

IBC INTERNATIONAL COPYRIGHT CONFERENCE

11 December 2007

“Balancing the Rights of Users and Rights Holders”

Introduction to 11.20 Panel session by Martin Howe QC

History

Copyright law has always recognised that there must be some exceptions and limitations to an absolute right of a copyright owner to control the use of his work. Such exceptions may involve making copies of part of the work, or in some circumstances even making copies of the whole work for limited purposes.

In England, “fair use” was developed by the judges in the 19th Century as a common law doctrine to mitigate the effects of out of copyright statutes which on the face of them conferred absolute rights. In 1802, Lord Ellenborough said that “a man may fairly adopt part of the work of another ... for the promotion of science and the benefit of the public ...”¹. The doctrine of fair use was later extended to quotations from or summaries of works for the purpose of theatrical and literary criticism, and for derivative works such as dictionaries and, to some extent, abridgements.

The English “fair use” doctrine was enthusiastically adopted by the courts of the United States (which also relied on the First Amendment to the US Constitution) and remains an important part of US copyright law to this day. Although the doctrine has been placed on a statutory basis (now under 17 USC section 107), it remains a flexible doctrine of general application:

“§ 107. Limitations on exclusive rights: Fair use

Notwithstanding the provisions of sections 106 and 106A, the fair use

1. *Cary v. Kearsley* (1802) 4 Esp 168.

of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include —

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.”

However in the United Kingdom, “fair use” was replaced by a new statutory concept of “fair dealing” by the Copyright Act 1911. “Fair dealing” as it now stands under the Copyright Designs and Patents Act 1988 includes general defences for the purposes of research and private study (s. 29) and criticism and review and reporting current events (s. 30). In addition, there are numerous specific exceptions and defences which are not characterised by the words “fair dealing”, such as incidental inclusion of a copyright work in an artistic work, sound recording, film or broadcast (s. 31); exceptions for educational and examination uses (ss. 32-36A); libraries and archives (ss. 37-44); and public administration (ss. 45-50).

Whilst these provisions are wide-ranging, they suffer from the defect that a new kind of “fair use” thrown up by developments in technology may simply fall outside the statutory provisions: for example, it is permissible to make a replacement copy for archive purposes of a literary dramatic or musical work and accompanying illustrations (s. 42) but the section does not extend to sound recordings or films, so

the digitising for long term storage of progressively fading magnetic tapes or decaying celluloid films does not appear to be covered.

The Gowers Review has recently recommended the widening of fair dealing defences to cover “creative, transformative and derivative works”.²

Under civil law legal systems there is a bewildering variety of exceptions to copyright which can broadly be described as corresponding to “fair dealing” or “fair use”. Within the EU, these exceptions have been subject to limited harmonisation in the field of electronic information (see below).

International Treaty Provisions

Article 9(2) of the Berne Convention (1967 text) provides:-

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

Article 10(1) goes further and imposes a positive obligation on countries of the Union to permit quotations in certain circumstances:

“1. It shall be permissible to make quotations from a work which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries.”

The principle of Article 9(2) of the Berne Convention has been transposed into Article 13 of TRIPs³, which states that:

2. Recommendation No. 11.

3. Agreement on the Trade Related Aspects of Intellectual Property, one of the WTO Agreements.

“Members shall confine limitations and exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the rights holder.”

This provision has been interpreted and applied (as a “three step” test) by a World Trade Organisation Dispute Resolution Panel,⁴ which held that it was permissible for the United States to exempt public performance of copyright works on an ordinary home type TV set from infringement under Section 110(5), but disallowed some other forms of public display.⁵

Problems under the current law

Changes in technology mean that acts which in the past would not have involved infringement may now prima facie involve infringement. For example, consulting a paper book does not infringe copyright; but consulting that same book in electronic form does prima facie involve infringement since it means making at least a transient electronic copy in order to display it.

To some extent, these issues have been addressed in Directive 2001/29/EC.⁶ Interestingly, Article 5(1) of the Directive deals with the issue of transient electronic copies, at least in some circumstances:

“1. Temporary acts of reproduction referred to in Article 2, which are transient or incidental [and] an integral and essential part of a technological process and whose sole purpose is to enable:
(a) a transmission in a network between third parties by an intermediary,

4. Panel 2000 Report on Section 110(5) of the United States Copyright Act, http://www.wto.org/english/tratop_e/dispu_e/1234da.pdf

5. In the patents context, a WTO Appeal Panel has also upheld Canada’s so-called “Bolar” exception in its patent law permitting acts to be performed for regulatory purposes in advance of patent expiry. This was under the analogous Article 30 of TRIPs, which contains a similar three-step test.

6. Full title: Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society

or

(b) a lawful use

of a work or other subject-matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Article 2.”

In the United Kingdom, this provision has been transposed into a new section 28A of the Copyright, Designs and Patents Act 1988.

Articles 5(2) and 5(3) of the Directive contain a list of permissible (rather than mandatory exceptions):

“2. Member States may provide for exceptions or limitations to the reproduction right provided for in Article 2 in the following cases:

(a) in respect of reproductions on paper or any similar medium, effected by the use of any kind of photographic technique or by some other process having similar effects, with the exception of sheet music, provided that the rightholders receive fair compensation;

(b) in respect of reproductions on any medium made by a natural person for private use and for ends that are neither directly nor indirectly commercial, on condition that the rightholders receive fair compensation which takes account of the application or non-application of technological measures referred to in Article 6 to the work or subjectmatter concerned;

(c) in respect of specific acts of reproduction made by publicly accessible libraries, educational establishments or museums, or by archives, which are not for direct or indirect economic or commercial advantage;

(d) in respect of ephemeral recordings of works made by broadcasting organisations by means of their own facilities and for their own broadcasts; the preservation of these recordings in official archives may, on the grounds of their exceptional documentary character, be permitted;

(e) in respect of reproductions of broadcasts made by social institutions pursuing non-commercial purposes, such as hospitals or prisons, on condition that the rightholders receive fair compensation.

3. Member States may provide for exceptions or limitations to the rights provided for in Articles 2 and 3 in the following cases:

(a) use for the sole purpose of illustration for teaching or scientific

research, as long as the source, including the author's name, is indicated, unless this turns out to be impossible and to the extent justified by the non-commercial purpose to be achieved;

(b) uses, for the benefit of people with a disability, which are directly related to the disability and of a non-commercial nature, to the extent required by the specific disability;

(c) reproduction by the press, communication to the public or making available of published articles on current economic, political or religious topics or of broadcast works or other subject-matter of the same character, in cases where such use is not expressly reserved, and as long as the source, including the author's name, is indicated, or use of works or other subject-matter in connection with the reporting of current events, to the extent justified by the informatory purpose and as long as the source, including the author's name, is indicated, unless this turns out to be impossible;

(d) quotations for purposes such as criticism or review, provided that they relate to a work or other subject-matter which has already been lawfully made available to the public, that, unless this turns out to be impossible, the source, including the author's name, is indicated, and that their use is in accordance with fair practice, and to the extent required by the specific purpose;

(e) use for the purposes of public security or to ensure the proper performance or reporting of administrative, parliamentary or judicial proceedings;

(f) use of political speeches as well as extracts of public lectures or similar works or subject-matter to the extent justified by the informatory purpose and provided that the source, including the author's name, is indicated, except where this turns out to be impossible;

(g) use during religious celebrations or official celebrations organised by a public authority;

(h) use of works, such as works of architecture or sculpture, made to be located permanently in public places;

(i) incidental inclusion of a work or other subject-matter in other material;

(j) use for the purpose of advertising the public exhibition or sale of artistic works, to the extent necessary to promote the event, excluding any other commercial use;

(k) use for the purpose of caricature, parody or pastiche;

(l) use in connection with the demonstration or repair of equipment;

(m) use of an artistic work in the form of a building or a drawing or plan of a building for the purposes of reconstructing the building;

(n) use by communication or making available, for the purpose of research or private study, to individual members of the public by

dedicated terminals on the premises of establishments referred to in paragraph 2(c) of works and other subject-matter not subject to purchase or licensing terms which are contained in their collections;
(o) use in certain other cases of minor importance where exceptions or limitations already exist under national law, provided that they only concern analogue uses and do not affect the free circulation of goods and services within the Community, without prejudice to the other exceptions and limitations contained in this Article.

4. Where the Member States may provide for an exception or limitation to the right of reproduction pursuant to paragraphs 2 and 3, they may provide similarly for an exception or limitation to the right of distribution as referred to in Article 4 to the extent justified by the purpose of the authorised act of reproduction.”

Interestingly, the above permissible exceptions are then subject to the three-step test derived from the Berne Convention and from TRIPs which is set out in Article 5(5) of the Directive:

“5. The exceptions and limitations provided for in paragraphs 1, 2, 3 and 4 shall only be applied in certain special cases which do not conflict with a normal exploitation of the work or other subject-matter and do not unreasonably prejudice the legitimate interests of the rightholder.”