

Public Interest Analysis of TPP Art. 4; US Proposal Feb 2011

Draft Version 1
June 28, 2012

Sean Flynn

American University Washington College of Law, Associate Director, PIJIP

TPP Intellectual Property Chapter

I.	COPYRIGHT AND RELATED RIGHTS	2
A.	Art. 4.1– Exclusive Reproduction Rights.....	5
1.	Analysis.....	5
2.	Positive proposals	8
B.	Art. 4.2 – Parallel Importation	9
1.	Analysis.....	9
2.	Positive proposals	11
C.	4.3 Making available.....	11
1.	Analysis.....	11
2.	Positive proposals	12
D.	4.4 Hierarchy of rights.....	12
1.	Analysis.....	12
2.	Positive proposal	13
	Art. 4.5 – Terms of Copyright Protection	13
E.	13
1.	Analysis.....	13
2.	Positive proposal	15
F.	Art. 4.6, Application to Existing Works	15
1.	Analysis.....	15
2.	Positive proposal	16
G.	Art. 4.7: Contracting rights	16
1.	Analysis.....	16
2.	Positive proposal	16
H.	4.8 Placeholder for exceptions and limitations	17
1.	Analysis.....	17
2.	Positive proposals	18
i.	Clarifying the 3-step test	18
ii.	Open-ended limitation and exceptions.....	20
iii.	Access for persons with disabilities	22
I.	Arts. 4.9(a), 16.3 – Technological Protection Measures	22
1.	Analysis.....	23
	Positive Proposals	27
2.	27
J.	Art. 4.10 – Rights Management Information	27
1.	Analysis.....	28
2.	Positive proposals	29

I. COPYRIGHT AND RELATED RIGHTS

It was not long ago that copyright was seen as perhaps the less controversial field of intellectual property law, especially as compared to patents on medicines.⁵¹

⁵¹ See, e.g., ICTSD, UNCTAD Handbook on TRIPS p. 136 (remarking that a “more equal playing field in copyright” because of the lower cost of creating a copyrighted work, and the flourishing culture in developing countries, “is reflected in a lower level of controversy so far between developed

But with the rapid technological evolution of the internet into the primary means through which many communicate and engage in economic trade, the threat and promise of nearly free and ubiquitous digital copying of informational goods has brought the public interest effects of copyright into stark relief. It is thus largely around the copyright concerns, rather than those on patents and medicines, that hundreds of thousands of people marched on the streets of Europe to call for a rejection of the Anti-counterfeiting Trade Agreement and millions of Americans wrote and called on their representatives to reject the Stop Online Piracy Act.

In some respect, the growing public debate around copyright is around the very real question of when and under what conditions our public policies will allow the price of expressive goods to be reduced to the very low costs of digitally copying them. While allowing all expressive works to be so distributed would likely sap all incentives to produce or mass market many important cultural goods, there are also important examples where this is not the case, and rather making incredibly wide distributions of knowledge and information available throughout the world can be accomplished with little or no harm, and often benefits, to the incentives to produce and distribute that copyright is meant to provide.

One key challenge to assessing the public interest dimension of copyright policy is that we do not know the costs and benefits of copyright expansion. It is well established in the academic and economic literature that the public interest will only prevail through a careful balance. This balance is often promoted through the limitations and exceptions to rights – limitations referring to the bounds of a right where the public domain is left as the default background rule, and exceptions being the carved out areas from the right which would otherwise apply.⁵² But the leaked U.S. proposal for an IP chapter in the TPP, as has been the case with its FTA agenda more broadly, is composed primarily of robust expansions in proprietor rights, with scant attention to the need for limitations and exceptions to balance those rights.

The burden of the provisions is likely to be especially hard felt by developing countries. ICTSD and UNCTAD reported such concerns with regard to the more moderate terms of the TRIPS agreement:

From a development perspective, it is common to all forms of copyright that enhanced protection may in the long term stimulate the establishment of local cultural industries in developing countries, provided that other obstacles to such development are avoided. However, in the short and medium term, stronger copyright protection does give rise to

nd developing countries regarding copyright protection than is evident in some other areas regulated by TRIPS.”).

⁵² The distinction is explained further in Andrew F. Christie, *Maximising Permissible Limitations and Exceptions to Intellectual Property Rights*, in *The Structure of Intellectual Property: Can one Size Fit all?*, 121, 122-125.

some concern. Since copyrights are exclusive, they create access barriers to the protected subject matter, such as books, computer software and scientific information. It is thus essential to developing country policy makers to strike the right balance between incentives for creativity on the one hand and ways to enable their societies to close the knowledge gap vis-à-vis developed countries, on the other hand.⁵³

The Commission on Intellectual Property Rights came to a similar conclusion:

We believe that copyright-related issues have become increasingly relevant and important for developing countries as they enter the information age and struggle to participate in the knowledge-based global economy. Of course, some developing countries have long standing concerns that copyright protection for books and learning materials, for example, may make it harder for them to achieve their goals in education and research. These were prominently expressed at the 1967 Stockholm Conference of the Berne Convention and remain valid today.

Copyright deserves special attention now not only because millions of poor people still lack access to books and other copyrighted works, but because the last decade has seen rapid advances in information and communication technologies, transforming the production, dissemination and storage of information. This has been accompanied by a strengthening of national and international copyright protection. Indeed, it was largely these technological changes that led the copyright-based industries in the developed countries to lobby for TRIPS and the WIPO Copyright Treaty, as well as the *sui generis* protection system for databases established by the EU in 1996. These trends are likely to have both positive and negative aspects for developing nations and it is important to understand how they impact on such countries, particularly the poor.

The crucial issue for developing countries is getting the right balance between protecting copyright and ensuring adequate access to knowledge and knowledge-based products. It is the cost of access, and the interpretation of “fair use” or “fair dealing” exemptions that are particularly critical for developing countries, made more so by the extension of copyright to software and to digital material. These issues need to be addressed to ensure developing countries have access to important knowledge-based products as they seek to bring education to all, facilitate research, improve competitiveness, protect their cultural expressions and reduce poverty.

The U.S. proposal includes many dramatic expansions of the international minimum standards on the scope and length of copyright protection, including provisions not reflected in current U.S. law. The economic case for these provisions has not been made, neither for locking the U.S. into these provisions in an international agreement, nor for the wide range of other countries of all development levels included in the TPP coalition.

From a public interest perspective, expansions in proprietor rights should be accepted with extreme caution, and balanced with appropriate limitations and

⁵³ ICTSD/UNCTAD Handbook on TRIPS, 138

exceptions. The safest route would be to focus on which multilateral copyright treaties should be entered by TPP members, rather than attempting to fashion new plurilateral commitments that have not been subject to an inclusive and transparent global decisiona making process. This is especially important as the TPP members have expressed an ambition to expand the TPP standards into a new “21st Century” that will bind all APEC members, and ultimately all countries of the world.

A. Art. 4.1– Exclusive Reproduction Rights

1. Each Party shall provide that authors, performers, and producers of phonograms⁸ have the right⁹ to authorize or prohibit all reproductions of their works, performances, and phonograms,¹⁰ in any manner or form, permanent or temporary (including temporary storage in electronic form).

⁸ References to “authors, performers, and producers of phonograms” refer also to any successors in interest.

⁹ With respect to copyrights and related rights in this Chapter, the “right to authorize or prohibit” and the “right to authorize” refer to exclusive rights.

¹⁰ With respect to copyright and related rights in this Chapter, a “performance” means a performance fixed in a phonogram unless otherwise specified.

1. Analysis

TPP Art. 4.1 proposes an expansion of international minimum requirements on the right of reproduction required for performers, and also extends the minimum requirements of the right to reproduction for all protected works to include the right to exclude “temporary storage in electronic form.”

At its core, Article 4.1 appears to be a highly paraphrased summary of the reproduction rights required to be given to performers and producers of phonograms under the WPPT.⁵⁴ If that was the only intent, then the paragraph would be unnecessary if the obligation to join the WPPT remains in Article 1(3) of the proposed TPP chapter. But Article 4.1 expands the WPPT obligations in small but important ways.

It is important to recognizes that the WPPT represents a recent expansion in “related” or “neighboring” rights in copyright. The first multilateral copyright treaty, the Berne convention, limited its protections to the literary and artistic work of authors. Rigths for performers or producers of phonograms (meaning a recording of sound, but not an audiovisual work like a movie) were letter protected to a lesser extent under the Rome convention. Rome allows, for example, shorter terms of copyright for related rights (e.g. potentially 20 years from creation) than are

⁵⁴ See WPPT Art. 7 (right of reproduction of performers); WPPT Art. 11 (right of reproduction of producers of phonograms).

permitted for authors under Berne (50 years plus life of author). The WPPT harmonized the terms of related rights with author's rights to a 50 year minimum and strengthened the exclusive rights of related rights holders, for example by giving them the rights to "authorize" rather than only "prohibit" certain acts.

The U.S. has long protected related rights under the same copyright laws that apply to authors. But this is not the norm in every country. As explained by ICTSD and UNCTAD:

"Other countries, such as Germany and France, protect these rights under the separate category called "neighbouring rights." The reason for this differentiation is the perception in those countries that works protected under related rights do not meet the same requirement of personal intellectual creativity as literary and artistic works."

Article 4.1 extends performers rights beyond the WPPT by removing the WPPT requirement for most protections that the protected performance be "fixed in phonograms." Article 7 of the WPPT, for example, states: "Performers shall enjoy the exclusive right of authorizing the direct or indirect reproduction of their performances fixed in phonograms, in any manner or form." The Rome Convention similarly generally conditions protection requirements on the performance being "incorporated in a phonogram" or broadcast. The U.S. TPP proposal in Art. 4.1 leaves out these requirements.

Second, the TPP proposal requires that the right of reproduction extends to "temporary storage in electronic form."⁵⁵ The WPPT extends the right of reproduction for performers and producers of phonograms to "any manner or form." But proposals to include a specific right to block temporary reproduction in electronic form were considered and rejected in the negotiation.⁵⁶ Instead, the WPPT contains only a footnote explaining that the reproduction rights "fully apply in the digital environment," and that storage "in digital form in an electronic medium constitutes a reproduction."⁵⁷ Whether, when and how a temporary

⁵⁵ TPP, *supra* note 10, Art. 4.1.

⁵⁶ See Chairman of the Committees of Experts on a Possible Protocol to the Berne Convention and on a Possible Instrument for the Protection of the Rights of Performers and Producers of Phonograms, Basic Proposal for the Substantive Provisions of the Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works to be Considered by the Diplomatic Conference 28 (1996), available at http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=0CFUQFjAD&url=http%3A%2F%2Fwww.wipo.int%2Fedocs%2Fmdocs%2Fdipconf%2Fen%2Fcrnr_dc%2Fcrnr_dc_4.doc&ei=D_LET6ypHYno0QHHpsHPDQ&usg=AFQjCNH6Cx5JMraG2l2XZHwVRhRpLTNb-g (proposing that "Contracting Parties would articulate their agreement that the right of reproduction in the Berne Convention includes direct and indirect reproduction, whether permanent or temporary, in any manner or form.").

⁵⁷ WPPT fn 6.

electronic copy must be considered a reproduction is left to the policy discretion of member states.

The language in TPP Art. 4.1, although included in some other US Free trade agreements, is not a full expression of U.S. law on the topic. Section 106(1) of the Copyright Act does not contain language prohibiting reproduction “in any form.” It rather prohibits reproduction of the “copyrighted works in copies or phonorecords.”⁵⁸ Nor does U.S. law include an extension to “temporary storage in electronic form.” U.S. law requires that an infringing copy be “fixed,” meaning “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”⁵⁹ Likewise, the Digital Millennium Copyright Act [hereinafter DMCA] recognizes a safe harbor for “system caching.”⁶⁰

The distinctions are particularly important for enforcement of copyright on the internet. Lower courts in the U.S. have, for example, held that copyright does not extend to buffer copies on the internet.⁶¹ Similarly, although not a party to this agreement, the EU Copyright Directive (Directive 2001/29/EC, Article 5) contains an explicit exception for temporary reproductions addressing automated caching.⁶²

It is unlikely that the TPP would prevent countries from taking advantage of the flexibilities in U.S. and multilateral law concerning fixation requirements for performances and temporary copies. But it would more clearly harmonize the limitation with the general rule if these were also built in as minimum standards. Without such provisions, countries that cut and paste FTA language into their law to meet implementation requirements, which is unfortunately common,⁶³ will fail to fully protect their own consumer and competitor interests to the level even of

⁵⁸ See Griffin, *supra* note 16.

⁵⁹ Copyright Act, 17 U.S.C. § 101 (defining that “[c]opies” are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term “copies” includes the material object, other than a phonorecord, in which the work is first fixed.”).

⁶⁰ Digital Millennium Copyright Act, 17 U.S.C. § 512(b) (1998).

⁶¹ See *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008) (holding that buffer copies are saved for ‘more than transitory duration’ and are therefore insufficient for a work to be ‘fixed’).

⁶² See Council Directive 2001/29, art. 5, 2001 O.J. (L167) 10.

⁶³ See, e.g. An Open Letter to the Colombian Legislature Regarding Bill No. 201, available at <http://infojustice.org/archives/9414> (letter from nearly 70 copyright academics and practitioners finding that Columbia’s law reform implementing the U.S.-Columbia FTA implements “changes that upgrade protection for copyright [that] go beyond what the FTA requires and are, in fact, more restrictive than U.S. law itself.”).

actually existing U.S. law.

2. Positive proposals

In multilateral treaties, it is common to build clear authorizations of exceptions into the rule itself. For example, the right of reproduction for artists in Berne is followed by subparagraph (2):

It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.⁶⁴

Several proposals could be made to limit article 4.1 to a minimum standard more appropriate for the range of countries represented in the TPP. The provision could be deleted in entirety, relying instead on accession to multilaterally negotiated commitments on the topic, Berne and WPPT. Alternatively, suggested or mandatory limitations and exceptions to the right could be articulated in a subparagraph. Technology and internet companies have proposed, for example, a specific requirement that members create an exception for temporary electronic copies that they argue are necessary to enable electronic commerce to operate smoothly. Their proposed addition to the TPP text would state:

Such exceptions and limitations [provided by each member] shall include temporary acts of reproduction which are transient or incidental and an integral and essential part of a technological process and whose sole purpose is to enable (a) a lawful transmission in a network between third parties by an intermediary; or (b) a lawful use of a work or other subject matter to be made; and which have no independent economic significance, in that the reproductions are of short duration or are not perceptible to the user.⁶⁵

The essence of the technology companies' proposal is reflected in a number of international and domestic legal protections cited in the proposal, including in the Chile-U.S. FTA,⁶⁶ EU Information Society Directive⁶⁷ EU Software Directive⁶⁸

⁶⁴ Berne Art. 9(2).

⁶⁵ CCIA proposal.

⁶⁶ Chile-US FTA Art. 17.7(3) fn. 17 ("For works, other than computer software, and other subjectmatter, such exceptions and limitations may include temporary acts of reproduction which are transient or incidental and an integral and essential part of a technological process and whose sole purpose is to enable (a) a lawful transmission in a network between third parties by an intermediary; or (b) a lawful use of a work or other subject-matter to be made; and which have no independent economic significance.")

⁶⁷ 2001/29/EC ("EUIDS"), art. 5(1) (protecting "temporary acts of reproduction" with "no independent economic significance")

⁶⁸ art. 5(1) (providing that acts of reproduction of a computer program "shall not require authorisation by the rightholder where they are necessary for the use of the computer program by the lawful acquirer in accordance with its intended purpose, including for error correction").

Malaysia Copyright (Amendment) Act,⁶⁹ Singapore Copyright Act,⁷⁰ Australia Copyright Act,⁷¹ and New Zealand Copyright Act.⁷²

B. Art. 4.2 – Parallel Importation

Each Party shall provide to authors, performers, and producers of phonograms the right to authorize or prohibit the importation into that Party's territory of copies of the work, performance, or phonogram made without authorization, or made outside that Party's territory with the authorization of the author, performer, or producer of the phonogram.¹¹

¹¹ With respect to copies of works and phonograms that have been placed on the market by the relevant right holder, the obligations described in Article [4.2] apply only to books, journals, sheet music, sound recordings, computer programs, and audio and visual works (i.e., categories of products in which the value of the copyrighted material represents substantially all of the value of the product). Notwithstanding the foregoing, each Party may provide the protection described in Article [4.2] to a broader range of goods.

1. Analysis

TPP article 4.2 would create a new international legal requirement to provide copyright owners an exclusive right to block “parallel trade” of copyrighted works, at least for named categories of works “in which the value of the copyrighted material represents substantially all of the value of the product.” This provision is directly contrary to the dominant multilateral rule in international intellectual property agreements protecting the ability of domestic law to determine when copyrights and other intellectual property rights exhaust.⁷⁴

The issue of parallel trade arises because rights owners desire the ability to segment markets and determine their own prices and policies for entry into each market. Many countries are disadvantaged by such rights, particularly where they lack a sufficient consumer base to attract market entry at the lowest possible prices.

⁶⁹ 2012 sec. 9(b), amending section 13(2) (adding exception for “the making of a transient and incidental electronic copy of a work made available on a network if the making of such copy is required for the viewing, listening, or utilization of the said work”)

⁷⁰ sec. 38A (permitting temporary or transient reproductions made in the course of communication)

⁷¹ sec. 43A and 43B (permitting temporary reproductions as part of making or receiving a communication or as a necessary part of using a work)

⁷² sec. 43A (permitting transient or incidental reproductions).

⁷⁴ See WIPO Copyright Treaty (Article 6(2)) (“Nothing in this Treaty shall affect the freedom of Contracting Parties to determine the conditions, if any, under which the exhaustion of the right in paragraph (1) applies after the first sale or other transfer of ownership of the original or a copy of the work with the authorization of the author.”); TRIPS Art. 6 (“nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights”).

Parallel trade allows distributors to seek supplies of the legitimate copyrighted work in another market where the good is available. If for example, as is often the case, a text book is sold at a higher price in a smaller market (which might be a developing country or wealthier country with fewer residents, e.g. New Zealand), a supplier in the small market may purchase the book in the lower priced market and resell it – benefiting both consumers and the local importing firm.

The extension of copyrights to parallel trade is unsettled in current U.S. law, and this is a prime example where the TPP could affect the contours of existing U.S. law. The issue was recently litigated in the Supreme Court in *Costco v. Omega*⁷⁸, but the split decision did not finally resolve whether copyright holders have a right to prevent parallel importation in the U.S. The issue is set to be revisited in another U.S. Supreme Court case this fall -- *Kirtsaeng v. Wiley & Sons*.

Regardless of the ultimate shape of U.S. law on the topic of parallel importation, many countries in the TPP membership will have different economic interests than the U.S. and may legitimately desire different exhaustion regimes. A recent study in New Zealand, for example, found that its 1998 lifting of bans on parallel importation of copyrighted goods “has not affected the investment in and promotion of New Zealand creative sector, but improved choices and quality of services to retailers and consumers through increased competition.”⁷⁹

The TPP proposal would also “be a significant constraint on Australian copyright policy.” As explained by Kim Weatherall, Australian law generally prohibits importation of copyright works, but it has exceptions for software (s 44E), electronic books and music (s 44F), and sound recordings (s 112D) where the product is placed on the market in another country with the consent of the copyright owner. Weatherall explains further:

Australia’s Productivity Commission has produced numerous reports in favour of more parallel importation of copyright works, most recently books. As a small but affluent market, Australia has a history of experiencing higher prices for copyright works than markets such as the US and UK.⁸⁰

⁷⁸ *Costco Wholesale Corp. v. Omega, S.A.*, 541 F.3d 982 (9th Cir., 2008), *aff’d per curiam*, No. 08-1423, 562 U.S. __ (2010) (affirming, by an equally divided Court, the Ninth Circuit decision which applied the ‘first-sale’ doctrine codified in Section 109(a) of the Copyright Act to prevent diverted sales of foreign-made products).

⁷⁹ Alberto Cerda, *USTR New Exclusive Right for Copyright Holders: Importation Provision in the Trans Pacific Partnership Agreement (TPPA)* (July 5, 2011) <http://keionline.org/node/1176> (citing the 1998 New Zealand Copyright (Removal of Prohibition on Parallel Importing) Amendment Act and the government’s 2005 Cabinet Paper on Parallel Importing and the Creative Industries, http://www.med.govt.nz/templates/MultipageDocumentTOC___5706.aspx).

⁸⁰ Weatherall, p.5.

2. Positive proposals

To protect domestic flexibility to determine each country's own parallel importation regime, the TPP could include a provision much like in Berne and TRIPS, e.g. providing that "[n]othing in this Treaty shall affect the freedom of Contracting Parties to determine the conditions, if any, under which the exhaustion of the right in paragraph (XX) applies." Technology companies are advocating a positive mandate for every country to at least have a national exhaustion regime.⁸¹

C. 4.3 Making available

Each Party shall provide to authors, performers, and producers of phonograms the right to authorize or prohibit the making available to the public of the original and copies of their works, performances, and phonograms through sale or other transfer of ownership.

1. Analysis

This provision is substantially similar to the distribution rights recognized in the WIPO Copyright and Performances and Phonograms treaties, except the latter treaties are followed by a specific provision protecting the freedom of countries to determine exhaustion of rights.⁸² The WCT (Article 6(2)) states:

Nothing in this Treaty shall affect the freedom of Contracting Parties to determine the conditions, if any, under which the exhaustion of the right in paragraph (1) applies after the first sale or other transfer of ownership of the original or a copy of the work with the authorization of the author.

The WCT also carries a footnote limiting the expressions "copies" and "original and copies" subject to the right of distribution to "refer exclusively to fixed copies that can be put into circulation as tangible objects." Neither of these limitations is included in the U.S. proposal.

As Kim Weatherall reports, a protection for freedom to determine exhaustion rules was included in the AUSFTA:

AUSFTA includes an identically worded provision: Article 17.4.2, except AUSFTA has a qualifying footnote stating that 'Nothing in this Agreement shall affect a Party's right to determine the conditions, if any, under which the exhaustion of this right applies after the first sale or other transfer of ownership ... with the authorisation of the right holder.'

⁸¹ <http://infojustice.org/wp-content/uploads/2012/03/CCIA-positive-proposal.pdf> (proposing a requirement that "[e]ach party shall provide that the first sale in any of the parties' territories of the original of a work or copies thereof by the right holder or with his/her consent exhausts the right to control resale of that object.").

⁸² Article 6, WIPO Copyright treaty ("Authors of literary and artistic works shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their works through sale or other transfer of ownership.")

It is difficult to assess the impact of this provision. It is possible that without the qualifying footnote, the provision read literally could impact on second hand sales.

Weatherall also notes that the provision is missing an affirmative limitation that is included in many laws. Australia, for example, provides a right to make available in its Copyright law, but “liability only arises where the person ‘knew, or ought reasonably to have known’ that the article is infringing.”⁸³

2. Positive proposals

The following language from the WCT should be added:

Nothing in this Treaty shall affect the freedom of Contracting Parties to determine the conditions, if any, under which the exhaustion of the right in paragraph (1) applies after the first sale or other transfer of ownership of the original or a copy of the work with the authorization of the author.

D. 4.4 Hierarchy of rights

In order to ensure that no hierarchy is established between rights of authors, on the one hand, and rights of performers and producers of phonograms, on the other hand, each Party shall provide that in cases where authorization is needed from both the author of a work embodied in a phonogram and a performer or producer owning rights in the phonogram, the need for the authorization of the author does not cease to exist because the authorization of the performer or producer is also required. Likewise, each Party shall provide that in cases where authorization is needed from both the author of a work embodied in a phonogram and a performer or producer owning rights in the phonogram, the need for the authorization of the performer or producer does not cease to exist because the authorization of the author is also required.

1. Analysis

This clause does not have an analogue in the WPT, WPPT, Berne, Rome or TRIPS. A similar clause was included in the AUSFTA and is reflected in current Australian law.

The first clause – “to ensure that no hierarchy is established between rights of authors, on the one hand, and rights of performers and producers of phonograms, on the other hand” – indicates a principle that has not existed in international intellectual property agreements previously. Historically, there was a kind of hierarchy of rights with authors of literary and artistic works being ensured of stronger rights and longer protection terms than those of “related” or “neighboring rights” (e.g. performers and producers of phonorecords). But much of that distinction was erased with the WPPT and there has never been an international protection of a hierarchy of licensing rights would promote allowing one group of

⁸³ Weatherall, p.6.

rights holders to hold out licenses required from others.

This clause may prohibit some best practices in copyright licensing. A country may desire to speed licensing of some works by allowing one group of right holders to license their rights and providing for compulsory licensing or other disposition of the rights of any remaining rights holders. Documentary filmmakers, for example, often decry the difficulty of licensing audiovisual clips for their films which may require separate clearances from writers, performers, producers and other rights holders for both the visual and audio tracks. In addition, the clause could be read to pose barriers to the resolution of rights where some rights holders are unknown or no longer exist – so called orphan works.

2. Positive proposal

Limiting affirmative commitments that are present in multilateral agreements would exclude this clause.

To protect policy space in areas that may be subject to local limitations, exceptions and compulsory measures, a limitation and exception clause for any commitment in this area should be added to the section. An example could be:

Nothing in section XX shall limit the freedom of a member states to provide for limitations and exceptions to the right that are [3 step], or to subject any rights to a compulsory license, including to enable the licensing of works where some rights holders are unknown or no longer exist.

E. Art. 4.5 – Terms of Copyright Protection

1. Analysis

Art. 4.5 of the U.S. proposal for TPP would raise the international minimum requirement for a copyright term from the current life+ 50 year period included in TRIPS, Berne and the WPPT, to a new life+ 70 minimum term. It would also raise the term for works of corporate or collective authorship (e.g. many films in the U.S.) from fifty years from publication or making of the work (under TRIPS and Berne) to 95 years from publication, or 120 years from the making of the work.

Through the promulgation of the TRIPS agreement, copyright terms in international agreements had been converging on a minimum term of 50 years after the life of the author, for individual works, and 50 years from the date the work is lawfully made available to the public, if so published, or, if not published, 50 years from the date of making of the work.⁸⁴

Most copyright laws in the world adhere to the life plus 50 year models of the Berne and subsequent international copyright agreements. In 1993, the EU shifted

⁸⁴ See Berne Art. 7; TRIPS Art 12; WPPT; WCT.

its term of protection to a life plus 70 year model, but retained 50 year copyrights for corporate works.⁸⁵ In 1998 the U.S. followed suit with life plus 70 year terms for individual authors, but extended corporate copyrights to 95 years from the date of publication, or 120 years from the date of making unpublished works.⁸⁶ These terms were the longest in the world at the time. Many FTAs with the U.S. have required signatories to adopt similar term extensions in their own law.⁸⁷ Although these requirements are generally consistent with the U.S. Copyright Act,⁸⁸ it is noteworthy that the TPP proposal, like other FTAs, lack some of the moderating principles contained in U.S. law.⁸⁹

Length of copyright terms is an area of law where the U.S. model should not be considered an appropriate standard for the rest of the world. The latest terms in the U.S. are the result of the controversial and much criticized “Sonny Bono Copyright Term Extension Act” of 1998. As a coalition of law professors reported to Congress in opposition to that act at the time, the lengthening of copyright terms

impose[s] severe costs on the American public without providing any public benefit. It would supply a windfall to the heirs and assignees of dead authors (i.e., whose works were first published around 1920) and deprive living authors of the ability to build on the cultural legacy of the past.⁹¹

These views are supported by numerous academic studies finding no public benefit, but great public cost, from extending copyright terms to the current U.S. levels.⁹²

⁸⁵ See ICTSD 182.

⁸⁶ 17 U.S.C. § 302 (2002) (specifying the duration of copyright for works created on or after 1/1/78).

⁸⁷ See Roffe, 2004. The extensions required in US FTAs has not been uniform. The AUSFTA requires like plus 70 terms for individual authors, and 70 years from publication or the date of making for other works. Thus, accepting the US TPP proposal would require Australia to extend its copyright term for corporate authored films and sound recordings by 25 years. Kim Weatherall, Australian Analysis, p.7; accord Chile FTA art. XX; [which ftas require the 70/95/125 formulation?].

⁸⁸ §§ 302(a)-(b)

⁸⁹ See Griffin, *supra* note 16 (noting that although TPP sets the specified terms as the *minimum* level of protection, U.S. law sets the term as a limit, and the TPP proposal fails to incorporate presumption in 17 U.S.C. § 302(e) that after 95 years from first publication or 120 years after creation, an author’s death is presumed).

⁹¹ Statement of Copyright and Intellectual Property Law Professors on the Public Harm from Copyright Extension, <http://homepages.law.asu.edu/~dkarjala/opposingcopyrightextension/commentary/opedltr.html>

⁹² See, e.g., DOUGLAS GOMERY, RESEARCH REPORT: THE ECONOMICS OF TERM EXTENSION FOR MOTION PICTURES; Marci A. Hamilton, *Copyright Duration and the Dark Heart of Copyright*, 14, CARDOZO ARTS & ENT. L.J. 655 (1996); Dennis S. Karjala, *The Term of Copyright*, in GROWING PAINS: ADAPTING COPYRIGHT FOR LIBRARIES, EDUCATION, AND SOCIETY (Laura N. Gasaway ed., 1997); Cecil C. Kuhne III, *The Steadily*

The disproportionate costs associated with lengthening copyright terms in the other TPP members is likely to be even higher than in the U.S. Either because of the small size of their markets or high levels of poverty in their consumer base, the non-U.S. members to TPP all likely face higher barriers to accessing copyrighted works and are therefore more dependent on the public domain for accessing information and knowledge.

2. Positive proposal

The best option for the public interest on copyright terms would be to use the TPP to roll back all FTA requirements with the U.S. to the 50 year minimum terms currently expressed in binding multilateral agreements.

F. Art. 4.6, Application to Existing Works

Each Party shall apply Article 18 of the *Berne Convention for the Protection of Literary and Artistic Works* (1971) (Berne Convention) and Article 14.6 of the TRIPS Agreement, *mutatis mutandis*, to the subject matter, rights, and obligations in this Article and Articles [5] and [6].

1. Analysis

Article 4.6 requires the extension of rights in the agreement to existing works. This occurs through application of Article 18 of the Berne Convention, which states that the “Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expiry of the term of protection.”

Perhaps the most important negative impact of Article 4.6 in the present text would be to require the local implementation of copyright term extensions in Art. 4.5 to existing works. As described above, the local economic benefit from lengthened copyright terms is minimal when applied to future works. With respect to existing works – works already created under the then-applicable system – the economic benefit from longer terms is literally zero. You can’t incentivize the creation of a work that already exists.⁹⁴ And thus copyright term extensions for existing works only gives a windfall to existing proprietors with no correlative

Shrinking Public Domain: Inefficiencies of Existing Copyright Law in the Modern Technology Age, 50 LOY. L. REV. 549-563 (2004); EDWARD RAPPAPORT, CONG. RESEARCH SERV., 98-144E, COPYRIGHT TERM EXTENSION: ESTIMATING THE ECONOMIC VALUES (1998); J.H.Reichman, *The Duration of Copyright and the Limits of Cultural Policy*, 14 CARDOZO ARTS & ENT. L.J. 625 (1996); see also Stephen Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 HARV. L. REV. 281, 324 (1970) (opposing what became the 1976 extensions).

⁹⁴ See Statement by law professors (“Except in special cases, the economically efficient term of intellectual property protection for works already in existence is zero, because by definition intellectual property is not depleted by use.”).

benefit to the public at large.

2. Positive proposal

This is an instance where the clause would be vastly improved by changing the applicable “shall” to a “may,” at least with regard to any copyright term extensions included in the agreement.

G. Art. 4.7: Contracting rights

Each Party shall provide that for copyright and related rights, any person acquiring or holding any economic right in a work, performance, or phonogram:

- (a) may freely and separately transfer that right by contract; and
- (b) by virtue of a contract, including contracts of employment underlying the creation of works, performances, and phonograms, shall be able to exercise that right in that person’s own name and enjoy fully the benefits derived from that right.

1. Analysis

This provision is included in some US FTAs but has no analogue in the multilateral accords. As Jodie Griffin of Public Knowledge notes, this provision is likely consistent with U.S. law, but “could be construed to grant authorship to employers or contractors without meeting the requirements [of] the work made for hire definition” in U.S. law.⁹⁹ The real target of the provision may be prevent TPP member countries from following some European practices with respect to copyright management and regulation. Kim Weatherall notes:

The provision appears to be aimed at preventing Parties from introducing unwaivable or unassignable rights of a type found in Europe. It would prevent a Party from prohibiting the outright assignment of copyright (as, for example, is the case in Germany and Austria). In addition, this language is arguably sufficient to prevent the introduction of unwaivable rights to equitable remuneration like those found in the European Union’s Rental Rights Directive. This language might also be treated as excluding the compulsory collective administration of rights – a form of control on the exploitation of copyright that also enjoys some popularity in European copyright policy making circles.¹⁰⁰

As such, including this provision in the TPP may inhibit European countries, or countries whose laws are more closely modeled on Europe from joining the standard.

2. Positive proposal

Limiting commitments to those found in a multilaterally negotiated agreement

⁹⁹ Jodie Griffen, *supra*

¹⁰⁰ Weatherall, p. 8.

would eliminate this article.

H. 4.8 Placeholder for exceptions and limitations

[Placeholders for provision on (1) exceptions and limitations, (2) Internet retransmission, and (3) any other appropriate copyright/related rights provisions]

1. Analysis

The general tendency in US FTA intellectual property chapters, as well as in much of the multilateral intellectual property agreements, is to provide very strong, specific and ever expanding provisions on proprietor rights, and vague enabling clauses for, or restrictions on the scope of, limitations and exceptions. But there is a strong countercurrent being expressed in negotiations in WIPO as well as in the academic community that is pushing for increased attention to the need for international harmonization of mandatory minimum limitations and exceptions (aka “substantive maximums”¹⁰¹).¹⁰²

The increasing calls for international instruments to incorporate mandatory minimum limitations and exceptions arise in the context of the growth in the scope, specificity and enforceability of internationally recognized proprietary rights,¹⁰³ and through the recognition that limitations and exceptions to such rights are paramount to the development and free flow of trade in many goods and services, especially with regards to trade over the internet and of follow-on innovations,¹⁰⁴ as well as to promote access to the products of innovation and creativity. Limitations and exceptions are especially important in developing countries, which have, for example, long been vocal on the need for international copyright law to promote access to books and learning materials necessary for educational development.¹⁰⁵ A

¹⁰¹ Dinewoody, in *The Structure of IP: Can one Size Fit all* (Kur Ed.)

¹⁰² See, *The Structure of IP: Can one Size Fit all* (Kur Ed.); Dreyfuss, *TRIPS Round II: Should Users Strike Back* (2004). For a European example of a harmonizing “code” for copyright including limitations and exceptions, see <http://www.copyrightcode.eu/index.php?websiteid=3>

¹⁰³ Dinwoodie, in Kur ed. *The Structure of IP*, p. 13 (arguing that the Post-TRIPs trend in international intellectual property law has “disrupted” the low protection/national autonomy basis of the 19th century model, triggering increasing demands that “the substantive pressures created by minimum standards that are more real and less minimal need to be countered by ceilings that constrain in the other direction”); Martin, *Overprotection*, in Kur ed. *The Structure of IP* at 136-37, 144 (tracing the history of expansion as a justification for adoption of “fair use” rights in copyright and patent law).

¹⁰⁴ Hugenholtz and Okediji, intro (positing that L&Es are needed to “open up rapid advances in information and communication technologies that are fundamentally transforming the processes of production, dissemination and storage of information”); CCIA positive proposal, <http://infojustice.org/wp-content/uploads/2012/03/CCIA-positive-proposal.pdf>; Landes and Posder, *An Economic Analysis of Copyright Law*, 18 *The Journal of Legal Studies* 325

¹⁰⁵ These concerns took center stage in the 1967 Stockholm Conference of the Berne Convention,

final argument for the importance of including specific limitations and exceptions within FTAs is that they give implementing authorities guide essential posts for the creation of balanced implementing legislation. Creating international legal documents with highly specific rights provisions, and no counterbalancing guidelines on limitations and exceptions, can lead to the latter being inadequately considered in law reform processes.¹⁰⁶

2. Positive proposals

There are several major categories of limitations and exceptions that are now being promoted for international agreements and that should be considered in the TPP or any other international agreement on intellectual property.

i. Clarifying the 3-step test

As a subsequent agreement between parties of the Berne Convention and TRIPS, the TPP provides an opportunity to clarify the application of the so-called 3-step test in Berne and TRIPS which restrains limitations and exceptions to rights.

What is called the “three step test” arises originally from the clause in Article 9(2) of the Berne Convention, added in 1967, to enable domestic legislation to limit the new international obligation to recognize a right of reproduction recognized in the Article.¹⁰⁷ The clause states:

(2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

Various forms of the article have re-appeared in multilateral agreements, including in four places in TRIPS with different formulations. In U.S. FTAs, the test is frequently included as the main reference to limitations and exceptions, and operates as a restriction on their promulgation.

The 3 step test, as it is has been interpreted by several WTO panels, is the subject of robust academic criticism.¹⁰⁸ A key problem is that the interpretation of the

and remain a key focus of the Development Agenda and the call for an international treaty on limitations and exceptions for educational purposes being considered at WIPO.

¹⁰⁶ See Letter from International Academics to Colombia Legislature, infojustice.org

¹⁰⁷ See Hugenholtz and Okediji, 16-17.

¹⁰⁸ See, e.g., Geiger, Exploring the Flexibilities of the TRIPS Agreement’s Provisions on Limitations and Exceptions, in Kur ed. *The Structure of Intellectual Property Law*, 287-207; Martin Senftleben, Copyright, Limitations and the Three-Step Test in International and EC Copyright Law (2004); Kur, *Of Oceans, Islands, and Inland Water – How Much Room for Exceptions and Limitations under the Three Step Test*; Daniel Gervais, *Towards a New Core International Copyright Norm: The Reverse Three-Step Test*, 9 Marq. IP L Rev, 1 (2004); R. Cooper Dreyfuss, *TRIPS—Round II: Should Users Strike*

clause as creating three separate and “cumulative” “steps.” In this interpretation, the test requires each of the three steps to be considered independently and in order of their presentation so that the general balance of interests in the third “step” of the clause can only be considered after an analysis of whether the policy passes the first two “steps” (i.e. 1. being limited to special cases, and 2. not conflicting with normal exploitation of the right holder). This interpretation has been widely criticized as being formalistic and contrary to the general balance of private and public interest that should be at the heart of any limitations and exceptions analysis.

The Max Plank Institute declaration promoting *A Balanced Interpretation of the “Three-Step Test” In Copyright Law* argues that the best interpretation and implementation of the Three Step Test is as “a comprehensive overall assessment, rather than the step-by-step application that its usual, but misleading, description implies.”

No single step is to be prioritized. As a result, the Test does not undermine the necessary balancing of interests between different classes of rightholders or between rightholders and the larger general public. Any contradictory results arising from the application of the individual steps of the test in a particular case must be accommodated within this comprehensive, overall assessment.¹⁰⁹

The Max Plank Declaration offers several principles for the reinterpretation of the Three Step Test that could be incorporated into the TPP:

1. The Three-Step Test constitutes an indivisible entirety.

The three steps are to be considered together and as a whole in a comprehensive overall assessment.

2. The Three-Step Test does not require limitations and exceptions to be interpreted narrowly. They are to be interpreted according to their objectives and purposes.

3. The Three-Step Test’s restriction of limitations and exceptions to exclusive rights to certain special cases does not prevent (a) legislatures from introducing open ended limitations and exceptions, so long as the scope of such limitations and exceptions is reasonably foreseeable; or (b) courts from - applying existing statutory limitations and exceptions to similar factual circumstances *mutatis mutandis*; or - creating further limitations or exceptions, where possible within the legal systems of which they form a

Back?, 71 U. CHI. L. REV. 21 (2004); R. Cooper Dreyfuss & G. Dinwoodie, *TRIPS and the Dynamics of Intellectual Property Lawmaking*, 36 CASE W. RES. J. INT’L L. 95 (2004); Ruth Okediji, *TRIPS Dispute Settlement and the Sources of (International) Copyright Law*, 49 JCPS 585 (2001). See also South Centre, *The TRIPS Agreement: A Guide for the South* (Geneva, November 1997), available at <http://www.southcentre.org/publications/trips/tripsagreement.pdf>

¹⁰⁹ Max Plank Declaration (noting that “[t]he present formulation of the Three-Step Test does not preclude this understanding. However, this approach has often been overlooked in decided cases.”)

part.

4. Limitations and exceptions do not conflict with a normal exploitation of protected subject matter, if they

- are based on important competing considerations or
- have the effect of countering unreasonable restraints on competition, notably on secondary markets,

particularly where adequate compensation is ensured, whether or not by contractual means.

5. In applying the Three-Step Test, account should be taken of the interests of original rightholders, as well as of those of subsequent rightholders.

6. The Three-Step Test should be interpreted in a manner that respects the legitimate interests of third parties, including

- interests deriving from human rights and fundamental freedoms;
- interests in competition, notably on secondary markets; and
- other public interests, notably in scientific progress and cultural, social, or economic development.

Another alteration of the three-step test toward the interest of those relying on limitations and exceptions to rights is to make the clause a mandatory floor rather than a limiting ceiling. Technology companies have proposed, for example, that the clause be amended to state that countries “shall” make exceptions that meet the terms of the test:

Each Party shall provide for limitations or exceptions to rights in special cases which do not conflict with a normal exploitation of the work, performance, or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder.¹¹⁰

ii. Open-ended limitation and exceptions

The same context of unprecedented growth and change in communication and information technologies that has motivated the alteration of international and domestic copyright protections for rights holders demands more attention to the needs of competitors and users who rely on limitations and exceptions. The potential for reform creates opportunity to modernize and expand limitations and exceptions to serve a variety of public interest purposes, including harnessing of the digital environment to promote the attainment of educational, informational, and business innovation (economic development) goals. Toward these latter public purposes, a key issue that reforms need to address is how to best enshrine limitations and exceptions that are open and flexible to adapt to changing

¹¹⁰ CCIA proposal, infojustice.org

technology and social and economic contexts – so that the technological advance that happens five years from now will not be hampered by a system that did not foresee its arrival.

The proposal of technology companies offered the following language to insert into the exceptions and limitations section of the TPP:

Such exceptions and limitations shall permit the utilization of works and other subject-matter to the extent justified by the purpose of free expression (including commentary, criticism, and news reporting), participation in the cultural life of the community, transformative use, teaching, research, scholarship, personal use, and the functioning of, and innovation in, the digital environment, provided that such utilization is consistent with fair practice.¹¹¹

Rights shall not extend to the utilization of works and other subject-matter protected under this chapter to the extent justified by the public interest

legitimate governmental purpose the purpose of free expression (including commentary, criticism, and news reporting), participation in the cultural life of the community, transformative use, teaching, research, scholarship, personal use, and the functioning of, and innovation in, the digital environment, provided that such utilization .¹¹²

This provision is carefully crafted to look very similar to many exceptions that one can see in almost any copyright law. But by including broad ends such as “free expression,” “transformative use” and “innovation in the digital environment” as potential triggers for exceptions, it would allow (indeed require) exceptions in other countries to have the best feature of U.S.-style “fair use” — which is its ready adaptability to changing technologies and circumstances without requiring changes in statutory law.

The lack of such flexibility is a real problem in many countries with “closed list” systems with specifically enumerated, and often very narrow, limitations. PIJIP and the Institute on Information Law (IVIR) in Amsterdam hosted a recent workshop where we reviewed the laws of 14 countries from around the world and found that nearly every one of them, in the opinion of copyright scholars from their countries, lacked exceptions that could be interpreted to allow important modern digital activities, such as the making available of digital copies of library collections and creation and dissemination of user-generated content that transforms copyrighted work. The subject was also discussed in the inaugural Global Congress on and the Public Interest, whose Washington Declaration on Intellectual Property and the Public Interest called for “discussion of employing ‘open-ended’ limitations in

¹¹¹ <http://infojustice.org/archives/8662>

¹¹² <http://infojustice.org/archives/8662>

national copyright legislation, in addition to specific exceptions.”

iii. Access for persons with disabilities

One interest not explicitly mentioned in the CCIA proposal for an open-ended limitation and exceptions is that of people with disabilities. If it is the goal of the TPP to endorse a new TRIPS-plus IP framework for the 21st century, it should include mechanisms that will push forward the debates at the multilateral level on a treaty for the blind and visually impaired. KEI has proposed, for example, that TPP include “a provision to permit the cross-border exchange of accessible format works for persons who are visually impaired or otherwise disabled.”¹¹³

I. Arts. 4.9(a), 16.3 – Technological Protection Measures

In order to provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that authors, performers, and producers of phonograms use in connection with the exercise of their rights and that restrict unauthorized acts in respect of their works, performances, and phonograms, each Party shall provide that any person who:

(i) circumvents without authority any effective technological measure that controls access to a protected work, performance, phonogram, or other subject matter; or

(ii) manufactures, imports, distributes, offers to the public, provides, or otherwise traffics in devices, products, or components, or offers to the public or provides services, that:

(A) are promoted, advertised, or marketed by that person, or by another person acting in concert with that person and with that person’s knowledge, for the purpose of circumvention of any effective technological measure,

(B) have only a limited commercially significant purpose or use other than to circumvent any effective technological measure, or

(C) are primarily designed, produced, or performed for the purpose of enabling or facilitating the circumvention of any effective technological measure,

shall be liable and subject to [criminal] remedies

...

(c) Each Party shall provide that a violation of a measure implementing this paragraph is a separate cause of action, independent of any infringement that might occur under the Party’s law on copyright and related rights.

(d) Each Party shall confine exceptions and limitations to measures implementing

¹¹³http://keionline.org/sites/default/files/TPP_Copyright_KEI2Weisel_26june2012.pdf

(explaining “it can be difficult to exchange works across borders even where similar limitations and exceptions exist. Permitting cross-border exchange of these works would expand the availability of accessible format works. In addition, it would increase the availability of accessible format works in other languages.”)

Public Interest Analysis

subparagraph (a) to the following activities, . . .

- (i) [reverse engineering activities of a computer program”for the sole purpose of achieving interoperability”];
- (ii) [activities by researcher on flaws and vulnerabilities of technologies for scrambling and descrambling];
- (iii) [preventing access of minors to inappropriate online content];
- (iv) [testing, investigating, or correcting the security of that computer, computer system, or computer network];
- (v) [disabling a capability to carry out undisclosed collection or dissemination of personally identifying information];
- (vi) [law enforcement, intelligence, essential security, or similar];
- (vii) [nonprofit library, archive, or educational institution for the sole purpose of making acquisition decisions]; and
- (viii) noninfringing uses of a work, performance, or phonogram in a particular class of works, performances, or phonograms when an actual or likely adverse impact on those noninfringing uses is demonstrated in a legislative or administrative proceeding by substantial evidence; provided that any limitation or exception adopted in reliance upon this clause shall have effect for a renewable period of not more than three years from the date of conclusion of such proceeding.

1. Analysis

TPP Art. 4.9 proposes to require all TPP countries to adopt a specific legal regime for the criminal punishment of individuals that circumvent technological protection measures (sometimes referred to as “digital locks”), regardless of whether such circumvention is effected for a use that is itself protected by copyright. By removing the link between illegal circumvention and copyright violation, the proposal goes far beyond the requirements of the WPPT, existing U.S. free trade agreements and the bounds of U.S. law.

The issue arises from the growing trend among distributors of digital copies of music, movies books and other content, as well as with the publication of content on-line, to impose access restrictions on the work through an encryption or other technology. As described by the CIPR:

This sophisticated form of technological protection rescinds traditional “fair use” rights to browse, share, or make private copies of copyrighted works in digital formats, since works may not be accessible without payment, even for legitimate uses. For developing countries, where Internet connectivity is limited and subscriptions to on-line resources unaffordable, it may exclude access to these materials altogether and impose a heavy burden that will delay the participation of those countries in the global knowledge-based society.

The WIPO Copyright Treaty first introduced an international standard for its members to provide:

adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.¹¹⁴

It is important that this provision, although controversial when enacted, included important flexibilities tying anti-circumvention remedies to copyright infringement. The article specifically requires remedies for circumvention of digital locks only “in connection with the exercise of [authors’] rights under this Treaty or the Berne Convention,” and only to prevent acts not “permitted by law.” Accordingly, a country can implement this obligation with an exception for the circumvention of locks for any purpose protected by the country’s copyright law. The WPPT also does not require that the remedies provided be through the criminal law.¹¹⁵

U.S. law is currently unclear on whether the assignment of liability for circumvention can arise independent of a violation of copyright in the use of the underlying work. The U.S. Digital Millennium Copyright Act (DMCA) of 1998 implemented the U.S. ratification of the WCT with a more far reaching prohibition, including use of criminal penalties and extension of liability to those who make or traffic in devices “primarily designed or produced for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner.” But the influential Federal Circuit Court of Appeals has rejected a proposed construction of the DMCA that owners of a copyright may “hold circumventors liable under under 1201(a) merely for accessing that work, even if that access enabled only rights that the Copyright Act grants to the public.”¹¹⁶ The court explained its reasoning in part on the inclusion in the DMCA limitation and exceptions saving clause not found in the U.S. TPP proposal:

¹¹⁴ WCT Art. 11.

¹¹⁵ See Int’l Ctr. For Trade & Sustainable Dev., Resource Book on TRIPS and Development: An authoritative and practical guide to the TRIPS Agreement 160 (2004), available at http://ictsd.org/downloads/2008/06/rb_21-213_copyright_update.pdf (explaining that “adequate legal protection” under WCT art. 11 “is to be determined by national legislation, according to national preferences” and therefore it is up to each country “. . . to judge in which degree encryption technologies are justified, and to which extent cases of fair use should prevail.”).

¹¹⁶ *Chamberlain Group Inc., v. Skyling Technologies*, Fed. Cir. (“A copyright owner seeking to impose liability on an accused circumventor must demonstrate a reasonable relationship between the circumvention at issue and a use relating to a property right for which the Copyright Act permits the copyright owner to withhold authorization-as well as notice that authorization was withheld.”).

Such a regime would be hard to reconcile with the DMCA's statutory prescription that “[n]othing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title.” A provision that prohibited access without regard to the rest of the Copyright Act would clearly affect rights and limitations, if not remedies and defenses.”

Despite the lack of clarity in U.S. law, the U.S. TPP proposal appears to require member countries to recognize liability for circumvention of TPMs regardless of rights to use the underlying content. This follows from several provisions not reflected in U.S. law, namely:

- Section (c), requiring that parties “provide that a violation of a measure implementing this paragraph is a separate cause of action, independent of any infringement that might occur under the Party’s law on copyright”
- Section (d), requiring that “each Party shall confine exceptions and limitations to measures implementing subparagraph (a) to the following activities, . . .”

As phrased in the U.S. proposal, TPM provisions would appear to have the ability to negate important limitations and exceptions included in a country’s own law, including the right to quote copyrighted work (e.g. a quote of a song or video clip in a documentary film), to use content for protected educational purposes, to shift the format of a work to one accessible for people with disabilities or for an alternative device,¹¹⁷ to transform copyrighted work into a new work that does infringe the underlying copyright, or other purposes. Such an antircumvention law could also sacrifice the first sale doctrine,¹¹⁸ and essentially create an indefinite term of protection.¹¹⁹

U.S. law does not contain any requirement that Congress “confine” limitations and exceptions to those originally passed in 1998. Adopting this standard would restrict countries from developing their own exceptions to liability not based on present U.S. law, as it is allowed under Art. 11 of the WIPO Copyright Treaty (WCT).

There are other variations with U.S. law, including:

- Whereas DMCA § 1201(a)(2)(C) prohibits products “marketed” for use in circumventing a technological protection measure,¹²⁰ TPP Art.

¹¹⁷ Some technological protections can forbid playing on a device running open source software, for example.

¹¹⁸ CIPR, at ... (“[i]n the case of a book you are free to resell it to someone else – technological protection may prevent the equivalent digital act.”).

¹¹⁹ Id. (“technological protection is indefinite, whereas copyright is time limited.”).

¹²⁰ 17 U.S.C. § 1201(a)(2)(C) (prohibiting product, service, device, component, or part thereof that “is marketed by that person or another acting in concert with that person with that person's

4.9(a)(ii)(A) extends to products that are “promoted, advertised” for this purpose.

- DMCA § 1201(a)(2)(A) extends only to products designed “for the purpose of circumventing,” while the TPP 4.9(a)(ii)(C) extends to any product “for the purpose of enabling or facilitating the circumvention,” a potentially broader standard.¹²¹ This also goes beyond ACTA Art. 27.6(a)(ii).¹²²
- Art. 4.9(a), by virtue of the requirement to include “the remedies and authorities listed in subparagraphs (a), (b), and (f) of Article [15.5] as applicable to infringements,” requires “the imposition of actual terms of imprisonment when criminal infringement is undertaken for commercial advantage or private financial gain.” This is inconsistent with 17 U.S.C. § 1204, which permits fines or imprisonment for violations of anti-circumvention standards.¹²³
- Art. 4.9(d)(viii) imposes a “substantial evidence” standard for approving new limitations and exceptions to the circumvention provisions, and implies that this evidence would be the only factor in the determination.¹²⁴ These are not current U.S. law requirements. As explained by Jodie Griffin of Public Knowledge, the U.S. Library of Congress currently grants exemptions to U.S. anti-circumvention restrictions where there is “sufficient evidence” of a substantial adverse effect on non-infringing uses, and has noted that “how much evidence is sufficient will vary,” and “is never the only consideration in the rulemaking process.”¹²⁵

The TPP proposal is also more extreme than other FTAs. For example it

knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.”).

¹²¹ Griffin, *supra* note 16..

¹²² ACTA, *supra* note 13, Art. 27.6(a)(ii) (prohibiting “the offering to the public by marketing of a device or product, including computer programs, or a service, as a means of circumventing an effective technological measure.”).

¹²³ Jodie Griffin, *Inconsistencies Between the Trans-Pacific Partnership (TPP) Agreement and US Law*, PUBLIC KNOWLEDGE, www.publicknowledge.org/files/TPP%20Analysis.pdf

¹²⁴ TPP, *supra* note 10, Art. 4.9(d)(viii) (permitting exceptions for “noninfringing uses of a work, performance, or phonogram in a particular class of works, performances, or phonograms when an actual or likely adverse impact on those noninfringing uses is demonstrated in a legislative or administrative proceeding by substantial evidence; provided that any limitation or exception adopted in reliance upon this clause shall have effect for a renewable period of not more than three years from the date of conclusion of such proceeding.”).

¹²⁵ Griffin, *supra* note 16 (quoting 73 Fed. Reg. 58075).

eliminates the norm in other FTAs that require remedies only for a circumvention that occurs “knowingly or having reasonable grounds to know” that the action is illegal.¹²⁶ ACTA more broadly permits parties to “adopt or maintain appropriate limitations or exceptions” to anti-circumvention liability and clarifies that circumvention liability obligations are “without prejudice to the rights, limitations, exceptions, or defences to copyright or related rights infringement under a Party’s law.”¹²⁷ The TPP also removes the proviso in ACTA that the minimum standards apply only to anti-circumvention measures “to the extent provided by its law” -- a potentially broad exception allowing countries without such protection in their current law to continue not providing such protections.

2. Positive Proposals

If countries deem it necessary to include anti-circumvention measures in TPP, the best course would be to repeat or reference Article 11 of the WPPT, combined with a clear statement authorizing limitations and exceptions similar to those which exist in U.S. court decisions and in ACTA. For example, the provision would read, in its entirety:

To the extent provided by its law, each party shall provide:¹³²

(a) Adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.¹³³

(b) appropriate limitations or exceptions to measures implementing the provisions of paragraph (a). The obligations set forth in paragraph(a) are without prejudice to the rights, limitations, exceptions, or defenses to copyright or related rights infringement under a Party’s law.¹³⁴ No person may be held liable under the standards in paragraph (a) merely for accessing a work if that access enabled only uses that are permitted by the Party’s Copyright law.¹³⁵

J. Art. 4.10 – Rights Management Information

Each Party shall provide that any person who without authority, and knowing, or, with respect to civil remedies, having reasonable grounds to know, that it would induce, enable, facilitate, or conceal an infringement of any copyright or related right,

¹²⁶ ACTA, *supra* note 13, Art. 27.6(a)(i) (prohibiting “the unauthorized circumvention of an effective technological measure carried out knowingly or with reasonable grounds to know.”).

¹²⁷ ACTA, *supra* note 13, Art. 27.8.

¹³² ACTA

¹³³ WPPT Art. 11

¹³⁴ ACTA

¹³⁵ Fed. Cir.

- (i) knowingly removes or alters any rights management information;
- (ii) distributes or imports for distribution rights management information knowing that the rights management information has been removed or altered without authority; or
- (iii) distributes, imports for distribution, broadcasts, communicates or makes available to the public copies of works, performances, or phonograms, knowing that rights management information has been removed or altered without authority,

shall be liable and subject to the remedies set out in Article [12.12 Each Party shall provide for criminal procedures and penalties to be applied when any person, other than a nonprofit library, archive, educational institution, or public noncommercial broadcasting entity, is found to have engaged willfully and for purposes of commercial advantage or private financial gain in any of the foregoing activities. Such criminal procedures and penalties shall include the application to such activities of the remedies and authorities listed in subparagraphs (a), (b) and (f) of Article [15.5] as applicable to infringements, mutatis mutandis.¹⁴¹

(b) each Party shall confine exceptions and limitations to measures implementing subparagraph (a) to lawfully authorized activities carried out by government employees, agents, or contractors for the purpose of law enforcement, intelligence, essential security, or similar governmental purposes.

1. Analysis

TPP Art. 4.10 proposes a new regime of protection of rights management information, an issue not required to be addressed by any multilateral intellectual property agreement. The carve out for limitations and exceptions is incredibly narrow – only allowing the alteration of RMI for law enforcement purposes. ACTA, on the other hand, allows the protection of rights management information to be subject to the full scope of limitations and exceptions recognized under the parties' laws.

proposes that the discipline on rights management information policies be The standard proposed goes beyond the standards of other TRIPS-plus agreements, including both KORUS and ACTA.¹⁴²

The TPP proposal also includes provisions that go beyond U.S. law. For example, U.S. statutory law does not prohibit a person from broadcasting, communicating, or making available the work to the public.¹⁴⁴ The definition of “rights management information” in TPP Art. 4.10(c) is similar to that in the DMCA, except it specifically omits the exception for “public performances of works by radio and television

¹⁴¹ Enter quotes from article 15.5 (a), (b) and (f).

¹⁴² See 17 U.S.C. § 1202; ACTA Art. 27.7; KORUS Art. 18.4.8(a).

¹⁴⁴ See Griffin, *supra* note 16; 17 U.S.C. § 1202(b)(3) (“distribute, import for distribution, or publicly perform works, copies of works, or phonorecords, knowing that copyright management information has been removed or altered without authority of the copyright owner or the law.”).

broadcast stations” in DMCA §§ 1202(c)(4),(5).¹⁴⁵

2. Positive proposals

Limitation of the norms in the TPP to areas governed under current multilateral agreements would eliminate this provision.

A provision crafted to adhere to both the contours of U.S. law and to the parallel provision in ACTA would read:

To the extent provided by its law, each Party shall provide:

(a) adequate legal protection and effective legal remedies against any person knowingly performing without authority any of the following acts knowing, or with respect to civil remedies, having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any copyright or related rights:

(i) to remove or alter any electronic rights management information;

(ii) to distribute, import for distribution, broadcast, communicate, or make available to the public copies of works, performances, or phonograms, knowing that electronic rights management information has been removed or altered without authority.

(b) appropriate limitations or exceptions to measures implementing the provisions of paragraph (a). The obligations set forth in paragraph(a) are without prejudice to the rights, limitations, exceptions, or defenses to copyright or related rights infringement under a Party’s law.¹⁴⁶ No person may be held liable under the standards in paragraph (a) for any alteration of rights management information for a purpose permitted the country’s laws.¹⁴⁷

¹⁴⁵ 17 U.S.C. §§ 1202(c)(4), (5) (“(4) With the exception of public performances of works by radio and television broadcast stations, the name of, and other identifying information about, a performer whose performance is fixed in a work other than an audiovisual work. (5) With the exception of public performances of works by radio and television broadcast stations, in the case of an audiovisual work, the name of, and other identifying information about, a writer, performer, or director who is credited in the audiovisual work.”). *See Griffin, supra* note 16.

¹⁴⁶ ACTA

¹⁴⁷ Fed. Cir.