THE WIPO TREATIES

Brigitte Lindner

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INTRODUCTION

1.001 The WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) of 1996 were born at a time when online services were still in their infancy. These ‘WIPO Treaties’, as they are commonly referred to, pursue the objective of responding to the challenges raised by the development and convergence of information and communication technologies for the creation and use of literary and artistic works as well as of performances and phonograms in the digital environment.¹

1.002 Much has happened in the two decades since the adoption of these Treaties: first of all, the online use of works, performances and phonograms has developed from its embryonic state in 1996 to a form of exploitation which is becoming mainstream and at par with the hitherto traditional uses of cultural products,² thus relying on the protection granted under the Treaties.

1 WIPO Copyright Treaty (WCT) (1996), Preamble, in particular 2nd and 3rd Recital, as well as WIPO Performances and Phonograms Treaty (WPPT) (1996), Preamble, cf. equally 2nd and 3rd Recital, both adopted on 20 December 1996 at the Diplomatic Conference held under the auspices of the World Intellectual Property Organization in Geneva.

2 For example, the music industry reports that, in 2017, digital revenues made up 54 per cent of the share of total recorded music revenues, thus representing more than half of overall revenues, cf.: <http://www.ifpi.org/news/IFPI-GLOBAL-MUSIC-REPORT-2018> (accessed 25 April 2018).

Secondly, the Beijing Treaty on Audiovisual Performances ('BTAP')³ adopted on 24 June 2012 with the aim of improving the protection of audiovisual performers at the international level dealt with the leftovers from the failed Diplomatic Conference on Audiovisual Performances held in December 2000. The success of the initial Diplomatic Conference was hampered because of a disagreement over the transfer of the proposed set of exclusive rights from performers to producers which was ultimately solved by the BTAP.⁴ **1.003**

At the same time, the increasing engagement with copyright policy issues of players from both the technology sector and civil society as well as the particular agenda of certain developing countries advocating for more flexibilities in providing the protection required under international intellectual property treaties⁵ led to a change in the political climate.⁶ The increasingly more strident and louder calls for a counterbalance to the allegedly 'upward' harmonization shifted the focus of the legislative agenda in many forums from exclusive rights to limitations and exceptions, including within WIPO and its Standing Committee on Copyright and Related Rights (SCCR). As a direct consequence of this movement, the Marrakesh Treaty⁷ was adopted on 27 June 2013. It obliges Contracting Parties to introduce certain limitations and exceptions for the benefit of blind and other visually-impaired persons. **1.004**

In the European Union, Directive 2001/29/EC on copyright in the information society pursues the goal, inter alia, to implement a number of international obligations arising out of the two WIPO Treaties (cf. Recitals 15 and 61 of the Directive). In addition, the European legislator adopted two instruments for the **1.005**

3 Beijing Audiovisual Performances Treaty, adopted on 24 June 2012, not yet in force. For an introduction see Lewinski, S. von (2012), 'The Beijing Treaty on Audiovisual Performances', *Auteurs & Media* 6, 539–46; Shapiro, T. (2014), 'The Beijing Audiovisual Performers Treaty: A Long March to Compliance', *Ent. L. Rev.* 25, pp. 291–5; WIPO, Main Provisions and Benefits of the Beijing Treaty on Audiovisual Performances (2012), available at: http://www.wipo.int/edocs/pubdocs/en/wipo_pub_beijing_flyer.pdf (accessed 20 April 2018).

4 See Art. 12 BTAP.

5 Cf. in particular the 'Development Agenda' formally adopted by WIPO in 2007 which consists of 45 Recommendations and led to the establishment of the Committee on Development and Intellectual Property (CDIP). For more details see: <http://www.wipo.int/ip-development/en/agenda/> (accessed 1 April 2018).

6 Cf. Lewinski, S. von (2010), 'WIPO's Discussions on exceptions and limitations, in particular in favour of visually impaired persons', *RIDA* 225, pp. 53–199 and in particular pp. 55–61.

7 Marrakesh Treaty to facilitate access to published works for persons who are blind, visually-impaired or otherwise print disabled, adopted on 27 June 2013, in force since 30 September 2016. For an overview see WIPO (2016), Main Provisions and Benefits of the Marrakesh Treaty (2013), available at: <http://www.wipo.int/publications/en/details.jsp?id=4047> (accessed 20 April 2018); von Lewinski in Reinbothe, J. and S. von Lewinski (2015), *The WIPO Treaties on Copyright: A Commentary on the WCT, the WPPT and the BTAP*, Oxford: Oxford University Press, Chapter 18, referred to as 'Reinbothe/von Lewinski'; Ficsor, M. (2013), Commentary to the Marrakesh Treaty on accessible format copies for the visually impaired, available at: <http://www.copyrightseesaw.net/> (accessed 25 April 2018).

implementation of the Marrakesh Treaty into EU law.⁸ While these instruments directly affect Directive 2001/29/EC, they can be left aside for the purposes of the present publication, since the two instruments are due to apply only from 12 October 2018. Thus, it is too early to assess their implementation and application in the EU member states. In the following, references to the ‘WIPO Treaties’ are therefore to the WCT and WPPT of 1996.

- 1.006** The present chapter does not undertake a complete review of the contents of the WIPO Treaties, which has been done in detail elsewhere;⁹ instead, it explores the challenge these treaties pose for the regional and national legislator. The purpose of this chapter is therefore to set the scene for the review of the arduous work regional and national lawmakers have carried out with a view to implementing the obligations under the WIPO Treaties by taking a look at their background and assessing their benefits and challenges.

1. BACKGROUND

- 1.007** The preparatory work for the WIPO Treaties reaches back to 1989 when the WIPO Governing Bodies decided to establish a ‘Committee of Experts on a Possible Protocol to the Berne Convention’ which became operational in 1991. The Committee’s task was to clarify existing provisions of the Berne Convention and to adopt additional provisions in those cases where the scope of the existing provisions could no longer meet the challenges of protection. WIPO’s suggestion to include the protection of phonograms into the work of the Committee was controversial for it was considered inappropriate to deal

8 Directive (EU) 2017/1564 of the European Parliament and the Council of 13 September 2017 on certain permitted uses of certain works and other subject matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print-disabled and amending Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society, OJ 2017 L 242/6 (20 September); Regulation (EU) 2017/1563 of the European Parliament and the European Council of 13 September 2017 on the cross-border exchange between the Union and third countries of accessible format copies of certain works and other subject matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print-disabled, OJ 2017 L 242/1 (20 September).

9 Cf. inter alia: Reinbothe/von Lewinski, op. cit.; Ficsor, M. (2002), *The Law of Copyright and the Internet*, Oxford: Oxford University Press, referred to as ‘Ficsor’; Ricketson, S. and J.C. Ginsburg (2006), *International Copyright and Neighbouring Rights: The Berne Convention and Beyond*, Oxford: Oxford University Press, paras 4.01–4.30 with further references, referred to as ‘Ricketson/Ginsburg’; Fabiani, M. (1997), ‘La Conferenza Diplomatica di Ginevra sul Diritto di Autore e sui Diritti degli Artisti Interpreti o Esecutori e dei Produttori di Fonogrammi’, *Il Diritto di Autore*, 1, pp. 1–15; Françon, A. (1997), ‘La Conférence Diplomatique sur Certaines Questions de Droit d’Auteur et de Droits Voisins’, *RIDA* 172, pp. 3–57; Lewinski, S. von (1997), ‘Die Diplomatische Konferenz der WIPO 1996 zum Urheberrecht und zu verwandten Schutzrechten’, *GRUR* 1997, 667–81; Lewinski, S. von (1997), ‘WIPO Diplomatic Conference Results in Two New Treaties’, *IIC* 28, pp. 203–8; Reinbothe, J., M. Martin-Prat and S. von Lewinski (1997), ‘The New WIPO Treaties: A First Résumé’, *European Intellectual Property Review*, 19, pp. 171–6.

with phonograms in the context of the Berne Convention. The controversy resulted in the creation of a parallel Committee, the ‘Committee of Experts on a Possible New Instrument on the Rights of Performers and Producers of Phonograms’, which commenced its work in 1993. The so-called digital agenda, which gave the Treaties their frequently used nickname ‘Internet Treaties’, only became part of these discussions at a later stage, namely in the autumn of 1995.

After years of debates carried out by the Committees of Experts,¹⁰ the WIPO Governing Bodies adopted a decision in May 1996 to convene a Diplomatic Conference on Certain Copyright and Neighbouring Rights Questions from 2–20 December 1996. The Chairman of the two Committees of Experts, Mr. Jukka Liedes from Finland, was entrusted with the preparation of the Basic Proposals which were supposed to form the basis of the negotiations. As a result, Basic Proposals for three different treaties were prepared:¹¹ **1.008**

- (1) The Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works (‘The Protocol to the Berne Convention’);
- (2) The Treaty for the Protection of the Rights of Performers and the Producers of Phonograms (‘The New Instrument’);
- (3) The Treaty on Intellectual Property in respect of Databases.

The breaking up of the negotiations into three different parts was the result of an impasse over how to deal best with the protection of databases, an issue which had been introduced into the debate by the delegation of the European Communities only in the beginning of 1996. As non-copyrightable compilations of data they would not have fitted in the framework of the Berne Protocol. The New Instrument, which was limited to phonograms and performances, appeared equally unsuitable to accommodate the *sui generis* protection of databases. There was certainly also a justified concern that all three issues could not have been satisfactorily dealt with in a Diplomatic Conference which was scheduled to last only three weeks. **1.009**

The Basic Proposals included a handful of issues in respect of which at least some degree of agreement seemed to exist, as well as some other proposals which were still controversial but had attracted much interest in the sessions leading up to the Diplomatic Conference. The fact that controversies were not **1.010**

10 For a detailed review of the work of these Committees cf. Ficsor, op. cit., 1.26–1.33 and 1.45–1.55; von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 2, paras 2.0.1–2.0.8.

11 The text of the Basic Proposals is contained in Documents CRNR/DC/4, CRNR/DC/5 and CRNR/DC/6 which are reproduced in Records of the Diplomatic Conference on Certain Copyright and Neighbouring Rights Questions Geneva 1996, Vol. I, pp. 161–374 (hereinafter referred to as ‘Records 1996’).

swept under the carpet and that alternative options were offered, doubtless encouraged the full negotiation of all important issues at stake. The Chairman's text of the Basic Proposals was an extraordinary achievement and it is fair to say that this was appreciated and supported at the time by the entire international copyright community.

- 1.011** As is well known, the negotiations in Geneva took place over a period of three weeks from 2–20 December 1996.¹² However, substantive issues were discussed at the Conference for the first time only in the afternoon of 5 December 1996, for it took several days to solve a number of procedural issues, including the election of officers to the various bodies of the Conference which had to be established. The discussions regarding substantive issues took place in the Plenary and Main Committee I, while Main Committee II dealt with administrative issues. This being said, the negotiations were held to a large extent in informal sessions in the final week of the Conference to which only Contracting Parties were admitted. In view of the profound controversies over fundamental aspects of the Treaties, this was probably the only way to a successful outcome of the Conference. On the other hand, virtually all vital issues were debated in some detail only in the final week of the Conference. As the discussions were informal, no official records exist which could assist in elucidating the reasons for the adoption of a particular provision or in construing the language in Treaty provisions and Agreed Statements which were developed in these informal sessions. The race against time also did not allow for a careful in-depth consideration of the compromise solutions found in these sessions.
- 1.012** The proposals formulated in the course of these informal discussions were adopted by Main Committee I on 19 and 20 December 1996, mostly by consensus and only in a few instances on the basis of a vote. Only a last minute controversy on a statement regarding the reproduction right created much turbulence and delayed the adoption of the Treaties until midnight on 20 December 1996.
- 1.013** The ratification process of the new treaties was slow at first, but steady: only one country, Indonesia, ratified the WCT within the first six months of its existence on 5 June 1997. The WPPT had to wait even longer until 13 March 1998 when Moldova became the first country to ratify the Treaty. It took five years until the required 30 instruments of ratification or accession had been deposited with the Director General of WIPO for each of the Treaties. The

¹² For a more detailed account of the procedure at the Diplomatic Conference cf. Ficsor, *op. cit.*, Chapter 2, B, paras 2.02–2.11; von Lewinski in Reinbothe/von Lewinski, *op. cit.*, Chapter 4, paras 4.01–4.024.

WCT became effective on 6 March 2002, the WPPT two months later on 20 May 2002. In May 2018, at the time of completing this chapter, membership of both Treaties is approaching the 100 mark.¹³

A further milestone in the history of the ratification process was the ratification of the Treaties by the European Union on 14 December 2009 with effect from 14 March 2010.¹⁴ In 2000, the European Union and its member states had approved both the WCT and the WPPT and decided that their ratification would only take place once the measures adopted by the European Parliament and the Council to adapt existing Community legislation to the obligations arising out of the WCT and the WPPT were in force.¹⁵ To this end, Directive 2001/29/EC was adopted which has meanwhile been implemented by all member states. This enabled the European Union to ratify the WIPO Treaties although it should be noted that some member states had become party to the Treaties already before 14 March 2010.¹⁶ **1.014**

2. BENEFITS OF THE WIPO TREATIES

In his concluding remarks at the Plenary Session closing the Diplomatic Conference, the then Director General of WIPO, Dr. Arpad Bogisch, predicted that *'the two Treaties adopted by the Conference will have an immense impact on the future development of copyright and neighbouring rights'*.¹⁷ Dr. Bogisch's statement does not stand alone. Other commentators have praised the achievements of the WIPO Treaties: they have been considered as a 'milestone' in international lawmaking in the area of copyright and related rights¹⁸ with an 'overall positive outcome'¹⁹ and as a 'measured and balanced response to the digital age' despite the fears of some that the Treaties might hinder rather than foster the development of the information society.²⁰ **1.015**

13 The list of Contracting Parties is available for the WCT at: <http://www.wipo.int/treaties/en/ip/wct/> and for the WPPT at: <http://www.wipo.int/treaties/en/ip/wppt/> (accessed 14 May 2018). Both Treaties had 96 Contracting Parties as of 14 May 2018.

14 For WCT at: http://www.wipo.int/treaties/en/remarks.jsp?cnty_id=3P; for WPPT at: http://www.wipo.int/treaties/en/remarks.jsp?cnty_id=2P (accessed 2 April 2018).

15 Council Decision of 16 March 2000 on the approval, on behalf of the European Community, of the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, OJ 2000 L089/6 (6 April).

16 Notably Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

17 Records 1996, Vol. II, para. 535 at p. 634.

18 Lewinski, S. von (1997), *GRUR*, 667 at 681.

19 Françon, A. (1997), *RIDA* 172, pp. 3–57, at p. 57: 'Le bilan est "globalement positif".'

20 Vinje, T.C. (1997) 'The new WIPO Copyright Treaty: a happy result in Geneva', *European Intellectual Property Review*, 19(5), pp. 230–236, at 230.

- 1.016** What are the benefits of these Treaties for authors, performers and producers of phonograms? The most prominent achievement of the Treaties for all three groups of beneficiaries stems certainly from the so-called digital agenda, namely the recognition at the international level of an exclusive making available right with regard to online uses together with the protection of technological measures and rights-management information. In addition to these prime achievements concerning all beneficiaries, there are individual advantages which are enjoyed by each of the categories of rightholders. As we will see, the international legislator also took care of the interests of those who benefit from the creations of authors, performers and producers of phonograms by providing guidance to legislators on how to maintain a balance between the rights of creators and the interests of users of such creations in the digital domain.
- 1.017** The fact that the concepts adopted in WCT and WPPT formed the basis for the Beijing Treaty on Audiovisual Performances is an indication that 20 years after their adoption, the WIPO Treaties can still stand the test of time.²¹ As such, the provisions in the BTAP governing limitations and exceptions, technological measures and rights-management information mirror those in WCT and WPPT, while the catalogue of rights corresponds largely, and with a few exceptions due to the specificities of the audiovisual sector, to those granted to performers in the WPPT.²² Nevertheless, concerns have been raised whether the achievements dating back to 1996 remain an adequate answer to the exploitation of works in the digital environment of the 21st century. Following a proposal by the Group of Latin American and Caribbean Countries (GRULAC),²³ WIPO has embarked on an exercise to analyse the impact of technical advances in information and communication technologies on the use of works and other protected subject-matter. To this end, a brainstorming exercise of academic experts from different regions and backgrounds was organized in April 2017²⁴ and a scoping study on the impact of the digital environment on copyright legislation adopted between 2006 and

21 Cf. also von Lewinski in Reinbothe/von Lewinski, *op. cit.*, Chapter 17, para. 17.0.15.

22 Differences in the catalogue of rights exist in particular with regard to moral rights, the rental right and the broadcasting and communication to the public right. Unlike the WPPT, the BTAP also provides for a clause on the transfer of economic rights from the performer to the producer which is a common feature in numerous national laws as a response to the complexities of audiovisual production (cf. Art. 12 BTAP).

23 WIPO Document SCCR/31/4 of 1 December 2015, available at: http://www.wipo.int/edocs/mdocs/copyright/en/sccr_31/sccr_31_4.pdf (accessed 3 April 2018).

24 Cf. WIPO Document 'Summary presentation of the Brainstorming exercise convened by WIPO on April 6 and 7, 2017', available at: http://www.wipo.int/edocs/mdocs/copyright/en/sccr_35/sccr_35_summary_brainstormingrev.pdf (accessed 3 April 2018).

2016 was prepared.²⁵ The evaluation process is ongoing and has remained on the agenda of the SCCR.

Doubts have also been expressed from the side of beneficiaries of the WIPO **1.018** Treaties, notably by authors and performers, but also by the music industry as a whole. In particular, it has been questioned whether the exclusive rights under the Treaties, and especially the making available right, are sufficient to guarantee an appropriate reward for exploitation by online platforms – particularly those which claim the benefit of liability privileges.²⁶ Calls by various stakeholders in the copyright field for alternative systems in order to secure fairness in the copyright value chain, for example by way of statutory remuneration rights, possibly accompanied by mandatory collective administration, and/or through contract law solutions, have been more or less controversially discussed and in some cases adopted by both regional and national lawmakers.²⁷

2.1 Benefits for authors

The making available right is granted to authors as part of a general **1.019** communication to the public right in Article 8 WCT. This provision pursues two goals: apart from introducing the already mentioned making available right, it grants authors a comprehensive right of communication to the public covering all possible forms of broadcasting and communication to the public, thus closing existing gaps in the Berne Convention, in particular with regard to the communication to the public of works by wire in cable-originated programmes.²⁸

Article 6 of the Treaty grants authors of all categories of works a distribution **1.020** right. Hitherto, a distribution right was mentioned only in the context of the protection of cinematographic works (Articles 14, 14*bis* Berne Convention). However, in view of the fact that most national laws already provide for a

²⁵ WIPO Document SCCR 35/4 of 26 October 2017, Scoping study on the impact of the digital environment on copyright legislation adopted between 2006 and 2016, prepared by Ms. Guilda Rostama, Ph.D., available at: http://www.wipo.int/edocs/mdocs/copyright/en/sccr_35/sccr_35_4.pdf (accessed 14 May 2018).

²⁶ See e.g., Arts 12–15 of the Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (OJ 2000 L 178/1).

²⁷ ALAI devoted its 2015 Congress to the remuneration for the use of works, cf. von Lewinski, S. (ed.) (2017), *Remuneration for the Use of Works: Exclusivity vs. other approaches*, Berlin/Boston: De Gruyter, and in particular the evaluation of the debate at the Congress and the weighing of different solutions by Quaedvlieg, A., 'Conclusions', pp. 443–7. Cf. also Proposal for a Directive of the European Parliament and of the Council on copyright in the Digital Single Market – COM(2016) 593 final – Arts 13, 14–16 which are under discussion by the European legislator at the time of completing this chapter.

²⁸ Ficsor, op. cit., para. C.8.03.

distribution right and that the Treaty leaves the question of exhaustion of the right untouched, there has been no real incentive for Contracting Parties to embark on significant changes in their national laws.²⁹

1.021 Despite the importance of acts of reproduction in the digital environment, the WIPO Copyright Treaty falls short of an appropriate reproduction right for authors. Article 7 of the Basic Proposal contained a provision whose aim was to clarify the scope of the reproduction right in Article 9(1) Berne Convention with an express enunciation that reproduction in any manner or form included the direct and indirect reproduction whether permanent or temporary. At the same time, the proposed text allowed Contracting Parties to provide for exceptions in respect of certain acts of temporary reproduction. However, the right to reproduction became one of the most controversial issues at the Diplomatic Conference and this particularly in view of the element ‘temporary’ which was opposed primarily by the telecommunications industry, but also by libraries and the education and research sector.³⁰ As a result of this controversy, only an Agreed Statement³¹ to Article 1(4) WCT could be achieved which confirms:

- (i) that the reproduction right as set out in Article 9 Berne Convention and the exceptions thereunder fully apply in the digital environment and
- (ii) that such protection also includes the storage of a protected work in digital form in an electronic medium.

1.022 This confirmation reflects the understanding of Article 9(1) Berne Convention and is hence of a declaratory nature.³²

1.023 A further benefit to mention in the area of copyright is certainly the extension of the full term of protection to photographs as a result of Article 9 WCT.

10.24 Finally, of more or less declaratory value is the international establishment of a limited rental right for certain authors, modelled on the TRIPS Agreement, as

29 The implementation of the distribution right and in particular the EU-wide exhaustion principle can be an issue where a country joins the EU, cf. below the chapter on Croatia, at para. 6.34.

30 For more details cf. Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 7, paras 7.1.42–7.1.50; Ficsor, op. cit., Art. 1 WCT, paras C1.45–C.1.56.

31 For a detailed discussion of the legal nature of the Agreed Statements under the Treaties, particularly in the light of the 1969 Vienna Convention on the Law of Treaties, please refer to Ficsor, op. cit., paras 2.31–2.33 who takes the view that the ‘agreed statements should be regarded to be quite strong and decisive sources of interpretation’.

32 Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 7, paras 7.1.54, 7.1.56 and 7.1.58; Ficsor, op. cit., Art. 1 WCT, paras C1.50 and C.1.51; cf. also the discussion in Ricketson/Ginsburg, op. cit., paras 11.69–11.75.

well as the provisions regarding the protection of computer programs and compilations of data which again follow the already existing provisions in the TRIPS Agreement with slight clarifications.

2.2 Benefits for performers

Amongst all groups of beneficiaries and compared with the level of protection under the Rome Convention and the TRIPS Agreement, performers were probably the biggest winners, even though their wish to see audiovisual performances included in the scope of the Treaty could not be fulfilled at the time. However, this unfinished business has now been completed with the Beijing Audiovisual Performances Treaty. **1.025**

For the first time, performers benefit from a set of moral rights in international law.³³ This is an achievement since, at the time of the adoption of the Treaties, moral rights for performers were not commonplace in national law, particularly in legal systems of the Common Law tradition. **1.026**

A second milestone in the area of performers' rights is the establishment at international level of a set of full exclusive rights to authorize with regard to their fixed and unfixed performances instead of the mere possibility of preventing certain uses as provided for under the Rome Convention.³⁴ Most importantly, performers now enjoy a full reproduction right without the limitations in Article 7(1)(c) Rome Convention. In addition, the Treaty provides for exclusive rights in respect of distribution and rental. **1.027**

Another significant achievement is the already mentioned exclusive making available right. The making available right is particularly important in the area of related rights as their scope is habitually less ample than is the case for copyright. In particular, protection in respect of intangible uses, such as broadcasting and communication to the public, comes often in the form of rights to remuneration as opposed to exclusive rights. While authors could in many instances rely on extending their broader general copyright or at least the exclusive communication to the public right to cover online transmissions, this option was in general not available to performers and other owners of related rights such as phonogram producers in view of their habitually closed catalogue of rights. Until the adoption of the making available right, performers, as well as producers, therefore encountered difficulties in authorizing or prohibiting online uses of their music performances and phonograms, unless **1.028**

³³ See Art. 5 WPPT.

³⁴ See Arts 6–10 WPPT.

an application by way of analogy of their reproduction, rental or distribution right was deemed possible.³⁵

- 1.029** It therefore comes as no surprise that, unlike in the area of copyright, the making available right for performers and producers is not embedded in a broad communication to the public right. The exclusive making available right had to be dealt with separately in Article 10 WPPT as Article 15 WPPT grants performers only a minimum protection for the broadcasting and communication to the public of their fixed performances in form of a right to remuneration rather than an exclusive right. Article 15 WPPT is a somewhat improved version of Article 12 Rome Convention: the provision grants the right to performers as well as phonogram producers and remuneration is payable for both direct and indirect uses. The remuneration right also applies in cases where a phonogram has only been released online and is subsequently broadcast or communicated to the public. Similar to the Rome Convention, Article 15(3) WPPT allows Contracting Parties to make reservations to the remuneration right. Where a Contracting Party opts for a reservation, material reciprocity applies automatically as a result of Article 4(2) WPPT.

2.3 Benefits for producers of phonograms

- 1.030** Compared with the wealth of increased protection for performers, the benefits for producers of phonograms appear rather scant. Still, the making available right in Article 14 WPPT coupled with the protection for technological measures and rights-management information, which occupied a prime position on the wish list of the phonographic industry for the new Treaty, have been an important step forward in the international protection of phonograms and helped to pave the way for the launch of new online music services.
- 1.031** The phonographic industry was not successful in its endeavours to secure exclusive rights with regard to forms of communication to the public other than making available. Already the Basic Proposal provided only for a right to remuneration in respect of broadcasting and communication to the public modelled upon Article 12 Rome Convention. The remuneration right in Article 15 WPPT contains some slight improvements in comparison with Article 12 Rome Convention as indicated before, but the right is still subject to far-reaching reservations.

³⁵ This was for instance suggested in Germany, cf. Lewinski, S. von (1997), 'Verwandte Schutzrechte', in Schricker (ed.), *Urheberrecht auf dem Weg zur Informationsgesellschaft*, Baden-Baden: Nomos Verlagsgesellschaft, pp. 219–76 at pp. 269–71.

Like performers, producers of phonograms also benefit from an improved reproduction right. Although the right reflects Article 10 of the Rome Convention by covering direct and indirect reproduction, it expressly extends to reproductions in any manner or form which secures a broad scope of the right and includes storage in electronic form as confirmed in the Agreed Statement to Articles 7, 11 and 16 WPPT. In addition, producers benefit from an improved distribution right in comparison with the Geneva Phonograms Convention, as well as a rental right which closely follows the TRIPS model. **1.032**

2.4 Balancing of protection with the public interest

The WIPO Treaties achieved an increase in protection for authors, performers and producers of phonograms even if not all their hopes and wishes could be fulfilled. At the same time, various user groups expressed concerns about the impact the increased protection might have on their positions. The Treaties accommodate these concerns by taking into account the need to maintain a balance between the rights granted and the larger public interest. It has been claimed that the WIPO Copyright Treaty radically changed international lawmaking, *inter alia* by focusing on and expressly referring to balance.³⁶ But is there really anything radically new in the Treaty in this respect? It is certainly true that the term ‘balance’ is spelt out expressly in the 5th Recital of the Preamble to the WCT as well as in the 4th Recital in the Preamble to the WPPT which is novel in international conventions in the copyright and related rights field. However, the achievement of a balance is inherent in the earlier copyright and related rights conventions. Over 100 years ago, the President of the Preparatory Diplomatic Conferences of the Berne Convention, Numa Droz, had already drawn attention to the fact that limitations on absolute protection are dictated by the public interest, but that they should not degenerate into abuses at the same time: **1.033**

Consideration has to be given to the fact that limitations on absolute protection are dictated, rightly in my opinion, by the public interest. The ever-growing need for mass instruction could never be met if there were no reservation of certain reproduction facilities, which at the same time should not degenerate into abuses.³⁷

36 Dinwoodie, G. (2007), ‘The WIPO Copyright Treaty: A transition to the future of international copyright lawmaking?’, *Case Western Reserve Law Review*, 57(4), pp. 751–66 at pp. 752, 754–8.

37 Reports of Various Diplomatic Conferences, Appendix 2, Records of the International Conference for the Protection of Authors’ Rights, Convened in Berne, September 8–19, 1884, Minutes of the Sixth Meeting, September 18, 1884, p. 99, available at <http://global.oup.com/booksites/content/9780198259466/15550022> (accessed 14 May 2018).

- 1.034** The above-mentioned Recitals in the Preambles to the WIPO Treaties are thus nothing more than a continued recognition of this important principle.³⁸ As one commentator suggests, 'The justification for exceptions and limitations is no longer confined to Numa Droz's statement but is henceforth embedded in international texts!'³⁹
- 1.035** The Preambles to the WCT and the WPPT enunciate the need to maintain a balance between the rights of authors, performers and producers and the larger public interest, particularly with regard to education, research and access to information. As the reference to the Berne Convention in the 5th Recital of the Preamble to the WCT suggests, this balance has been achieved by the various exceptions permitted under the Berne Convention. In the area of related rights, Article 15 Rome Convention provides guidelines for maintaining a balance between the rights of performers and producers and the public interest. The Treaties thus imply that a balance already exists between the rights of authors, performers and producers on the one hand and the larger public interest on the other hand. The specific task left to the WIPO Treaties is to maintain the necessary balance also in the digital environment. This is the objective of the conditions laid down in Articles 10 WCT and 16 WPPT for balancing the rights of authors, performers and producers with the public interest. These provisions set parameters for devising limitations and exceptions for the rights provided for under the Treaties in regional or national law. The careful balancing must thus be carried out at the regional and/or national level with the help of the legislative tools provided for in the Treaties.
- 1.036** By setting parameters and providing tools for legislators which enable them to craft their own limitations and exceptions rather than laying down individual narrowly confined exceptions, the Treaties achieve a high degree of flexibility which is advantageous not only in view of the fast moving technological environment but also for accommodating different legal traditions as well as the changing needs of authors and users alike.
- 1.037** While there is after all nothing radically new in the WIPO Treaties as regards the concept of balance, what has certainly changed over the years is the

38 Ficsor, op. cit., paras C-Pr.14–16 and PP-Pr.08; von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.0.10.

39 Janssens, M-C. (2009), 'The Issue of Exceptions: Reshaping the Keys to the Gates in the Territory of Literary, Musical and Artistic Creation' in Derclaye, E. (ed.) *Research Handbook on the Future of EU Copyright*, Cheltenham, UK and Northampton MA, USA: Edward Elgar, pp. 317–48 at p. 323.

‘rhetoric and language of balance’⁴⁰ which has led from the initial concept of striking a careful balance between the rights of creators and interests of users to the call for stronger limitations and exceptions to copyright and ultimately to requests for recognizing users’ ‘rights’ in lieu of exceptions. These developments, which were fuelled primarily by the user movement and by the policy agenda of certain developing countries, have brought the subject of limitations and exceptions to centre-stage at the international level which culminated in the adoption of the Marrakesh Treaty in June 2013.

The emphasis on ‘user rights’ is to some extent a consequence of a more human rights based approach to copyright, a development which intensified as a reaction to perceived injustices of the TRIPS Agreement vis-à-vis users and the developing world. This is reflected in a Resolution on intellectual property rights and human rights which the former UN Sub-Commission on the Promotion and Protection of Human Rights adopted in 2000 as a reaction to the implementation of the TRIPS Agreement.⁴¹ The Resolution points to apparent conflicts between the intellectual property rights regime embodied in the TRIPS Agreement and international human rights law and professes the primacy of human rights obligations over economic policies and agreements. Since then, there has been much wrestling over the relationship of human rights and intellectual property rights in general and the true nature of the protection of the moral and material interests of the author provided under Article 27(2) of the Universal Declaration of Human Rights (UDHR) and Article 15(1)(c) of the International Covenant of Economic, Social and Cultural Rights (ICESCR). Debates centre on the question whether there is a co-existence or a conflict between human rights and intellectual property in general, and copyright in particular, and how both sets of rights could be reconciled.⁴² Meanwhile, it is worth noting that UN member states tend to point to authors’ rights legislation as evidence for compliance with the

40 Cf. Dinwoodie, G. (2007), op. cit. at p. 752 and pp. 764–765. See also Lewinski, S. von (2010), ‘WIPO’s Discussions on Exceptions and Limitations, in Particular in Favour of Visually Impaired Persons’, *RIDA* 225, pp. 53–199, at pp. 55–61 and pp. 171–7 describing changed lobbying tactics.

41 UN Sub-Commission on Human Rights resolution 2000/7, Intellectual property rights and human rights, of 17 August 2000.

42 See for instance the consultation and report by the UN Special Rapporteur in the field of cultural rights on the impact of intellectual property regimes on the enjoyment of the right to science and culture, at <http://www.ohchr.org/EN/Issues/CulturalRights/Pages/impactofintellectualproperty.aspx> (accessed 24 April 2018); Helfer, L.R. (2015), ‘Mapping the Interface between Human Rights and Intellectual Property’ in Geiger, C. (ed.), *Research Handbook on Human Rights and Intellectual Property*, Cheltenham/Northampton (MA): Edward Elgar Publishing, pp. 6–15; Helfer, L.R. (2007), ‘Towards a Human Rights Framework for Intellectual Property’, *U.C. Davis Law Review* 40, p. 971; Yu, P.K. (2007), ‘Reconceptualizing Intellectual Property Interests in a Human Rights Framework’, *U.C. Davis Law Review* 40, p. 1039.

obligations arising out of Article 15(1) ICESCR, if the subject is at all addressed in the Universal Periodic Review.⁴³

1.039 In any event, it is well-established that where there is a conflict between human rights, a balancing exercise will be called for to reconcile them. Pointing to the different nature of the various human rights that may be at stake in a given situation, it has been argued that more weight should be given to the rights of users. The justification which tends to be invoked is that the human rights of creators are (mere) rights to property.⁴⁴ To a certain extent, this is supported by the approach of the European human rights instruments which protect copyright primarily through the right to property.⁴⁵ However, in view of the indivisibility of human rights, there is as such no hierarchy in the human rights system, although a distinction is made between absolute rights, which may not be derogated from, and qualified rights, which can be subject to restrictions under certain conditions. The majority of human rights fall within the category of qualified rights to which belong also the right to property as well as the freedoms of expression and of the arts and the right to privacy which are often invoked by users.⁴⁶

1.040 In addition, creators are not only protected by the right to property, but also by other human rights. Under the UDHR and the ICESCR authors enjoy a general right to culture which, apart from the protection of their moral and material interests, includes most importantly the right to create freely. The right to privacy may also come into play, particularly where moral rights are concerned, just like the freedoms of expression and of the arts and even the right to assembly in cases where authors are forced to become members in collective management organizations as a result of mandatory collective

43 Cf. latest example for the 30th session in May 2018, National Report of Cabo Verde, UN-Documents A/HRC/WG.6/30/CPV/1 of 5 March 2018, at para. 121 – referring to the legislation of the rights of authors and to efforts considering access to knowledge by persons with disabilities, available at <http://www.ohchr.org/EN/HRBodies/UPR/Pages/CVIndex.aspx> (accessed 23 April 2018).

44 See for example Peukert, A. (2015), 'The Fundamental Right to Property' in Geiger (ed.), op. cit., pp. 132–48, at p. 139.

45 Cf. Art. 17(2) of the European Charter of Fundamental Rights and Art. 1 First Protocol of the European Convention on Human Rights which has been interpreted by the European Court of Human Rights to extend to the protection of intellectual property rights, including copyright (*Anheuser-Busch Inc. v Portugal*, Application No. 73049/01, Judgment of 11 January 2007; *Melnichuk v Ukraine*, App. No. 28743/03, Judgment of 5 July 2005; *Dima v Romania*, App. No. 58472/00 Judgment of 16 November 2006; *Balan v Moldova*, App. No. 19247/03, Judgment of 29 January 2008; *Ashby Donald v France*, App. No. 36769/08, Judgment of 10 January 2013; *Neij and Sunde Kolmisoppi v Sweden*, App. No. 40397/12, Judgment of 19 February 2013).

46 Ducoulombier, P. (2015), 'Interaction between Human Rights: Are All Human Rights Equal?' in Geiger (ed.), op. cit., p. 39.

administration.⁴⁷ As has been pointed out by the former President of the European Court of Human Rights, copyright could even play a role in protecting freedom of expression.⁴⁸ While the European courts have as yet to protect freedom of expression through copyright, the US Supreme Court has held copyright to be the engine of freedom of expression.⁴⁹

Where human rights clash, the obligation of the state to protect must operate in harmony with its obligation to respect the rights of others. Qualified human rights may therefore be subject to restrictions, for instance to protect the rights of others, in order to achieve a balance under certain conditions.⁵⁰ **1.041**

In fact, the situation is not that different from striking a balance in the copyright field. Since the rationale for limitations and exceptions to copyright may often be found in human rights, such as freedom of expression, the right to education or the rights of persons with disabilities, this is not surprising. As such, human rights concerns can be readily accommodated through limitations and exceptions to exclusive rights protected under copyright or related rights. In fact, this is the very role of limitations and exceptions. The Marrakesh Treaty, which is firmly rooted in the copyright system but motivated by human rights considerations, is a prime example for this practice. This is reflected in particular by the references in the first three Recitals of the Treaty to the UDHR and the United Nations Convention on the Rights of Persons with Disabilities, to freedom of expression and to the importance of copyright protection as an incentive and reward for literary and artistic creations and of enhancing opportunities for everyone to participate in cultural life. **1.042**

When striking a balance between copyright and the larger public interest, the ‘outstanding significance’ of copyright protection as an incentive for literary and artistic creation as enunciated in the 4th Recital to the WCT is of paramount importance. This Recital states firmly the role of copyright protection as the rule under the WCT. Any restriction to this protection is an exception to the rule. The balancing must therefore be carried out in a way **1.043**

47 Helfer, L.R. (2016), ‘Collective Management and Human Rights: An uneasy alliance revisited’, in Gervais, D.J. (ed.), *Collective Management of Copyright and Related Rights*, 3rd edn., Alphen aan den Rijn: Kluwer Law International, pp. 81–108, at p. 98.

48 Spielmann, D. (2015), ‘Copyright and Human Rights’ in Edward, D., MacLennan, J. and Komninos, A., *Ian Forrester – A Scot without Borders, Liber Amicorum – Volume I, Concurrences*, pp. 255–69 at pp. 258–60.

49 *Harper & Row Publishers v Nation Enterprises*, US Supreme Court of 20 May 1985, 471 US 539 (1985): ‘In our haste to disseminate news, it should not be forgotten that the Framers intended copyright itself to be the engine of free expression.’

50 Cf. Art. 10(2) ECHR (‘for the protection of the reputation or the rights of others’), Art. 8(2) ECHR (‘for the protection of the rights and freedoms of others’), Art. 52(1) European Charter of Fundamental Rights (‘the need to protect the rights and freedoms of others’). For restrictions to human rights under the ICESCR, see Art. 4 of the Covenant.

which respects the prime objective of the Treaty as set forth in the first Recital which is to protect the rights of authors in their literary and artistic works in a manner as effective and uniform as possible whilst accommodating the larger public interest. This is not dissimilar to balancing in human rights law which requires in general that the essence or the nature of the right which is to be restricted be respected.⁵¹

1.044 Similar considerations apply in the context of WPPT whose prime objective consists in the protection of the rights of performers and producers of phonograms as effective and uniform as possible according to the first Recital.

1.045 This being said, despite the consensus achieved in 1996, the differing views on balance as reflected for example in the ongoing debate at WIPO in the area of limitations and exceptions imply a desire of certain players to put in question a number of the core concepts in the Treaties. Whether the Marrakesh Treaty marks the end of an era⁵² or is the dawn of more to come, remains to be seen. For the time being, the subject of limitations and exceptions for libraries and archives as well as for educational and research institutions and for persons with other disabilities, and thus the question of balance, remains on the agenda of WIPO's Standing Committee on Copyright and Related Rights.⁵³

51 See for instance Art. 52(1) European Charter of Fundamental Rights (referring to the essence of the right) and Art. 4 ICESCR (referring to the nature of the right).

52 So Dr. Ficsor:

4. However, the Marrakesh Treaty is *historical* also in another aspect. It is historical also because, with its adoption, a quite troubled historical period of the international copyright relations seems to have ended – and it appears that with a more or less happy ending. That period – which now is hopefully behind us – began not much time after the adoption of the two WIPO 'Internet Treaties' (the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT)) and has lasted for more than a decade. In that period, strange legends were spreading about the international copyright system based on poorly founded allegations. That it does not offer an appropriate basis for balance of interests, that it only concentrates on the protection of rights, that it does not allow the application of adequate exceptions and limitations in recognition of important public and private interests, that it is an obstacle to due access to works, etc.

5. It would require a separate voluminous study to analyze the ideological (quasi theological) or more 'tangible' special-interests-driven reasons behind this flair-up of skepticism about copyright. Nevertheless, two visible reasons may still be mentioned which played a role in this period. First, that – partly as a collateral effect of trade negotiations – new tensions had appeared in the field of intellectual property and along with them new ideas on how the IP system could better serve development. Second, new powerful interest groups and a number of new organizations began participating suddenly in the copyright meetings of WIPO, many of which did not have yet sufficient information and experience about the activities of the Organization and the actual operation of the international copyright system but they still had firm views (and, unfortunately, some biased preconceptions) about it.

in Commentary to the Marrakesh Treaty, op. cit., at p. 1, available at <http://www.copyrightseesaw.net/> (accessed 14 May 2018).

53 Cf. WIPO-Document SCCR 36/3 of 20 April 2018 containing draft action plans on limitations and exceptions through to SCCR 39 (Nov/Dec. 2019), available at: http://www.wipo.int/edocs/mdocs/copyright/en/sccr_36/sccr_36_3.pdf (accessed 1 June 2018).

3. CHALLENGES OF THE WIPO TREATIES

Contracting Parties to WCT and WPPT are obliged to adopt the necessary measures to ensure the application of the Treaties. The Treaties consist not only of rules which are cast in stone and whose implementation is relatively straightforward, but also contain provisions which leave a considerable amount of discretion to Contracting Parties. Implementation is thus not a straightforward process and can present quite a challenge for regional or national lawmakers. They must identify a way to implement the Treaty provisions in an appropriate manner which takes account of the national or regional particularities whilst remaining faithful to the content of the Treaty obligations. This perhaps explains why the ratification progress was slow at first. **1.046**

In the following, an attempt is made to evaluate the challenges which the Treaties pose to Contracting Parties when implementing the Treaty obligations. The challenges depend on how much discretion is left for the implementation of international obligations at the regional and national levels. This chapter pursues a pragmatic approach and links the freedom of regional and/or national legislators to provide for legislative solutions that are locally nuanced with the nature of the international obligation to be transposed: while some provisions in international law are phrased in a manner which give legislators much leeway for characteristic national or regional approaches, others do not leave many options for the implementation of international obligations by contracting states. **1.047**

For this reason, the implementation issues arising out of the WIPO Treaties will be divided into different categories depending on the level of discretion left to the regional or national lawmaker: a high, medium or low level of discretion. **1.048**

A high level of discretion exists where an international obligation is determined only in more general terms. Prime examples are the protection of technological measures in Articles 11 WCT and 18 WPPT and the provisions governing limitations and exceptions in Articles 10 WCT and 16 WPPT. **1.049**

A medium level of discretion is left to the legislator where the Treaties require the legislator to fill in a more or less defined framework. The parameters for implementation are not as wide as in the first category but still leave Contracting Parties with a considerable amount of discretion, for instance with regard to the legal characterization of the making available right in Articles 8 WCT and 10 and 14 WPPT in national law. **1.050**

- 1.051** A low level of discretion does not leave much room for manoeuvre to Contracting Parties and only allows for adding minimal local nuances when implementing a Treaty obligation. Examples for this category include the term of protection for photographic works (Art. 9 WCT) and rights-management information (Arts 12 WCT and 19 WPPT).

3.1 Implementation issues with a high level of discretion

3.1.1 *Protection of technological measures (Articles 11 WCT, 18 WPPT)*

- 1.052** The protection of technological measures is a significant achievement of the WIPO Treaties and is often considered as one of their most innovative features. While this may certainly be true with regard to international copyright law, similar provisions existed already at the regional and national levels, though with varying scope.⁵⁴
- 1.053** The protection of technological measures was also one of the most controversial issues at the Diplomatic Conference. The myth of the ‘digital lock-up’ made many believe that exceptions would be extinguished and that the end of the consumption of cultural goods was near. Many feared that bars and fences, sometimes even ‘electrified’, would be erected around works.⁵⁵ Not many seemed to realize that creators have a natural desire to communicate with the outer world through their works; that they may therefore not lock up their works but embrace technological measures as a means to encourage and strengthen what has been referred to as ‘authorial entrepreneurship’.⁵⁶
- 1.054** Have works been locked up in the more than 20 years of the existence of the Treaties and 15 years of the Directive? The rather hesitant use of the intervention mechanism under Article 6(4) of Directive 2001/29/EC which results from the relevant discussion in the country chapters in this book, suggests that this might perhaps not be the case.⁵⁷ While the same appears to

⁵⁴ Cf. for instance Art. 7(1)(c) Directive 2009/24/EC of the European Parliament and of the Council of 23 April 2009 on the legal protection of computer programs; UK Copyright Designs and Patents Act 1988, s. 296; USC Title 17, § 1002.

⁵⁵ Electrified fences in the sense of making the circumvention of technological measures a criminal offence as addressed by Dusollier, S. (1999), ‘Electrifying the Fence: the Legal Protection of Technological Measures for Protecting Copyright’, *European Intellectual Property Review*, 21(6), pp. 285–97 at p. 285.

⁵⁶ Ricketson/Ginsburg, op. cit., Vol. II, p. 982.

⁵⁷ It appears that the intervention mechanism resulting from Art. 6(4) of Directive 2001/29/EC has so far been used in practice only in France, Hungary and Lithuania. One might of course argue over the true reasons for such reluctance. Cf. also Akester, P. (2009), ‘Technological accommodation of conflicts between freedom of expression and DRM: the first empirical assessment’, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1469412 (accessed 2 December 2018) who concludes at pp. 61–4 that some beneficiaries of exceptions, notably the British Library and film lecturers and students/researchers, are adversely affected by the use of DRM.

be true with the initial rulemaking procedures under Section 1201 DMCA in the United States, the procedures have become more extensive and wide-ranging since 2010.⁵⁸

The treaty language contained in Articles 11 WCT and 18 WPPT goes back to a streamlined compromise proposal which was tabled by the South African delegation when it became apparent that the fierce controversy over the more elaborate Basic Proposal would put the adoption of protection for technological measures in the Treaties at risk.⁵⁹ The text of the Treaty provisions as finally adopted requires Contracting Parties to provide adequate legal protection and effective remedies against the circumvention of technological measures which fulfil the following three basic elements: **1.055**

- they are ‘effective’;
- they are used by authors, performers and producers of phonograms in connection with the exercise of their rights under the WIPO Treaties or the Berne Convention;
- they restrict acts which are not authorized by the rightholders or permitted by law.

The Treaties thus leave room to Contracting Parties to find answers to the following key questions: **1.056**

- What is an effective technological measure?
- What constitutes an adequate legal protection?
- What are effective remedies?

The meaning of ‘technological measure’ was left open at the Diplomatic Conference so that the notion remains flexible to cover future forms of **1.057**

⁵⁸ Rulemaking on Exemptions from Prohibition on Circumvention of Technological Measures that Control Access to Copyright Works under § 1201 Title 17, 2000, 2003, 2006, 2010, 2012 and 2015: see information at <http://www.copyright.gov/1201> (accessed 2 April 2018). The rulemaking procedure has given rise to criticism. However, as one commentator suggests, ‘Based on the track record so far, § 1201 appears to be performing largely as Congress had envisioned and should not be overhauled or replaced. The benefits – more works available to consumers at a variety of price and convenience points – are real, and the costs have so far been manageable’, Besek, J.M. (2004), ‘Anti-circumvention Laws and Copyright: a Report from the Kernochan Center for Law, Media and the Arts’, *Colum. VLA J.L. & Arts* 27, pp. 385–519 at p. 512. In view of the controversial debate over the Section 1201 rulemaking procedure between various stakeholders over the years and following a request from the Ranking Member of the House Judiciary Committee John Conyers, Jr., the Register of Copyrights published a study in 2017 reviewing the operation of Section 1201 during the 20 years since its enactment. While the study recommends a number of legislative updates, it concluded that the overall structure and scope of the procedure under § 1201 remain sound. Cf. Section 1201 of Title 17, A Report of the Register of Copyrights, June 2017, available at <https://www.copyright.gov/policy/1201/section-1201-full-report.pdf> (accessed 2 April 2018).

⁵⁹ Records 1996, Vol. I, p. 217 and p. 321 – Basic Proposal; Records 1996, Vol. I, CRNR/DC/56, Item 3, p. 445 – African proposal.

measures which may develop over time. At the time of the Conference, technologies geared at scrambling, encryption and watermarking were at stake.⁶⁰ The rapid development of communication technologies has since led to new forms.⁶¹

1.058 When implementing the Treaties, it is hence necessary to find an answer to the question which types of controls should be protected: should protection extend to measures which control either access or acts of exploitation after access was gained or both? Since an access right is not expressly provided for in the Treaties, the protection of access controls has been questioned and considered as being outside the scope of the protection in Articles 11 WCT and 18 WPPT.⁶² On the other hand, is the granting of access to a work not the first step towards its use with the consequence that the access control is used in connection with the exercise of the rights under the Treaties or the Berne Convention?⁶³ It must further be borne in mind that access and copy/use controls may overlap.⁶⁴ Most legislators have therefore extended protection to both access and copy or exploitation controls in one way or another which is not only in line with the Treaties but certainly also the most practical answer in view of possible overlaps.⁶⁵

1.059 It is not evident what is meant by ‘effective’: lawmakers have generally seen the need to define the notion of an ‘effective’ technological measure and examples may be found in the implementations adopted both in the US and the EU.⁶⁶ It is clear that an ‘effective’ measure cannot mean a measure which is insurmountable – indeed if they were, legal protection would be unnecessary. In fact, all technological measures are vulnerable to attack and must therefore be reinforced by legislation which is the purpose of Articles 11 WCT and 18

60 Marks, D. and B. Turnbull (1999), ‘Technical Protection Measures: the Intersection of Technology, Law and Commercial Licenses’, Workshop on Implementation Issues of WCT and WPPT, WIPO-Doc. WCT-WPPT/IMP/3 of 3 December 1999, Annex A; Akester, P. (2001), ‘Survey of Technological Measures for Protection of Copyright’, *Entertainment Law Review* 12(1), pp. 36–9.

61 Cf. Besek, J.M. (2004), op. cit. at pp. 446–60; Akester, P. (2006), ‘Digital Rights Management in the 21st Century’, *European Intellectual Property Review* 28, pp. 159–66; Ficsor, M. (2014), ‘The WIPO Treaties and Copyright in the Cloud’ in ALAI Japan (eds), *Copyright and Related Rights in the ‘Cloud’ Environment*, pp. 78 et seq., at pp. 150–63.

62 Strowel, A. and S. Dusollier (1999), ‘La protection légale des systèmes techniques’, Atelier sur la Mise en Oeuvre du Traité de l’OMPI sur le Droit d’Auteur et du Traité de l’OMPI sur les Interprétations et Exécutions et les Phonogrammes (WPPT), OMPI-Doc. WCT-WPPT/IMP/2 of 23 November 1999, pp. 27–28; see also discussion at Yamamoto, T. (2014), ‘Copyright Law Protection to Access Control for “Cloud”’, in ALAI Japan (2014), op. cit., pp. 228–34.

63 Ricketson/Ginsburg, op. cit., paras 15.14–15.16.

64 Cf. for example, *Universal City Studios Inc. v Reimerdes*, 111 F.Supp. 2d 294 (S.D.N.Y. 2000) at 308.

65 Cf. Art. 6(3) Directive 2001/29/EC; Art. 39a(1) and (2) Swiss Copyright Act; USC Title 17, § 1201 (a)(1) and (2) and (b)(1).

66 USC Title 17, § 1201(a)(3)(B) and § 1201(b)(2)(B); Art. 6(3) Directive 2001/29/EC respectively.

WPPT. It has therefore been questioned whether the notion of ‘effective’ has really anything to add or whether it should just be considered a ‘decorative’ element.⁶⁷ At best, one can perhaps deduce from this requirement that a certain level of robustness or at least intent that the technological measure would be ‘effective’ is required.

What amounts to adequate protection against the circumvention of technological measures is not defined in the Treaties and raises a number of heavyweight questions: for example, should the legal protection extend only to circumvention itself or also cover preparatory acts of circumvention? It has been argued that because the circumvention occurs in a more or less private environment, preparatory acts which render the circumvention possible and are more easily controllable should also be covered for the legal protection to be in compliance with Articles 11 WCT and 18 WPPT.⁶⁸ In other words, if the legislation only covers the act of circumvention, which may not be enforceable in many cases, the requirement of an adequate remedy might not be fulfilled. This view has been shared by many legislators around the world, including in the European Union, where protection was extended to cover preparatory acts, including dealing in devices and the provision of services.⁶⁹ **1.060**

Where protection is provided against preparatory acts, the question arises which devices should be covered. Should protection apply against devices which have not only the purpose of circumventing technological measures but also some other, legitimate purpose? Or should only such devices be outlawed whose sole purpose is the circumvention? Or is there a ‘middle way’, for instance by focusing on devices which are primarily designed and produced for circumvention and have only a limited commercially significant objective or use other than circumvention? In this context, a balanced protection which takes into account the need for a strong protection of technological measures used by authors and other rightholders on the one hand and the interests of other industries who would like to market their products and services without much interference on the other hand has been called for.⁷⁰ This mentioned ‘middle way’ has found much support from legislators, including in the European Union. **1.061**

Finally, the Treaties do not address the relationship between technological measures and exceptions. As we have seen, the Treaties oblige Contracting **1.062**

⁶⁷ Ficsor, op. cit., para. C11.06.

⁶⁸ Ficsor, op. cit., para. C11.12; Marks/Turnbull, op. cit., pp. 6–7; Ricketson/Ginsburg, op. cit., p. 976; contra Koelman, K. (2000), ‘A Hard Nut to Crack’, *European Intellectual Property Review*, 22, pp. 272–88 at p. 272.

⁶⁹ Article 6(2) Directive 2001/29/EC; USC Title 17, § 1201(a)(2) and (b)(1); Art. 39a(3) Swiss Copyright Act; Art. 120bis Copyright Law of Japan; Australian Copyright Act 1968, ss. 116AO and 116AP.

⁷⁰ Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 7, paras 7.11.23, 7.11.27 and 28.

Parties to provide for protection against the circumvention of technological measures used to control acts which are unauthorized or not permitted by law. Where the acts are authorized or permitted by law no such obligation exists. In such a case, the legislator at the national or regional level has some discretion. There are various options: the legislator could extend the protection to acts which are permitted by law. The legislator is not obliged to do this, but he may do so. On the other hand, the legislator could qualify the protection against limitations and exceptions. Caution has however been called for when doing so since this may interfere with market developments which are adapting to the particular circumstances caused by the changing technological environment.⁷¹ It must not be forgotten that technological measures can also play a role in managing limitations and exceptions. Therefore, a careful balancing of the various interests at stake is paramount so as not to compromise the protection of technological measures against the accommodation of limitations and exceptions, for instance by allowing uncontrolled circumvention of technological measures. The encouragement to agreeing voluntary measures, as provided for in Article 6(4) of Directive 2001/29/EC, or the observation of the market through an independent authority which acts as a mediator between the different interests at stake, as for instance in the Swiss implementation,⁷² all stand for a more balanced approach than applying exceptions to the protection as is the case under the US and Australian implementation of the respective treaty obligations.⁷³

1.063 The WIPO Treaties leave open which remedies should be applied to infringements against technological measures. Depending on the legal tradition of the country concerned, it is possible to make provision for remedies through civil, criminal and/or public law instruments. Legislators therefore had to consider whether civil remedies are sufficient or whether criminal sanctions are necessary in order to assure effective legal remedies. Likewise, the need for provisional measures as well as border measures must be explored.

1.064 Preparatory acts in the form of dealing in illicit devices have a particular piratical element so that criminal sanctions as well as provisional and border measures would appear to be required to fulfil the treaty obligations in respect of effective legal remedies. In the European Union, neither the provisions in Article 6 of Directive 2001/29/EC nor in Directive 2004/48/EC give a direct

⁷¹ Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 7, paras 7.11.45 and 46.

⁷² Article 39b Swiss Copyright Act.

⁷³ For an overview of different approaches cf. Lindner, B. (2007), 'Alternative Dispute Resolution – a Remedy for Soothing Tensions between Technological Measures and Exceptions' in Torremans, P. (ed.), *Copyright Law – A Handbook of Contemporary Research*, Cheltenham, UK and Northampton, MA, USA: Edward Elgar, pp. 426–48 at pp. 428–30.

answer to this question, but it follows from Article 8 of Directive 2001/29/EC that sanctions and remedies must be effective, proportionate and dissuasive. They must include damages and/or injunctions and, where appropriate, the seizure of the infringing material as well as of the circumvention devices, products and components. As a result, the situation in the member states presents us with a colourful picture, as the country chapters in this book illustrate.

3.1.2 Limitations and exceptions (Articles 10 WCT, 16 WPPT)

The WIPO Treaties do not contain specific exceptions as we know them from the Berne or the Rome Convention. Instead, the Treaties follow the model provided for in Article 13 TRIPS and provide for a general clause which sets parameters for devising limitations and exceptions to the rights provided under the Treaties. These parameters have their origin in Article 9(2) Berne Convention where they apply solely to the reproduction right. They comprise three conditions, which are commonly referred to as the ‘three-step test’. Accordingly, limitations and exceptions: **1.065**

- must be confined 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.

The move of the international legislator away from a system of specific limitations and exceptions to a general test has been criticized in certain academic circles as upsetting the balance between the protection provided for under the Treaties and the public interest.⁷⁴ As a result of a more human rights based approach to copyright policy, reliance on human rights law to mitigate the consequences of this ‘elevated three-step test’ has been proposed,⁷⁵ including by suggesting the application of the three-step test in accordance with Article 10 ECHR in cases where copyright and freedom of expression are in conflict.⁷⁶ **1.066**

74 The controversy led to a ‘Declaration on a Balanced Interpretation of the Three-step Test’ which was initiated and prepared jointly by a number of academics from the Munich Max Planck Institute and the Queen Mary Intellectual Property Research Institute (cf. Geiger, C., J. Griffiths, R.M. Hilty (2008), ‘Towards a Balanced Interpretation of the Three-step Test in Copyright Law’, *European Intellectual Property Review* 30, p. 489) which itself has been the subject of a critical review by Professor André Lucas (cf. Lucas, A. (2010), ‘For a Reasonable Interpretation of the Three-step Test’, *European Intellectual Property Review* 32, pp. 277–82).

75 Geiger, C., Gervais, D., Senftleben, M. (2015), ‘Understanding the “Three-step Test”’ in Gervais, D. *International Intellectual Property: A Handbook of Contemporary Research*, Cheltenham, UK and Northampton, MA, USA: Edward Elgar, at p. 180.

76 Voorhof, D. (2015), ‘Freedom of Expression and the Right to Information: Implications for Copyright’, in Geiger, C., op. cit., at p. 350.

- 1.067** It has also been argued that in order for limitations and exceptions to be in compliance with obligations arising out of the right to culture under Article 15(1)(a) ICESCR, they must prevent copyright from hampering the full realization of the right to culture.⁷⁷ However, as the right to culture in Article 15(1) ICESCR has several components, including the protection of the moral and material interests of the author, which must be balanced against each other, the ultimate result of judging limitations and exceptions to copyright in accordance with Article 15(1)(a) ICESCR may not achieve what its proponents expect. Restrictions to the author's moral and material interest in order to allow access to culture must comply with the rules for restrictions to rights under the ICESCR, namely Article 4 ICESCR as interpreted in paragraphs 22–24 of General Comment No. 17. These conditions are much stricter than the requirements of the three-step test under the Berne Convention, TRIPS and the WIPO Treaties. It is therefore not astonishing that this multi-step test under Article 4 ICESCR as interpreted by General Comment No. 17 has been considered an 'intellectual property owner's dream'.⁷⁸
- 1.068** In any event, insofar as Article 10 WCT is concerned, the parameters set therein apply in respect of limitations and exceptions to the rights specifically provided for in WCT (Art. 10(1) WCT) as well as to the rights under the Berne Convention (Art. 10(2) WCT). Although the application of the three-step test is dealt with separately for the rights under WCT and the rights under Berne, the end result is the same as under Article 13 TRIPS: the three-step test applies to all limitations and exceptions in respect of all rights protected by copyright.⁷⁹
- 1.069** In the area of related rights, Article 16(1) WPPT, which is modelled upon Article 15(2) Rome Convention, allows for the same kinds of limitations and exceptions as in the area of literary and artistic works, while Article 16(2) WPPT requires any limitations and exceptions to rights under the Treaty to comply with the three-step test. The three-step test thus takes centre-stage not only in the area of copyright, but also in the context of related rights.
- 1.070** Articles 10 WCT and 16 WPPT are accompanied by an Agreed Statement which allows the extension of existing limitations and exceptions into the

⁷⁷ Sganga, C. (2015), 'Right to Culture and Copyright: Participation and Access', in Geiger, C., op. cit., at p. 572.

⁷⁸ Helfer, L. (2007) 'Towards a Human Rights Framework for Intellectual Property', *U.C. Davis Law Review* 40, p. 971–1020 at p. 994, with further information on the multi-step test under Art. 4 ICESCR.

⁷⁹ Ficsor, op. cit, para. C10.05; Senftleben, M. (2004), *Copyright, Limitations and the Three-step test. An analysis of the Three-step test in International and EC Law*, London: Kluwer International, p. 97; Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 7, paras 7.10.13 and 14.

digital environment as well as the introduction of new exceptions and limitations that are appropriate in the digital network environment. This Statement takes into account concerns by some States that their existing traditional exceptions might not be applicable in the digital environment.⁸⁰ The Agreed Statement thus clarifies that the ability of a Contracting Party to provide for limitations and exceptions includes the extension of existing limitations and exceptions to the digital environment. It goes without saying that the extension of existing and the introduction of new exceptions must be in compliance with the three-step test. This is self-evident and the content of the Agreed Statement thus is only of a declaratory nature.⁸¹

Within these parameters, Contracting Parties are free to choose limitations and exceptions to the rights under the Treaties in accordance with their own national or regional system. This being said, some commentators consider the exception in respect of quotations provided for in Article 10(1) Berne Convention as mandatory with the consequence that Contracting Parties would be obliged to introduce a respective provision in their regional or national law.⁸² Accepting the quotation exception as mandatory would mean putting a ceiling on the minimum protection in the Convention. Such a move towards a maximum protection would run counter to the objectives contained in Articles 5(1), 19 and 20 of the Berne Convention which apply on the basis of Article 1(4) WCT.⁸³ The inclusion by the EU legislator of the quotation exception in the list of optional exceptions in Article 5(3)(d) of Directive 2001/29/EC supports this view. In turn, the EU legislator also refrained from incorporating the quotation exception in the mandatory part of the intervention mechanism in Article 6(4) of the Directive which addresses the relationship between technological measures and certain public interest limitations and exceptions. **1.071**

Contracting Parties hence have to decide not only on the policy areas to be covered and the scope of the exceptions but also on other conditions, for instance whether limitations and exceptions should only apply on the basis of a **1.072**

⁸⁰ Ibid., para. 7.10.61.

⁸¹ Ibid., para. 7.10.64.

⁸² Ricketson/Ginsburg, op. cit., paras 13.38 and 13.42 considering that the exception comes close to a user right; Goldstein, P. and Hugenholtz, B. (2010), *International Copyright: Principles, Law, Practice*, Oxford: Oxford University Press, para. 11.4.1; Art. 10(1) Berne Convention has also been considered as 'global, mandatory fair use' which would even be immune to the three-step test, cf. Aplin, T. and Bently L. (2018), 'Displacing the Role of the Three-step Test: the Role of Global Mandatory Fair Use', forthcoming in Wee Loon Ng, Haochen Sun, and Shyam Balganes (eds) *Comparative Aspects of Limitations and Exceptions in Copyright Law*, Cambridge: Cambridge University Press, available at SSRN: <https://ssrn.com/abstract=3119056> (accessed 4 April 2018).

⁸³ Ficsor, op. cit., para. 5.11; von Lewinski, S. (2008), *International Copyright Law and Policy*, Oxford: Oxford University Press, para. 5.163.

lawful source, a question which must be assessed in conjunction with the three-step test. The various national systems which provide for open-ended solutions, such as fair use, or closed lists of more specific exceptions as in many continental-European traditions or a combination of both, as under fair dealing, all present their own particular challenges.⁸⁴

3.1.3 Enforcement (Articles 14 WCT, 23 WPPT)

- 1.073** Contracting Parties must guarantee efficient enforcement procedures. Enforcement measures must allow for effective action against any act of infringement to the rights covered by the Treaty and must include expeditious remedies to prevent infringements and remedies that act as a deterrent to future infringements. The Treaties do not specify the required measures any further. It remains unclear whether it is necessary to provide for criminal sanctions or whether civil remedies are enough of a deterrent; whether provisional measures, including *ex parte* search orders and specific customs measures, are required. And whether these measures must be provided only in respect of the rights specifically granted under WCT and WPPT or also for those under the Berne Convention?
- 1.074** Many questions arise, but is there any guidance for national and regional legislators? In this context, the negotiating history and the exact text of the conditions set by Articles 14(2) WCT and 23(2) WPPT may be of help. Broadly speaking, the Basic Proposal contained two alternatives which, both in their own way, would have led to an obligation of Contracting Parties to comply with Part III of the TRIPS Agreement.⁸⁵ Since no consensus could be reached on either alternative, the text now contained in Article 14(2) WCT was adopted as a compromise solution. If one takes a closer look at the text of the provision, one cannot escape a certain resemblance between the language of Articles 14(2) WCT, 23(2) WPPT and Article 41(1) TRIPS.
- 1.075** It has therefore been argued that compliance with Part III of the TRIPS Agreement is required for the fulfilment of the obligations in Articles 14(2) WCT and 23(2) WPPT.⁸⁶ At the very least, the TRIPS provisions could serve as guidance for determining the scope of protection in the field of enforcement. It is probably fair to say that this has occurred in practice since most Contracting Parties to the WIPO Treaties are also TRIPS members and hence have to comply with Part III of TRIPS as a matter of principle.

84 For further details cf. Ricketson (2003), 'WIPO Study on Limitations and Exceptions of Copyright and Related Rights in the Digital Environment', WIPO Document SCCR/9/7 of 5 April 2003.

85 Records 1996, Vol. I, p. 223 and p. 331.

86 Ficsor, op. cit., para. C14.05.

3.2 Implementation issues with a medium level of discretion

3.2.1 *Making available (Article 8 WCT, Articles 10 and 14 WPPT)*

The making available right is another important achievement of the WIPO **1.076** Treaties. Pursuant to Article 8 WCT as well as Articles 10 and 14 WPPT, the right covers the making available of works, fixed performances and phonograms 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.

This specific formula goes back to a proposal submitted by the European **1.077** Communities in May 1996 which conceived the making available right as part of the communication to the public right coupled with elements from the distribution right.⁸⁷ The making available right in the WCT thus comes as part of the general communication to the public right in Article 8. As already pointed out, this approach could not be pursued in the area of related rights in the absence of a broad exclusive right to communication to the public at the international level. As a result, the making available right is provided as a separate right in Articles 10 and 14 WPPT for performers and producers of phonograms respectively. Article 10 BTAP follows that approach for audio-visual performances.

The fact that the making available right is conceived as part of the communi- **1.078** cation to the public right does however not mean that Contracting Parties are bound to implement it under that right. In the earlier stages of the discussions, the legal nature of the new online right was the object of controversy. There were various proposals to cover it in different ways under the concepts of broadcasting, communication to the public, distribution or rental.⁸⁸ This controversy was resolved by the so-called ‘umbrella solution’ as created and formulated by the then Assistant Director General of WIPO, Dr. Mihály Ficsor.⁸⁹ Under the umbrella solution, Contracting Parties are free to characterize the right legally in a way which fits in their regional or national legal system. For example, they may design it as a separate right, include it under the concept of broadcasting or determine it as an act of distribution as long as the parameters set by the Treaties are respected. This is known as the ‘relative freedom of legal characterization’.⁹⁰

⁸⁷ Records 1996, Vol. I, Doc. CRNR/DC/4, para. 10.08, p. 204.

⁸⁸ Cf. the detailed review of the legislative history with regard to the making available right and the ‘Umbrella Solution’ in Ficsor, *op. cit.*, Chapter 4, pp. 146 et seq., as well as the background information by von Lewinski in Reinbothe/von Lewinski, *op. cit.*, Chapter 7, paras 7.8.1–7.8.6..

⁸⁹ Ficsor, *op. cit.* paras 4.84–4.87, C8.11.

⁹⁰ Ficsor, *op. cit.*, C8.06–C8.08.

- 1.079** Contracting Parties therefore remain free to decide whether to create a new separate right or to incorporate it in an already existing exclusive right. This being said, there has been a tendency to follow the concept adopted in the Treaties and to implement the right as a communication to the public or transmission type right.⁹¹ Only few Contracting Parties have implemented the right as a distribution right or as a combination of distribution and communication to the public rights.⁹²
- 1.080** When making use of their relative freedom of legal characterization, Contracting Parties must nonetheless respect certain parameters. In particular, the legislative criteria which determine the act of making available must be appropriately reflected.
- 1.081** First, as far as the scope of the right is concerned, it is generally considered that making available covers two connected acts: the offer of the work which may be accessed individually by members of the public and the subsequent transmission of the work to a member of the public at his or her request.⁹³ However, it is not necessary that such transmission take place: the offer of the

91 Cf. for instance: Art. 3 Directive 2001/29/EC; Art. 10(2)(c) Swiss Copyright Law; Art. 23(1) Copyright Law of Japan; Australian Copyright Act 1968, s. 31(1)(iv) with s. 10; New Zealand Copyright Act 1994, s. 16(1)(f) with s. 2.

92 With regard to the US, it has been considered that the making available right applies as a combination of the distribution and the performance rights, cf. in more detail Fiesor, op. cit., C8.15 and von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.8.24. US courts have however questioned whether the United States have implemented the making available right in an appropriate way, cf. for instance the discussion in *Capitol Records v Thomas* 579 F. Supp. 2d 1210 D. Minn. (2008). Cf. also Ginsburg, J.C. (2008), 'Recent developments in US copyright law – Part II, Caselaw: exclusive rights on the ebb?' *RIDA* 218, pp. 167–355 at pp. 239–55 and 303–13 and Ginsburg, J.C. (2014), 'Letter from the US: Exclusive Rights, Exceptions and Uncertain Compliance with International Norms', *RIDA* (241) pp. 163–251, see in particular at pp. 185 et seq. the discussion on the compatibility of the legal situation with WCT following the Federal Supreme Court's decision in *Am. Broad. Cos. Inc. v Aereo Inc.*, 134 S. Ct. 2498 (2014).

93 von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.8.26. In German legal doctrine, this is reflected in the argument that the scope of the making available right includes a right to offer ('Bereithaltungsrecht') and a right to transmit the offered work ('Abrufübertragungsrecht'): See von Ungern-Sternberg in *Schriker/Loewenheim*, Loewenheim, U., Leistner, M., Ohly, A. (eds) (2017) *Urheberrecht, Kommentar*, 5th edn, Munich: C.H. Beck, § 19a, notes 3, 6, 8. See also District Court (LG) Frankfurt/Main which accepted a violation of the making available right under § 19a German Copyright Law in a case concerning the making available via the US platform *Gutenberg.org* in Germany of works which were still protected in Germany but in the public domain in the US (Case 2-03 O 494/14, Judgment of 9 February 2018 (appealed)). In *Football Dataco v Sportradar*, the European Court of Justice confirmed with regard to making available under the *sui generis* right in databases that an act of 're-utilization' can occur both in the member state where the server from which the programme is located and in the member state where it may be accessed if the programme targets members of the public in that country (Case C-173/11, paras 36–47). While making available in the context of the re-utilization of non-original databases is on a different footing than Art. 8 WCT, the case provides nonetheless useful arguments. Cf. also United States Court of Appeals for the District of Columbia in *Spanski Enterprises Inc. v Telewizja Polska S.A.*, confirming that a video-on-demand streaming service initiating in Poland and transmitted to an audience in the US violated the public performance right under § 106(4) 17 U.S.C.

content is sufficient for the making available right to come into play whether the user ultimately requests its transmission or not.⁹⁴

Secondly, the act of making available must allow members of the public to access the content from a place and at a time of their choice. This is a vital feature of the right which distinguishes the act of making available as an interactive form of use from the act of broadcasting where the programme is entirely determined by the broadcaster and users have no such choice. As the Basic Proposal put it, 'the element of individual choice implies the interactive nature of the access'.⁹⁵ **1.082**

In practice, not all services can, however, be clearly distinguished as either interactive or broadcasting. There are services which combine various interactive and non-interactive elements such as certain pay-per-view models which provide only a smaller degree of flexibility with regard to the timing of a programme. Such 'near-on-demand' services are not expressly covered by the scope of making available. In such a case, it will be necessary to evaluate the individual business model and to assess the amount of choice left to the user so as to determine whether the use is closer to making available or to broadcasting.⁹⁶ In order to avoid the uncertainties of interpretation, the implementing lawmaker may exercise discretion and include such models in the scope of the making available right; otherwise, the question will have to be resolved by the courts. This aspect is of particular practical importance in the area of related rights where 'near-on-demand' services would otherwise fall outside the scope of the exclusive right even though they are close to an interactive service in terms of economic value.⁹⁷ In any event, already the Basic Proposal for the protection of performers and producers of phonograms expressly states that the making available right should extend both to directly interactive ways of making available and services with similar effects.⁹⁸ **1.083**

Finally, the making available right may only be restricted on the basis of Articles 10 WCT and 16 WPPT. For example, where a Contracting Party qualifies making available as an act of distribution, the right cannot be subject to exhaustion.⁹⁹ This legal situation was confirmed in the United States in the case *US Capitol Records, LLC v ReDigi, Inc.* where the application of the first **1.084**

⁹⁴ von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, paras 7.8.26 and 7.8.27.

⁹⁵ Records 1996, Vol. I, Doc. CRNR/DC/4 para. 10.11, p. 204.

⁹⁶ von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, paras 7.8.34–7.8.36.

⁹⁷ Cf. in particular the discussion in the German chapter of this book in Part III, Chapter 13, at para. 13.0.19 regarding the judgment of the OLG Hamburg in *Staytuned III* (ZUM 2009, 414) where the making available right was applied to an interactive streaming service.

⁹⁸ Records 1996, Vol. I, Doc. CRNR/DC/5 para. 18.08, p. 308.

⁹⁹ von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.8.24.

sale doctrine to online resales of iTunes music tracks was denied by the court.¹⁰⁰ Conversely, in the European Union, the Court of Justice allowed the resale of computer software through online delivery under certain conditions in the case *UsedSoft v Oracle*, thus allowing for exhaustion in an online context.¹⁰¹ While Article 3(3) of Directive 2001/29/EC clearly states that the communication to the public right, including the making available right, is not subject to exhaustion, the Court in *UsedSoft* applied the specific provisions regarding distribution in Article 4 Directive 2009/24/EC on the legal protection of computer programs as *lex specialis* vis-à-vis the provisions in Directive 2001/29/EC. As such, the Court's decision may not directly affect the legal situation with regard to works other than computer programs. Nevertheless, since computer programs are expressly protected under Article 4 WCT as literary works, the admission of exhaustion in an online context would appear to be contrary to the principles of international law which limits the application of the distribution right in Article 6 WCT to fixed copies that can be put into circulation as tangible copies.¹⁰²

- 1.085** It is also not possible to impose a restriction on the exercise of the making available right on the basis of Article 11*bis* (2) Berne Convention. This article refers primarily to compulsory licences but extends also to other forms of restrictions, such as mandatory collective administration.¹⁰³ While the Agreed Statement to Article 8 WCT provides that nothing in Article 8 WCT precludes a Contracting Party from applying Article 11*bis* (2) Berne Convention, this Statement does not mean that Article 11*bis* (2) Berne Convention may be applied to the making available right under Article 8 WCT. The reason for the Statement is rather to clarify that the conditions regarding the exercise of rights, and thus the provision of compulsory licences and similar restrictions, may continue to apply only to the rights provided for in Article 11*bis* (1) Berne Convention.¹⁰⁴ However, as we have seen, interactive transmissions covered by the making available right are not broadcasting in the sense of Article 11*bis* (1) Berne Convention. Consequently, restrictions on the exercise of a right on the basis of Article 11*bis* (2) Berne Convention, such as non-voluntary licences or mandatory collective administration, are not permitted in respect of the making available or any other form of communication to

100 934 FSupp2d 640 (S.D.N.Y., 30 March 2013) – appealed.

101 Case C-128/11, ECLI:EU:C:2012:407.

102 Cf. Agreed Statement concerning Articles 6 and 7 WCT. See also Trampuž, M., (2016), 'An Oracle on European Copyright Exhaustion', *Revue Internationale du Droit d'Auteur* 249, p. 154 at pp. 199–203.

103 Ficsor, op. cit., para. 5.37.

104 von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.8.44.

the public which is outside the scope of Article 11*bis* (1) Berne and covered by Article 8 WCT or another provision in the Berne Convention.¹⁰⁵

3.2.2 *Communication to the public (Article 8 WCT, Article 15 WPPT)*

In the area of copyright, apart from providing for an exclusive right in respect of making available, Article 8 WCT obliges Contracting Parties to close existing gaps in protection, particularly with regard to cable transmission. The discretion left to lawmakers in this area concerns primarily the definition of what constitutes a ‘public’ as well as the exercise of the broad communication to the public right. **1.086**

As already indicated, Contracting Parties may apply restrictions on the basis of Article 11*bis* (2) Berne Convention to the broadcasting and communication to the public right which is covered under Article 11*bis* (1) Berne, but not to the making available right. Where certain non-interactive online transmissions come under the scope of the broadcasting right as a result of a particular national implementation, the application of Article 11*bis* (2) Berne Convention can be problematic as these restrictions may only apply in the country for which they are prescribed. The global nature of such services requires precautions to guarantee that the restriction applies only in the prescribing country.¹⁰⁶ The discretion at the regional or national level must therefore be exercised within these parameters. **1.087**

As we have seen earlier, in the area of related rights, Article 15 WPPT grants performers and producers of phonograms a right to remuneration in respect of broadcasting and communication to the public instead of full exclusive rights. Article 15 WPPT offers Contracting Parties discretion in various respects: first of all, as the Agreed Statement to Article 15 WPPT confirms, the remuneration right is a minimum protection and Contracting Parties may increase protection in form of an exclusive right. According to the Statement, Article 15 WPPT does not represent a complete resolution of the level of broadcasting and communication to the public rights which should be enjoyed by performers and producers in the digital age. Indeed, some delegations would have preferred a higher level of protection in the Treaty, particularly **1.088**

105 Ficsor, M. (2003), Collective management of copyright and related rights at a triple crossroads: should it remain voluntary or may it be “extended” or made mandatory?, UNESCO Copyright Bulletin, October 2003, p. 7; contra von Lewinski, S. (2004), ‘Mandatory Collective Administration of Exclusive Rights – a Case Study on its Compatibility with International and EC Copyright Law’, UNESCO e-Copyright Bulletin, January–March 2004, pp. 4–11.

106 Ficsor, op.cit., para. C8.05, p. 496; von Lewinski in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.8.44.

with regard to subscription services with a significant economic impact;¹⁰⁷ however no consensus could be reached at the Conference and the matter was left to future resolution.

1.089 Contracting Parties may also exercise discretion by opting for certain reservations. As in the Rome Convention, whose system of reservations was transposed into the WPPT with slight modifications, Contracting Parties may exclude the application of the protection under Article 15 WPPT altogether, restrict it to certain uses or limit it in some other manner – which can be any thinkable way.¹⁰⁸ Pursuant to Article 4(2) WPPT, material reciprocity applies automatically in cases where a Contracting Party has made a reservation on the basis of Article 15(3) WPPT. In other words, where a Contracting Party has opted for a reservation under Article 15(3) WPPT, other Contracting Parties are not required to grant protection to nationals of that Contracting Party for uses which are the subject of the reservation. Thus, the situation under WPPT differs from that under the Rome Convention where material reciprocity applies if a Contracting State opts specifically for it by making a reservation under Article 16(1)(a)(iv).

1.090 Finally, as under the Rome Convention, Contracting Parties may decide on the exercise of the remuneration right which can be entrusted to the performer or the producer or to both. Article 15 WPPT thus defines the basic international framework for protection in respect of broadcasting and communication to the public of performances fixed in phonograms, but at the same time leaves room to regional and national legislators for important policy considerations.

3.2.3 Distribution (Article 6 WCT, Articles 8 and 12 WPPT)

1.091 Both Treaties make provision for a distribution right which covers the making available to the public of the original and of copies of a work, fixed performance or a phonogram through sale or other transfer of ownership. By specifically referring to sale or transfer of ownership, the provision concerns only the permanent transfer of ownership and does not extend to rental which is covered by a separate right in Articles 7 WCT, 9 and 13 WPPT.¹⁰⁹ An Agreed Statement confirms that the right concerns the making available of tangible objects only. The distribution right under Article 6 WCT and Articles 8 and 12 WPPT does therefore not cover online distribution. As we

107 Cf. for instance the proposal tabled by the United States with regard to subscription services in Records 1996, Vol. I, Doc. CRNR/DC/48, pp. 428 et seq. at p. 429.

108 Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 8, para. 8.15.34.

109 Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.6.22.

have seen in the context of the ‘umbrella solution’, this does, however, not mean that national legislators would not be allowed to characterize the making available online as a distribution in their national law. The same is true for rental which can be included in the scope of distribution. However, in such a case the implementation must appropriately reflect all the individual elements which are set by the Treaties for the different rights. For example, where the making available right is implemented as an online distribution right, the exhaustion principle cannot apply.¹¹⁰

Discretion is also left to the national legislator with regard to the application of the exhaustion principle. The Basic Proposal contained two alternatives with regard to exhaustion: one provided for national/regional exhaustion, the other for international exhaustion.¹¹¹ As the controversy with regard to exhaustion could not be solved during the Diplomatic Conference, the Treaties do not take a stand as to which form of exhaustion should be applied by Contracting Parties. However, the Treaties set conditions for the exhaustion principle to apply: exhaustion may only occur in cases where the first sale or other transfer of ownership was made with the authorization of the author, performer or producer. Hence, although the legislator is free to apply either international or national/regional exhaustion to the distribution right, this choice does not exist with regard to originals and copies which have been marketed without the consent of the right owner. **1.092**

3.2.4 Rental (Article 7 WCT, Articles 9 and 13 WPPT)

The provisions in the WIPO Treaties governing rental are modelled upon the rental right in the TRIPS Agreement. Only authors of computer programs are entitled to full rental rights. In the case of cinematographic works, a rental right must only be provided for where commercial rental has led to widespread copying of such works materially impairing the exclusive right of reproduction. Where works are embodied in phonograms, authors only enjoy rental rights ‘as determined in national law’. However, since Article 7 contains a minimum protection, a Contracting Party may exercise discretion and grant a rental right to all authors. Indeed, a considerable number of Contracting Parties grant full rental rights to all authors.¹¹² At EU level, this has been the case since 1992.¹¹³ **1.093**

¹¹⁰ Reinbothe in Reinbothe/von Lewinski, op. cit., Chapter 7, para. 7.6.28, with further references.

¹¹¹ Records 1996, Vol. I, Doc. CRNR/DC/4, pp. 194–7, Doc. CRNR/DC/5, pp. 278–81, 302–5.

¹¹² Note however that two states only grant remuneration rights for rental in the following cases: Switzerland: Art. 13(4) Swiss Copyright Law (except for computer programs to which the exclusive rental right applies); Japan: in the area of phonograms: one year exclusive right, 49 years’ remuneration (Art. 97ter Copyright Law of Japan). For these systems, the grandfathering clause in Arts 7(3) WCT and 9(2), 13(2) WPPT was

- 1.094** Like authors, performers enjoy a rental right in respect of their performances fixed on phonograms only ‘as determined in the national law of Contracting Parties’ (Article 9(1) WPPT). Only phonogram producers have a full exclusive right in respect of the commercial rental of their phonograms (Article 13(1) WPPT). It is therefore assumed that in some cases Contracting Parties may not be obliged to provide for a right in respect of commercial rental of phonograms for the benefit of authors or performers.¹¹⁴ Thus, the lawmaker appears to have some discretion with regard to granting a rental right to authors and performers as far as phonograms are concerned, but not with regard to the rental right of the phonogram producer. As in the case of author’s rights, a rental right has been in existence in the European Union for the benefit of performers and producers of phonograms since 1992.
- 1.095** There is a difference in the text of the WCT and the WPPT with regard to exhaustion: only the provisions in the WPPT expressly state that rental rights subsist even after first distribution and thus cannot be exhausted. A similar enunciation of this principle is lacking in Article 7 WCT. However, one may assume that this principle applies also to the rental rights of authors; otherwise the right would be deprived of its practical value. Therefore lawmakers are generally not free to subject the rental right under WCT to exhaustion.¹¹⁵

3.2.5 Moral rights of performers (Article 5 WPPT)

- 1.096** For the first time performers enjoy moral rights protection in an international instrument. Pursuant to Article 5(1) WPPT, Contracting Parties must grant performers a paternity and an integrity right. Since this is a minimum protection, lawmakers may exercise their discretion and provide for further moral rights in favour of performers, for instance a right to withdraw or a right to disclose a performance. Moral rights have so far not been harmonized in the European Union. In view of the fact that the European Union has adhered to the Treaty in its own right, one may however question whether provisions at EU level would have been required in order to comply with Article 5 WPPT, unless one considers that moral rights of the performer could be covered via the right to respect for private life under Article 7 of the European Charter of

introduced which allows the continuation of such systems provided that the commercial rental of works embodied in phonograms is not giving rise to the material impairment of the exclusive right of reproduction of authors.

113 Article 3(1) Directive 2006/115/EC of the European Parliament and of the Council of 12 December 2006 on rental rights and lending right and on certain rights related to copyright in the field of intellectual property (codified version of Council Directive 92/100/EEC of 19 November 1992).

114 See for a discussion of the different possible interpretations: Ficsor, *op. cit.*, C7.08–C7.12; Reinbothe in Reinbothe/von Lewinski, *op. cit.*, Chapter 7, para. 7.7.32 and Chapter 8, para. 8.9.11.

115 Reinbothe in Reinbothe/von Lewinski, *op. cit.*, Chapter 8, para. 8.13.19.

Fundamental Rights.¹¹⁶ As a consequence of the lack of harmonization, a colourful mosaic exists ranging from minimum moral rights which may be subject to a waiver in common law jurisdictions such as the UK to perpetual and inalienable moral rights in French law.¹¹⁷

Discretion is left to the lawmaker also with regard to the term of protection, the means of redress and the question of transfer and exercise of moral rights. Article 5(2) WPPT sets parameters for the term of moral rights: they must be protected until the performer's death and thereafter at least until the expiry of the economic rights; however, those Contracting Parties which, at the moment of ratification or accession, do not provide for moral rights after the death of the performer may make an exception to this rule. **1.097**

3.3 Implementation issues with a low level of discretion

Some treaty obligations leave only little discretion to Contracting Parties. This is for instance the case with the term of protection for photographic works. Article 9 WCT obliges Contracting Parties not to apply Article 7(4) Berne Convention which means that the full term of 50 years p.m.a. must be applied to the protection of photographs. The 50 year term is a minimum term with which Contracting Parties must comply. Contracting Parties only have discretion with regard to providing a term exceeding 50 years p.m.a. This discretion has been exercised in the European Union where photographs enjoy a term of protection of 70 years p.m.a. (Articles 1 and 6 Directive 2006/116/EC).¹¹⁸ **1.098**

Other examples for a low level of discretion are the obligations concerning rights-management information (Articles 19 WCT, 12 WPPT). The text of the provisions is so detailed that it does not leave much room for manoeuvre to Contracting Parties. As a result, most implementations follow more or less faithfully the Treaty language, as is the case with Article 7 Directive 2001/29/EC. **1.099**

In this context, the reproduction right occupies a special place. One might consider that the reproduction right provided for in Articles 7 and 11 WPPT and the reference in Article 1(4) WCT together with the Agreed Statement **1.100**

¹¹⁶ As also suggested in the context of the European Convention on Human Rights (Art. 8), cf. Spielmann, D. (2015), 'Copyright and human rights', op. cit., pp. 258–9.

¹¹⁷ See in particular UK Copyright Designs and Patents Act 1988, ss. 205C–205N and Art. L.212–2 French Code de la Propriété Intellectuelle.

¹¹⁸ Directive 2006/116/EC of 12 December 2006 on the term of protection of copyright and certain related rights (codified version of Council Directive 93/98/EEC of 29 October 1993 on harmonizing the term of protection of copyright and certain related rights).

do not leave much discretion to Contracting Parties. A broad protection must be provided in respect of the concept of reproduction in any manner or form which extends to all forms of direct and indirect reproduction in whole or in part. Despite the controversy at the Diplomatic Conference regarding temporary copies, the reference to ‘in any manner or form’ should be wide enough to cover both permanent and temporary reproduction.¹¹⁹ This is true in particular as the proposal made by Norway to create a carve-out for temporary copies from the reproduction right was rejected at the Diplomatic Conference.¹²⁰ It would thus appear that there is not much room left for Contracting Parties to engage in any extravagant acts of lawmaking in the context of reproduction, except perhaps in devising specific limitations and exceptions for temporary copies which would however be a matter of implementation of and compliance with Articles 10 WCT and 16 WPPT.¹²¹

CONCLUSION

- 1.101** According to the World Intellectual Property Organization the implementation of the two Treaties would not require a major overhaul of copyright and related rights legislation or a change in the fundamental policy and structure of the legal regime.¹²² Nevertheless, the Treaties require Contracting Parties to take important and sensitive policy decisions in a climate which has become increasingly hostile to copyright and related rights since the Treaties have been adopted. One can therefore not deny that the sound implementation and application of the Treaties at the regional and national level is a major challenge both to the legislator and the courts. Whether and, if so, how this challenge has been met by the European Union and its member states will be explored in the following chapters of this book.

119 Ricketson/Ginsburg, *op. cit.*, para. 11.71 with an overview of the different opinions on this point.

120 Records 1996, Vol. I, Doc. CRNR/DC/22, p. 407.

121 This being said, the confirmation of a broad right of reproduction extending to temporary acts of reproduction under Art. 2 Directive 2001/29/EC did not prevent the Dutch legislator from devising certain temporary reproductions as a carve-out from the scope of the reproduction right instead of an exemption as provided for in Art. 5(1) of the Directive (cf. below Part III, Chapter 22 at paras 22.024–22.030). See also the discussion in the third section of the Foreword.

122 WIPO Document The Advantages of Adherence to the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), available at: http://www.wipo.int/export/sites/www/copyright/en/activities/pdf/advantages_wct_wppt.pdf (accessed 6 April 2018).