006), 557 (droits d’auteur),
767 (droits voisins).
the *contra proferentem* rule. There are, however, limits to contractual bargaining: if there is unreasonable restraint of trade or undue influence, the relevant contractual term is unenforceable.

The picture changes considerably if one looks at the author’s rights systems of Germany and Austria. Under their laws, protection of the author in negotiations, and after exploitation rights have been granted (which is only possible in the form of a licence because of the monist system), plays a substantial role. Germany has an author’s right contract law (*Urhebervertragsrecht*) which is recognised as a separate body of law, based on the exploitation provisions of the German Author’s Rights Act and a separate Act regulating publishing contracts, with subsidiary application of the German BGB. These provisions contain several rules which seek to strengthen the author’s position. The most prominent one is probably the restrictive rule on the interpretation of contracts in § 31 (5) German UrhG 1965, the ‘purpose-of-transfer’ rule (*Zweckübertragungsregel*), a special form of purposive interpretation approach which legal doctrine regards as a maxim that applies to German author’s rights law as a whole. If in a grant of exploitation rights the parties have not determined expressly the type and ambit of the use of the right, the scope of the exploitation right shall be determined in accordance with the purpose envisaged in making the grant. This rule is supplemented by additional factors of interpretation, such as the type of the grant (exclusive or non-exclusive licence) or the scope and purpose of the right to use and user prohibitions and restrictions. This purpose-of-transfer rule is not expressly

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169 Götting (1995), 54 *et seq*.


stated in Austrian or Swiss law, but Swiss courts and doctrine have adopted this interpretation rule, and the Austrian Supreme Court (OGH) is also very sympathetic to it. Austrian law has, however, an interpretation provision in relation to special matters: in the absence of an express agreement, an exploitation contract does not extend to the right to translate or otherwise adapt the work, to reproduce (including in the form of a sound recording or film), to broadcast or to record a broadcast of the work. As regards hitherto unknown types of use, German law gives the author a right to revoke his grant within three months. This right is mandatory. A similar rule exists in relation to licences regarding future works. There is also a general entitlement of the author to equitable remuneration. In particular, a gross imbalance between grant of right and obtained remuneration entitles the author to insist on a variation of contract on economically more favourable terms, for example if his/her work has turned out to be an unexpected economic success. Under German law, in the absence of a specific agreement, the licensee is not automatically bound to exploit his licence right. However, German author’s right law grants the author to rescind the contract of the exploitation licence if the licensee does not actually exercise his granted right. This right is mandatory and cannot be waived. Austria has no general determination of remuneration right, but it has a potentially quite strong device for the author in the form of a rescission right: the author can rescind an exclusive licence agreement by giving notice if the licensee does not exercise his exploitation right at all or only in a way which damages the author’s interests, and the

174 Dessemontet (1999), 596.
176 § 33 (1) UrhG 1936.
177 § 31a (1) and (4) UrhG 1965, in force as of 1 Jan. 2008. The right is subject to provisos in § 31a (2) and (3). The author also has a remuneration right under § 32c UrhG 1965.
178 § 40 UrhG 1965. The author and the licensee can rescind within five years with a six months’ notice period (mandatory rule). On the formality rules of this provision, see supra under Section 3.3. Similar rule in Austria, § 31 UrhG 1936.
180 § 32a (1) UrhG 1965. See Schricker (2004), 854. However, the numerous provisos of this so-called ‘bestseller rule’ (‘Bestsellerparagraph’) restrict its application considerably and its practical relevance is very limited, see Götting (1995), 73. Belgium has a similar ‘bestseller’ clause, see Hugenholtz and Guibault (2002), 56.
182 § 41 UrhG 1965.
183 Hugenholtz and Guibault (2002), 40.
author’s notice takes effect incontestably if the licensee does not object to it within 14 days.\textsuperscript{184} All these rights not only envisage the protection of the author’s economic interests, but are also, to a greater or lesser extent, part of the author’s personality rights, especially in the form of the moral rights.\textsuperscript{185} There are additional protection rules in the context of the exploitation of author’s rights where the moral rights aspect is more central, and these will be discussed below.\textsuperscript{186}

French author’s rights law contains numerous very detailed provisions which govern the content of exploitation contracts\textsuperscript{187} (effectively in the form of assignments), and only a few general principles can be discussed in the present context.\textsuperscript{188} French law has a general interpretation rule for exploitation contracts, in that the transfer of the right of performance does not imply the right of reproduction and conversely,\textsuperscript{189} and any transfer in total of any of these rights is to be regarded as being limited to the exploitation modes as specified in the contract (CPI 1992, art. L. 122-7). The principle is that of restrictive interpretation.\textsuperscript{190} Another main rule is the prohibition of the total transfer of rights in future works; such a transfer is void (CPI 1992, art. L. 131-1: ‘la cession globale des œuvres futures est nulle’).\textsuperscript{191} There are also numerous provisions which give effect to the general principle of proportional remuneration of the author in CPI 1992, art. L. 131-4, art. L. 132-5.\textsuperscript{192} They include calculation rules,\textsuperscript{193} as well as remuneration provisions for specific

\textsuperscript{184} § 29 (1) and (4) UrhG 1936. See also Rahmatian (2000), 101, for further references.

\textsuperscript{185} In Germany, not all personality rights are covered by moral rights. German law recognises the protection of a person’s name (§ 12 BGB), and, as a further development from this rule, a general personality right, based on general private law, see H. Köhler (2003), BGB Allgemeiner Teil, 27th ed., München: Verlag C.H. Beck, 310–13.

\textsuperscript{186} Under Section 4.


\textsuperscript{188} See Lucas and Lucas (2006), 429 et seq. and, for an overview in the English language, Suthersanen (2000), 150 and Hugenholtz and Guibault (2002), 64.

\textsuperscript{189} The rights of performance and reproduction are umbrella terms for a long list of the usual exploitation rights of the holder of the author’s right, see CPI 1992, Art. L. 122-2, L. 122-2-1, L. 122-2-2, L. 122-3.

\textsuperscript{190} Lucas and Lucas (2006), 454.

\textsuperscript{191} Lucas and Lucas (2006), 450. There are two exceptions (Art. L. 132-4: the author can, under specified circumstances, exercise a right of preference for his/her publisher for the publication of future works; Art. 132-18: a professional body of authors may grant an entertainment promoter the performance of future works); see also Hugenholtz and Guibault (2002), 67.

\textsuperscript{192} Lucas and Lucas (2006), 462.

\textsuperscript{193} CPI 1992, Art. L. 131-4, L. 131-5 et seq.
contracts. French copyright law provides detailed rules regarding the content of publishing contracts, performance contracts, audiovisual production contracts and commission contracts for advertising. These rules deal with issues such as: definition of the type of contract, validity of clauses regarding future works (as exceptions to the principal prohibition), remuneration, assignee’s exploitation obligations, consent and guarantee provisions, termination of contract, and rules regarding further transfer of the grant by the assignee. The provisions in the French author’s rights law are supplemented by the subsidiary rules of general contract law under the Civil Code. There are further rights of the author which flow from his/her moral rights but affect the exploitation of the economic rights, especially the droit de repentir. These are discussed immediately below.

4. Limitations to exploitation and transfer: moral rights, unfair competition, waiver

4.1 Moral rights and exploitation contracts

While in the copyright system of the UK moral rights (if not waived anyway) play a very marginal role and have no influence on the exploitation of economic rights, in author’s rights countries moral rights can impact on existing exploitation contracts considerably. In Germany, the author has the right to withdraw the exploitation rights from the licensee if the author has changed her convictions in relation to her work, so that she can no longer be expected to suffer the exploitation of her work as granted in the original form (§42 UrhG 1965, Rückrufsrecht wegen gewandelter Überzeugung). The author retains this right over the licensee; it cannot be waived or excluded contractually. This rule is a typical manifestation of the moral rights as the root and justification of author’s rights protection. However, its practical application is limited, because the author exercising her right must reasonably compensate the licensee, and that often goes beyond the author’s financial means. French law has a similar rule, the droit de repentir ou de retrait

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194 E.g. CPI 1992, Art. L. 132-6 (publishing contracts).
197 Under Section 4.
198 See supra under Section 2.
(CPI 1992, art. L. 121-4), and the statute says expressly that this right continues to exist after publication of the work and notwithstanding the assignment of the right of exploitation. Again, however, the prerequisite for the exercise of this right is adequate compensation of the assignee. Swiss law does not have a droit de repentir, nor does Austrian law, but the Austrian rescission right of § 29 UrhG 1936 is in principle available in such situations, because the author’s interests may also be damaged if the author is faced with the continued publication of a work he no longer supports.

Furthermore, the central moral rights remain relevant during the lifetime of an exploitation contract. The paternity right must be observed in principle, also, for example, in relation to a publishing contract, and some jurisdictions state specific obligations to that effect beyond the principal moral right. However, this right can often be modified or renounced. Particularly important in this context is the integrity right which may lead to certain restrictions of the exploitation by the assignee or licensee. However, an author probably has to agree to necessary alterations in order to permit the appropriate exploitation granted in the respective contract. Some author’s right laws state this proviso expressly, others presuppose the proviso, but limit it: even if the exploitation right has been granted, the author can nevertheless object to disfigurements which are prejudicial to his/her reputation. French law stresses the integrity right in the context of the special exploitation agreements (publishing contract): the publisher has to seek written authorisation from the author for any modification of the work. The relevance of the moral rights can be restricted in relation to special types of works.

There are further prerogatives morales which may affect exploitation rights that are often (but not necessarily) granted in the form of an assignment or

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203 Dessemontet (1999), 631.
204 See supra under Section 3.4.
207 See e.g. Switzerland, Dessemontet (1999), 631, also France, CPI 1992, Art. L. 132-11 (3).
209 So Austrian author’s right law in § 21 (1) UrhG 1936.
210 So Switzerland, Art. 11 (2) URG 1992. Parody is expressly permitted, Art. 11 (3), although this is unlikely to be in an assignment context.
212 E.g. in France, see CPI 1992, Art. L. 121-5 (Audiovisual works), Art. L. 121-7 (software), see Lucas and Lucas (2006), 362.
licence. One is the right to access to the work for the exercise of the author’s right, and the other the right to protect against destruction of the work which some jurisdictions provide. The right of the author to access the work can be found in French\textsuperscript{213} and Swiss law.\textsuperscript{214} Under Swiss law the access right (which includes an exhibition right of the work within Switzerland) can be waived.\textsuperscript{215} Swiss law also has an express right to object to the destruction of the work by the owner in relation to certain works under certain circumstances, which may be seen as a special example of the integrity right.\textsuperscript{216}

In author’s rights systems, all the rights stated above reflect the overall principle, emphasised particularly in France and Belgium, that the author alone determines the divulgation of the work,\textsuperscript{217} and in connection, it is the author who remains empowered to control the fate of the work and its copies \textit{(droit de destination)}, especially their use, even after the grant of exploitation rights. This right is an economic right in effect, but a moral right at heart.\textsuperscript{218}

4.2 Unfair competition and transfer restrictions

The grant or refusal of licences can amount to anticompetitive practices under European Union law. These matters are dealt with elsewhere,\textsuperscript{219} so that a few brief comments will suffice. The refusal to grant copyright licences in relation to published TV schedules was the issue of the \textit{Magill} decision,\textsuperscript{220} and the ECJ held that the refusal to grant licences could amount to an abuse of a dominant position in violation of article 82 of the Treaty of Rome. The ECJ also allowed the remedy of compulsory licences in case of such of an abuse. However, the refusal of a licence in itself is not an abuse, unless there are exceptional circumstances under which the refusal of the licence can no longer be regarded as a refusal to license itself and so the exercise of an exclusive right involves an abusive conduct.\textsuperscript{221} These exceptional circumstances have to be compared with the ‘essential function’ of copyright, that is, providing protection for the moral rights in the work and ensuring a reward for creative effort.\textsuperscript{222} Where the exercise of copyright no longer corresponds to the essential function of

\begin{itemize}
\item \textsuperscript{213} CPI 1992, Art. L. 111-3, but with significant restrictions.
\item \textsuperscript{214} Art. 14 URG 1992.
\item \textsuperscript{215} Dessemontet (1999), 226, 632.
\item \textsuperscript{216} Art. 15 URG 1992. Dessemontet (1999), 229–30.
\item \textsuperscript{217} See e.g. France, CPI 1992, Art. L. 121-2.
\item \textsuperscript{218} Strowel (1993), 132–3.
\item \textsuperscript{219} Chapter 22 of this book.
\item \textsuperscript{221} \textit{Ibid.}, para. 40.
\item \textsuperscript{222} \textit{Ibid.}, para. 71.
\end{itemize}
copyright, EU law can intervene (overriding national law) to restore the free movement of goods and free competition.\textsuperscript{223} The emphasis of the ECJ on moral rights (‘copyright also includes moral rights and [...] the protection of those interests is so important a component of copyright that it must necessarily be taken into consideration in defining the essential function of copyright’\textsuperscript{224}) is highly interesting, because it seems to be more an author’s rights-based approach, which can have a certain harmonisation effect because of the role and power the ECJ has in the making of EU law. But it is obvious that the view of the ECJ about the importance of the moral rights component within the essential function of copyright is strikingly at odds with the copyright systems.

Another aspect relevant to competition law is the matter of territorial subdivision through partial assignments or licences which seek to divide up the common market and therefore violate the principles of free competition and free movement of goods (under art. 81 of the Treaty of Rome).\textsuperscript{225} Agreements which have the effect of partitioning national markets, for example through assignments and licences containing restrictions in relation to certain territories, are likely to be found to have the object or effect of preventing, distorting or restricting competition between EU Member States.\textsuperscript{226} There are further types of cases relevant to competition law, such as the imposition on the licensee to exploit the licence in a restricted and prescribed way only,\textsuperscript{227} or the assignment and licensing arrangements with collecting societies.\textsuperscript{228}

4.3 Waiver rights

Waiver may amount to a restriction of dealings with rights, because the waiver may destroy the right granted. The question here is not the waiver of the moral rights component of the author’s right or copyright, which the different jurisdictions tend to recognise, however often subject to qualifications, and provided that the waiver is not an all-encompassing one.\textsuperscript{229} The issue here is whether economic rights can be ‘waived’ by the assignor/licensor after a

\textsuperscript{223} Ibid., para. 76.
\textsuperscript{224} Ibid., para. 73 (emphasis added).
\textsuperscript{225} Copinger (2005), 5-99 at 255.
\textsuperscript{227} ECJ 193/83 [1986] 3 CMLR 489 – Windsurfing (a patent licence case).
\textsuperscript{228} Several cases came before the ECJ, including: [1971] OJ L134/15, [1971] CMLR D35, ECJ – Gema; C-402/85 – Basset v. SACEM [1987] 3 CMLR 173, ECJ.
\textsuperscript{229} Hugenholtz and Guibault (2002), 29 (waiver of moral rights: overview), 76 (Germany), 63 (France), 47 (Benelux), 38 (Austria), 94 (Italy), 126 (United Kingdom). On Germany, see also Dietz in Schricker (2006), Vor §§ 12 et seq. n. 28.
licence or a partial assignment over these rights has been granted, which extinguishes the licensee’s/assignee’s right given. The equivalent in personal property law of such a ‘waiver’ or ‘abandonment’ of copyright would be the destruction of a chattel, which is normally within the ownership rights. In the law of the UK, for example, the question of abandonment of copyright has never been fully explored, but it seems that abandonment will be accepted by the courts if there is incontrovertible evidence to that effect (which is rare).

It is arguable that the licensor/assignor cannot act in a way which would amount to a derogation from grant, but if the exercise of the waiver/abandonment is the result of a moral right that has not also been waived, matters can theoretically become difficult. Where moral rights-based recall rights exist, however, they are subject to compensation obligations which take account of the licensee’s economic interests and which also reduce the practical relevance of such rights very considerably.

5. The contractual aspects of assignments and licences

Space does not permit more than a warning that the area of assignments and licences is perhaps that part of copyright/author’s right law which is most dependent on national private laws, especially the law of contract. The differences can be very substantial and go to the heart of national private law systems as a whole which can only be appreciated after a careful study of the general private law in question. Comparative law can only provide a limited overview. Assignments and licences are contracts or form part of exploitation contracts, and therefore rules regarding the formation of contract, parties’ capacity and consent, mistake, terms and conditions as to quality and purpose, contract-based liability, rescission and termination rights, restitution and

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230 A waiver after an assignment would not be able to affect the assigned right any more, but in case of a partial assignment, the waiver of the non-assigned part may render the assigned part useless. In addition, in some countries (France) the grant of rights is typically in the form of assignments, rather than licences, see supra under Section 3.

231 For example, the author wants to ‘give away his work for free’. Strictly speaking not a waiver, but effectively a destruction of the commercial value of an economic right can be Copyleft licences, general public licences, GNU licences and the like. On these licences, see e.g. A. Guadamuz Gonzalez (2004), ‘Viral Contracts or Unenforceable Documents? Contractual Validity of Copyleft Licences’, European Intellectual Property Review, 26(8), 331–9, at 331, 337.

232 Copinger (2005), 6-85, at 364.


234 See supra under Section 4.1.
unjust enrichment, apply according to the legal system in question, sometimes complemented by leges speciales in the author’s rights laws. All that shows that intellectual property law is really only a small specialist area which cannot exist without the general private law behind it. Intellectual property laws assist us little in relation to the exploitation of the rights they regulate: they provide for the definition, creation and protection of intellectual property rights and a few formality rules regarding dealing with these rights, but the actual contractual dealings, economically the principal reason which makes intellectual property rights worth having, are left to the civil codes of the civil law systems or the common law, as the case may be. In this light, any desire as to a Europe-wide legal harmonisation must be reduced considerably if it wants to remain within reasonable proportions.

Thus the applicable law to foreign copyrights/author’s rights and to the underlying assignment and licence contracts in various European jurisdictions will have to be determined according to private international law rules for presumably a long time to come. Problems that can emerge in the present context are, for example, the recognition of foreign assignments of copyright in countries which do not permit assignments of copyright, for example the validity of a UK assignment in Germany. If one assumes that the law of that country applies in which protection is claimed or for which the right is granted, a UK assignment in Germany would be subject to German law, and the assignment would probably be reinterpreted as an exclusive licence to give effect to the assignment to the greatest extent possible within the limits of German law.

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236 See further discussion in Chapter 18 of this book.


238 This seems to have become the prevalent opinion (for Germany) against the lex originis position, see P. Katzenberger (1995), ‘Urheberrechtsverträge im Internationalen Privatrecht und Konventionsrecht’ in Friedrich-Karl Beier et al. (eds.), Urhebervertragsrecht. Festgabe für Gerhard Schricker zum 60. Geburtstag, München: C.H. Beck, pp. 225–59, at 241. For France, see e.g. Cour de Cass. 5.3.2002 – Sisro, [2002] 34 IIC 701. In Austria, under § 43 (1) Private International Law Act (IPRG), the applicable law to a contract involving intellectual property rights is the law of that country for which the right has been granted.


240 According to the principle in § 140 BGB (‘Umdeutung’).

241 Rahmatian (2000), 102 with further references.
6. Conclusion: a harmonisation of rights transfer in Europe?

Should a Europe-wide harmonisation of the copyright/author’s right assignment and licensing law be attempted? In the present discussion, EU law, especially in the form of harmonising regulations and directives, has almost not featured at all. This is significant and no coincidence. A European Directive on contracts dealing with copyrights/author’s rights which goes beyond merely broad principles is probably impossible to implement, and there do not seem to be indications of current substantive projects in this direction.\(^\text{242}\) The situation is the same at the level of international copyright conventions, especially the Berne Convention: they do not contain harmonising or mandatory provisions on assignments and licences and on underlying contractual rules,\(^\text{243}\) and any draft to that effect would certainly have failed to obtain international consent. In the rare instances where the Berne Convention refers to the exploitation of rights, it expressly leaves any regulation which involves dealings with copyrights to the national legislation of the Union countries.\(^\text{244}\) However, the EU has made inroads into central aspects of the regulatory framework of copyright law in the Information Society Directive,\(^\text{245}\) especially in article 5. The attempt at the harmonisation of the permitted acts (exceptions and limitations) in copyright can probably be described as a failure, because the exceptions in the list under article 5 (2) and (3) are optional only, not mandatory.\(^\text{246}\) The laws regarding assignment, licences and the underlying framework of such dealings with copyright, the law of contract, have even been expressly left out of the Directive.\(^\text{247}\)

These examples give a suggestion that Europe-wide harmonisation of dealings with copyrights/author’s rights and of exploitation contracts will not be possible without a violent attack on both the existing national systems of copyright/author’s rights and the underlying contract laws/private laws. The recent attempt to harmonise the rather narrow and confined area of copyright

\(^{242}\) On earlier projects in this respect with particular reference to Germany, see e.g. Katzenberger (1995), 230.


\(^{247}\) Art. 9 and Recital 30: ‘The rights referred to in this Directive may be transferred, assigned or subject to the granting of contractual licences, without prejudice to the relevant national legislation on copyright and related rights’ (emphasis added).
exceptions and limitations proved unsatisfactory (and was a good example of the way in which lobbying leads to impracticable casuistic and complex rules), but a harmonisation of dealings with exploitation rights would need to go to the core of the author’s right/copyright division if it were to make any substantive impact. As has been shown, the questions as to whether rights can be granted or are transferable at all, in which format (assignment or licence), whether the distinction of this format of transfer is practically relevant (not much in dualist systems), which limitations on transferability apply, and which subsequent authorial interventions after the grant of rights are available, are inextricably linked with the very essence of the protection philosophy of the respective copyright/author’s right system. Any mandatory harmonisation rule invariably infringes upon one type of system, and if it is meant to be a compromise, upon both. Furthermore, such harmonisation would have to be complemented by an extensive body of *leges speciales* which would prevail over general private laws in relation to the contractual aspect of assignments and licences and as to exploitation contracts in general, since a harmonisation of the general private laws in Europe as a whole would be a highly unrealistic project. Furthermore, such a harmonisation of European private laws would be most undesirable, and the fact that academic projects regarding a possible ‘European Civil Code’ or, as a starting point, a ‘European Contract Law’ do exist, does not give these initiatives any further credibility. The intellectual insensitivity with which these projects treat the various European jurisdictions through their neglect of the different legal mentalities, especially of the epistemological divide between the civil law and common law, cannot be discussed here.\(^{248}\) Suffice to say that this approach is in fact an atavistic expression of nationalism, disguised as ‘European’ internationalism. Specialist areas of commercial or intellectual property law, such as the dealing with copyrights/author’s rights and exploitation contracts, should not be used as an excuse to permit the advancement of large-scale legal unification projects under the pretext of commercial expediency and efficacy.
