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Global Use/Territorial Rights: Private International Law Questions of the Global Information Infrastructure

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GLOBAL USE/TERRITORIAL RIGHTS: PRIVATE INTERNATIONAL LAW QUESTIONS OF THE GLOBAL INFORMATION INFRASTRUCTURE

By JANE C. GINSBURG*

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Introduction

In the private international law of intellectual property, and particularly of literary and artistic property, the basic principle is territoriality.¹ Each country provides for its own regime of protection of works of authorship. The Berne Convention for the Protection and Literary and Artistic Works and the Universal Copyright Convention oblige their members to respect the rule of national treatment, that is, of non discrimination between domestic and foreign works from member countries.² This rule reinforces the principle of territoriality, for it confirms the role of local copyright laws, by requiring that local law apply equally to the protection of local and foreign works of authorship.

Although the nondiscrimination rule of national treatment regarding the existence and scope of copyright protection has been the cornerstone of the Berne Convention since its first elaboration in 1886,³ the rule today may be ripe for reconsideration. Certain premises underlie the rule — premises understandable in a 19th-century document last revised in 1971. One of these premises, I believe, is that international infringements will occur sporadically, and seriatim, as works move relatively slowly from one Berne member to another. However, transborder broadcasting and satellite transmissions have already strained this assumption.⁴ The Global Information Infrastructure (GII) further erodes (if it does not completely undermine) this premise of the private international law of copyright.

A key feature of the GII is its ability to render works of authorship pervasively and simultaneously accessible throughout the world. The principle of territoriality becomes problematic if it means that posting a work on the GII calls into play the laws of every country in which the work may be received when, as we shall see, these laws may differ substantively. Should the rights in a work be determined by a multiplicity of inconsistent legal regimes when the work is simultaneously communicated to scores of countries? Simply taking into account one country's law, the complexity

¹ Melville B. Nimmer & Paul E. Geller, *International Copyright Law and Practice*, § 3 (1988-94).

² Berne Convention for the Protection of Literary and Artistic Works, art. 5.2 (Paris Act, 1971); Universal Copyright Convention, art. II (1952).

³ See generally, Sam Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986*, §§ 2.1-2.52 (1987).

⁴ Indeed, the European Union has diverged from the principle of territoriality in its Directive on the communication of works by satellite. Council Directive 93/83/EEC of September 27, 1993, O.J.E.C. L 248/15, preamble ¶ 14, art. 1.2(b) (law of the country of uplink applies to determine liability for unauthorized public performance by means of satellite transmissions). See discussion, *infra*.

of placing works in a digital network is already daunting;⁵ should the task be further burdened by an obligation to assess the impact of the laws of every country where the work might be received? Put more bluntly, for works on the GII, there will be no physical territoriality; no way to stop works at the border, because there will be no borders. Without physical territoriality, can legal territoriality persist?

The GII presents problems additional to the questions of legislative competence posed above. There are also the questions of judicial competence (choice of forum and personal jurisdiction over the parties) and of execution of judgments. Consider the following hypothetical: Suppose that a hacker in the U.S. had gained access to and copied the entirety of a copyrighted work, and had posted it on a French-headquartered commercial service that can be accessed from anywhere in the world. Subscribers in Mexico, China and Saudi Arabia do indeed download the work. Whom may the author(s) of the copyright work pursue for copyright infringement? The hacker? The individuals who download the work? The online service that made the bulletin board available to the hacker, and the work available to the downloaders? In what forum (or fora) should the suit proceed? If the copyright owner obtains a judgment against any of these parties, will other courts (of which a defendant may be a national or domiciliary, or in whose territory a defendant may have assets) enforce the order?

This article will first address the problem of forum selection and the related question of obtaining execution of a foreign judgment against online infringers (I). The article will then examine in greater detail the points of substantive conflict of national laws (IIA), before turning to choice of law approaches (IIB).

I. Judicial Competence

To put the issue of jurisdiction over foreign online infringers in perspective, it may help to pursue the hypothetical posed above. Suppose the copyright owner determines that it is not worthwhile to pursue the individual international downloaders, or even the hacker, but that the commercial online service would furnish a target not only likely to be able to satisfy a judgment, but also in a position to prevent similar infringements in the future. Where is the online service amenable to suit? Certainly at

⁵ See, e.g., I. Trotter Hardy, *The Proper Legal Regime for "Cyberspace"*, 55 *U.Pitt. L. Rev.* 993 (1994); Jessica Litman, *The Exclusive Right to Read*, 13 *Cardozo Arts & Ent. L. J.* 29 (1994); David J. Loundy, *E-law: Legal Issues Affecting Computer Information Systems and Systems Operator Liability*, 3 *Alb. L. J. Sci. & Tech.* 79 (1993).

the place of its corporate domicile.⁶ But suppose this place is remote from the plaintiff, and that the plaintiff does not wish to (or cannot afford to) incur the trouble and expense of litigating abroad. Would the online service also be subject to the personal jurisdiction of the courts of any of the countries in which the infringing communication is in fact received (supposing one of these is plaintiff's local forum)?⁷ In the courts of any countries in which the infringing transmission is capable of being received? In the courts of the domicile of the online subscriber who uploaded the copyrighted work without permission (the hacker)?

If the copyright owner wishes to (or is obliged to) join a direct infringer, such as the hacker or a downloader, to the suit against the service, the choice of fora may be more limited, since, apart from the hacker, these individuals may not be amenable to suit outside their domicile. The hacker's susceptibility to suit away from home may depend on the forum's willingness to entertain suit against a foreign defendant who injects an infringement into international commerce, and who knows (or should know) that the infringement may be reproduced in that forum. These complications with respect to individual defendants, who may in any event be ill-situated to satisfy a judgment, reinforce the likelihood that questions of judicial competence in the Global Information Infrastructure will focus on jurisdiction over bulletin board services and larger online providers.

The ability to pursue a non domiciliary online infringer in a convenient forum is of limited value, however, if the claim must be restricted to acts done in or closely affecting the forum. The copyright owner would seek to bring a claim addressing all acts of infringement, wherever occurring. But even if the forum accepted jurisdiction over so broad a claim against a non domiciliary, it may be difficult to obtain enforcement from other countries' courts of that portion of the judgment requiring entry of relief abroad.⁸

The availability of a convenient forum may also determine the kind of plaintiff that will be able to pursue international online infringers. If plaintiff is an individual author or modest copyright owner, no suit is likely to

⁶ See *Judicial Enforcement of Judgments in Civil and Commercial Matters*, O.J.E.C. 1978 (L 304)77, Title II, art.2.; Rudolph B. Schlesinger, *Comparative Law: Cases, Texts, Materials* 383 (1988). See also *Brussels Convention of September 27, 1968*, arts. 2, 5.3 (judicial competence within the European Union).

⁷ The prevailing view is that plaintiff can sue in tort either where the harm originated, or where it impacted. Schlesinger, *supra* note 6, at 391; D. Holleaux, J. Foyer, G. de Geouffre de la Pradelle, *Droit international privé* §§ 713 et seq. (1987).

⁸ *Judicial Enforcement of Judgments*, *supra* note 6, Title III. See also Peter Herzog and Delmar Karlen, *Attacks on Judicial Decisions*, in *XVI International Encyclopedia of Comparative Law*.

proceede if the defendant is not amenable to suit in plaintiff's domicile. To return to our hypothetical, suppose the copyright owner is Australian. If, under Australian principles of personal jurisdiction, a local court is not competent to hear a claim against a French entity not otherwise present in Australia, involving acts occurring in the U.S., Mexico, China and Saudi Arabia, then that may be the end of the claim, unless the Australian plaintiff has the resources to litigate in France or in another forum where the online service might be sued. Moreover, even if the French entity is amenable to suit in Australia, it may not be worthwhile to sue there if defendant lacks Australian assets sufficient to satisfy the judgment, and if other courts, for example, France's, would not execute the judgment.

These observations prompt further conclusions. In the long run, effective judicial pursuit of international online piracy may require that infringers be amenable to suit in every country in which the infringement is capable of being received (i.e., throughout the world), and that the entire, world-wide claim be litigable in any country [for the law(s) applicable to the claim, see *infra*, part II]. Alternatively — and more likely — copyright owners lacking the resources to conduct multinational infringement suits will need to belong to a collective licensing organization or trade association capable of pursuing infringement actions in one or (many) more foreign countries.

II. Legislative Competence

Even if it is possible to bring before a single national court a claim alleging world-wide infringements of copyright, the principle of territoriality normally requires application of the law of each country in which protection is sought against the unauthorized copying or communication of works of authorship.⁹ This would mean that the forum would be obliged to apply scores of foreign laws, in addition to its own copyright law. Such an exercise could prove daunting, particularly if the applicable laws differ significantly (A). It may therefore be appropriate to consider whether a different choice of law rule should be adopted (B). One rule, inspired by the EU Satellite Directive, would look to the law of the country from which the infringing network communication originated.¹⁰ In effect, the Directive's law of the country of uplink would become the GII's law of the country of upload. But there is at least one major deficiency in this approach. The approach may work in the EU because all member countries must adhere to a minimum standard of protection.¹¹ If the approach is

⁹ Berne Convention, art. 5.2. See also Sam Ricketson, *supra* note 3, at §§ 5.51-5.68.

¹⁰ Cf. Council Directive, *supra* note 4.

¹¹ See Proposal for a Council Directive on the coordination of certain rules concerning copyright and neighboring rights applicable to satellite broadcasting

extended to the whole world, one runs the risk of a "race to the bottom": that is, pirates will seek to upload from the least protective country possible. So long as there is no effective world wide minimum standard of protection, it will be necessary to articulate alternative choice of law criteria, and none are likely to prove wholly satisfactory.

A. *Points of substantive divergence*

Choice of law will be an issue in GII infringement cases to the extent that there are substantive differences between potentially applicable national laws. These differences are most likely to occur in the following areas: protectability of the uploaded work; ownership of copyright interests in the work; availability of moral rights protection for the work; and scope of liability of online services for either direct or indirect infringements.

1. *protectability of uploaded work*

a. *subject matter*

There is currently a high degree of consistency among many countries even outside the European Union, by virtue of multilateral agreements, primarily the Berne and Universal Copyright Conventions, and the GATT TRIPs accord. By and large, the Berne Convention harmonizes the subject matter of copyright protection.¹² Moreover, the GATT TRIPs accord further insures against divergence of national laws with respect to the kinds of works each member country will protect: the accord obliges members to protect computer programs as literary works, as well as to cover compilations of fact, to the extent the compilations manifest an original selection or arrangement of data.¹³

However, measures pending in the European Union threaten to present the subject matter problem more acutely than may now be the case. The draft Directive on the protection of databases would establish a sui-generis right to prevent unauthorized extraction of data: this right would benefit EU members, and proprietors of databases created outside the EU, if the country of creation offers reciprocal protection to EU members.¹⁴ To the extent that those countries lack an unauthorized extraction

and cable retransmission, Explanatory Memorandum, COM(91) 276 Final at 4, 26-29 (establishment of a common level of protection for copyright and neighboring rights is necessary component of EC Satellite Directive).

¹² Berne Convention, art.2 and 2bis. See also Ricketson, *supra* note 3, §§ 6.1-6.86.

¹³ Agreement on Trade-Related Aspects of Intellectual Property Rights (1994), art. 10, reproduced in William Patry, 3 COPYRIGHT LAW & PRACTICE 2207 (1994).

¹⁴ See Council of the European Union, Amended Proposal for a European Parliament and Council Directive on the legal protection of databases (fourth

remedy, there will be a significant difference in the scope of protection of databases available in the different countries having access to databases posted on the GII.¹⁵

Sound recordings present another subject matter of divergent coverage. In the U.S., sound recordings are within the subject matter of copyright,¹⁶ but in most other countries they are not, and the Berne Convention does not include sound recordings among the categories of works that member countries must protect.¹⁷ The Rome Convention protects performers and producers of phonograms, but the U.S. is not a member of that treaty, and Article 5, member countries are required to grant national treatment only to producers of phonograms who are nationals of another Rome member country, a phonogram first fixed in another Rome member country, or a phonogram first published in another Rome country, criteria that would fit the U.S. phonograms rarely.

b. rights protected

The Berne Convention obliges member countries to ensure the author's "exclusive right of authorizing the reproduction of [literary and artistic] works, in any manner or form."¹⁸ That treaty also guarantees the rights of authors of "dramatic, dramatico-musical and musical works" to the "public performance by any means or process," and to "any communication to the public of the performance."¹⁹ The Berne Convention also ensures authors of "literary and artistic works" generally the right to broadcast their works or to communicate them "by any other means of wireless diffusion of signs, sounds or images."²⁰ Because, however, the GII is (or will be) a "wired" network, this right would seem not to apply. The treaty does not, moreover, instruct member countries how to classify particular acts as reproductions or as public performances or other communications to the public.

While distinguishing between reproductions and public performances may not have seemed problematic for the exploitation of works by analog technologies, digital technology has significantly blurred the traditional categories. With digital transmissions of works, the same act can be con-

consolidated text), doc. no. 5205/95 PI 10 CULTURE 7 CODEC 20, arts. 10-13.

¹⁵ Article 10 of the TRIPs agreement requires only protection of the original selection and arrangement of compilations of data; it does not mandate protection of the data itself.

¹⁶ See 17 U.S.C. § 102(a)(7). However, the scope of protection is more limited than for other subject matter of copyright.

¹⁷ See Berne Convention, art. 2.

¹⁸ Berne Convention, art 9.1

¹⁹ *Id.* art 11.

²⁰ Berne Convention, art. 11bis.1(i) (emphasis supplied).

sidered either or both a reproduction and a public performance or communication, depending on the applicable law. This is because at least in the U.S. and the European Union, receiving a digital document in a computer's memory is making a copy of the work,²¹ and because, at least under U.S. law, sending the document to members of the public who request it is also a public performance or display by means of transmission.²²

The classification of an act of digital exploitation of works of authorship can have practical consequences: the Berne Convention allows member countries greater leeway in limiting the broadcast/communication right than in restricting the reproduction right.²³ Moreover, because the subject matter of the public performance right explicitly covers only "dramatic, dramatico-musical and musical works," it is not clear that the treaty guarantees to authors of literary and artistic works a general right of public

²¹ Electronic distribution entails the making of "copies" within the meaning of the 1976 Copyright Act, at least as amended in 1980, when Congress adopted the recommendations of the Commission on New Technological Uses (CONTU). Under the CONTU approach, a "copy" is made when a computer program (or by extension, any work expressed digitally) is received into the computer's temporary memory. See Report of the Commission on New Technological Uses, quoted in Robert A. Gorman and Jane C. Ginsburg, *COPYRIGHT FOR THE NINETIES* 692-94 (4th ed. 1993). This approach is the premise for § 117 of the U.S. Copyright Act, and has been followed in the European Union. See Council Directive 91/250 1991 O.J. (L 122) 42, art. 4(a). U.S. courts have also applied this principle. See, e.g., *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511 (9th Cir. 1993); *Advanced Computer Servs. of Mich., Inc. v. MAI Sys. Corp.*, 845 F. Supp. 356 (E.D. Va. 1994) (unauthorized loading of a program into computer's temporary memory held to create an infringing copy); *Telerate Sys. Inc. v. Caro*, 8 USPQ 2d 1740 (SDNY 1988) (unauthorized remote access to database: receipt of data in unauthorized user's computer held to create a copy). Thus, to receive an electronic distribution is to make a copy, even if no further, more permanent, copy follows. See generally, *Intellectual Property and the National Information Infrastructure: Preliminary Draft of the Report of the Working Group on Intellectual Property Rights* [hereafter "NII Green Paper"] at 35-37 (1994).

However, several commentators have questioned or even strongly criticized the proposition that receipt in a computer's random access memory entails making a "copy." See, e.g., David Post, *New Wine, Old Bottles: The Case of the Evanescent Copy, "Plugged In," American Lawyer*, May, 1995 (questioning); Jessica Litman, *The Exclusive Right to Read*, 13 *Cardozo Arts & Ent. L. J.* 29 (1994) (criticizing).

²² See, e.g., *Sega v. MAPHIA*, 30 U.S.P.Q.2d 1921 (N.D. Cal. 1994); *Playboy Ents. v. Frena*, 839 F.Supp. 1552 (M.D. Fla. 1993).

²³ Compare Berne Convention art. 9 with art. 11*bis*. In the U.S., for example, most of the statutory exemptions and compulsory licenses apply to the public performance right. See 17 U.S.C. secs. 110, 111, 114, 118, 119.

performance.²⁴ In addition, the Berne Convention does not explicitly set forth a right of public display for any work. As a result, if a member country classified digital delivery as a public performance and not a reproduction, but further determined that this right applied neither to literary works nor to images of artistic works, then the unauthorized online communication in that country of a photograph, news commentary, or database might not violate any rights protected under local copyright law.

Classifying an act of exploitation on the GII as a reproduction or a public performance may have other practical consequences as well. For example, if the communication of a digital recording of a musical composition to a user's computer is a public performance, then the communication might be licensed by a performing rights organization such as, in the U.S., ASCAP or BMI. (Because there is currently no public performance right in a sound recording, it is not necessary to secure a U.S. license from the copyright owner of the sound recording.) By contrast, if the communication were considered a reproduction, the right to license the communication would reside not with a performing rights organization, but with the copyright owner of the musical composition, and the copyright owner of the sound recording. If the communication could be considered both a reproduction and a public performance, it might even be necessary to obtain licenses from multiple sources. Thus, classification of the act implicates the competence of different rights owners or their representatives, particularly with respect to copyright collectives.

c. duration

Local copyright legislation may also differ as to the duration of copyright protection. While the Berne Convention mandates a minimum term of life-plus-fifty (or for certain works, fifty years from being made public),²⁵ and many countries, including the U.S., apply that term at least in part,²⁶ the European Union has harmonized the duration of copyright to life-plus-seventy.²⁷ Nonetheless, disparate durations appear not to pres-

²⁴ Article 11*ter* grants authors of literary works "the exclusive right of authorizing the public *recitation* of their works, including such public recitation by any means or process; [and] any communication to the public *of the recitation* of their works" (emphasis supplied). The specificity of this text may make it difficult to apply to digital communication of literary documents.

²⁵ Berne Convention, art. 7.

²⁶ See e.g. 17 U.S.C. § 302 (applying life-plus-fifty term to works, other than anonymous, pseudonymous or works for hire, created on or after January 1, 1978).

²⁷ Council Directive 93/98/EEC of October 29, 1993, O.J.E.C. No. L. 290/9. The harmonized term goes into effect on July 1, 1995; at that time, any work still protected in any country of the European Union will be protected throughout the Union, for the full life-plus-seventy term.

ent a problem for the GII because the Berne Convention provides an additional harmonizing rule: when the duration in the country where protection is claimed exceeds the term fixed in the country of origin, then the first country may apply the shorter term of the country of origin.²⁸ As a result, if the country of origin's term is shorter, then the work may receive in every Berne country protection coterminous with the protection it would receive at home (and shorter than local works receive).

However, the Berne Convention's reference to the term of protection in the country of origin can present other difficulties in the context of the GII. These difficulties concern not duration specifically, but rather the concept of the "country of origin." The Berne Convention identifies the "country of origin" as the country of first publication.²⁹ For unpublished works (or works published outside the Berne Union), the country of origin is "the country of the Union of which the author is a national."³⁰ If a work is created in whole or in part on the GII, with data or other contributions emanating from participants located in many different countries, is the "country of origin" every country of which a participating author is a national? If the work is simultaneously and continuously available throughout the world, is there *a* country of first publication?³¹ The problem of identifying a country of origin is significant not only to the calculus of duration, but to the availability under the Berne Convention of reciprocal protection for applied art.³² Moreover, in the absence of clear direction from the Berne Convention, some authorities look to the country of origin to determine ownership rights in the work.³³

²⁸ Berne Convention, art. 7.8. The U.S., however, does not generally apply the rule of the shorter term; § 104 extends the full benefits of U.S. copyright to qualifying foreign works, without reference to their status in the country of origin. By contrast, the new provisions on copyright restoration, 17 U.S.C. § 104A, do require a comparison of terms: U.S. copyright will not be "restored" to a foreign work no longer protected in its "source country." See § 104A(h)(6)(B). According foreign works greater protection than that required by the Berne Convention is consistent with that treaty, see art. 19.

²⁹ Berne Convention, art. 5.4.

³⁰ *Id.* art. 5.4(c).

³¹ The Berne Convention does to some extent anticipate the problem of multiple countries of first publication. Article 5.4(a) provides "in the case of works published simultaneously in several countries of the Union which grant different terms of protection, the country whose legislation grants the shortest term of protection" is the country of origin. This solution, however, does not identify *a* country of origin either in the event that all the countries of "first" publication have the *same* term of protection, or that if not all, at least many countries share the same shorter term of protection.

³² Berne Convention, art. 2.7.

³³ See, e.g., Henri Batiffol, note on the decision of the French Court of Cassation, April 29 1970, in *Revue critique de droit international privé* 1971.270; Olivier Carmet, note on the decision of the Paris Correctional Court, Decem-

2. *ownership of copyright*

Ownership supplies another category of substantive differences in national copyright regimes. There are at least two types of problems concerning copyright ownership: initial title to copyright; and limitations on transfers of copyright.

a. initial title to copyright

In the first case, some countries provide for employer-ownership of works created by employees pursuant to their functions;³⁴ in others, employment status does not derogate from the creator's initial title to the work.³⁵ A middle ground followed in some countries may presume a transfer of ownership from the employee to the employer, but the transfer may not apply to all employees, nor cover all rights.³⁶ The kinds of employees covered, and the scope of their presumed transfer, will depend on the national copyright regime. Finally, the initial copyright ownership of works specially ordered or commissioned from independent contractors may vary from country to country.³⁷

b. transfers of copyright

This type of problem includes national law restrictions on the nature or scope of an author's assignment of copyright interests. The general problem of determining when old licenses might still govern new media unknown at the time of contracting assumes particular importance in the digital world, including on the GII. For example, suppose that a publisher to whom the author, before the advent of digital media, transferred the rights to print, publish and sell her novel now wished to purvey the novel as a CD ROM or online. Would the pre-digital era grant cover this new exploitation? Different national laws supply different answers. In some

ber 3 1979, *Revue critique de droit international privé* 1980.110. See also George Koumantos, *Le droit international privé et la Convention de Berne, Droit d'auteur* 1988.439.

³⁴ See, e.g., 17 U.S.C. §§ 101 (definition of works made for hire), 201(b) (ownership of copyright in works made for hire); United Kingdom, Copyright, Designs and Patent Act, Part I, Chap. I(11)(2) (1988).

³⁵ See, e.g., France, Code of Intellectual Property, art. L. 111-1.3; Germany, Copyright Law of 1965 (as amended 1990), Section III, art. 7.

³⁶ See, e.g., France, Code of Intellectual Property, art. L. 132-24 (discussing ownership of audiovisual works); Spain, Copyright Law of 1987, Chapter I, art. 5.2, 8 (discussing ownership of collective works).

³⁷ See, e.g., 17 U.S.C. § 101 (defining certain categories of works as capable of being a "work specially ordered or commissioned" as a work made for hire); Jane Ginsburg, *Conflicts of Copyright Ownership Between Authors and Owners of Original Artworks: An Essay in Comparative and Private International Law*, 17 *Colum.-VLA J. L. & the Arts* 395, 403-05 (1993).

countries, authors may not grant rights in forms of exploitation unknown at the time of contracting,³⁸ while in others such a grant will be honored if it is explicit,³⁹ and in still others, ambiguities in the contract with respect to future exploitations may be construed in favor of the grantee.⁴⁰

3. *moral rights*

Similarly, moral rights pose a problem of inconsistent domestic copyright/contract law: in some countries moral rights are alienable, or at least waivable⁴¹; in others, such a contractual clause would be ineffective.⁴² Moral rights present other issues as well. The author's non-pecuniary interests in being credited for her work, and particularly to preserve its integrity, receive different degrees of protection in different countries. In some countries, there is little, if any, protection outside of copyright ownership of the economic rights or contractual agreement.⁴³ In others, strong protection for the work's integrity remains ensured, even if the author has granted pecuniary rights to exploit the work.⁴⁴

4. *secondary liability*

One of the most significant areas of potential divergence for the GII, especially in light of the earlier discussion concerning judicial competence, is the question of liability of the bulletin board service or other online provider through whom the infringing material is communicated. The online service may be a direct infringer, under national laws that hold that the placement of digital documents in a computer's temporary memory constitutes a reproduction, requiring the copyright holder's permission.⁴⁵ If some national laws do not find infringement at the "input" stage, then it may be more difficult to find the online service directly liable in those countries.

For such countries, as well as for countries that do recognize "input" as an act subject to copyright but may also expand liability beyond that act, the availability of relief on a theory of secondary liability assumes particular importance. In the U.S. at least, there is a well-elaborated doctrine

³⁸ See, e.g., Germany, Copyright Law of 1965 (as amended 1990), Section V, art. 31.4.

³⁹ See, e.g., France, Code of Intellectual Property, art. L. 131-6.

⁴⁰ *Bartsch v. Metro-Goldwyn-Mayer, Inc.*, 391 F.2d 150 (2d Cir. 1968). *Contra*, *Cohen v. Paramount Pictures Corp.* 845 F.2d 851 (9th Cir. 1988).

⁴¹ See, e.g., 17 U.S.C. § 106A(e); UK, 1988 Copyright Act § 87(2), (3).

⁴² See, e.g., France, Code of Intellectual Property Law, art. L. 121-1.

⁴³ Or, in the U.S., false representation claims under the Lanham Act or similar state laws. See, e.g., *Gilliam v. American Broadcasting Cos.*, 538 F.2d 14 (2d Cir. 1976).

⁴⁴ See, e.g., France, Code of intellectual property, art. L. 121-1.

⁴⁵ See sources cited *supra*, note 21.

of vicarious liability of entities that furnish and are capable of controlling the means by which third parties commit copyright infringement.⁴⁶ These doctrines are now beginning to be applied to online services.⁴⁷ In other countries the general tort law theory of secondary liability, or its application to copyright cases, may be less developed.

This rapid survey suggests that there may be many areas of potential substantive conflict of copyright regimes, particularly concerning communication of works on the GII. It is now appropriate to turn to private international law approaches to resolving those conflicts.

B. choice of law approaches

1. Scope of competence of the law of the places of infringement

In principle, there is no such thing as "international copyright"; instead, there are a multiplicity of national copyright regimes.⁴⁸ An author and international copyright owner possesses no supranational rights;⁴⁹ she is instead, and at once, the proprietor of a French copyright, a U.S. copyright, a Mexican copyright, a Japanese copyright, and so on.

As a result, it would follow that the unauthorized copying of the author's work in each of these countries gives rise to an action for the violation of the local copyright law. But, since this approach presents a variety of problems, it is appropriate to inquire how broad is the competence which the Berne Convention attributes to the law of the place of infringement. In fact, the Berne Convention does not explicitly designate applica-

⁴⁶ See *Polygram Int'l Publ. Inc. v. Nevada/TIG, Inc.*, 855 F.Supp. 1314 (D. Mass. 1994); *Shapiro, Bernstein & Co. v. H.L. Green Co.*, 316 F.2d 304 (2d Cir. 1963).

⁴⁷ See *Sega v. MAPHIA*, 857 F.Supp. 679 (N.D. Cal. 1994) (online service provider encouraged posting of unauthorized copies of videogames). See also *Playboy Enters. v. Frena*, 839 F.Supp. 1552 (M.D. Fla. 1993) (direct liability for infringing display of images sent from electronic bulletin board to subscribers, even though BBS operator did not originate the transmission of the images).

⁴⁸ See Jon Baumgarten, *Primer on the Principles of International Copyright*, in *FOURTH ANNUAL U.S. COPYRIGHT OFFICE SPEAKS: CONTEMPORARY COPYRIGHT AND INTELLECTUAL PROPERTY ISSUES* 470, 471 (1992) (Prentice-Hall Law & Business): "The term 'international copyright' is something of a misnomer, for neither a single code governing copyright protection across national borders, nor a unitary multi-national property right, exists. What does exist is a complex of copyright *relations* among sovereign states, each having its own copyright law applicable to acts within its territory." (emphasis in original).

⁴⁹ However she benefits from the minimum standards imposed on domestic laws by the Berne and Universal Copyright Conventions and the TRIPs accord-Berne Convention arts. 5, 6bis-18; Universal Copyright Convention, art. I-VII; Agreement on trade-related aspects of intellectual property rights 1994, art. 9-14.

tion of the law of the place of infringement to resolve *all* issues of a copyright claim. At least as to most questions of copyright ownership, the Berne Convention does not clearly designate any choice of law rule.⁵⁰ However, as to ownership of rights in cinematographic works, the treaty does set forth conflicts rules, and these point, at least presumptively, to the law of the country where protection is sought.⁵¹ Finally, in the one other area in which the Berne Convention's choice of law rule seems clear — the law applicable to determining whether the copyright owner's rights have been infringed — the resulting competence of a plethora of national copyright laws renders the Berne conflicts rule problematic.

a. issues as to which the Berne Convention poses no choice of law rule: copyright ownership in general

Apart from the article specifically addressing the law applicable to determine ownership of copyright in cinematographic works, the Berne Convention proffers no general choice of law rule for copyright ownership. The provision of a specific rule on cinematographic works lends itself to the two contrary interpretations with respect to the treaty as a whole. Either the rule simply confirms the choice of law implicit in the Berne Convention, or the specification of applicable law was necessary precisely because the treaty's default rule implicitly refers to the ownership rules of the country of origin.⁵² Because neither of these arguments from the text of the Convention is wholly persuasive, it may be useful to consider the consequences of the interpretations.

If the law of the place of infringement controls the determination of initial or transferred copyright ownership, then the international exploitation of the work may be disrupted, or at least complicated, because the identity of the owner, or the scope of his rights, may vary each time the work crosses a border. On the other hand, applying the law of the country of origin to determine copyright ownership may not always supply a simple solution either — at least for those works that are created in whole or in part on the GII. As indicated earlier, with such works, both the place of “first publication” and the nationality or domicile of the authors may be

⁵⁰ See generally, S. Ricketson, *supra* note 3, at §§ 5.68, 16.21.

⁵¹ See Berne Convention, art. 14bis.

⁵² By contrast, the recent U.S. law on restoration of foreign copyrights explicitly resolves the choice of law issue by designating the law of the “source country” to determine who is the copyright owner (and who, therefore, is entitled to claim the U.S. restoration), 17 U.S.C. § 104A(b) as amended by Pub. L. 103-465 (1994). The same question as posed for article 14bis recurs here, in reverse: does the new U.S. legislation confirm or create an exception to the general choice of law rule for designating owners of copyright?

most multiple: if the usual criteria are applied, the work is likely to have a plethora of countries of origin.

It may therefore be necessary to articulate a different point of attachment for the law applicable to determining copyright ownership. The goal is to enhance the international commercial security of the work by designating a national law that will ascribe at least initial copyright ownership, and will be recognized in all countries to which the work is communicated. The law chosen must therefore have the most significant relationship to the work's creation or dissemination. Possible candidates for determining initial ownership of works created on the GII by multiple authors include:

1. The law specified in the contract between the initiating author or entity (including a juridical person) and the other participants in the work's creation;
2. The nationality, domicile or effective business establishment of the initiating author or entity (including a juridical person); and
3. The country from which the the first authorized communication of the work is made.

The third point of attachment would apply, not to works still in evolution on the GII, but only at the point at which the initiating author or organizing entity determines that the "work" has taken definitive form, and disseminates the work as such.

- b. issues as to which the Berne Convention does pose a choice of law rule, but the choice is problematic for the GII

- i. *ownership of copyright in cinematographic works*

The complex provisions of article 14bis of the Berne Convention declare the question of ownership of copyright in cinematographic works "a matter for legislation in the country where protection is claimed."⁵³ This article also attempts to palliate the anarchy potentially resulting from that choice of law rule, by setting forth a contractually rebuttable presumption of transfer of rights to the producer from certain contributors to the cinematographic work. However, this presumption of transfer is of limited effect, since it does not apply to the film's director, screenwriters or composer of the soundtrack.⁵⁴

Because article 14bis' choice of law rule can result in the application of many conflicting attributions of copyright ownership, the rule and accompanying presumptions were already criticized before the advent of

⁵³ Berne Convention, art. 14bis(2)(a).

⁵⁴ Id. art. 14bis(2)(b)(c)(d), art. 14bis(3).

digital networks.⁵⁵ One may expect that its application to digital communications will be even more strongly deplored. One may also expect that, were the rule to continue to apply, producers of audiovisual and similar works might endeavor to elude the rule's coverage by contending that the work at issue is not a "cinematographic work" within the meaning of the Berne Convention.

In the context of multimedia products, this claim may not be fanciful. The Berne Convention does not define a "cinematographic work," but the treaty's list of works comprehended in the designation "literary and artistic works" includes "cinematographic works to which are assimilated works expressed by a process analogous to cinematography."⁵⁶ What does "a process analogous to cinematography" mean? To the extent that it implies use of a camera, it may not include the kinds of computer-generated images and sequences that characterize many multimedia products.

However, despite the Berne Convention's incorporation of the term "*process* analogous to cinematography," perhaps the emphasis should be less on the way the images are created, and more on the way the viewer perceives the images.⁵⁷ Leading commentators, addressing an older technology problem, have suggested this emphasis, in rejecting the argument that works made for television should not be considered "cinematographic works." Hence, in that context, whether the sequence of images was pre-recorded on film or broadcast live, the televised images "produce the same effect for the television viewer"; "that which is visible on the screen should therefore be protected in the same way in both cases."⁵⁸ In other words, if the multimedia work looks like a motion picture, it should be considered a "cinematographic work."

However, multimedia works might also lend themselves to other categorizations. For example, because multimedia products may assemble a

⁵⁵ See, e.g., HENRI DESBOIS, ANDRE FRANÇON & ANDRE KEREVER, LES CONVENTIONS INTERNATIONALES DU DROIT D'AUTEUR ET DES DROITS VOISINS 216-21 (1976); S. Ricketson, *supra* note 3 at § 10.33 ("the provisions adopted are among the most obscure and least useful in the whole Convention.").

⁵⁶ Berne Convention, art. 2.1. Compare 17 U.S.C. § 101 (defining audiovisual works as "works that consist of a series of related images which are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.").

⁵⁷ Compare the 1948 Brussels text of this article, which assimilated "works produced by a process analogous to cinematography" (emphasis supplied). See generally S. Ricketson, *supra* note 3, at § 10.12 (discussing the history of this provision).

⁵⁸ Claude Masouyé, *Guide de la Convention de Berne* 16 (WIPO 1978). See also S. Ricketson, *supra* note 3, at §§ 10.12-10.14.

variety of pre-existing as well as newly-created elements, many of them static, such as text or single images, the products might be considered collective works rather than, or as well as, cinematographic works.⁵⁹ This different, or additional, characterization might justify the nonapplication of article 14bis.

Ownership of rights in cinematographic works offers one example of the problem of territoriality in the GII. But this issue concerns a relatively peculiar and obscure corner of the convention. The real problem goes to the heart of the Berne system: the application of the rule of national treatment to intensely multinational infringement claims.

ii. too many applicable laws governing the infringement

If the law of each country of alleged infringement is to apply, then in the GII, the laws of every country in the world might be applicable. The choice of law problem also affects the selection of forum: if each claim is territorially distinct, so might be each litigation. Alternatively, a plaintiff might endeavor to plead before one court the laws of every place of alleged infringement; however, it would not be surprising if some courts proved reluctant to entertain the extra-territorial portions of the action. At least in the U.S., litigants have argued, and some courts have agreed, that a claim requiring the interpretation of foreign law should be dismissed on forum non conveniens grounds, in favor of pursuing the action before the courts whose national laws are to be construed.⁶⁰

Presumably, a copyright owner is not obliged to plead the laws of every place of infringement; she might prefer to limit her action to unauthorized exploitation in industrial (and perhaps industrializing) nations. Nonetheless, there remains the potential for a substantial variety of substantively divergent legal regimes.

⁵⁹ Or in Berne Convention terminology, "collections of works," see art. 2.5. On the classification of multimedia products as collective works, see, e.g., Pierre-Yves Gautier, *Multimedia Works in French Law*, 160 RIDA 90, 104-108 (1994).

⁶⁰ See, e.g., *Timberlane Lumber v. Bank of America N'l. Trust & Sav. Ass'n.*, 549 F.2d 597, 616 (9th Cir. 1976) (dismissing antitrust claim on forum non conveniens grounds because, inter alia, Honduran law applied). See also, *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508 (1947) (it is appropriate to try a diversity case "in a forum that is at home with the state law that must govern the case, rather than having a court in some other forum untangle problems in conflict of laws, and in law foreign to itself").

But see *London Film Prods. v. Intercontinental Communications*, 580 F.Supp. 47 (SDNY 1984) (retaining exercise of federal diversity jurisdiction over foreign law claim by UK plaintiff against U.S. defendant alleged to have licensed plaintiff's films for exhibition in South America, without plaintiff's authorization, and in violation of plaintiff's rights in the South American countries at issue).

The practical difficulties of adhering to a strictly territorial choice of law approach underscore the importance of evaluating other choice of law rules. These might include the law of the country of upload; the law of the country of origin (where that country is discernible); the law of the forum; or some combination of these criteria.

2. *Country of Upload*

In the U.S., some courts have simplified the choice of law problem by applying U.S. law to the entirety of a multinational infringement claim, when the root act of copying occurred in the U.S.⁶¹ From this viewpoint, the extraterritorial infringements are all the direct consequences of a local U.S. infringement. Where, however, the extraterritorial infringements cannot be rooted in a germinal U.S. violation of copyright, U.S. law might not apply to allegedly infringing acts occurring beyond U.S. borders. Thus, for example, in a recent decision, the Ninth Circuit, having determined that defendant's mere "authorization" in the U.S. to reproduce copies abroad without the copyright owner's permission was not itself a violation of U.S. copyright law, further held that the making of the reproductions abroad similarly did not infringe the U.S. copyright.⁶² As a middle ground, U.S. copyright law might apply to unauthorized reproductions occurring abroad if U.S. shores appear designed to be the ultimate destination of the foreign-made copies.⁶³

The root act or master copy approach to choice of law resembles the EU Directive's designation of the law of the country of "uplink" to govern liability for dissemination of programs by satellite.⁶⁴ Although the satellite signal can be received in a great many countries, the multinational communication can be traced to a single point of departure. In GII terms, the place of the root act or uplink would be called the country of the "upload".

⁶¹ See, e.g., *Update Art v. Modiin Publishers*, 843 F.2d 67 (2d Cir. 1988).

⁶² See *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088 (1994).

⁶³ See, e.g., *Metzke v. May Department Stores*, 878 F.Supp. 756 (W.D. Pa. 1995) (off-shore copying may violate U.S. copyright law if defendant commissioning the making of unauthorized copies abroad knew, or should have known, that the copies would be sold in the U.S.). See also *Nintendo of America v. Aeropower, Ltd.*, 34 F.3d 246 (4th Cir. 1994) (holding overbroad an injunction against sales in Mexico and Canada by Taiwanese manufacturer of unauthorized copies of Nintendo videogames, but suggesting the injunction should have been drawn to enjoin Mexican and Canadian sales of copies that were likely to reach the U.S.). Cf. *Steele v. Bullova Watch Co.*, 344 U.S. 280 (1952).

⁶⁴ Council Directive 93/83/EEC, *supra* note 4, preamble ¶ 14, art. 1.2(b) (law of the country of uplink applies to determine liability for unauthorized public performance by means of satellite transmissions).

Designation of the law of the country of upload to judge alleged infringements occurring throughout the world would appear to enjoy the virtue of simplicity. However, it also shares the vice of manipulability.⁶⁵ Cyberpirates will simply make sure they post the unauthorized copies from, or locate their services in, a country having an extremely lax intellectual property regime. Perhaps, just as certain nations have become the venue of choice for entrepreneurs seeking maximum banking secrecy and minimum taxes, some nations will endeavor to enhance the local economy by attracting professional infringers to their copyright-free shores.⁶⁶ Without a serious minimum standard applicable to all nations, or without a pirate nation exception from the application of the law of the upload, this choice of law rule is likely to prove unsatisfactory.

3. *Country of origin*

A choice of law rule appointing the law of the country of origin to govern multinational infringements is probably an unlikely candidate, despite its apparent simplicity and comparative resistance to manipulation. First, as discussed earlier, on the GII, it may not always be easy to determine the country of origin. Second, designation of such a rule goes against a hundred-plus year tradition of the Berne Convention.⁶⁷ It is not necessary here to rehearse all the arguments made within and without the Berne Union for and against application of the law of the country of origin. Suffice it to say that while such a rule might submit all infringements, wherever occurring, to a single legal norm, that same norm would appear multiple to the national judge, who, in judging claims respecting foreign works, would be obliged to apply different laws to different plaintiffs.⁶⁸

4. *The Law of the Forum*

Arguably, article 5.2 of the Berne Convention does not in fact mandate application of the law of each place of infringement.⁶⁹ Rather, in

⁶⁵ Moreover, it may not always be simple to identify the country of upload; in some instances, the communication may emanate from more than one country. For example, the transmission may combine a communications program sent from one country with a database from another, with further contributions from other sources.

⁶⁶ Proposal for a Council Directive, Explanatory Memorandum, *supra* note 11, at 4 (explaining that harmonization is necessary in order to avoid the creation of "copyright havens").

⁶⁷ See Ricketson, *supra* note 3, at §§ 5.51-5.69.

⁶⁸ Accord, S. Ricketson, *supra* note 3, at § 5.53.

⁶⁹ See generally, A. Lucas and H. J. Lucas, *Traité de la propriété littéraire et artistique*, §§ 1066-1074 (1994) (discussing arguments for application of the *lex fori*, but concluding that article 5.2's designation of the law of the country where protection is sought must refer to the law of the country where the infringement was committed).

designating the application of the law of the country “where protection is sought,” the treaty is referring not (or not only) to the places where the acts against which the copyright owner is seeking protection occurred, but rather to the forum country.⁷⁰ After all, it is before the courts of that country that the copyright owner is seeking protection. Under this interpretation, a single law — that of the forum — would apply to the entirety of multinational infringements. This apparently would be the case even if no infringements were alleged to have occurred within the forum: there may be an independent basis, such as defendant’s domicile, for a given country to be made the forum.⁷¹

This approach presents a double advantage of simplicity: it designates a single law applicable to the entire claim, and that law will be the judge’s domestic legislation. However, this approach is also susceptible to manipulation — from both sides. A copyright owner may “forum shop” the most favorable jurisdiction, regardless of its remoteness from either the defendant’s domicile, the root of the infringement, or even substantial infringing acts. A copyright defendant might seek to preempt this kind of forum selection by engaging in forum shopping of its own. Thus, the potential defendant might seek a declaratory judgment (where available) in a country whose laws either do not reach, or would excuse, defendant’s activities.

This analysis suggests that it may not be possible to designate a single choice of law rule to govern infringements on the GII. Rather an approach combining points of attachment may prove more fruitful.

5. Combination of Choice of Law Rules: Proposal

In light of the previous analyses, it may be worthwhile to propose a choice of law rule to designate the law applicable to infringement of copyright allegedly occurring in a multiplicity of nations. The proposed rule also seeks to avoid the excesses of forum shopping by requiring a nexus between the defendant’s domicile or activities and the claim. This concern for fairness, however, makes the rule susceptible to manipulation by defendants locating themselves or their activities in infringement havens.⁷² The proposed rule draws inspiration as to content and technique from the

⁷⁰ See, e.g., S. Ricketson, *supra* note 3, at § 5.87; Eugen Ulmer, *Intellectual Property and the Conflict of Laws* 10 (1978). *Contra*, Henri Desbois et al., *supra* note 55, at 153; A. Lucas & H.-J. Lucas, *supra* note 69.

⁷¹ See Schlesinger, *supra* note 6.

⁷² See Proposal for a Council Directive, *supra* note 66.

EU Satellite Directive;⁷³ the Hague Convention on Products Liability,⁷⁴ and the Restatement Second of Conflicts.⁷⁵

INFRINGEMENTS ALLEGED TO OCCUR IN MULTIPLE TERRITORIES: In the absence of an applicable treaty supplying a substantive rule, the law applicable to determine the existence and scope of copyright protection, as well as available remedies, shall be the law of the forum country, if that country is also either —

the country from which the infringing act or acts originated; or

the country in which the defendant resides or of which it is a national or domiciliary; or

the country in which the defendant maintains an effective business establishment. For the purposes of this provision, the “country in which the infringing act or acts originated” includes the country from which an unauthorized copy of the work was first communicated, including by any means of transmission.

⁷³ Council Directive *supra* note 4.

⁷⁴ Hague Conference on International Law, Collection of Conventions (1951-1988), No. 22, Convention on the Law Applicable to Products Liability, articles 4-6.

⁷⁵ American Law Institute, Restatement (Second) of Conflict of Laws ch. 7 § 145 (1988).