

THE U.S. DIGITAL AGENDA AT THE WORLD INTELLECTUAL PROPERTY ORGANIZATION

by
Pamela Samuelson*

I. INTRODUCTION

In December 1996, the World Intellectual Property Organization (WIPO)¹ hosted a diplomatic conference in Geneva to consider three draft treaties to update world intellectual property law. Although these draft treaties addressed a number of issues of interest to U.S. industries, this article will focus on the "digital agenda" embodied in the draft treaties.² The success of U.S. officials in promoting this agenda at WIPO is evident from close inspection of the draft treaties which contained many provisions that U.S. officials had proposed or supported as appropriate responses to the challenges that global digital networks pose for intellectual property law.³ This article will trace how the U.S. digital agenda fared in Geneva and how it is and is not evident in the treaty that emerged from the diplomatic conference that will supplement the major international copyright treaty known as the Berne Convention.⁴

The article's concentration on the fate of the U.S. digital agenda does not mean to suggest that this was the only, or even the most pressing, part of the U.S. agenda in Geneva. In terms of immediate impact on U.S. industries, the WIPO treaty provisions of most importance to the U.S. delegation were those affecting rights of producers of

* Professor of Information Management and of Law, University of California at Berkeley. The author wishes to thank the following people for their contributions to her understanding of the proposals made and considered at Geneva: Prue Adler; Jonathan Band; Peter Choy; Adam Eisgrau; Seth Greenstein; Peter Harter; Peter Jaszi; Jerome H. Reichman; and Thomas Vinje.

¹ See, e.g., Endre Lontai, *Unification of Law in the Field of International Industrial Property* 39-45 (1994) (discussing WIPO).

² WIPO officials also hoped that the diplomatic conference would implement a digital agenda in one or more treaties. See, e.g., Mihaly Ficsor, *Toward a Global Solution: The Digital Agenda of the Berne Protocol and the New Instrument*, in *The Future of Copyright in a Digital Environment* (P. Bernt Hugenholtz ed. 1996).

³ See Letter from Bruce Lehman to Arpad Bogsch, Nov. 29, 1995, and accompanying document (cited hereinafter as "First U.S. Submission to WIPO"); Proposal of the United States of America on Sui Generis Protection of Databases, WIPO Doc. BCP/CE/VII/2--INR/VI/2 (May 20, 1996) (cited hereinafter as "Second U.S. Submission to WIPO"). Although the U.S. made other submissions to WIPO, these are the two submissions that contained what this article designates as the U.S. digital agenda at WIPO.

⁴ See Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as last revised at Paris, July 24, 1971, and amended in 1979, S. Treaty Doc. No. 99-27, 99th Cong., 2d Sess. (1986), 828 U.N.T.S. 221 (cited hereinafter as "Berne Convention"); WIPO Copyright Treaty, adopted by the Diplomatic Conference on December 20, 1996 (cited hereinafter as "WIPO Copyright Treaty").

sound recordings.⁵ Weaknesses in existing international accords have resulted in U.S. companies being unable to effectively control large scale unauthorized reproductions and distributions of their products in markets outside the U.S.⁶ A treaty that would strengthen and harmonize international rules about rights of producers of sound recordings was thus of great concern to this sector of the U.S. entertainment industry. The second treaty concluded in Geneva (known generally as "the new instrument") includes provisions that U.S. industries consider a much improved framework for harmonized rules on the rights of producers and performers of phonograms.⁷

As interesting as were the negotiations in Geneva over the new instrument--which for a time pitted European against U.S. negotiators over a European proposal to extend the new instrument to cover audiovisual works (i.e., motion pictures)⁸--this story about present day struggles of entertainment industry will be left for others to tell.⁹ This article concentrates on the U.S. digital agenda at WIPO because it was a battle about the future. To use that awful shopworn metaphor just this once, the U.S. digital agenda at WIPO aimed to write the rules of the road for the emerging global information superhighway so that copyright owners would have considerably stronger rights than ever before, and so that the rights of users of protected works would largely be confined to those they had specifically contracted and paid for.

In particular, Clinton Administration officials sought approval in Geneva for international norms that would have (1) granted copyright owners exclusive rights to control virtually all temporary reproductions of protected works in the random access memory of computers;¹⁰ (2) treated digital transmissions of protected works as distributions of copies to the public;¹¹ (3) curtailed the power of nations to adopt exceptions and limitations on the exclusive rights of copyright owners, including fair use and first sale privileges;¹² (4) enabled copyright owners to challenge the manufacture and sale of technologies or services capable of circumventing

⁵ See, e.g., Proposal of the United States of America to the Committee of Experts on a Possible New Instrument for the Protection of the Rights of Performers and Producers of Phonograms, WIPO Doc. INR/CE/V/8 (December 5, 1995).

⁶ See, e.g., S.M. Stewart, *International Copyright and Neighboring Rights*, Chap. 7-9 (2d Ed. 1989) (discussing international approaches to the legal protection of sound recordings).

⁷ See Basic Proposal For the Substantive Provisions of the Treaty for the Protection of the Rights of Performers and Producers of Phonograms To Be Considered by the Diplomatic Conference, WIPO Doc. CRNR/DC/5 (Aug. 30, 1996) (cited hereinafter as "Draft New Instrument"); WIPO Performances and Phonograms Treaty, Adopted by the Diplomatic Conference on Dec. 20, 1996.

⁸ See Draft New Instrument, *supra* note --, at 20 (commentary on Art. 2 indicating differences between U.S. and E.U. positions on inclusion of audiovisual works in the new instrument treaty).

⁹ A major reason that the U.S. opposed inclusion of audiovisual works in the new instrument was that the draft treaty contained, among other things, a moral rights provision that major U.S. motion picture companies have long opposed as regards creative contributors to their works. *Id.*, art. 5.

¹⁰ See Draft Copyright Treaty, art. 7. See *infra* notes -- and accompanying text.

¹¹ *Id.*, art. 10. See *infra* notes -- and accompanying text.

¹² *Id.*, art. 12. See *infra* notes -- and accompanying text.

technological protection for copyrighted works;¹³ (5) protected the integrity of rights management information attached to protected works in digital form;¹⁴ and (6) created a sui generis form of legal protection for the contents of databases.¹⁵ U.S. negotiators worked with their European counterparts in pursuit of high protectionist norms that these delegations believed would enable their industries to flourish in the growing global market for information products and services.

Clinton Administration officials had put the same digital agenda before the U.S. Congress in roughly the same time frame as they promoted this agenda in Geneva.¹⁶ Notwithstanding the fact that its digital agenda had proven so controversial in the U.S. Congress that the bills to implement it were not even reported out of committee,¹⁷ the Clinton Administration officials persisted in promoting these proposals in Geneva and pressing for an early diplomatic conference to adopt them. For a time, it appeared that Administration officials might be able to get in Geneva what they could not get from the U.S. Congress, for the draft treaties published by WIPO in late August 1996 contained language that, if adopted without amendment at the diplomatic conference in December, would have substantially implemented the U.S. digital agenda, albeit with some European gloss.¹⁸ Had this effort succeeded in Geneva, Administration officials would surely have then argued to Congress that it was necessary to approve the treaties to demonstrate U.S. leadership in the world intellectual property community and to benefit U.S. industries in the world market for information products and services.¹⁹

Many of those who had opposed the Administration's digital agenda before the U.S. Congress as an unwise and unbalanced extension of rights to information publishers foresaw this potential end run around Congress, and marshalled their

¹³ Id., art. 13. See infra notes -- and accompanying text.

¹⁴ Id., art. 14. See infra notes -- and accompanying text.

¹⁵ See Second U.S. Submission to WIPO, supra note --. See also Basic Proposal For the Substantive Provisions of the Treaty On the Intellectual Property In Respect of Databases To Be Considered By the Diplomatic Conference, WIPO Doc. CRNR/DC/6 (Aug. 30, 1996) (cited hereinafter as "Draft Database Treaty").

¹⁶ See infra notes -- and accompanying text.

¹⁷ See H.R. 2441, 104th Cong., 1st Sess. (1995); S. 1284, 104th Cong., 1st Sess. See also NII Copyright Protection Act of 1995: Hearings on H.R. 2441 Before the Subcomm. on Courts & Intellectual Property of the House Comm. on the Judiciary, 104th Cong. (1996) (airing doubts about legislation); Denise Caruso, New Treaties On Copyright Spur Debate, N.Y. Times, Dec. 16, 1996, at C6 (speaking of this bill as "failed legislation").

¹⁸ See Basic Proposal For the Substantive Provisions of the Treaty On Certain Questions Concerning the Protection of Literary and Artistic Works To Be Considered at the Diplomatic Conference, WIPO Doc. CRNR/DC/4 (Aug. 30, 1996) (cited hereinafter as "Draft Copyright Treaty"). See also infra notes -- and accompanying text for a discussion of how the draft copyright treaty would have implemented the U.S. digital agenda.

¹⁹ See infra notes -- and accompanying text.

energies to focus on the WIPO negotiations.²⁰ They not only successfully lobbied the Clinton Administration to moderate or abandon parts of its digital agenda at WIPO; they also went to WIPO-sponsored regional meetings to acquaint other nations with their concerns about the draft treaties, as well as going to Geneva in large numbers to participate as observers in the negotiations. These expressions of concern found a receptive audience among many national delegations to the diplomatic conference.²¹ In the end, none of the original U.S.-sponsored digital agenda proposals emerged unscathed from the negotiation process, and at least one--the proposed database treaty--did not emerge at all.²²

Insofar as the copyright treaty emanating from the diplomatic conference contains provisions addressing digital agenda issues, these provisions reflect a very different approach--one that is more akin to the balancing of interests approach which has been traditional in American copyright law.²³ The treaty even affirms "the need to maintain a balance between the interests of authors and the larger public interest, particularly education, research, and access to information" that is unprecedented in international copyright treaties.²⁴ This expression of renewed faith in the abiding value of a balanced public policy approach to copyright in the digital environment suggests that predictions of the end of copyright²⁵--that is, its displacement by trade policy in the aftermath of the Trade-Related Intellectual Property Rights (TRIPS) Agreement--may have been premature. Still, defeat of the high protectionist digital agenda at WIPO was a close enough call that its story deserves to be told in some detail.²⁶

II. ORIGINS OF THE U.S. DIGITAL AGENDA AT WIPO

Shortly after the U.S. finally joined (or in the argot of WIPO, "acceded" to) the Berne Convention in 1989,²⁷ a conference of Berne Union representatives called upon

²⁰ See, e.g., Letter From Digital Future Coalition to Vice President Gore, July 12, 1996; Letter From Ad Hoc Copyright Coalition to Vice President Gore, July 12, 1996.

²¹ See *infra* notes -- and accompanying text.

²² See *infra* notes -- and accompanying text.

²³ See text accompanying notes --. An invaluable resource for those interested in following developments during the three weeks of negotiations in Geneva were the notes of Seth Greenstein on behalf of the Electronics Industry Association and the Home Recording Rights Coalition that were posted more or less daily at <http://www.hrrc.org>. Citations to these notes appear below by reference to their date of posting.

²⁴ *Id.*, preamble.

²⁵ See David Nimmer, *The End of Copyright*, 48 *Vand. L. Rev.* 1385 (1995). See also Peter A Jaszi, *Goodbye To All That: A Reluctant (And Perhaps Premature) Adieu To A Constitutionally-Grounded Discourse Of Public Interest in Copyright Law*, 29 *Vand. J. Trans'l L.* 595 (1996).

²⁶ The Copyright Treaty adopted in Geneva sets only minimum standards for the national laws of countries adhering to the Berne Convention. If countries prefer to enact stronger protection rules, they are free to do so. See Copyright Treaty, *supra* note --, at --.

²⁷ The United States officially joined the Berne Convention on March 1, 1989. See Berne Convention Implementation Act of 1988, Pub. L. 100-568, 102 Stat. 2853 (1988) (making necessary changes to

WIPO to form a Committee of Experts concerning a possible supplementary agreement (or "protocol") to the Berne Convention "to clarify the existing, or establish new, international norms where, under the present text of the Berne Convention, doubts may exist as to the extent to which that Convention applies."²⁸ Given that the Berne Convention had last been updated in 1971²⁹ and that it had typically been amended approximately every ten to twenty years,³⁰ the decision to form a Committee of Experts to consider a possible protocol was, in a sense, a relatively routine matter.

However, in this case, the decision was also a product of a growing awareness within the international intellectual property policymaking community that advances in digital technologies raised some challenging questions for copyright law. Many of these had been surveyed in the European Commission's 1988 Green Paper on Copyright and the Challenge of Technology.³¹ If any one document can be credited with formulating the questions whose answers came to comprise the digital agenda at WIPO, it was this Green Paper.³²

In the late 1980's, the U.S. digital agenda at WIPO was to persuade the international community to use copyright law as the principal form of legal protection for computer programs.³³ Under pressure from the United States, Japan had already opted for copyright protection for computer programs.³⁴ In view of an earlier WIPO proposal for a "sui generis" form of legal protection for computer programs³⁵ and the

U.S. copyright law to enable it to join the Berne Convention); (Senate ratification of the treaty). See generally Jane C. Ginsburg and John Kernochan, *One Hundred Years Later: The United States Adheres to the Berne Convention*, 13 *Colum. VLA J.L. & Arts* (1988).

²⁸ See Draft Copyright Treaty, *supra* note --, at 2, quoting WIPO Document AB/XX/2, Annex A, item PRG.02(2).

²⁹ See Stewart, *supra* note --, at §§5.28-5.65.

³⁰ *Id.* at 98.

³¹ Commission of the European Communities, *Green Paper on Copyright and the Challenge of Technology--Copyright Issues Requiring Immediate Action*, COM (88) 172 final ("1988 Green Paper"). It is curious to observe that although the European Commission's 1988 Green Paper was initially influential in framing digital agenda issues, the Commission's ability to lead the international community in providing answers to these questions was hampered by the intensive and lengthy process required to come to closure on the two major digital agenda issues it tackled first, as well as by its efforts to harmonize member states' laws on a number of other intellectual property matters. See, e.g., Jan Corbet, *J. L. & Comm.* (1994) (discussing the Commission's initiatives on copyright term extensions, satellite broadcasting, industrial designs, and patents for biotechnology inventions). The directive on the legal protection of computer programs did not become final until December 1991.

³² The European Union's main digital agenda in Geneva for the 1996 diplomatic conference was its database treaty proposal. See First E.U. Submission to WIPO, *supra* note --. However, it also submitted draft treaty language for treating digital transmissions as communications of protected works to the public, as well as a proposal on the temporary reproduction issue and alternative treaty language to the anti-circumvention provision proposed by the U.S. See Second E.U. Proposal to WIPO, *supra* note --.

³³ See, e.g., Emery Simon, *N.Y.U. J. Int'l Rel.*

³⁴ See, e.g., Dennis Karjala, *Ariz. St. U. L. Rev.*

³⁵ See WIPO Doc. xx.

European Commission's expressed willingness to consider something other than copyright as a means by which to protect computer programs,³⁶ there was, for a time, some reason to doubt that the U.S. would succeed in convincing the international community to make copyright protection for computer programs an accepted norm.³⁷

The European Commission's 1991 decision³⁸ to direct member states of the European Community to protect computer programs by means of copyright law improved substantially the prospects for success of this U.S. digital agenda. Even so, copyright protection for computer programs, as well as for computer databases, remained high priority issues for the U.S. in the negotiations that followed formation of the Committee of Experts on a possible Berne protocol³⁹ as well as during the negotiations that eventually led to the successful conclusion of the TRIPS Agreement which the World Trade Organization (WTO) now administers.⁴⁰

After TRIPS obliged nations to protect computer programs and databases by means of copyright law,⁴¹ this part of the U.S. digital agenda at WIPO became less urgent. Nevertheless, it is worth mentioning in passing that the copyright treaty recently concluded in Geneva contains provisions requiring the use of copyright law to protect computer programs⁴² and databases⁴³ which resemble the draft treaty language previously submitted by the U.S.⁴⁴

³⁶ See 1988 Green Paper, *supra* note --, at --.

³⁷ J.H. Reichman, *Legal Hybrids Between the Patent & Copyright Paradigms*, 94 *Colum. L. Rev.* 2432 (1994) (reporting that France had decided to treat computer programs as industrial art, while the Swiss and Brazilians had proposed *sui generis* rights in software).

³⁸ Council Directive 91/250 of 14 May 1991 on the Legal Protection of Computer Programs, 1991 O.J. (L 122) 42. There was substantial opposition to the copyright approach within the Commission at the time the software directive was under consideration. See, e.g., Thomas Vinje

³⁹ See, e.g., *Comparative Table of WIPO Proposals*, *supra* note --.

⁴⁰ TRIPS Agreement

⁴¹ TRIPS Agreement, *supra* note --, art. 10(1).

⁴² WIPO Copyright Treaty, *supra* note --, art. 4. ("Computer programs are protected as literary works within the meaning of Article 2 of the Berne Convention. Such protection applies to the expression of a computer program in any form.") Computer programs may once again become controversial in the international arena on scope of protection issues; this, in turn, may give rise to a perceived need for supplementary protection for programs. See Pamela Samuelson, Randall Davis, Mitchell D. Kapor, & J.H. Reichman, *A Manifesto Concerning the Legal Protection of Computer Programs*, 94 *Colum. L. Rev.* 2308 (1994) (explaining why copyright is less than an optimal form of legal protection for computer programs and why a *sui generis* form of legal protection for program innovations would be desirable).

⁴³ *Id.*, art. 5. ("Collections of data or other material, in any form, which by reason of the selection or arrangement of their contents constitute intellectual creations, are protected as such. This protection does not extend to the data or the material itself and is without prejudice to any rights subsisting in the data or material contained in the collection.")

⁴⁴ See WIPO Doc. BCP/CE/VI/12, *Comparative Table of Proposals and Comments Received by the International Bureau, for the Sixth Session of the Committee of Experts on a Possible Protocol to the Berne Convention*, Jan. 10, 1996 (cited hereinafter as *Comparative Proposal Document*), at 5, 7.

The genesis of the more recent U.S. digital agenda at WIPO lies in work done under the auspices of the Clinton Administration's National Information Infrastructure Task Force (IITF).⁴⁵ The principal goal of the IITF was to make policy recommendations that would promote optimal development of the newly emerging information infrastructure to enable commerce, education, and a host of other communication functions.⁴⁶ Formation of this task force was hailed at the time as a forward-looking step that would prepare the U.S. for the twenty-first century.⁴⁷ The IITF established a number of working groups to focus on specific policy areas. Bruce Lehman, a former copyright industry lobbyist who had become the Commissioner of Patents and Trademarks, was named chair of the Working Group on Intellectual Property Rights. That Group produced a "Green Paper" in July 1994⁴⁸ and a "White Paper" in September 1995⁴⁹ which not only analyzed existing copyright law, but also recommended some changes to this law. The White Paper argued these changes were needed to induce copyright owners to make their commercially valuable works available in digital networked environments.

While the White Paper's main focus was on domestic law, it also saw in the ongoing negotiations concerning a protocol to the Berne Convention an opportunity to gain international acceptance for the copyright rules that the White Paper was urging for U.S. law.⁵⁰ The importance of seizing this opportunity was apparent because of the global nature of the emerging information infrastructure. It was thus to be expected that the main elements of the U.S. White Paper's domestic agenda would become its international digital agenda as well. Facilitating the internationalization of this digital agenda was the fact that Mr. Lehman was head of the Clinton Administration's delegation to the WIPO Committee of Experts meetings in Geneva.

⁴⁵ See, e.g., Information Infrastructure Task Force, National Telecommunications and Information Administration, *National Information Infrastructure: Agenda for Action* (Sept. 1993).

⁴⁶ *Id.* at --.

⁴⁷ See, e.g., *NY Times*

⁴⁸ See Working Group on Intellectual Property Rights of Information Infrastructure Task Force, *Green Paper on Intellectual Property Rights and the National Information Infrastructure* (Prelim. Draft July 1994) (cited hereinafter as "U.S. Green Paper").

⁴⁹ See Report of Working Group on Intellectual Property Rights of Information Infrastructure Task Force, *Intellectual Property Rights and the National Information Infrastructure* (Sept. 1995) (cited hereinafter as "U.S. White Paper"). This report contains substantially the same analysis and recommendations as a preliminary report emanating from the same working group. See *Green Paper, Intellectual Property and the National Information Infrastructure, A Preliminary Draft of the Report on Intellectual Property Rights* (July 1994) (cited hereinafter as "U.S. Green Paper"). These two reports have been the subject of a substantial volume of commentary. Some of this commentary has been favorable. See, e.g., Jane C. Ginsburg, *Putting Cars on the Information Superhighway*, 95 *Colum. L. Rev.* (1995). Much of it, however, has been critical. See, e.g., Peter Jaszi, -- *Ore. L. Rev.* --; Leslie A. Kurtz, *Copyright and the National Information Infrastructure in the United States*, 1996 *Eur. Intell. Prop. Rev.* 120 (March 1996); Jessica Litman, *The Exclusive Right to Read*, 13 *Cardozo Arts & Ent. L.J.* 29 (1994); Charles McManis, *International Intellectual Property Protection and Emerging Computer Technology: Taking TRIPS on the Information Superhighway*, -- *Vill. L. Rev.* -- (forthcoming 1996)..

⁵⁰ U.S. White Paper, *supra* note --, at --.

III. COMPONENTS OF THE U.S. DIGITAL AGENDA AND HOW THEY FARED AT WIPO

The U.S. White Paper's digital agenda aimed to:

- 1) give copyright owners control over every use of copyrighted works in digital form by interpreting existing law as being violated whenever users make even temporary reproductions of works in the random access memories of their computers;
- 2) give copyright owners control over every transmission of works in digital form by amending the copyright statute so that digital transmissions will be regarded as distributions of copies to the public;
- 3) eliminate fair-use rights whenever a use might be licensed....;
- 4) deprive the public of the 'first sale' rights it has long enjoyed in the print world ... because the White Paper treats electronic forwarding as a violation of both the reproduction and distribution rights of copyright law;
- 5) attach copyright management information to digital copies of a work, ensuring that publishers can track every use made of digital copies and trace where each copy resides on the network and what is being done with it at any time;
- 6) protect every work technologically (by encryption, for example) and make illegal any attempt to circumvent that protection;
- 7) force online service providers to become copyright police....⁵¹

The only new element in the U.S. digital agenda at WIPO, as compared with the digital agenda reflected in the White Paper, was a last minute proposal by the U.S. delegation calling for a treaty to create a new form of legal protection for the contents of databases which U.S. officials submitted in reaction to a European proposal that U.S. officials thought needed improvement.

In analyzing the U.S. digital agenda at WIPO, the present article will discuss in separate subsections how U.S. officials sought to accomplish this agenda

⁵¹ See Pamela Samuelson, *The Copyright Grab*, WIRED 4.01, p. 134 (Jan. 1996) (cited hereinafter as "Copyright Grab"). See also Pamela Samuelson, *The NII Intellectual Property Report*, 37 COMM. ACM 21 (Dec. 1994) (critical of the Administration's preliminary report); Pamela Samuelson, *Intellectual Property Rights and the Global Information Economy*, 39 COMM. ACM 23 (Jan. 1996) (expressing other criticism of the final report).

internationally through support of draft treaty provisions concerning temporary reproductions in computer memory,⁵² digital transmissions, curtailment of user rights,⁵³ regulation of technologies capable of circumventing technological protection, protection of rights management information, and protection of database contents. By tracing the evolution of U.S. proposals, the draft treaty provisions proposed by the WIPO Committee of Experts, alternative treaty language proposed at the diplomatic conference, and the provisions that ended up in the final treaty, it will become apparent that the White Paper's high protectionist digital agenda met with limited favor at the diplomatic conference, even though it had been substantially embodied in the draft treaties proposed by the Committee of Experts.

A. Temporary Copies As Reproductions

A key component of the U.S. digital agenda at WIPO, echoed in the U.S. White Paper's position about domestic copyright law, was establishing the right of copyright owners to control temporary reproductions of their works in computer memory.⁵⁴ If

⁵² Because online service provider liability issues arose in Geneva in the context of discussion of draft treaty proposals on temporary copying and digital transmissions, this article will consider online service provider issues in the context of discussion of these treaty provisions.

⁵³ The earlier article had made elimination of first sale rights and of fair use rights separate components of the White Paper's digital agenda. *Id.* at 136. This article consolidates user rights issues in one subsection.

⁵⁴ See U.S. White Paper, *supra* note --, at 65-66. There has been a considerable controversy in the U.S. about the U.S. Green Paper's, and later the White Paper's, assertions that reproductions in the random access memory (RAM) of computers were already "reproductions" that copyright owners were entitled to control by means of the reproduction right under existing U.S. copyright law. The plausibility of this claim rested on an appellate court decision that had ruled that the loading of a computer program in the random access memory of computer by an unlicensed party infringed the program copyright. See, e.g., *MAI Systems, Inc. v. Peak Computer, Inc.*, 991 F.2d 511 (9th Cir. 1993). The Green and White Papers gave numerous examples of computer uses of copyrighted works that, in its view, required, if not authorization of the copyright owner, at least authorization of law. See, e.g., U.S. White Paper, *supra* note --, at 65-66. Neither document recommended legislative clarification of the RAM copying issue, even though there was, in truth, more ambiguity about this issue than about the digital-transmission-as-distribution issue concerning which the White Paper recommend legislative clarification. Opposition to the White Paper's position on the RAM-copying issue in the U.S. has taken issue not only with the Paper's interpretation of existing law, but also with its view about what the law should be. See, e.g., Litman, *supra* note --; Kurtz, *supra* note --. But see Ginsburg, *supra* note --; Neil Netanel, *Copyright and a Democratic Civil Society*, Yale L.J. (1996). Concerning present law, opponents argue: (1) that the U.S. copyright statute requires a "fixation in a tangible medium" before something is "copy" within the reach of the reproduction right, see 17 U.S.C. §101 (definition of "copy"); (2) that the Congressional report constituting its legislative history gives temporary storage in computer memory as an example of what should not be considered a "copy" under the statute, see H.R. Rep. No. --; (3) that decisions that had ruled otherwise were wrong as a matter of law, as was demonstrated by other caselaw not mentioned in the White Paper that had regarded temporary copying as not within the reach of the reproduction right, see, e.g., *NLFC v. Devcom*; *Agee v. Paramount*; and (4) given the long U.S. tradition of regarding copyright as a limited monopoly and the absence of evidence that Congress had contemplated such a drastic step as conferring on copyright owners an exclusive right to control all uses of copyrighted works in digital form, it would be inappropriate to

successful, adoption of this norm would not only lay the groundwork for giving copyright owners the right to control every access, viewing, and use of protected works in digital form.⁵⁵ It would also help to lay the groundwork for achieving another goal set forth in the U.S. White Paper: to make intermediate institutions, such as online service providers, strictly liable for user infringements.⁵⁶ This would, conveniently for copyright industries, have placed the bulk of the responsibility for enforcing copyright interests on these intermediate institutions.⁵⁷

Although representatives of the E.U. supported this aspect of the U.S. digital agenda,⁵⁸ neither the U.S. nor E.U. delegations submitted proposed treaty language on this issue. The E.U. delegation did, however, suggest including in the official statement accompanying the copyright treaty a statement that a treaty provision on temporary copying was unnecessary⁵⁹ because the Berne Convention already

infer that Congress had already decided this issue. See, e.g., *Sony Corp. of America, Inc. v. Universal City Studios, Inc.*, 464 U.S. 440 (1984).

Concerning what the law ought to be, the principal argument against treating RAM copying as a reproduction of the work has been that it seriously overstretches the reproduction right. Some point to absurd results that would attend such a characterization of the reproduction right. See, e.g., Hugenholtz, *supra* note --. Some assert this would confer an undue monopoly on copyright owners. Some perceive this characterization as threatening the very existence of the Internet, while others deride the technological ignorance that such a position bespeaks. (When I recently described the temporary-copy-as-reproduction provisions of the Draft Copyright Treaty at the Second Annual USENIX Conference on Electronic Commerce, one questioner asked: "Are the people who are proposing this venal or stupid?") Still others suggested that such a rule would defy common sense. A few suggest that even if it might be necessary or desirable to permit copyright owners to have control over some reproductions of their works in RAM, it would be better for those instances to be identified through the common law process than by a flat legislative fiat. See, e.g., Post; Netanel. Policymakers might also convene a group to give the matter a more balanced and considered attention than it has gotten as yet. The Federal Networking Council has, for example, proposed that the National Research Council study intellectual property rights issues. Policy recommendations might follow from this or similar efforts.

⁵⁵ *Id.* See also Kurtz, *supra* note --, at --; Litman, *supra* note --, at --; Samuelson, *supra* note --, at 135-36.

⁵⁶ See U.S. White Paper, *supra* note --, at 114-24.

⁵⁷ To guard against liability for user infringements, online service providers would likely feel compelled to monitor user accounts. See Samuelson, *supra* note --, at 190 (explaining that online service providers would become copyright police)

⁵⁸ See Second European Submission to WIPO, *supra* note --, at 3. This support was unsurprising, given that the E.U. had already adopted a rule of this sort as to two other digital works that could be protected by copyright law, namely, computer programs and databases. These directives regarded temporary copying as controllable by rightsholders. See Council Directive on the Legal Protection of Computer Programs, art. -- and Database Directive, *supra* note --, art. --.

⁵⁹ See Second European Submission to WIPO, *supra* note --, at 3. This submission recommended inclusion of the following two sentences in a report on the treaty: "Contracting parties confirm that the permanent or temporary storage of a protected work in any electronic medium constitutes a reproduction within the meaning of the Berne Convention. This includes acts such as uploading and downloading of a work to or from the memory of a computer." *Id.*

recognized the rights of authors to control reproductions of their works "in any manner or form."⁶⁰

Recognizing that diverse opinions existed about whether ephemeral copies were reproductions of copyrighted works within the meaning of Article 9(1) of the Berne Convention,⁶¹ the Committee of Experts decided to recommend the following provision as Article 7(1) of the draft treaty:

The exclusive right accorded to authors of literary and artistic works in Article 9(1) of the Berne Convention of authorizing the reproduction of their works shall include direct and indirect reproductions of their works, whether permanent or temporary, in any manner or form.⁶²

The Committee foresaw that "[s]ome relevant uses may, now or in the future, become totally based on a temporary reproduction."⁶³ Because of this, it regarded the right to control temporary copies as of such importance that a rule on it "should be in fair and reasonable harmony all over the world."⁶⁴

Instead of leaving to member states the task of articulating circumstances in which temporary copies could reasonably be privileged in national laws,⁶⁵ the Committee recommended adoption of the following special limitation provision as Article 7(2) of the draft treaty:

Subject to the provisions of Article 9(2) of the Berne Convention, it shall be a matter for legislation in Contracting Parties to limit the right of reproduction in cases where a temporary reproduction has the sole purpose of making the work perceptible or where the reproduction is of a transient or incidental nature provided that such reproduction takes place in the course of use of the work that is authorized by the author or permitted by law.⁶⁶

The Committee did not explain its reasons for proposing this provision. It may be that the Committee included Article 7(2) in the draft treaty in anticipation of concerns that

⁶⁰ See Berne Convention, *supra* note --, art. 9(1) ("Authors...shall enjoy the exclusive right of authorizing reproduction of their works, in any manner or form.")

⁶¹ Draft Copyright Treaty, *supra* note --, at 30.

⁶² Draft Copyright Treaty, *supra* note --, art. 7(1). There were two differences between this article and Article 9(1) of the Berne Convention: the references to "direct or indirect" copying, and the clause "whether permanent or temporary." But inclusion of the reference to temporary copying was of primary importance.

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ This has been the general approach under Berne. See Berne Convention, *supra* note --, art. 9(2); Draft Copyright Treaty, *supra* note --, art. 12.

⁶⁶ Draft Copyright Treaty, *supra* note --, art. 7(2).

without it, the reproduction right would be overstretched.⁶⁷ Draft Article 7(2) would at least enable nations to privilege the making of temporary copying necessary to enable a computer to "read" data on a lawfully purchased CD-ROM, or that necessary to view content on an unrestricted website.⁶⁸

However, draft Article 7(2) was still sufficiently narrow that it would not, for example, have relieved telephone companies or online service providers from potential liability for temporary copies of infringing material made in company equipment as the material passed through their systems en route from sender to recipient.⁶⁹ Although such copies would meet the transient or incidental standard of draft Article 7(2), they would not have "take[n] place in the course of use of the work that [wa]s authorized by the author or permitted by law."⁷⁰

Concerns about Article 7 of the draft copyright treaty caused a number of telephone and computer companies, among others, to form the Ad Hoc Alliance for a Digital Future. This Alliance proposed alternative treaty language that would have exempted the following kinds of temporary copies:

where such reproductions (i) have the purpose of making perceptible an otherwise unperceptible work; (ii) are of a transient or incidental nature; or (iii) facilitate transmission of a work and have no economic value independent from facilitating transmission; these being special cases where such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.⁷¹

The Alliance pointed out that "requiring the exempt reproduction to take place 'in the course of use of the work that is authorized by the author or permitted by law' ignores the reality of the digital world."⁷² The narrowness of the Committee's draft Article 7(2) was objectionable because it might place responsibilities for ensuring compliance with copyright law on intermediate institutions, such as telephone companies. The Alliance explained that "[j]ust like the postal service cannot (and indeed should not) monitor the contents of all the envelopes it handles, it is simply not possible for an

⁶⁷ Some had warned of this potential. See, e.g., P. Bernt Hugenholtz, *Adapting Copyright to the Information Superhighway, The Future of Copyright In a Digital Environment* 86-89 (P. Bernt Hugenholtz, ed. 1996)..

⁶⁸ That is, material that has been posted on the Internet without password or other restrictions.

⁶⁹ web crawlers

⁷⁰ Draft Copyright Treaty, *supra* note --, art. 7(2).

⁷¹ Ad Hoc Alliance for a Digital Future, *Suggested Revisions to the Chairman's Basic Proposal for the Treaty Formerly Known as the "Berne Protocol,"* October 31, 1996, at 1 (cited as "Alliance Revisions")

⁷² *Id.* at 3.

infrastructure provider to monitor whether the millions of electronic messages it transmits daily have been authorized."⁷³

The Alliance also worried that including Article 7(2) in the final treaty would be construed as curtailing the power of national legislatures to grant additional exemptions regarding temporary copies. Under this conception of Article 7(2), telephone companies would have been precluded from lobbying for an exemption for temporary copies made in telephone equipment during the transmission process, even though common carriage responsibilities require telephone companies to transmit what customers use the system to send.⁷⁴ Online service providers would have also been disabled from seeking exemptions for similar kinds of store-and-forward copying done on behalf of their customers.⁷⁵ The Alliance thus recommended that Article 7 be revised to grant explicit permission for nations to adopt additional exemptions for temporary copying so long as these exemptions would not conflict with a normal exploitation of protected works.⁷⁶

These concerns about Article 7(2) might have seemed unwarranted, and possibly even paranoid, but for two things: first, by making explicit only two very limited situations in which temporary copying could be privileged, the Committee's draft Article 7(2) implicitly questioned the viability of additional exceptions, and second, the U.S. White Paper had already taken the position that intermediate institutions, such as online service providers, were and should be strictly liable for user infringements, both directly (on account of the copies made or distributed in their systems) or indirectly (as vicarious infringers because they benefited financially from infringing activities). The U.S. delegation could be expected to want to treat intermediate institutions outside the U.S. in the same manner as the U.S. White Paper treated intermediate institutions in the U.S.⁷⁷

The high protectionist position on temporary copying reflected in the Committee's draft Article 7 initially seemed to be well on its way to acceptance at the diplomatic conference. Not only had the Committee of Experts endorsed it, but it had the support of WIPO officials and the U.S. and E.U. delegations. They regarded that Article 7(1) as merely restating already well-established Berne Convention norms. Article 9(1) of the Berne Convention, after all, had already recognized the right of authors to control reproduction of their works "in any manner and form."

⁷³ Id.

⁷⁴ See -- U.S.C. § --.

⁷⁵ The White Paper had asserted that online service providers were strictly liable for user infringement. See U.S. White Paper, *supra* note --, at --.

⁷⁶ Id.

⁷⁷ After Senator Hatch wrote a letter to Commissioner Lehman indicating that the U.S. delegation should not negotiate a treaty in Geneva that would constrain Congress from deciding how to resolve open issues, such as that concerning online service provider liability, the Clinton Administration instructed Lehman to support modifications of Article 7 that would still leave room for Congressional consideration of this issue. See Letter of Orrin Hatch to Bruce Lehman, September 3, 1996.

There was, however, considerable opposition to draft Article 7 at the diplomatic conference. Some countries did not think there should be a provision covering temporary copying in the copyright treaty at all.⁷⁸ They questioned, as had the Ad Hoc Alliance for a Digital Future, the notion that Article 9(1) already covered temporary copies in computer memory given that "[c]omputers did not exist in any great numbers in 1971 when the reproduction right was included in the Berne Convention, and computer networks had hardly been imagined."⁷⁹ Others objected to the seeming preclusionary character of Article 7(2).⁸⁰ Still others favored a redraft of Article 7(2) modelled on the Ad Hoc Alliance proposal set forth above.⁸¹

At the end of the second week of the diplomatic conference, the Committee of Experts published a redraft of Article 7(2) adding to it language to indicate that the exceptions it set forth were "without prejudice to the scope of the applicability of Article 9(2) of the Berne Convention."⁸² This clarified that Article 7(2) would not preclude national adoption of additional exceptions on temporary copying, so long as those exceptions did not conflict with a normal exploitation of the work or unreasonably prejudice the legitimate interests of authors. From the standpoint of telephone companies and online service providers, this redraft of Article 7(2), although obviously better than the initial draft, continued to be objectionable because it meant that these companies would have to fight for special exemptions on temporary copying in every national legislature. They much preferred the redraft of Article 7(2) favored by the African delegations that the Committee of Experts circulated in a separate document.⁸³

Different people have different views about what turned the tide on the temporary copying issue at the diplomatic conference. Some say it was the fact that some well-known copyright scholars made their reservations about Article 7's overbreadth known at the diplomatic conference. Some say it was because there wasn't any one proposal that attracted enough support. Still others suggest that it may have been the result of a faux pas by the Committee of Experts in deciding to publish African and some other national proposals on Articles 7, 10, 13, and 14 as separate documents, rather than including them as alternative treaty language proposals in the Committee's own redraft.

⁷⁸ Greenstein Report, supra note --, at --.

⁷⁹ Alliance Revisions, supra note --, at 1.

⁸⁰ Greenstein Report, supra note --, at --. Clinton Administration instructions to the U.S. delegation meant that the delegation would at least need to support this sort of amended provision.

⁸¹ WIPO Document CRNR/DC/58, Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, Geneva, December 2-20, 1996, Dec. 12, 1996 (cited hereinafter as African Proposals).

⁸² Redraft of Copyright Treaty, supra note --, at 5.

⁸³ African Proposals, supra note --, at 1-2.

In the day following publication of the Committee's redraft, many delegations expressed their disappointment that so few of the proposals discussed during the first two weeks of the diplomatic conference had been included in the Committee's redraft. Selective inclusion of proposals as alternatives in the Committee's redraft gave rise to complaints that Committee was marginalizing some nations' proposals.⁸⁴ African bloc anger over this slight was especially strong because it drew on years of frustration over inattention given to the principal African agenda for the Berne Protocol, namely, gaining international acceptance of their proposal for protecting folklore.

Shortly after this eruption of dissatisfaction with the Committee's redraft, the delegates went into closed session negotiations. But these sessions did not result in consensus about the text of a provision on temporary copying issues. In the end, the Committee dropped draft Article 7 from the copyright treaty just before the final vote.

Even after it became clear that there would be no temporary copying provision in the final copyright treaty, the high protectionists made one last effort to get indirectly what they could not get directly. One of their number proposed a non-binding resolution to establish that some nations regarded temporary storage of copies as reproductions that copyright owners could control.⁸⁵ A majority of the delegates were either absent at the time this resolution was introduced or abstained from voting on this initiative; however, a majority of those who did vote on the resolution, including the U.S. delegation, did approve it.⁸⁶ This resolution, along with the argument that that Article 9(1) already covers temporary copies, suggests that international debate over transitory copying is far from dead. Still, it is significant that the copyright treaty signed in Geneva does not contain a provision on transitory copying issues, or take a stance on the status of such copying under Article 9(1) of the Berne Convention.

B. Digital Transmissions

A second component of the U.S. digital agenda at WIPO was to gain international recognition of a right in copyright owners to control digital transmissions of their works. In line with the approach recommended in the U.S. White Paper,⁸⁷ the

⁸⁴ See, e.g., Redraft of Copyright Treaty, *supra* note --, arts. 8, 16.

⁸⁵ The resolution stated: "The reproduction right, as set out in Article 9 of the Berne Convention, and the exceptions permitted thereunder, fully apply in the digital environment, in particular to the use of works in digital form. It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 of the Berne Convention."

⁸⁶ The vote was 48 in favor, 13 opposed, and 28 abstentions. Conversation with J.H. Reichman, Dec. 30, 1996.

⁸⁷ The U.S. White Paper said that existing law was somewhat ambiguous on this point. U.S. White Paper, *supra* note --, at 213. The White Paper relied on *Playboy Enterprises, Inc. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993) (system operator held liable for user up- and downloading of digital images of photographs from Playboy magazine) and *Sega Enterprises, Ltd. v. MAPHIA*, 857 F. Supp. 679 (N.D. Cal. 1994) (system operator held liable for user up- and downloading of Sega videogames)

U.S. delegation to WIPO submitted draft treaty language calling for digital transmissions to be treated as distributions of copies to the public.⁸⁸ The E.U. delegation to WIPO agreed that there should be an international accord to establish the right of authors to control digital transmissions of their works. However, they proposed to accomplish this goal in a different manner. Their draft treaty language called for digital transmissions to be regulated under the rubric of the right to control communications of protected works to the public.⁸⁹

At first glance, the U.S.-E.U. disagreement about how to characterize digital transmission rights might seem a very minor matter, but it has both some symbolic and some substantive significance. The disagreement was symbolic of a larger struggle for hegemony within the international copyright policymaking community about whose conceptions about copyright should have ascendance in international treaties.⁹⁰ The U.S. copyright law contains no exclusive right to communicate works to the public.⁹¹ The laws of most other nations, including many member states of the European Union, contain no exclusive distribution right.⁹² It is also worth remembering that the U.S. is

as precedents supporting the treatment of digital transmissions as distributions of copies to the public. *Id.* at 67-69. The White Paper recommended amendments to the U.S. copyright law that would make it clear that digital transmissions were distributions of copies. Section 106(3) now grants authors an exclusive right "to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease or lending." 17 U.S.C. §106(3). The White Paper recommended adding "or by transmission" to the end of this list of transfers. U.S. White Paper, Appendix at 2. Related amendments sought by the White Paper concerned the definition of the term "publication" (adding transmissions to the list of acts that would constitute same) and to the term "transmit" (reflecting that transmissions of reproductions would covered by the statute). *Id.*

⁸⁸ See First U.S. Proposal to WIPO, *supra* note --, at --.

⁸⁹ See Second E.U. Proposal to WIPO, *supra* note --, at --.

⁹⁰ The Berne Convention resulted from efforts of European rightsholders to gain international acceptance of the legitimacy of their claimed rights to control commercializations of European intellectual products outside national boundaries. See Ricketson, *supra* note --, at --. Even after the U.S. ceased being a copyright renegade in the international arena, it resisted joining the Berne Convention, in large part because of national traditions that did not comply with Berne minimum standards. *Id.* at --. The European ascendancy in Berne Convention proceedings is longstanding. The U.S., by contrast, is a latecomer to Berne, see *supra* note --. Its insistence on exercising leadership in the current round of WIPO meetings is disruptive of this tradition, and is not entirely welcome, particularly when the U.S. delegation gives delegates from other nations to understand that U.S. favor on other issues may depend on agreement to the norms it is promoting in Geneva.

⁹¹ See 17 U.S.C. §106 (exclusive rights provision). The U.S. has tended to treat television broadcasts of protected works, for example, under the rubric of the exclusive right to control public performances of protected works, see, e.g., --, rather than as communications of the works to the public, as has been common elsewhere. See, e.g., Geller, *supra* note --, at --.

⁹² See, e.g., Geller, *supra* note --, at --. Gaining international agreement on distribution rights is part of the nondigital agenda of the U.S. at WIPO as well. The lack of an exclusive distribution right has sometimes made it difficult for U.S. copyright owners to stop firms outside the U.S. from selling illegally made copies of protected works if the vendors of those copies were not themselves the makers of the infringing copies. See, e.g., Although it is sometimes possible in such countries to go after vendors of illicit copies by proving their knowledge and complicity in the making of illicit copies, *id.* at --, the grant of an exclusive distribution right would make this extra level of proof unnecessary.

a latecomer to Berne, and that European states are used to being the dominant players in Berne Convention treaty negotiations. As welcome as is the U.S. conversion to high protectionist norms, many Europeans remember the errant nature of earlier U.S. ways. For a newcomer to the Berne Union, the U.S. was behaving, especially as regards its digital agenda, in a very aggressive manner.

The WIPO Committee of Experts recommended draft treaty language to require all nations to confer on copyright owners an exclusive right to control distributions of copies of protected works to the public⁹³ as well as an exclusive right to control communications of protected works to the public.⁹⁴ Although granting the wish of the U.S. delegation for international recognition of the distribution right,⁹⁵ the Committee recommended adoption of the E.U. proposal to treat digital transmissions as communications to the public.⁹⁶

The Committee of Experts did not explain its reason for its preference for the communication right approach, so it is difficult to judge whether the Committee believed there was any substantive difference between these two characterizations of digital transmissions. This decision may have been a gesture in deference to European sensibilities or a demonstration of the Committee's independence from the U.S. to fend off potential criticism that its draft was unduly deferential to that nation's proposals.

From both European and U.S. sources, there is some reason to believe that the decision to treat digital transmissions as communications to the public instead of as distributions of copies to the public will have important practical effects.⁹⁷ European scholars who studied this issue during the time that the meetings on a possible Berne protocol were underway expressed a preference for treating digital transmissions as communication to the public. They perceived a strong similarity between digital transmissions and broadcast transmissions that Europeans had long regulated as communications to the public.⁹⁸ But some also favored the digital-transmission-as-communication approach because it would permit users to make occasional private communications of works (e.g., an exchange between two friends).⁹⁹

Thus, it is understandable that U.S. copyright owners favor an international standard requiring other nations to grant exclusive distribution rights to copyright owners.

⁹³ See WIPO Draft Copyright Treaty, *supra* note --, art. 8.

⁹⁴ The draft treaty would also expand the categories of works subject to the right to control communications of works to the public. *Id.*, art. 10.

⁹⁵ See First U.S. Submission to WIPO, *supra* note --; Draft Copyright Treaty, *supra* note --, art. 8

⁹⁶ *Id.* at 44-46.

⁹⁷ Broadcast companies expressed opposition to the White Paper's proposal to treat digital transmissions under the rubric of the distributions right out of concern for the impact this would have on their existing contracts which were negotiated in contemplation of the public performance right, and on their ability to move toward greater use of digital transmissions. See Testimony

⁹⁸ See, e.g., Hugenholtz, *supra* note --.

⁹⁹ *Id.*

Under U.S. law, copyright owners are granted an exclusive right to control distribution of copies "to the public."¹⁰⁰ This might suggest that U.S. law would treat private and public distributions of copies differently, perhaps leaving the latter unregulated. There is, however, some authority in U.S. caselaw for treating as a distribution "to the public" the transfer of an unauthorized copy to a single member of the public.¹⁰¹ This is in contrast with the U.S. "public performance" right¹⁰² under which which copyright owners can only control performances occurring outside of a circle of family members or a small group of friends.¹⁰³ As experienced copyright lawyers, Commissioner Lehman and his staff would have been aware of this difference. Their preference for treating digital transmissions as distributions of copies to the public, rather than as performances, likely stemmed from the greater control that copyright owners would have if the former characterization became the norm.¹⁰⁴

Although controversies abounded at the December diplomatic conference, the Committee's proposal to treat digital transmissions as communications to the public was not among them. The U.S. delegation found this approach acceptable as long as it could satisfy such a treaty obligation without amending its law to add another exclusive rights provision to the U.S. copyright statute.¹⁰⁵ The final treaty includes an Article 8 that provides that "authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time

¹⁰⁰ 17 U.S.C. §106(3).

¹⁰¹ See, e.g.,

¹⁰² 17 U.S.C. §§101, 106(4). See, e.g., In the U.S. broadcasts and similar transmissions of works are regulated by the public performance right. See, e.g., Recall that most other countries use the communication of the work to the public right to regulate broadcast transmissions. See supra note -- and accompanying text.

¹⁰³ See, e.g., 17 U.S.C. §101 (definition of "publicly" in relation to performances and displays).

¹⁰⁴ The U.S. White Paper seemed to hold out the possibility that some digital transmissions between private individuals that had not been authorized by the copyright owners might still be lawful; after all, a digital transmission that has been authorized by law would not infringe. See U.S. White Paper, supra note --, at --. However, given the White Paper's very restrictive view about sharing a digital copy of a work with a friend, see infra notes -- and accompanying text, it is far from clear that the drafters of the White Paper would accept private distributions between friends as privileged by law. Elsewhere I suggested that the IITF Working Group's distribution right proposal was, sub silencio, an effort to repeal the "public" requirement from the public performance right, at least as regards digital works. See NII Intellectual Property Report, supra note --, at --.

¹⁰⁵ It is fairly common for WIPO to accept that Berne Union members can use different designations for rights, as long as the practical result of the alternative designation is to accord substantially the same protection. It was unclear in Geneva whether the Clinton Administration would continue to push for the transmission-as-distribution approach in the U.S. Under Berne Convention norms, it could, of course, adopt a stricter rule on digital transmissions than other nations. The Berne Convention, after all, generally only establishes minimum norms, not maximum ones.

individually chosen by them."¹⁰⁶ This article contains no specific reference to digital transmissions, but is nonetheless understood as encompassing it.

The breadth of this communication to the public right, especially in relation to digital transmissions, raised much the same liability concerns for telephone companies and online service providers as had draft Article 7. On one interpretation, these firms could be viewed as communicating protected works to the public whenever they provided their users with facilities for transmissions. To obviate these concerns, an agreed upon statement accompanying the final treaty included a provision that that merely providing a system for transmission of digital works should not be construed as a communication to the public.¹⁰⁷ This, along with the omission of Article 7 from the final treaty,¹⁰⁸ meant that telephone companies and online service providers could finally breathe easily about the copyright treaty that would emanate from Geneva.

One further issue worth mentioning is one that was not formally raised at the diplomatic conference. Had the initial U.S. digital agenda fared somewhat better at the diplomatic conference than it actually did, the U.S. delegation might well have raised again an issue in earlier U.S. submissions to WIPO that expressed interest in an international accord on the meaning of the term "public" in relation to exclusive rights accorded to copyright owners.¹⁰⁹ (What, for example, does the word "public" in the grant of an exclusive right to communicate a work to the public?) A treaty provision on this issue would have resolved the private distribution/communication issue that was latent in the debate over whether to characterize digital transmissions as communications or distributions to the public. This left to another time the possibility of an international accord that would grant copyright owners control over a greater range of private acts.

C. Curtailing User Rights

Along with expanding the rights of copyright owners to control temporary copies and digital transmissions, a third component of the U.S. digital agenda at WIPO was the curtailment of national authority to limit the scope of exclusive rights accorded to copyright owners (e.g., by providing that a particular exclusive right could only be

¹⁰⁶ WIPO Copyright Treaty, *supra* note --, art. 8. It should be noted that this will expand the public communication right for some countries, such as Germany, whose national laws had previously been understood as requiring a more broadcast-like act of communicating the work to the public at one time by the broadcaster.

¹⁰⁷ See Agreed Upon Statements, *supra* note --, at 3. As regards online service provider issues, the agreed upon statement provides: "It is understood that the mere provision of physical facilities for enabling or makin a communication does not in itself amount to communication within the meaning of this Treaty or the Berne Convention."

¹⁰⁸ See *supra* notes -- and accompanying text.

¹⁰⁹ The U.S. had previously raised with WIPO its concerns about the desirability of defining the term "public" in the treatymaking process, but did not think this should occur until there had been agreement on the exclusive rights provisions. See U.S. First Submission to WIPO, *supra* note --, at --.

infringed by literal copying) or to grant an exception to certain classes of users or classes of uses (e.g., enabling charitable groups to perform dramatic works without permission). The aim was not only to prevent the adoption of new limitations and exceptions to the expanded rights that the treaty would recognize, but also to call into question the acceptability of some existing limitations and exceptions, particularly as they might seem to apply digital works. The principal targets of this effort were the so-called "first sale" rule,¹¹⁰ under which consumers are generally free to redistribute their own copies of a protected work, and fair use¹¹¹ and kindred doctrines,¹¹² under which private or personal copying of protected works has often been sheltered.¹¹³

Although the U.S. delegation to WIPO did not formally propose draft treaty language to curtail user rights,¹¹⁴ its submissions to WIPO and the Committee of Experts expressed concern about the potential for limitations and exceptions to undermine the legitimate interests of rightsholders.¹¹⁵ It had also opposed a private copying proposal made by the Uruguay delegation.¹¹⁶ Given the hostility that the U.S. White Paper had expressed towards first sale, fair use, and similar privileges in relation to digital networked environments,¹¹⁷ and statements by U.S. officials about the desirability of harmonizing norms at a higher level of protection,¹¹⁸ there was reason to expect the U.S. delegation to WIPO to favor a treaty provision curtailing authority to create limitations and exceptions in the WIPO treaty-making process, should one be made.

Although its origins are something of a mystery--there having been no counterpart to it in any of the national submissions and no explanation of it in the Committee of Experts' commentary¹¹⁹--the draft treaty included the following provision as Article 12:

(1) Contracting Parties may, in their national legislation, provide for limitations of or exceptions to the rights granted to authors under this treaty only in certain special cases that do not conflict with the normal

¹¹⁰ See 17 U.S.C. §109(c). This is known elsewhere as "exhaustion of rights." See, e.g., EU Green Paper, *supra* note --, at --.

¹¹¹ See 17 U.S.C. §107.

¹¹² See, e.g., Geller, *supra* note --, at -- (discussing the Canadian fair dealing provision)

¹¹³ *Id.* at -- (discussing the Dutch private copying privilege).

¹¹⁴ Neither the U.S. nor any delegation to the WIPO treaty-making process proposed any treaty language to expand or grant any new exceptions or limitations on the scope of copyright owner rights. See Comparative Treaty Language Document, *supra* note --.

¹¹⁵ First U.S. Submission, *supra* note --, at --.

¹¹⁶ See Comparative Treaty Language Document, *supra* note --, at --.

¹¹⁷ See, e.g., U.S. Green Paper, *supra* note --, at --; U.S. White Paper, *supra* note --, at --. See also Kurtz, *supra* note --, at -- (critical of White Paper's narrow view of fair use and other privileges); Samuelson, *supra* note --, at -- (accord).

¹¹⁸ See Lehman essay in Dommering & Hugenholtz, *supra* note --.

¹¹⁹ Draft Copyright Treaty, *supra* note --, at 52-54.

exploitation of the work and do not unreasonably prejudice the legitimate interest of the author.

(2) Contracting parties shall, when applying the Berne Convention, confine any limitations or exceptions to rights provided for therein to certain special cases which do not conflict with the normal exploitations of the work and do not unreasonably prejudice the legitimate interests of the author.¹²⁰

This article may owe its origins to an informal suggestion from Commissioner Lehman or another member of the U.S. delegation. Inferring U.S. inspiration for this article is reasonable for several reasons: Commissioner Lehman's experience as a lobbyist has taught him the value of a well-placed whisper. The U.S. had supported a similar provision in the TRIPS Agreement.¹²¹ Moreover, major U.S. copyright industries to whose interests the U.S. delegation to WIPO has been especially attentive would perceive themselves to be the beneficiaries of any curtailment on first sale, fair use, and similar privileges, especially as it might apply to the digital environment.

While draft Article 12 was the main focus of the controversy over national authority to create or maintain limitations and exceptions, it is important to understand that Article 12 was not the only provision in the draft treaty that would have affected user rights.¹²² A significant (and intended) consequence of the draft treaty's characterization of digital transmissions as communications to the public was to ensure that no "exhaustion of rights" would occur as to digital transmissions.¹²³ Although the U.S. delegation to WIPO would have preferred that the copyright treaty treat digital transmissions as distributions of copies to the public,¹²⁴ this did not mean that the U.S. delegation supported application of "first sale" (or the European equivalent, "exhaustion of rights") principles to allow users of digitally transmitted copies to redistribute their copies.¹²⁵ The U.S. White Paper had announced that first sale privileges would not apply to digitally transmitted copies because, in contrast with a secondary transfer of physical copies, a secondary transfer of a digital copy would

¹²⁰ Draft Copyright Treaty, *supra* note --, art. 12.

¹²¹ See TRIPS Agreement, *supra* note --, art. 10(1).

¹²² Because it does not bear on the digital agenda at WIPO, this article will only note two other substantial curtailments of user rights that the U.S. delegation has proposed at WIPO: limiting first sale and exhaustion principles to national or regional boundaries and limiting the right to rent copies of protected works. See Draft Copyright Treaty, *supra* note --, arts. --. Taken to its logical conclusion, the latter limitation would outlaw renting houses or other buildings subject to copyright protection as architectural works unless national legislation exempted such rentals (an exemption that the draft treaty would permit). *Id.* at --.

¹²³ See Draft Copyright Treaty, *supra* note --, at 46-48.

¹²⁴ See *supra* notes -- and accompanying text.

¹²⁵ See U.S. White Paper, *supra* note --, at --. The White Paper also argued against the existence of first sale rights in digital works on account of the potential for infringement that would arise from recognition of such a right. *Id.* at --.

require the copies to be made for which there was no authorization from the copyright owner or the law.¹²⁶

Cutting back on fair use and kindred rights was to be accomplished in a different way. One argument in favor of Article 12 was that it merely restated basic international treaty obligations embodied in Articles 9(2) of the Berne Convention and 13 of the TRIPS Agreement.¹²⁷ Because no challenges to fair use or other existing privileges in national copyright laws had been brought under these treaties, proponents of Article 12 assured fair use advocates that there was no reason to worry about inclusion of such a provision in the copyright treaty.¹²⁸

There are a number of reasons why it was difficult for fair use advocates to take heart from such assurances: some arose from some differences in the text of draft Article 12 as compared with its predecessors; some from the Committee of Experts' commentary about draft Article 12; and some from contextual differences between these predecessors and draft Article 12.

On its face, draft Article 12 was more restrictive than its ancestors. There was, for example, no antecedent in the Berne Convention or the TRIPS Agreement to draft Article 12(2) which provided that nations "*shall*, when applying the Berne Convention, *confine* any limitations or exceptions..."¹²⁹ to those meeting the three-step test. In addition, Articles 9(2) of the Berne Convention and 13 of TRIPS had provided that limitations or exceptions could be granted "in certain special cases." Draft Article 12(1) would have inserted the word "only" just before this clause, an insertion that would almost certainly have been construed as strengthening the potential bite that such an article might have in subsequent challenges to national exceptions or limitations before the WTO.

Articles 9(2) of Berne and 13 of TRIPS had also referred to conflicts with "a normal exploitation of the work" whereas Article 12 spoke of conflicts with "the normal exploitation of the work."¹³⁰ While this last difference might seem so trivially

¹²⁶ The U.S. Green Paper had initially recommended amending copyright law in order to deprive owners of digital copies of their first sale rights. See U.S. Green Paper, *supra* note --, at --. When the drafters of the White Paper figured out that it was necessary to make a copy of a digital work in order to redistribute it, they realized they could achieve their goal by statutory interpretation. The first sale rule, after all, only limits the exclusive distribution right, not the reproduction right. See 17 U.S.C. §109(c); U.S. White Paper, *supra* note --, at --. A counterargument would be that the temporary copy made to effectuate first sale rights was a fair use copy under precedents such as *Sega Enterprises, Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992) (incidental copying necessary to get access to unprotected ideas in a computer program held fair use).

¹²⁷ See Berne Convention, *supra* note --, art. 9(2); TRIPS Agreement, *supra* note --, art. 13; remarks of June Besek at NRC Symposium, *supra* note --, Nov. 21, 1996.

¹²⁸ See, e.g., remarks of Keith Kupferschmid, NRC Symposium, *supra* note --.

¹²⁹ Draft Copyright Treaty, *supra* note --, art. 12(2) (emphasis added).

¹³⁰ *Id.*, art. 12(1), 12(2).

minor as to be meaningless, fair use advocates did not think this difference should be ignored given how closely the three provisions otherwise adhered to common wording,¹³¹ and given how theological the debate among copyright lawyers has become of late.¹³²

While there are some special issues that arise in connection with Article 13 of the TRIPS Agreement, it is first worth exploring differences between Article 9(2) of the Berne Convention and draft Article 12. Article 9(2) of the Berne Convention applied to exceptions or limitations on the reproduction right,¹³³ whereas draft Article 12 would have affected the scope of all exclusive rights accorded to authors and their successors in interest.¹³⁴ This raised the question of whether adoption of Article 12 would, in effect, repeal other articles of the Berne Convention that had been understood to permit exceptions and limitations on the basis of their consistency with "fair practice."¹³⁵

Under the unamended Berne Convention, Article 9(2)'s conflict-with-normal-exploitation standard would, for example, have had no pertinence to a determination about the acceptability of an exception such as that found in U.S. law which limits public performance rights of copyright owners so that teachers and students can perform copyrighted works in nonprofit educational settings.¹³⁶ Under unamended Article 9(2), this exception would have been judged under the "fair practice" standard of other articles in the Berne Convention.¹³⁷ Under draft Article 12, the classroom performance exception would need to meet the test of Article 9(2). This might be difficult to do if rightsholders decided to retarget their market strategies to make the licensing of classroom performances part of the normal exploitation of their works.

While it is true that the universalization of Article 9(2)'s three-step test had already become an international norm as a result of adoption of Article 13 of the TRIPS Agreement, there are a number of contextual reasons why adoption of Article 13 of the TRIPS Agreement seemed to pose less of a threat to fair use and related limitations and exceptions than draft Article 12.

The most obvious factor was that Article 13 had not been accompanied by commentary suggesting that some existing national exceptions would not meet its

¹³¹ example

¹³² See, e.g., Hugh Hansen, *International Copyright: An Unorthodox Analysis*, 29 *Vand. J. Trans'l L.* 579, 582-83 (1996) (speaking of copyright lawyers as a secular priesthood, and of the need to convert those who are not true believers in copyright).

¹³³ Berne Convention, *supra* note --, art. 9(2).

¹³⁴ Draft Copyright Treaty, *supra* note --, at 52-54.

¹³⁵ See, e.g., Berne Convention, *supra* note --, art. 10(1).

¹³⁶ 17 U.S.C. §110, 112.

¹³⁷ *Id.*

three-step test. The commentary that accompanied draft Article 12, in contrast, made clear that this Article was intended as a constraint on national authority.

In addition to repeating numerous times that Article 12 set forth a three-step test for exceptions and limitations,¹³⁸ the Committee's commentary emphasized that:

Any limitations or exceptions *must be* confined to certain special cases. No limitations or exceptions *may ever* conflict with normal exploitation of the protected subject matter. Finally, any limitations or exceptions *may never* unreasonably prejudice the legitimate interests of the author.¹³⁹

This made clear that draft Article 12 was intended as a constraint on national legislative powers. Although the Committee's commentary to draft Article 12 repeated the 1967 commentary on Article 9(2), which illustrated the range of acceptable limitations with an example of a national exception to enable the making of a small number of photocopies for scientific or individual use,¹⁴⁰ the 1996 commentary went on to say that it was "clear that not all limitations currently included in the various national legislations would correspond to the conditions now being proposed."¹⁴¹ In case the point was not already obvious, the drafters continue:

In the digital environment, formally "minor reservations" may in reality undermine important aspects of protection. Even minor reservations must be considered using sense and reason. The purpose of protection must be kept in mind.¹⁴²

Although the Committee's last observation on Article 12 nodded in the direction of balancing a high level of protection with other important values in society,¹⁴³ the overall tone of the Committee's commentary was one of warning about the importance of confining limitations and exceptions. The digital environment was singled out as a source of the Committee's especial concerns.

The main contextual reason to fear both the more restrictive text of draft Article 12 and the Committee's warning that some current exceptions would not meet the

¹³⁸ When initially adopted, Article 9(2) might previously have been viewed as effectively establishing a one- or two-step test which principally worried about exceptions that would conflict with normal exploitations of protected works, but that had auxiliary concern about exceptions that would unreasonably prejudice the legitimate interests of authors.

¹³⁹ *Id.* at 52 (emphasis added). The commentary also refers to the so-called "minor reservations" in national laws that have generally been tolerated in the Berne Union, saying that minor reservations would also need to meet the three-part test of Article 12. *Id.* at 54.

¹⁴⁰ *Id.* at 52.

¹⁴¹ *Id.* at 54.

¹⁴² *Id.*

¹⁴³ *Id.*

standard of Article 12 was because the TRIPS Agreement had introduced enforcement provisions that would now make it possible to challenge national exceptions for failure to meet the three-step test embodied in draft Article 12. Adoption of draft Article 12 would have facilitated the ease with which such challenges could be made.

It is important to understand that at the time Article 9(2) became part of the Berne Convention, there was, in actuality, not very much that one nation could do if another nation enacted an exception to the reproduction right that conflicted with a normal exploitation of works of the former's nationals. Even if it was abundantly clear that the exception violated Article 9(2), the only thing that a complaining nation could do was to engage in bilateral negotiations to resolve the dispute.¹⁴⁴ The Berne Convention, you see, had no enforcement provisions.¹⁴⁵ Members of GATT were even forbidden from imposing tariffs or other sanctions on unrelated products to resolve their complaints about such things as the inadequacy of copyright protection by other nations.¹⁴⁶

TRIPS, however, is "trade with teeth."¹⁴⁷ In the post-TRIPS world, firms that believe that a foreign copyright exception interferes with normal exploitation of their works in that nation need only convince their own government to make a complaint against that nation before the World Trade Organization.¹⁴⁸ If WTO should agree that the challenged exception did not meet the three-step test of Article 13, the offended nation would be able to impose trade sanctions on unrelated products of the offending nation until the problem created by the exception was rectified.¹⁴⁹

Adoption of the Committee's draft Article 12 in the WIPO copyright treaty would have significantly advanced the potential for this kind of challenge to national exceptions. This is partly because of the more restrictive wording of draft Article 12 and of Article 13 of the TRIPS Agreement, as well as the Committee's commentary indicating that exceptions "must never" fail any part of the three-part test.¹⁵⁰ More importantly, Article 13 had become part of TRIPS before policymakers had thought about intellectual property rights in the digital networked environments.¹⁵¹ In addition, draft Article 12 appeared in a document that explicitly aimed to protect copyright owner interests in markets they were not currently exploiting--this was the very reason for the proposal to grant broad rights to control temporary copying¹⁵²--

¹⁴⁴ See, e.g., Reichman, 29 Vand. J. Trans'l L. (1996).

¹⁴⁵ See *id.* at --.

¹⁴⁶ See *id.* at --.

¹⁴⁷ Ralph Nader, legislative hearings

¹⁴⁸ See Reichman, *supra* note --, at --.

¹⁴⁹ *Id.* at --. WTO will also do its monitoring of national intellectual property laws to ensure that they are trade-neutral. *Id.* at --.

¹⁵⁰ See text accompanying notes --.

¹⁵¹ See Hamilton, *supra* note --, at --.

¹⁵² See *supra* notes -- and accompanying text.

which suggested that Article 12 would be interpreted as broadening the conventional understanding of what constituted "normal exploitation."

Still another contextual reason to worry that Article 12 was intended to lay the groundwork for elimination or a substantial curtailment of such things as the U.S. fair use defense was that the Committee's warnings about the viability of some existing exceptions in its commentary to Article 12¹⁵³ resonated ominously with doubts about the future of fair use in digital environments expressed in the U.S. White Paper.¹⁵⁴

If Article 12 had been adopted as originally proposed, a challenge to the U.S. fair use defense or private use privileges in other national laws might have been premised on an argument either that they were not confined "to certain special cases" or that such exceptions on rights conflicted with normal exploitations of a work whenever a use could be licensed.¹⁵⁵ Major U.S. copyright industry groups could be expected to see in Article 12 ammunition with which to challenge fair use and similar privileges, both in the U.S. and abroad, particularly as they might apply in the digital domain. At least the very least, such an article might help fend off an enlarged role for fair use and similar privileges that had been predicted by some commentators.¹⁵⁶ It would certainly help in combating the adoption of any new exceptions.

Fair use advocates in the U.S., recognizing the potential for this sort of use of draft Article 12, brought substantial pressure to bear on the Clinton Administration to instruct the U.S. delegation to go to Geneva prepared to seek changes to draft Article 12 to preserve fair use and similar privileges in U.S. law. This effort was successful. The U.S. delegation went to Geneva with instructions to support amendments to the text of Article 12 to omit the word "only" before "in certain special cases," and to

¹⁵³ Draft Copyright Treaty, *supra* note --, at 54.

¹⁵⁴ U.S. White Paper, *supra* note --, at --. Here, it is worth noting that Commissioner Lehman has been heard to question whether the U.S. fair use defense was consistent with Article 9(2) of the Berne Convention, and the U.S. White Paper took an exceptionally narrow view of fair use, as well as casting doubt on its future in the digital environment. The White Paper's mischaracterization of U.S. fair use caselaw, *See, e.g., id.* at -- (mischaracterizing the rationale of *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 340 (1984) as finding fair use because of the absence of a licensing system for recording television programs off the air). as well as its silence about some prominent fair use cases of which Commissioner Lehman disapproves, *The U.S. White Paper* does not mention *Sega Enterprises, Ltd. v. Accolade, Inc.*, 977 F.2d 1552 (9th Cir. 1992) or *Atari Games v. Nintendo of America*, 975 F.2d -- (Fed. Cir. 1992). Both decisions held that intermediate copying of computer program code that was necessary to get access to ideas embodied in the program were fair uses. As a lobbyist, Bruce Lehman had argued that such actions were infringing, and as Commissioner of Patents and Trademarks, he opposed efforts by the Japanese government to amend their law to permit a similar decompilation privilege. *See, e.g.,*

¹⁵⁵ Had draft Article 12 and its commentary been accepted at the diplomatic conference, it would not be far-fetched to expect multinational publishers, such as Reed Elsevier, to work with U.S. publishers to persuade the U.S. government, for example, to challenge the Dutch private copying privilege, and with English publishers to persuade the U.K. to challenge the U.S. fair use privilege.

¹⁵⁶ *See, e.g., Pamela Samuelson, Fair Use for Computer Programs and Other Works in Digital Form: Implications of Sony, Galoob, & Sega*, 1 J. Intell. Prop. L. (1992).

conform the normal exploitation language (switching back to "a" from "the"). In addition, they were also to support changes in the commentary to Article 12 to make clear that existing fair use privileges were consistent with this article.

Fairly soon after the diplomatic conference got down to business, considerable support emerged for conforming the text of Article 12 to the texts of Article 9(2) of the Berne Convention and Article 13 of TRIPS,¹⁵⁷ and for an agreed-upon statement to accompany it that would preserve existing fair use-like privileges in national laws.¹⁵⁸

The seeming consensus on this sort of "fix" to Article 12 was upset for a time by an Israeli proposal to broaden national authority to create exceptions relatively late in the conference.¹⁵⁹ It would have permitted nations to provide for exceptions that were "consistent with exceptions or limitations provided for in the Berne Convention and in certain special cases that do not conflict with a normal exploitation of rights or unreasonably prejudice the legitimate interests of the author."¹⁶⁰ The Europeans announced their willingness to support this alternative proposal so long as one word--the "and" between the two clauses--was omitted. With support from the U.S. delegation, the European amendment to the Israeli proposal seemed to be on its way to acceptance. In the final days of the conference, however, reservations grew about this alternative because the European amendment appeared to some to convert the Article 12 three-step test into a four-step test.¹⁶¹

Although support for this alternative subsided, it took some effort to reinstate the previous "fix" to Article 12 because the U.S. delegation did not want to be the ones to take the initiative to reintroduce it. The Canadian delegation, however, finally did so,¹⁶² and in the end, the Article on national authority to grant exceptions--now designated Article 10 because of omission of some provisions that had been in the draft treaty¹⁶³--that finally made its way into the treaty conformed to the text of TRIPS Article 13. The conference also agreed upon the following statement as an accompaniment to Article 10 which not only preserved existing fair use-like limitations and exceptions, but also anticipated the evolution of new exceptions and limitations:

It is understood that the provisions of Article 10 permit Contracting Parties to carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws which

¹⁵⁷ See Greenstein, *supra* note --, at 12/10/96. Substantial concern also arose about Article 12(2), and for a time, it appeared likely to be dropped from the treaty. *Id.*

¹⁵⁸ *Id.*

¹⁵⁹ *Id.* at 12/15/96.

¹⁶⁰ *Id.*

¹⁶¹ *Id.*

¹⁶² *Id.* at 12/20/96.

¹⁶³ WIPO Copyright Treaty, *supra* note --, art. 10.

have been considered acceptable under the Berne Convention. Similarly, these provisions should be understood to permit Contracting Parties to devise new exceptions and limitations for the digital environment.¹⁶⁴

In addition, there was an agreed-upon statement that Article 10(2) neither extended nor reduced the scope of acceptable exceptions under the Berne Convention.¹⁶⁵

Not only was there support at the diplomatic conference for recognition of national authority to grant exceptions that would balance the interests of copyright owners and the public, such as those typically reflected in fair use-like exceptions and limitations, there was also support for making the principle of balance a fundamental purpose purpose of the treaty by adding a new and unprecedented clause to the treaty's preamble. The Committee's initial draft preamble had had three components:

Desiring to develop and maintain the protection of the rights of authors in their literary and artistic works in a manner as effective and uniform as possible,

Recognizing the need to introduce new international rules and clarify the interpretation of certain existing rules in order to provide adequate solutions to the questions raised by new economic, social, cultural, and technological developments,

Recognizing the profound impact of the development and convergence of information and communication technologies on the creation and use of literary and artistic works.¹⁶⁶

To these, the final treaty added another purpose:

Recognizing the need to maintain a balance between the interests of the authors and the larger public interest, particularly education, research, and access to information, as reflected in the Berne Convention.¹⁶⁷

This new preamble provision represents a major development in international copyright policy.¹⁶⁸

¹⁶⁴ WIPO Agreed-Upon Statements, *supra* note --, at 3.

¹⁶⁵ *Id.*

¹⁶⁶ Draft Copyright Treaty, *supra* note --, at 9.

¹⁶⁷ WIPO Copyright Treaty, *supra* note --, preamble. To lessen the potential impact of this principle, the final treaty included not only the "as reflected in the Berne Convention." The final treaty also included a provision "[e]mphasizing the outstanding significance of copyright protection as an incentive for literary and artistic creation." *Id.*

¹⁶⁸ Another highly significant aspect of the final treaty is its Article 2 because it embodies the idea/expression distinction in a copyright treaty.

If copyright policy on an international scale had seemed to be veering away from traditional purposes such as the promotion of knowledge in the public interest and toward a solely trade-oriented set of purposes, this treaty can be seen as a correction in the course of international copyright policy. Though the Committee's initial draft was consistent with a trade-based approach to copyright policy, the final treaty reaffirms faith in the concept of maintaining a balance between private and public interests in copyright policymaking and of recognizing that education, research and access to information are among the important social values that a well-formed copyright law should serve.

D. Regulating Circumvention Technologies

An important part of the U.S. digital agenda at WIPO was establishing a new international norm to regulate technologies or services useful for circumventing technological protection for copyrighted works. The electronic future envisioned in the U.S. White Paper,¹⁶⁹ as well as that for which many major content providers seem to be planning,¹⁷⁰ anticipated broad use of technological measures, such as encryption, to protect content in digital form. As promising as such technologies are, they too pose a problem: what one technology can do, another can generally undo.¹⁷¹ Hence, the perceived need for law to regulate circumvention technologies and services.

The U.S. motion picture industry has for many years been keen on the idea of legislation to regulate technologies that aid infringement.¹⁷² Although unsuccessful in previous efforts to persuade Congress to pass a broad law giving motion picture producers power to go after makers of circumvention technologies,¹⁷³ the industry saw in the Clinton Administration's NII intellectual property initiative a new opportunity for getting the legislation they had been wanting.¹⁷⁴ As other content owners came to understand the desirability of technological solutions to the problem of protecting digital content,¹⁷⁵ the motion picture industry gained new allies to support stronger regulation of circumvention technologies and services.¹⁷⁶

¹⁶⁹ U.S. White Paper, *supra* note --, at 177-200.

¹⁷⁰ See, e.g., Christopher Burns, Inc.; IMA Proceedings; Charles Clark, *The Answer to the Machine is the Machine*.

¹⁷¹ See, e.g., *Vault v. Quaid* (maker of software "locking" system brought copyright suit against maker of software capable of unlocking that software).

¹⁷² See, e.g., Testimony of Jack Valenti. See also 17 U.S.C. §1001, et seq. (regulating digital audio tape recording technology).

¹⁷³ See, e.g., See also Sony Betamax; DAT provisions.

¹⁷⁴ See also DVD negotiations.

¹⁷⁵ See, e.g., Burns, *supra* note --.

¹⁷⁶ See, e.g., Testimony of AAP

The ongoing WIPO treatymaking process provided an opportunity for an international accord on regulation of circumvention technologies. This was important because without such an accord, the effectiveness of any national regulation could not be assured. That is, even if the U.S. Congress could be persuaded to outlaw distribution of such things as circumvention software in the U.S., the availability of such software on servers in, for example, Finland or Indonesia would not stop U.S. nationals from gaining access to that software via the global Internet.

Still, national legislation was a logical starting place for anti-circumvention regulation. Hence, the U.S. White Paper recommended enactment of the following provision:

No person shall import, manufacture, or distribute any device, product, or component incorporated into a device or product, or offer or perform any service, the primary purpose or effect of which is to avoid, bypass, remove, deactivate, or otherwise circumvent, without the authority of the copyright owner or the law, any process, treatment, mechanism, or system which prevents or inhibits the violation of any of the exclusive rights of the copyright owner under section 106.¹⁷⁷

The only policy analysis offered in support of the Paper's assertion that this provision "is in the public interest and furthers the Constitutional purpose of the copyright laws"¹⁷⁸ was this:

Consumers of copyrighted works pay for the acts of infringers; copyright owners have suggested that the prices of legitimate copies may be higher due to infringement losses suffered by copyright owners. The public will also have access to more copyrighted works via the NII if they are not vulnerable to the defeat of protection systems.¹⁷⁹

The White Paper dismissed as unfounded suggestions that such a provision would threaten fair use or public domain material.¹⁸⁰

The U.S. submission to WIPO contained an almost identical provision.¹⁸¹ The only noteworthy difference between the U.S. White Paper's proposal and the U.S. submission to WIPO was that the latter would have regulated circumventions done "without authority"¹⁸² whereas the former focused on circumventions done "without

¹⁷⁷ U.S. White Paper, supra note --, Appendix at 6 (proposed as 17 U.S.C. §1201); H.R. 2441, supra note --; S. 1284, supra note --.

¹⁷⁸ U.S. White Paper, supra note --, at 230.

¹⁷⁹ Id.

¹⁸⁰ Id. at 231-32.

¹⁸¹ First U.S. Submission to WIPO, supra note --, at --.

¹⁸² Id.

the authority of the copyright owner or the law."¹⁸³ The wording of the submission to WIPO seemed to reflect U.S. concerns that countries might circumvent whatever anti-circumvention regulation the treaty might contain by adopting sufficiently broad exceptions as to enable circumventions to occur "with authority of law."

The Committee of Experts' draft Article 13 was closely modelled on the U.S. proposal. It read:

Contracting parties shall make unlawful the importation, manufacture or distribution of protection-defeating devices, or the offer or performance of any service having the same effect, by any person knowing or having reasonable grounds to know that the device or service will be used for, or in the course of, the exercise of rights provided under this Treaty that is not authorized by the rightholder or the law.¹⁸⁴

It defined the term "protection-defeating device" in terms that closely track the U.S. proposal as "any device, produce or component incorporated into a device or product, the primary purpose or primary effect of which is to circumvent any process, treatment, mechanism or system that prevents or inhibits any of the acts covered by rights under this Treaty."¹⁸⁵ Draft Article 13 would also require "appropriate and effective remedies" for violations of this provision.¹⁸⁶

The principal difference between draft Article 13 and the U.S. proposal was that the former inserted a knowledge requirement in this provision which had no counterpart in the U.S. legislation or submission to WIPO.¹⁸⁷ The Committee's commentary explained that the knowledge requirement "focuses on the purpose for which the device or service will be used."¹⁸⁸ Inclusion of a knowledge requirement responded to a common criticism of the U.S. proposed provision,¹⁸⁹ which had emphasized the unfairness of imposing strict liability on manufacturers of equipment

¹⁸³ U.S. White Paper, supra note --, Appendix at 6.

¹⁸⁴ Draft Copyright Treaty, supra note --, art. 13(1). The Committee's commentary on this provision indicates that a number of countries had submitted proposals on this issue. *Id.* at 56. Notice that the U.S. "without authority" proposal was dropped in favor of a without-authority-of-the-rightsholders-or-the-law standard.

¹⁸⁵ *Id.*, art. 13(3). Compare U.S. White Paper, supra note --, Appendix at 6; First U.S. Submission to WIPO, supra note --, at --.

¹⁸⁶ Draft Copyright Treaty, supra note --, art. 13(2).

¹⁸⁷ The idea for inserting this knowledge requirement came from the European Union. See E.U. Second Submission, supra note --, at --.

¹⁸⁸ *Id.* at 56. Notice that this anticipated that rulings under such a provision would need to be based on predictions about the uses to which a device or service would be put, rather than to proof of actual uses in the market.

¹⁸⁹ See, e.g., Testimony of Edward Black; Ad Hoc Alliance, supra note --. Many other criticisms have been leveled at this provision as well. See, e.g., Samuelson, *Regulating Technologies*, supra note --, and Thomas Vinje, *Eur. Intell. Prop. Rev.* (1996).

who had thought they were making and selling equipment that consumers would use in a lawful manner.¹⁹⁰

Recognizing that an anti-circumvention provision would be a new feature for copyright laws of many countries, the Committee tried to alleviate potential concerns about the breadth of its proposal not only by adding to it a knowledge requirement, but also by indicating that it anticipated substantial latitude for national implementations of this norm.¹⁹¹ Nations would, it said, be "free to choose appropriate remedies according to their own legal traditions,"¹⁹² and they could "design the exact field of application of the provision...taking into consideration the need to avoid legislation that would impede lawful practices and the lawful use of public domain materials."¹⁹³

Neither the insertion of a knowledge requirement nor the Committee's assurances about latitude in national implementations sufficed to overcome serious concerns about draft Article 13. This was largely because even a knowledge-based standard for regulating technologies having infringing uses represented a dramatic change in policy. Under existing U.S. law, for example, firms have been free to sell a device (or presumably to provide a service) to customers as long as it had a substantial noninfringing use.¹⁹⁴

There was also reason to doubt whether a provision with a "knowing or having reason to know" requirement would, in practice, have been meaningfully different from the U.S. White Paper standard. Rightsholders could surely be expected to argue that people intend the natural consequences of their actions. In addition, the Committee's commentary made clear that it anticipated that its anti-circumvention provision would be employed to challenge the sale of technologies based on predictions about the primary uses,¹⁹⁵ which meant that technologies could be challenged before there was an opportunity to determine what actual uses the product would have in the marketplace.

¹⁹⁰ Most other laws regulating circumvention technologies contain knowledge or intent requirements. See, e.g., Vinje, E.I.P.R..

¹⁹¹ Draft Copyright Treaty, *supra* note --, at 56.

¹⁹² *Id.* It went on, however, to say that the "main requirement is that the remedies provided are effective and thus constitute a deterrent and a sufficient sanction against the prohibited acts." *Id.*

¹⁹³ *Id.* It went on to say that "[h]aving regard to differences in legal traditions, Contracting Parties may, in their national legislation, also define the coverage and extent of liability for violation of [this provision]." *Id.*

¹⁹⁴ See, e.g., *Sony Corp. of America, Inc. v. Universal City Studios, Inc.*, 464 U.S. 340 (1984) (motion picture copyright owners held not entitled to control sale of videotape recording machines because of substantial noninfringing uses); *Vault v. Quaid* (permitting the sale of software that bypassed technical protection because it enabled consumers to make backup copies, which meant it had a substantial noninfringing use).

¹⁹⁵ See *supra* text accompanying note --.

At the diplomatic conference, there was little support for the Committee's proposed language on circumvention technologies. Some countries opposed inclusion of any anti-circumvention provision in the treaty.¹⁹⁶ Others proposed a "sole purpose" or "sole intended purpose" standard for regulating circumvention technologies.¹⁹⁷ Some wanted an explicit statement that carved out circumvention for fair use and public domain materials.¹⁹⁸ The E.U. offered a proposal that would have required contracting parties to adopt adequate and effective legal measures to regulate devices and services intended for technology-defeating purposes.¹⁹⁹

Facing the prospect of little support for its proposal or the Committee's draft anti-circumvention provision, the U.S. delegation was in the uncomfortable position of trying to find a national delegation to introduce a compromise provision brokered by U.S. industry groups that would simply have required contracting parties to have adequate and effective legal protection against circumvention technologies and services.²⁰⁰ In the end, such a delegation was found, and the final treaty embodied this sort of provision as Article 11.²⁰¹

This was, of course, a far cry from the provision that the U.S. had initially promoted. Still, it was an accomplishment to get any provision in the final treaty on this issue. The inclusion of terms like "adequate" and "effective" protection in the treaty will mean that U.S. firms will be able to challenge national regulations that they deem deficient.

E. Protecting Rights Management Information

A fifth component of the U.S. digital agenda at WIPO was gaining acceptance of a second unprecedented norm for an international copyright treaty, namely, an agreement to protect the integrity of copyright management information (CMI) that might accompany digital copies of protected works. In keeping with its proposal to amend U.S. copyright law to protect CMI from deprivations by would-be pirates who would strip the CMI from distributed copies of digital content, falsify, or otherwise

¹⁹⁶ See, e.g., Greenstein, *supra* note --, 12/10/96.

¹⁹⁷ *Id.* The Ad Hoc Alliance for a Digital Future had recommended treaty language of this sort. Ad Hoc Alliance, *supra* note --, at 4-5.

¹⁹⁸ Greenstein, *supra* note --, 12/10/96

¹⁹⁹ *Id.*

²⁰⁰ See Memorandum of Brian Kahin to the Working Group on Intellectual Property, Interoperability, and Standards, U.S. Advisory Committee on International Communications and Information Policy, 11/18/96 (reflecting consensus draft provision on circumvention technologies and services).

²⁰¹ "Contracting parties shall 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 by the law." WIPO Copyright Treaty, *supra* note --, art. 11.

tamper with CMI in aid of infringing activities,²⁰² the U.S. delegation to WIPO recommended a virtually identical provision to the Committee of Experts for inclusion in the Berne Protocol.

The legislation that the U.S. White Paper proposed to Congress was:

(a) No person shall knowingly provide copyright management information that is false, or knowingly distribute or import for public distribution copyright management information that is false.

(b) No person shall, without authority of the copyright owner or the law, (i) knowingly remove or alter any copyright management information, (ii) knowingly distribute or import for distribution copyright management information that has been altered without authority of the copyright owner or the law, or (iii) knowingly distribute or import for distribution copies or phonorecords from which copyright management information has been removed without authority of the copyright owner or the law.²⁰³

This legislation offered a provisional definition of CMI as: "the name and other identifying information of the author of a work, the name and other identifying information of the copyright owner, terms and conditions for uses of the work, and such other information as the Register of Copyrights may prescribe by regulation."²⁰⁴ Both civil and criminal penalties for violations of this provision were also recommended.²⁰⁵ The U.S. submission to WIPO on CMI was virtually identical to the White Paper proposal.²⁰⁶

As with the anti-circumvention provision, the Committee of Experts modeled its draft treaty provision to regulate rights management information on the U.S. proposal, albeit with some differences in terminology and reorganization of its structure. Subsection (1) of Article 14 of the draft treaty read:

Contracting parties shall make it unlawful for any person knowingly to perform any of the following acts:

(i) remove or alter any electronic rights management information without authority;

²⁰² U.S. White Paper, *supra* note --, at 191-94, 235-36.

²⁰³ *Id.*, Appendix at 6-7.

²⁰⁴ *Id.* at 7.

²⁰⁵ *Id.* at 8-11.

²⁰⁶ See First U.S. Submission to WIPO, *supra* note --.

(ii) to distribute, import for distribution or communicate to the public, without authority, copies of works from which electronic rights management information has been removed or altered without authority.²⁰⁷

Subsection (2) defined "rights management information" as "information which identifies the work, the author of the work, the owner of any right in the work, and any numbers or codes that represent such information, when any of these items of information are attached to a copy of a work or appear in connection with the communication of a work to the public."²⁰⁸ The Committee's commentary stated its expectation that criminal as well as civil penalties should be available for violations of this provision.²⁰⁹

Article 14 of the draft treaty was a more limited form of regulation of rights management information (RMI) than the U.S. proposal, principally because of its narrower definition of RMI. This narrower definition responded to criticism that had been leveled at the U.S. proposal which focused on potential uses of CMI to monitor usage of copyrighted works, raising potential privacy concerns which the White Paper had not addressed.²¹⁰ As with the anti-circumvention provision, the Committee of Experts also indicated that member nations would be able to "design the exact field of application of the provisions envisaged in this Article taking into consideration the need to avoid legislation that would impede lawful practices."²¹¹

The RMI provision of the draft treaty proved to be one of the least controversial parts of the digital agenda at WIPO. But even this more limited version of the U.S. proposal was further trimmed in the course of diplomatic negotiations. Concerns had arisen that it would inadvertently make illegal some alterations to RMI that presented no threat to the legitimate interests of rightsholders. For example, a change in copyright ownership occurring after a particular firm had licensed the right to distribute copies of a work, but before the firm had actually exercised its rights under the license, would render the RMI attached to these digital copies false.²¹² Article 14, as originally drafted, would have made it illegal to distribute these duly licensed copies because the licensee could neither distribute copies bearing false RMI nor alter the RMI to make it accurate. To overcome this problem, the final treaty provision, Article 12, reflected an amendment so that alterations of RMI and

²⁰⁷ Draft Copyright Treaty, *supra* note --, at 59.

²⁰⁸ *Id.* at 59.

²⁰⁹ *Id.* at 58.

²¹⁰ See, e.g., Julie A. Cohen, *Conn. L. Rev.* (1996); Samuelson, *Copyright Grab*, *supra* note --.

²¹¹ Draft Copyright Treaty, *supra* note --, at 58.

²¹² See, e.g., Submission by Loren Brennan on behalf of the Independent Film Producers Association.

distributions of copies with false RMI would only be illegal insofar as they facilitated or concealed infringing activities.²¹³

F. Protecting the Contents of Databases

A late-added component of the U.S. digital agenda at WIPO was gaining acceptance for an international treaty to protect investments in databases by granting database makers a set of exclusive rights to authorize or prevent extractions and uses of database contents.²¹⁴ The U.S. might have been content with later consideration of such a treaty had it not been for a reciprocity provision of a recent European directive to create a new form of legal protection for the contents of databases²¹⁵ and the European Union's decision to propose to the WIPO Committee of Experts draft treaty language to universalize its new legal norm.²¹⁶ The U.S. White Paper had expressed only general support for the idea of protecting database contents, but had made no specific proposal about it.²¹⁷

Because of substantial U.S. industry objections to some parts of the European approach to database protection,²¹⁸ including its reciprocity provision,²¹⁹ the U.S. delegation to WIPO decided to submit a counterproposal so that the U.S. could have

²¹³ The final treaty provision is actually somewhat more complicated than this: "Contracting Parties shall provide adequate and effective legal remedies against any person knowingly performing 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 right covered by this Treaty: (i) to remove or alter any electronic rights management information without authority; (ii) to distribute, import for distribution, broadcast or communicate to the public, without authority, works or copies of works knowing that electronic rights management information has been removed or altered without authority." WIPO Copyright Treaty, *supra* note --, art. 12(1). The final treaty's definition of RMI is identical to that proposed by the Committee of Experts. See text accompanying note -- and WIPO Copyright Treaty, *supra* note --, art. 12(2). The Digital Future Coalition had made a similar proposal to limit the scope of the U.S. White Paper's legislative proposal. See <http://www.dfc.org>.

Two agreed upon statements accompanied the final version of Article 12: (1) "It is understood that the reference to 'infringement of any right covered by this Treaty or the Berne Convention' includes both exclusive rights and rights of remuneration." (2) It is further understood that Contracting Parties will not rely on this Article to devise or implement rights management systems that would have the effect of imposing formalities which are not permitted under the Berne Convention or this Treaty, prohibiting the free movement of goods or impeding the enjoyment of rights under this Treaty." Agreed Upon Statements, *supra* note --, at 3.

²¹⁴ See Second U.S. Submission to WIPO, *supra* note --.

²¹⁵ See Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases, 1996 O.J. (L 77) 20 (cited hereinafter as "E.U. Database Directive"). The reciprocity component of this directive can be found, *id.* art. 11 at 25-27. See generally J.H. Reichman and Pamela Samuelson, *Intellectual Property Rights in Data?*, *Vand. L. Rev.* (forthcoming 1997).

²¹⁶ First E.U. Proposal to WIPO, *supra* note --.

²¹⁷ See, e.g., U.S. White Paper, *supra* note --, at --.

²¹⁸ See, e.g., Information Industry Ass'n, *Database Protection: An Industry Perspective on the Issues* (Aug. 1995) (cited hereinafter as "IIA Report").

²¹⁹ *Id.* at --.

some influence on the text of whatever database contents treaty might emerge from the Committee of Experts' deliberations.²²⁰ Once the Committee of Experts decided to propose a database contents treaty, members of the U.S. delegation swore their "unswerving support" for adoption of such a treaty.²²¹

The concept of such a law is sufficiently new that it may help to explain the origins and essential contours of the European proposal. In planning for the future of the information society, the Commission of the European Communities noticed that there was an uneven level of investment in database development in member nations of the E.U.²²² It also noticed that there was considerable disharmony as well as some uncertainty about the extent of legal protection available to database makers in the E.U.²²³ It foresaw the size of current and future national and international markets for databases to be very considerable.²²⁴ The Commission was quite frank in expressing its desire for Europe to become a more substantial player in these markets.²²⁵ Seemingly trying explain the generally low level of investment in databases in the E.U., the Commission observed that many commercially valuable electronic databases were vulnerable to market-destructive appropriations of their contents.²²⁶ Existing law provided no or uncertain remedies for such appropriations, either because some of these databases could not be copyrighted or because even when copyright protection was available, that law did not protect the data they contained.²²⁷

To induce higher levels of investment in databases, the Commission recommended a directive to create a new law that would protect databases against appropriations of the whole or substantial parts of their contents.²²⁸ As finally adopted, the European directive gave database makers who had made substantial investments in the development or maintenance of databases fifteen years of protection for database contents,²²⁹ rights that were renewable upon the expenditure of additional substantial investments in the database.²³⁰ To prod other nations to adopt similar laws, the E.U. directive mandated that this new form of legal protection was to be available to databases of non-E.U. nationals only if their country of origin had equivalent laws.²³¹

²²⁰ Second U.S. Submission to WIPO, *supra* note --.

²²¹ See, e.g., Keith Kupferschmid, NRC Symposium, *supra* note --.

²²² See Commission of the European Communities, (explanatory memorandum).

²²³ E.U. Database Directive, *supra* note --, preamble.

²²⁴ See E.C. Explanatory Memorandum, *supra* note --, at --.

²²⁵ *Id.*

²²⁶ *Id.* at --.

²²⁷ *Id.* at --. See also *Feist Pub. Inc. v. Rural Telephone Service, Inc.*, 499 U.S. 340 (1991) (white pages listings in telephone directory did not qualify for copyright protection).

²²⁸ Proposed Database Directive, *supra* note --.

²²⁹ E.U. Database Directive, *supra* note --, art. --.

²³⁰ *Id.*, art. --.

²³¹ *Id.* art. 11.

This reciprocity clause of the European directive was probably the most immediate cause for database protection becoming part of the U.S. digital agenda at WIPO.²³² U.S. database developers had been upset at the prospect that European database makers would be able to extract and reuse data from U.S. databases, and because the U.S. had no equivalent law, there would be no legal remedy for these deprivations.²³³ Even leaving aside the reciprocity provision, some U.S. database developers had also been unhappy with other provisions in the E.U. directive.²³⁴ In addition, some of them worried about Asian competitors who were taking advantage of the "gap" in existing international intellectual property law that permitted extraction of the whole or substantial parts of unoriginal databases, such as telephone directories.²³⁵

Once the E.U. submitted its proposed treaty language to the WIPO Committee of Experts, U.S. officials saw a way to kill three birds with one stone. By submitting its own proposal for a database treaty, the U.S. could cure a number of perceived deficiencies in the European proposal, ensure that the U.S. would adopt an equivalent law to the E.U. directive, and protect U.S.-originated databases from unfair competition outside the U.S. by universalizing norms that seemed likely to maintain U.S. dominance in the world market for databases.²³⁶

It was a major victory for the U.S. delegation when the WIPO Committee of Experts issued a draft treaty on database protection that was an amalgam of the European and U.S. proposals. Where the the U.S. and E.U. proposals had been in agreement, such as in making eligibility for protection depend on a substantial investment in the collection, assembly, verification, organization or presentation of database contents and in enabling a renewal of rights upon substantial additional

²³² American database providers have been generally content with copyright and contract law as legal means for protecting the contents of these products. See, e.g., *The Sky Is Not Falling*, 17 U. Dayton L. Rev. (1992). The reciprocity provision in the European directive changed all that. Because of it, U.S. database publishers became concerned about the vulnerability of their databases to predation by E.U. nationals unless the U.S. adopted an equivalent law to the sui generis right in the European database directive. See IIA Report, supra note --.

²³³ IIA Report, supra note --, at --.

²³⁴ *Id.* at -- (complaining about duration and invalidation of certain contractual provisions).

²³⁵ Chinese database developers have been extracting data from U.S. compilations, and seem likely to pose a competitive threat to U.S. firms.

²³⁶ A treaty on database protection might also have helped to avert questions about Congressional authority under the U.S. Constitution to enact legislation to grant intellectual property rights in the data in databases. See Jane C. Ginsburg, *No "Sweat"? Copyright and Other Protection of Works of Information After Feist v. Rural Telephone*, 92 Colum. L. Rev. 338 (1992) (discussing constitutional objections to legal protection for unoriginal factual works). *Missouri v. Holland*, -- U.S. -- (19xx) had suggested that Congress would have authority under the treaty clause of the Constitution to enact legislation that would otherwise violate the Constitution. Some constitutional law scholars question whether the Supreme Court would reaffirm this principle today. See Comments of David Post, Counsel Connect.

investments in the database, the draft treaty unsurprisingly adopted the same approach.²³⁷ On one issue about which the two proposals differed, namely, the duration of protection, the draft treaty took no position, offering, as alternative A, the U.S. proposal of twenty-five years and, as alternative B, the E.U. proposal of fifteen years.²³⁸

In a number of respects, however, the draft treaty more closely resembled the U.S. than the E.U. proposal. This too represented a victory for the U.S. delegation. For example, the draft treaty would have required contracting nations to grant makers of databases the right to authorize or prohibit the extraction and utilization of database contents.²³⁹ A "use right" had been proposed for the first time in the U.S. submission.²⁴⁰ The draft treaty would also have accorded protection to databases of foreign nationals on a national treatment basis (i.e., that nations would protect the databases of foreign nationals in the same manner as they protected the databases of their own nationals), as the U.S. had proposed.²⁴¹ The draft database treaty also had a provision to regulate circumvention technologies identical to that contained in the draft copyright treaty, which had also derived from the U.S. database proposal.²⁴²

The thread that led to the unraveling of the coordinated U.S.-E.U. strategy to push for adoption of a database treaty at the December 1996 diplomatic conference was a joint letter sent to U.S. Secretary of Commerce Mickey Kantor by the presidents of the National Academy of Sciences, National Academy of Engineering, and the

²³⁷ See Draft Database Treaty, *supra* note --, arts. --.

²³⁸ *Id.*, art. 8. The European directive had adopted a fifteen year term. See European Database Directive, *supra* note --, at --. U.S. database producers had objected to this as insufficient. See IIA Report, *supra* note --. Hence, the U.S. proposed a twenty-five year term for the database treaty. See Second U.S. Submission to WIPO, *supra* note --.

Another issue on which the draft database treaty was silent was whether government entities should be able to claim rights in their databases. See Draft Database Treaty, art. 5(2). Although neither country had submitted proposed treaty language on this issue, this is a matter on which the U.S. and European governments disagree. See, e.g., Reichman & Samuelson, *supra* note --, at --.

²³⁹ Draft Database Treaty, *supra* note --, art. 5(1). The E.U. proposal had been narrower not only in recommending rights to control extraction and reuses of database contents, but also in making clear that these rights only protected against extraction and reuse of the whole or substantial parts of database contents. See E.U. Database Proposal to WIPO, *supra* note --.

The draft treaty proposed allowing contracting nations to adopt an exception not found in the U.S. proposal to enable them to provide that the utilization right "does not apply to distribution of the original or any copy of any database that has been sold or the ownership of which has been otherwise transferred in that Contracting Party's territory or pursuant to authorization." *Id.*, art. 5(2). In other words, the WIPO experts regarded the utilization right to be so extensive that unless countries created the exception to the rights the database treaty would have accorded to database makers, people who had purchased a copy of a database could not have lawfully used the data in that copy. The fact that the drafters thought it was necessary for the treaty to contain permission to adopt such a limitation provision demonstrates just how protectionist the mindset of the drafters of treaty was.

²⁴⁰ Second U.S. Submission, *supra* note --, at --. See also H.R. 3531 §3(a).

²⁴¹ Draft Database Treaty, *supra* note --, art. 7

²⁴² *Id.*, art. 13. See U.S. Second Submission, *supra* note --, at --.

National Institute of Medicine.²⁴³ This letter expressed "serious concern" about the proposed database treaty.²⁴⁴ If adopted without substantial changes, the presidents thought that the treaty and its implementing legislation "would seriously undermine the ability of researchers and educators to access and use scientific data, and would have a deleterious long-term impact on our nation's research capabilities."²⁴⁵ The presidents found it "especially disconcerting" that these proposals had been made by Administration officials for consideration at the WIPO Diplomatic Conference in December "without any debate or analysis of the law's potentially harmful implications for our nation's scientific and technological development." Moreover, although the consequences of the law "appear very grave to those studying these issues, very few individuals at the science agencies or in the academic community appear even to be aware that such changes are about to take place, nor has there been any effort made to solicit their views."²⁴⁶

Within weeks of this letter, similar expressions of concern or opposition to the database treaty emanated from a number of groups,²⁴⁷ including a letter from President Clinton's Science Advisor to the head of the National Economic Council which was in charge of reviewing U.S. positions in anticipation of the December diplomatic conference.²⁴⁸ These outpourings of concern finally sparked the interest of the press in the WIPO negotiations.²⁴⁹ PTO officials initially sought to avert scientific opposition to the database treaty by proposing some changes to the draft treaty language to address concerns raised by the science agencies and by offering to have a representative of the science agencies join the U.S. delegation in Geneva in an advisory capacity.²⁵⁰ This did not suffice to stem the tide of concern over the database treaty. Even so, on the eve of their departure for Geneva, PTO officials were still saying publicly that they were going to Geneva with the intention of negotiating and concluding a database treaty.²⁵¹

²⁴³ See Letter of Bruce Alberts, William A. Wulf, and Kenneth Shine to Mickey Kantor, October 9, 1996. The presidents sent copies of this letter to thirty other senior government officials, including to Vice President Gore. *Id.* at 3.

²⁴⁴ *Id.* at 1.

²⁴⁵ *Id.*

²⁴⁶ *Id.* at 2.

²⁴⁷ See, e.g., Memorandum of Marjory Blumenthal to Norman Metzger, Paul Uhlir, and Leslie Wade, November 18, 1996 (reporting on a resolution of the Federal Networking Council Advisory Committee requesting that the U.S. delegation to WIPO refrain from pursuing this treaty at the

²⁴⁸ Letter of John Gibbons to Laura Tyson, November 4, 1996.

²⁴⁹ See, e.g., Editorial, *Public Data or Private Data?*, *Wash. Post*, Nov. 3, 1996 (urging consideration of database protection in the U.S. before adoption of a treaty on it); Paul Lewis, *New York Times*.

²⁵⁰ See Letter of Bruce Lehman to Laura Tyson, November 6, 1996.

²⁵¹ Statement of Keith Kupferschmid, National Research Council Symposium on Proposed Changes to Intellectual Property Law: *Balancing the Diverse Interests*, November 21, 1996. The National Academies decided to send Prof. Jerome Reichman to Geneva as their representative, but did not accept the invitation to join the technical advisory group to the U.S. delegation, as this would have

There is, of course, ample reason to doubt that a database treaty would have been concluded in Geneva in December 1996, even without the substantial U.S.-based opposition to the treaty. After all, the European Union was the only government that had such a law, and its adoption of this law was so recent that no member state of the E.U. had actually implemented the directive in its national law by the time the diplomatic conference took place. Given that the norms of the treaty were vague (e.g., forbidding unauthorized use of a "substantial part" of a database), that the idea of such a law was still very new, and that some delegations to WIPO meetings had previously expressed reservations about it, it would have been somewhat surprising if a database treaty had been concluded in December 1996.

It is, however, unquestionably true that as news of substantial U.S.-based opposition to the database treaty spread among the delegations to the WIPO negotiations, the news valorized expressions of doubt about the database treaty. In closed world of copyright specialists at WIPO, the proposals of E.U. and U.S. delegations are generally accorded some deference. Concerning the impact of digital technologies on intellectual property law, most WIPO delegates knew little more than that these technologies did pose challenges for content owners. If the U.S. and E.U. authorities had studied these issues carefully and come to the conclusion that the additional legal norms they proposed were needed, who were they to say that these norms would be a bad idea?

There is also peer pressure among copyright specialists at gatherings such as WIPO meetings that constrains their willingness to express doubts about strong protectionist positions.²⁵² Delegates do not want to find themselves cast as heretics or atheists amidst the true believers in copyright.²⁵³ Even less do they want to appear to be contributing, wittingly or unwittingly, to international "piracy" of copyrighted works. The U.S. and E.U. delegations would naturally be inclined to make use of this reluctance. The news of scientific opposition to the database treaty changed the dynamics of the diplomatic conference in Geneva in December 1996. Suddenly, delegates with concerns about the database treaty could feel they were standing up for science in expressing their doubts about this treaty.

As a consequence of widespread doubt about the Committee's draft database treaty at the diplomatic conference, that draft was quickly removed from the

meant that the science representative would not have the right to lobby or make public statements about the issues.

²⁵² Seth Greenstein, who had attended previous WIPO Experts meetings about a possible Berne Protocol, reported that there were far more expressions of concern about the digital agenda proposals at the diplomatic conference than had occurred in previous meetings.

²⁵³ See, e.g., Hansen, *supra* note --, at --.

conference agenda.²⁵⁴ Consideration of the draft database treaty was not, however, merely postponed, or sent back to the Committee of Experts for further refinement. It was taken off the table. In order for database protection issues to be raised again at WIPO, members of the Berne Union will have to decide to constitute a new Committee of Experts to study the matter. For a time, it appeared that there would be no rush to bring this about. But a last minute effort to put reconsideration of such a treaty on a fast track appears to have been successful, as there was support for a recommendation offered by Jukka Liedes (no doubt with support and encouragement of Commissioner Lehman) to convene an extraordinary session of the WIPO Governing Bodies during the first quarter of 1997 to decide upon a schedule for further preparatory work for such a treaty.²⁵⁵ If and when a new Committee of Experts is convened, it will hopefully be charged, as the present Committee of Experts did not feel themselves to be, to inquire first whether any such treaty was actually needed. Only after concluding that a treaty was necessary should the new Committee consider proposals for new treaty language to protect database contents. An unfair competition approach to protection for database contents would be far preferable than the exclusive property rights approach reflected in the proposals considered thus far.²⁵⁶

III. REFLECTIONS ON THE OUTCOME IN GENEVA

This section will discuss the first- and second-order plans that the U.S. delegation had for achieving its digital agenda at WIPO and how the course of events altered those plans. Even though the U.S. delegation did not achieve all that it had hoped, Commissioner Lehman was not just engaging in "spin control" in announcing a successful outcome for U.S. industries in the copyright treaty signed in Geneva. .

A. The Best Laid Plans Oft Gang Aglay

Commissioner Lehman's first and most optimistic scenario for accomplishing his formulation of the U.S. digital agenda at WIPO involved the following steps:

(1) publishing the White Paper embodying the digital agenda by the end of the summer of 1995;

(2) getting the White Paper legislation introduced with bipartisan support in both the House and Senate by the end of September;

²⁵⁴ The database treaty was mentioned on the first day of the diplomatic conference, but after substantial opposition was evident, its provisions were not discussed again during the conference. See Greenstein, *supra* note --, 12/3/96.

²⁵⁵ Conversation with J.H. Reichman, Dec. 30, 1996. This Committee is likely to address also issues pertaining to a treaty on rights of performers of audiovisual works and a treaty on the protection of folklore. Commissioner Lehman reportedly has been encouraging a diplomatic conference on all three issues for June 1997.

²⁵⁶ See Reichman & Samuelson, *supra* note --.

(3) submitting draft treaty language to WIPO to implement this agenda in November 1995 so that it could be considered at the February 1996 meeting of the Committee of Experts;

(4) gaining Congressional approval of the White Paper legislation in the time for the Experts' February meeting, or at least by the May meeting;²⁵⁷

(5) persuading WIPO authorities in May 1996 to set firm dates for a diplomatic conference to conclude one or more treaties to implement the U.S. digital agenda to be held in Geneva in December 1996;

(6) working with the Committee of Experts, and in particular, Jukka Liedes who chaired this Committee, to persuade them that the U.S. digital agenda should be reflected in the draft treaties that the Experts would publish by late August 1996;

(7) between May and December 1996, attending the various regional consultative meetings about the draft treaties to marshal support for the treaty insofar as it embodied the U.S. digital agenda (or at least to ensure that opposition to it did not have a chance to build);

(8) going to Geneva in December to negotiate and conclude treaties that would promote the interests of U.S. industries; and

(9) bringing back to the U.S. in January 1997 a set of treaties that would receive prompt Senate ratification. Hopefully, this would occur in the first month of the second term of the Clinton presidency (which would demonstrate that the confidence that major U.S. copyright industries had placed in the Clinton Administration had not been misplaced, nor had their campaign contributions gone for naught).

While internal White House review of the White Paper slowed down the first step in the process, Commissioner Lehman did manage to publish the White Paper in early September 1995 with considerable fanfare and favorable publicity.²⁵⁸ By the end of that month, bipartisan sponsors had introduced bills embodying the White Paper proposals in both houses of Congress.²⁵⁹ Similar treaty proposals went off to Geneva on schedule.²⁶⁰ Cultivation of WIPO officials, of the Committee of Experts, and other delegations to support moving forward with a diplomatic conference in Geneva was proving successful, as was work with the Committee of Experts to adopt

²⁵⁷ This would not only explicitly endorse the parts of the digital agenda which required legislation to accomplish; it would also implicitly endorse parts of the agenda that the White Paper had sought to implement by means of its interpretations of existing law. See Samuelson, Copyright Grab, *supra* note --, at 136.

²⁵⁸ See, e.g., NY Times; Wash. Post.

²⁵⁹ H.R. 2441; S. 1284.

²⁶⁰ See First U.S. Submission to WIPO, *supra* note --.

treaty language to implement the U.S. digital agenda. In all of the steps of the process where the insider skills of a long-time copyright lobbyist would come in handy, Commissioner Lehman did very well.

The principal fly in his ointment, first in the U.S. Congress, then inside the Administration, and finally in Geneva, was the openness of the democratic process. Commissioner Lehman may have been convinced that he had charted an appropriate digital future for copyright law, but others were not. When the White Paper's legislative package encountered such substantial opposition in the U.S. Congress that it did not even get reported out of the relevant subcommittees,²⁶¹ Commissioner Lehman's reaction was not to reconsider what the U.S. position in Geneva should be or to slow down the treaty-making process on these issues until domestic consensus could be achieved, but rather to redouble his efforts to put the international treaty-making process on as fast a track as possible to take advantage of the momentum toward international adoption of the White Paper proposals that he'd been striving to achieve.²⁶² Perhaps he could get in Geneva an implementation of the digital agenda that he had not yet been able to get from Congress. This, then, became Commissioner Lehman's second order strategy for accomplishing the White Paper's digital agenda.²⁶³

If the diplomatic conference could be persuaded to adopt a treaty that implemented the U.S. digital agenda, chances of implementing this agenda in the U.S. Congress would dramatically improve. Commissioner Lehman would argue that after the U.S. delegation had successfully exercised leadership in the world intellectual property policymaking community by suggesting these treaty proposals, the U.S. Congress should promptly confirm that leadership by its own prompt accession to the new treaty to set an example for other countries. This confirmation would promote the interests of the U.S. copyright industries, both domestically and in the world market, and ensure that the U.S. could maintain its dominant position in these markets. Vast new quantities of commercially valuable content would then flow into NII pipelines, as rightsholders finally attained the legal rights they needed to feel secure in digital networked environments. And if representatives of countries around the world had signed a treaty embodying the U.S. digital agenda provisions, this could be offered as proof that the digital agenda was never the extreme policy initiative that its hysterical critics had charged.

²⁶¹ See House Hearings, *supra* note -- (testimony of AOL, AAU, CCIA).

²⁶² A number of groups tried to persuade the Administration not to push in mid-May of 1996 for a diplomatic conference in December. These efforts were not successful.

²⁶³ When interviewed about what the Administration would do if the White Paper legislation failed in Congress, Commissioner Lehman responded: "The thing we are going to do is go to Geneva in December...We are going to see if we can't negotiate some new international treaties and get [the international situation] straightened out. Now it may be that those treaties will require some legislative implementation. They will certainly have to be ratified by the Senate in any event, but they also might have to be implemented and that gives us a second bite at the apple." BNA interview (June 1996).

The most important step in this second-order process was to persuade the Committee of Experts to propose treaty language that would implement, with at most minor changes, the U.S. digital agenda. Once this was done, Commissioner Lehman and his allies would be in a good position to persuade other delegations to accept these norms. In Geneva, after all, he alone would be in charge of presenting the U.S. position. The delegates with whom he would chiefly be negotiating were other intellectual property professionals who, by training, tend to be solicitous toward the interests of rightsholders.²⁶⁴ E.U. delegates could be expected to work with the U.S. delegation to support high protectionist norms in the draft treaties, for they too believed that high protectionist norms would benefit their native industries.²⁶⁵ WIPO officials were also on record as supporting a high protectionist digital agenda.²⁶⁶ If word about dissenting views in the U.S. somehow spread to other delegations, Commissioner Lehman likely thought they would be dismissed as representing minority viewpoints. Or to the extent these concerns were given credence, he might suggest that any potential overbreadth problem could be dealt with by national legislatures crafting appropriate limitations on or exceptions to the scope of rights consistent with Article 13 of the TRIPS Agreement.²⁶⁷

By August 1996 the second-order plan for achieving Commissioner Lehman's digital agenda at WIPO seemed well on its way to success. The Committee of Experts' drafts of the copyright and database treaties that WIPO published then were largely modeled on U.S. proposals with some European-inspired refinements.²⁶⁸ Although some delegations had been somewhat restive about some proposed treaty provisions in regional meetings about the draft treaties,²⁶⁹ Commissioner Lehman was still relatively confident that most, if not all, of the digital agenda was within reach once the diplomatic conference began.

The second-order strategy for accomplishing the U.S.-sponsored digital agenda for WIPO began to run into trouble once prominent members of Congress, including most importantly, Senator Hatch who chaired the Senate Committee through which

²⁶⁴ See, e.g., Hansen, *supra* note --, at --.

²⁶⁵ Still, there was some tension between the U.S. and E.U. delegations, partly over the desire of each delegation to have its digital agenda proposals accepted on matters where their proposals differed, but even more so because of substantial differences over the draft treaty concerning sound recordings. The E.U. delegates may also have been somewhat miffed at having been hurried by the Americans. The European Commission first published what was said to be a "very green" Green Paper on Copyright and Related Rights in the Information Society in July 1995. See Commission of the European Communities, Green Paper on Copyright and Related Rights for the Information Society. The Commission's White Paper on digital copyright issues had not even come out before the start of the diplomatic conference in Geneva.

²⁶⁶ See, e.g., Ficsor, *supra* note --.

²⁶⁷ TRIPS Agreement, *supra* note --, art. 13. See also Draft Copyright Treaty, art. 12 and *infra* notes -- and accompanying text.

²⁶⁸ See text accompanying notes --.

²⁶⁹ Meetings of the Asian delegations had produced some dissent over the temporary copying and anti-circumvention provisions of the draft treaty.

any copyright legislation would need to come, became aware that Commissioner Lehman might be seeking in Geneva support for copyright proposals that would prevent Congress from making its own determinations about appropriate legislation to govern the Internet.²⁷⁰ In addition, those who had previously taken to Congress their reservations and concerns about Commissioner Lehman's digital agenda as reflected in the White Paper legislation now turned their attention to others in the Administration who might listen to these reservations and concerns.

Two important part of the pre-diplomatic conference process in the U.S. were a somewhat belated, but nonetheless welcome, opportunity for public comment on the draft treaties²⁷¹ and a review of the U.S. diplomatic position within the Clinton Administration in the month or so before the diplomatic conference.²⁷² The public comment period resulted in compiling a record of substantial opposition to the draft treaties insofar as they would implement the U.S. White Paper's digital agenda.²⁷³ Similar expressions of concern made their way to Clinton Administration officials who might be participating in the internal review of the U.S. position.²⁷⁴ This review resulted in Commissioner Lehman being given a set of instructions about the positions the U.S. delegation should take on a number of draft treaty provisions dealing with digital agenda issues.²⁷⁵ Some of these were at variance with positions that he had previously supported at the WIPO meetings.²⁷⁶ In particular, Commissioner Lehman was to seek clarification that Article 12 of the treaty was consistent with fair use and related limitation and exception provisions of U.S. copyright law.²⁷⁷ Thus, by the time he got to Geneva, Commissioner Lehman's hands were, at least in part, tied behind his back on some digital agenda issues.

Several other factors help to explain why the initial U.S. digital agenda at WIPO did not succeed. One was that many American firms concerned about the draft treaty's digital agenda, especially its temporary copying provision--including telephone companies, computer companies, software companies, and online service providers--sent representatives to Geneva to try to persuade delegations to drop Article 7 or to amend it significantly.²⁷⁸ They did so, in part, because they had reason to believe that

²⁷⁰ See Hatch Letter, *supra* note --, at 1-2.

²⁷¹ -- Fed. Reg. --.

²⁷² The National Economic Council was responsible for this internal review of the U.S. position for the diplomatic conference. See

²⁷³ See, e.g., Memorandum of Jonathan Band (reporting on comments submitted about draft WIPO treaties).

²⁷⁴ See, e.g., Letter of Richard Atkinson, President of the University of California to Laura Tyson.

²⁷⁵ See *supra* notes -- and accompanying text.

²⁷⁶ See *supra* notes -- and accompanying text.

²⁷⁷ See *supra* notes -- and accompanying text.

²⁷⁸ David Nimmer attended the diplomatic conference on behalf of Bell Atlantic; Gregory Gorman attended on behalf of the Computer & Communications Industry Ass'n; Peter Choy attended on behalf of Sun Microsystems; Peter Harter attended on behalf of Netscape Communications.

they could not count on Commissioner Lehman's support for any exemptions in implementing legislation if the final treaty contained an unamended Article 7.²⁷⁹ He had, after all, stood by the White Paper positions and refused to compromise on this issue when the White Paper legislation had been before Congress in 1996.²⁸⁰ With so many U.S. companies, as well as U.S. scientific, educational, and library associations making their concerns about the digital agenda known,²⁸¹ U.S.-based discontent with the treaty could no longer be treated as marginal.²⁸²

Another factor that changed somewhat the dynamics of the diplomatic conference, as compared with previous meetings conducted by the WIPO Committee of Experts, was that the national delegations attending the diplomatic conference in Geneva included not only officials that had previously attended the Experts meetings, but also other government officials who were not necessarily copyright specialists. This may have made it more difficult for U.S. and E.U. negotiators to command the deference they had been used to during prior WIPO meetings.

In addition, the early and complete failure of the database treaty profoundly changed the dynamics at the WIPO diplomatic conference. It hurt the credibility of U.S. negotiators who had been pushing as earnestly for the database treaty as for the other two treaties in hopes that they'd have three treaties to take back to please the information industries in the U.S. which had so strongly supported President Clinton in his re-election bid. It also tarnished the image that the U.S. delegation had previously tried to project as farsighted and disinterested futurists who had studied the complex issues in depth and arrived at the right solution for the future. And it made it easier for delegates to express broad concerns about the implications for science, research and education likely to flow from the high protectionist norms that the U.S. and E.U. delegations had been promoting in the copyright and the database treaties. These concerns spilled over to affect negotiations on Articles 7 and 12 of the draft treaty, as well as on the preamble to the copyright treaty to affirm that a goal of the treaty was to

Major telephone companies were sufficiently concerned about Article 7 that they expressed their intent to lobby heavily against Senate ratification if the treaty contained a provision of this sort. See Letter to Clinton, *supra* note --, at 1-2.

²⁷⁹ These companies were worried that their opportunity to persuade Congress to adopt appropriate exemptions would be frustrated if the WIPO copyright treaty contained Article 7, and implementing legislation was sent to Congress on a fast track, no amendment basis, as had previously occurred with the North American Free Trade Agreement (NAFTA) and the TRIPS Agreement, both of which had also had intellectual property provisions. See, e.g., North American Free Trade Agreement, TRIPS Agreement. See also Bruce Ackerman, *Is NAFTA Constitutional?*

²⁸⁰ White Paper, *supra* note --, at --. Congressman Moorhead had tried in the spring of 1996 to broker compromise legislation which would have included a provision limiting online service provider liability, but this did not meet with favor from the content industries or the Administration.

²⁸¹ Adam Eisgrau was in Geneva on behalf of the American Library Ass'n and the Digital Future Coalition; J.H. Reichman was there on behalf of the National Academy of the Sciences; Joel Lewis was there on behalf of the National Science Foundation.

²⁸² Copies of newspaper articles critical of the high protectionist digital agenda at WIPO were widely circulated at the diplomatic conference. See Greenstein, *supra* note --, 12/x/96.

balance the rights of authors and rights of users with due consideration to the needs and concerns of science and education.²⁸³

The U.S. and E.U. delegations may also have been overconfident about their ability to persuade other nations to adopt the high protectionist norms they had been promoting at WIPO. Their success in coordinating efforts to gain international acceptance of high protectionist norms in the TRIPS Agreement may have given them unwarranted confidence that they could prevail in the WIPO meetings as well, particularly after the Committee of Experts had issued treaties so much to the liking of U.S. and E.U. delegations. TRIPS, however, was different, in that the intellectual property norms it sought to universalize were already substantially supported in the intellectual property policymaking community, whereas the digital agenda in the draft WIPO treaties aimed to establish wholly new norms for a digital future which had yet to evolve.

B. Measures of Success for the U.S. Digital Agenda at WIPO

Whether one judges U.S. efforts to promote a digital agenda at WIPO as a success depends on what one decides to measure.²⁸⁴ By comparison with the high protectionist agenda reflected in the White Paper and the U.S. submissions to WIPO, one would have to say that the U.S. efforts were largely unsuccessful: The conference rejected the temporary copying proposals that had initially had U.S. support; it decided to treat digital transmissions as communications to the public, rather than as distributions of copies (which may bring with it a widened possibility for some private transmissions of works); the treaty not only preserved existing user right privileges in national laws, but recognized that new exceptions might appropriately be created; the conference did not accept even a variant on the anti-circumvention provision which the U.S. had promoted; even though the treaty contains a rights management information provision, it is watered down by comparison with what the U.S. delegation had sought; and the database treaty was so objectionable that it was dropped virtually without discussion from the agenda in Geneva.

Seen from another perspective, however, the U.S. digital agenda did have considerable success: Many nations now accept that some temporary copies of protected works should be controllable by copyright owners.²⁸⁵ The treaty protects copyright owners from digital transmissions insofar as they constitute communications

²⁸³ See WIPO Copyright Treaty, *supra* note --, preamble.

²⁸⁴ One important set of issues on which there were no treaty proposals and no discussion at the WIPO diplomatic conference was conflicts of law principles for global digital networks. The territorial-based rules that have long been used to resolve international disputes are not readily adaptable to global networks. See, e.g., Jane C. Ginsburg, *Global Use/Territorial Rights: Private International Law Questions of the Global Information Infrastructure*, 42 *J. Cop. Soc'y* 318 (1995); Paul Edward Geller, *Conflicts of Law in Cyberspace: International Copyright in a Digitally Networked World*, in *The Future of Copyright In a Digital Environment* (P.B. Hugenholtz, ed. 1996).

²⁸⁵ See text accompanying notes --.

to the public.²⁸⁶ The treaty reaffirms the three-step test that limits national authority to adopt exceptions or limitations to certain special cases that do not conflict with a normal exploitation of the work or unreasonably prejudice the legitimate interests of the author.²⁸⁷ It also requires nations to regulate circumvention technologies and services, and this protection must be adequate and effective.²⁸⁸ It also binds nations to protect rights management information from alteration and falsification.²⁸⁹ And further discussions will be held at WIPO about a database treaty.²⁹⁰

The copyright treaty that emerged from the diplomatic conference was a real success for the U.S. in part because that treaty is actually more consistent with the letter and spirit of U.S. copyright law than the digital agenda initially sought in Geneva by some of its government officials. The decision not to overstretch the reproduction right of copyright law, as draft Article 7 would have done, is consistent with general trend in U.S. caselaw which has thus far treated some temporary copies as reproductions, but not others.²⁹¹

Insofar as the original draft of Article 7 would have made online service providers and other intermediate institutions liable for all user infringements, including those of which they knew nothing and to which at most they had unwittingly contributed, the treaty's rejection of Article 7 is consistent with U.S. caselaw which has lately been holding intermediate institutions liable only when they knew of infringement and took no action to control it.²⁹²

U.S. copyright law has long accorded copyright owners the right to transmit their works to the public. Hence, the treaty's endorsement of treating digital transmissions as communications to the public is consistent with U.S. copyright law.²⁹³ Now that the treaty has confirmed that copyright owners do have rights to control digital transmissions that communicate their works to the public, they may feel sufficiently protected that they will begin digitally transmitting more of their commercially valuable works to the public.

The treaty's endorsement of balancing principles, and in particular, the importance of attending to the interests of education, research, and access to information,²⁹⁴ in copyright policymaking is consistent with longstanding principles of

²⁸⁶ See text accompanying notes --.

²⁸⁷ WIPO Copyright Treaty, *supra* note --, art. 10.

²⁸⁸ *Id.*, art. 11.

²⁸⁹ *Id.*, art. 12.

²⁹⁰ See notes -- and accompanying text.

²⁹¹ See, e.g., *MAI v. Peak*; *Agee v. Paramount*; *NLFC v. Devcom*.

²⁹² See, e.g., *Religious Technology Center v. Netcom*, -- F. Supp. -- (N.D. Cal. 1996).

²⁹³ See *supra* notes -- and accompanying text.

²⁹⁴ WIPO Copyright Treaty, *supra* notes --, preamble, art. 10.

U.S. copyright law.²⁹⁵ The treaty's confirmation of the viability of existing exceptions and limitations preserves the U.S. fair use defense, as well as other privileges embodied in the U.S. copyright statute.²⁹⁶ Also consistent with U.S. copyright principles is the treaty's stated expectation that new exceptions and limitations may emerge or evolve in digital networked environments.²⁹⁷

Insofar as the U.S. copyright law already has a number of rules that regulate circumvention technologies,²⁹⁸ the treaty's provision on this subject is also consistent with U.S. law. The overbroad provision that the U.S. delegation to WIPO had wanted to include in the treaty would have been a break from the general thrust of U.S. law.²⁹⁹ Even the RMI provision has some counterpart in existing U.S. copyright rules on removal and falsification of copyright notices.³⁰⁰ The more narrowly tailored treaty provision on RMI, as compared with the provision initially sought by the U.S. delegation, is also consistent with balancing principles of U.S. law.³⁰¹

Finally, the repudiation of the database treaty is consistent with the preservation of freedom of information principles that also have a long history in U.S. copyright law.³⁰² The Supreme Court's decision in *Feist Publications, Inc. v. Rural Telephone Service Co.*³⁰³ recognized that the constitutional purposes of copyright law are promoted when second comers are free to extract and reuse data from one work in order to reuse it in another work.³⁰⁴ This does not mean that a well-formed database treaty that protected data compilers from market-destructive appropriations of the whole or substantial parts of their data compilations would not also be consistent with the U.S. legal tradition.³⁰⁵ There is general agreement in the U.S. that market-destructive appropriations, such as that which occurred in *International News Service, Inc. v. Associated Press*,³⁰⁶ can and should be regulated.³⁰⁷ The problem with the

²⁹⁵ See, e.g., *Sony Corp. of America v. Universal City Studios*, 464 U.S. 440 (1984).

²⁹⁶ See WIPO Agreed-Upon Statements, *supra* note --, at --.

²⁹⁷ See, e.g., Sony; Samuelson, 1 J. Intell. Prop. L. at --.

²⁹⁸ See, e.g., Sony, 464 U.S. at -- (copyright owners can control technologies if they have no substantial noninfringing uses); 17 U.S.C. §1002 (regulating technologies having the primary purpose or effect of bypassing serial copy management system technology).

²⁹⁹ See, e.g., Pamela Samuelson, *Regulating Technologies to Protect Copyrighted Works*, 39 Comm. ACM 17 (July 1996).

³⁰⁰ 17 U.S.C. §506(c).

³⁰¹ See, e.g., Cohen, *supra* note --, at -- (explaining why broad CMI provision would be in conflict with constitutional principles).

³⁰² See, e.g., Reichman & Samuelson, *supra* note --, at -- (explaining the conflict of the database treaty proposals and U.S. freedom of information principles).

³⁰³ 499 U.S. (1991).

³⁰⁴ *Id.* at --.

³⁰⁵ *Id.* at --. See also Ginsburg, *supra* note --; Wendy J. Gordon, *On Owning Information: Intellectual Property and the Restitutory Impulse*, 78 Va. L. Rev. 149 (1992)

³⁰⁶ 248 U.S. 215 (1918) (competitor's appropriation of fresh news held actionable misappropriation).

³⁰⁷ See, e.g., Gordon, *supra* note --, at --; Reichman & Samuelson, *supra* note --, at --.

draft database treaty was that its overbreadth threatened to unduly interfere with many socially desirable extractions and reuses of data.³⁰⁸ The diplomatic conference in Geneva rightly refused to endorse it.

Although this article has depicted the outcome of the digital agenda at WIPO in relatively rosy terms, this success should not be seen for more than it is. Just because balancing principles found their way into the recent copyright treaty does not mean that there will cease to be pressure to grant more extensive protection to copyright owners. Clinton Administration officials may still choose to pursue the same legislative package in the U.S. Congress as they sought before.³⁰⁹ The Berne Convention, after all, only establishes minimum rules for national laws, not maximum rules.³¹⁰ Moreover, other developments, such as widespread use of shrinkwrap licenses or electronic equivalents that substantially limit user rights and widespread use of encryption and the like,³¹¹ may make the balancing principles of copyright law something of an historical anachronism.³¹²

However, there is still reason to cheer the digital agenda reflected in the copyright treaty signed in Geneva on December 20, 1996. Confidence in balancing principles, such as those reflected in the copyright treaty, may yet be carried over to other legal rules regulating digital information, such as those that will govern electronic commerce in digital information products and services. Moreover, consumer preference for unrestricted or more lightly restricted copies of digital works by buying more of them than the highly protected copies may cause many publishers to abandon the otherwise appealing mindset that would seek ever stronger technological protection for digital content. The right motto for the digital future may be: "protect revenues, not bits."³¹³

The phenomenal success of the software industry has, after all, occurred notwithstanding the unprotected nature of most copies sold in the mass-market. This should hearten traditional copyright industries who are now trying to retool their products and processes so they can commercially distribute works in digital networked environments. The market for copyrighted works in digital form is already very substantial, and it will continue to grow. Copyright owners cannot expect a digital future in which no unauthorized copies will be made. What they can expect, and what the digital agenda in the just-completed copyright treaty will bring, is enough protection so that the leakage that occurs does not become a hemorrhage.

³⁰⁸ Id. at --.

³⁰⁹ See, e.g., Pamela Samuelson, *How the Copyright Grab Was Thwarted*, WIRED 5.03 (forthcoming 1997).

³¹⁰ See Berne Convention, *supra* note --, at

³¹¹ See, e.g., *Pro CD v. Zeidenberg*, 86 F.3d 1447 (7th Cir. 1996); Draft UCC Art. 2B.

³¹² See, e.g., Jane C. Ginsburg, *Copyright Without Walls: Speculations on Literary Property in the Library of the Future*, 42 *Representations* 53 (Spring 1993) (speculating on publisher displacement of copyright in favor of contract regulation).

³¹³ See, e.g., IMA Proceedings at --.