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*48 Am. J. Comp. L. 383***LENGTH:** 36098 words**ARTICLE:** Choice of Law and International Copyright**NAME:** WILLIAM PATRY**SUMMARY:**

... What happens if an original work is not protected by copyright in either its foreign country of origin or in the United States? One approach would be to apply U.S. law across the board: if the U.S. Copyright Act protects the work, fine; if not, too bad. ... In summary, there is no Berne Convention requirement to apply national treatment to ownership of copyright, and thus even for those who view national treatment as a choice of law provision, Berne has no general choice of law directive on ownership; member countries are free to apply their domestic laws to works of foreign ownership, and they are free to apply the law of the foreign country of origin. ... In the case of sound recordings, for example, if Cuban musicians are recorded in Havana's Egrem studio, but the sound recording is first published in the United States, Cuba should be considered the country of origin for choice of law analysis. ... The secondary transmission of a primary transmission embodying a performance or display of a work is not an infringement of copyright if - (3) the secondary transmitter is made by any carrier who has no direct or indirect control over the content or selection of the primary transmission or over the particular recipients of the secondary transmission, and whose activities with respect to the secondary transmission consist solely of providing wires, cables or other communication channels for the use of others.

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TEXT:

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Introduction

In the world of 1950s television, as portrayed in the motion picture Pleasantville, high school students' knowledge of geography ended at their town limits. There was nothing beyond Pleasantville, all roads were circular. All the music was American, n1 the movies in theaters were American, and the automobiles were made in the USA. Today, in most cities, we can buy dozens of foreign language newspapers and magazines, listen to radio programs in foreign languages, watch a wide variety of foreign films, buy records from [*385] around the world, and enjoy many other forms of world culture. The United States has become a multicultural society, more diverse by virtue of the ready assimilation of other nations' cultural products into our daily lives.

Yet, in the field of copyright law, despite the pervasiveness of U.S. cultural products overseas and importation of foreign cultural products here, until quite recently the United States pursued an isolationist position. We did not become a member of the most important international multilateral copyright regime until the very late date of 1989, when we finally adhered to the Berne Convention for the Protection of Literary and Artistic Works. n2 Remaining outside the international copyright system resulted in avoidance of choice of law problems: there was no choice; there was only the law of the forum, U.S. domestic copyright law, found in title 17, United States Code. n3 Now that we have adhered to the Berne Convention and the creation, dissemination, and infringement of works of culture regularly occur worldwide, the United States can no longer avoid the complex issues raised by choice of law.

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I. The Theoretical Framework

The mere presence of a foreign party does not, by itself, lead to the conclusion that a conflict of laws is present. n4 Determining when to apply a choice of law analysis is, of course, matter of legendary and ancient dispute, as is the correlative question of which choice of law analysis to use. As a first step, I will follow Professor Larry Kramer's proposal that we examine the prima facie elements of the cause of action asserted, because

choice of law problems are problems of interpretation... A choice of law problem exists only if the different laws relied upon by the parties can plausibly be construed to govern the case. It may turn out, after examining the parties' arguments, that no choice between conflicting laws is necessary. Making this determination moreover, may be easy in that sometimes it will be obvious that only one law plausibly applies. In such cases, the dispute will quickly focus on precisely what plaintiff must prove under this law and on whether plaintiff has proved it. In other cases, the court's task in choosing among the potentially applicable laws will be more difficult. n5

In the case of copyright, this suggestion is particularly helpful since all rights are statutory n6 (and further tempered by constitutional limitations). n7 The elements of a prima facie case of copyright infringement must include (1) an original work of authorship (2) protected subject matter (i.e. a literary or musical composition) (3) owned by the plaintiff either (a) as the author or (b) by assignment, n8 and (4) from which defendant has, without permission, appropriated a material amount of expression. n9 We shall examine each of these elements in turn, in order to discover whether the Constitution, a treaty, the copyright act, or any other source of law may assist in evaluating a [*387] choice of law problem. We begin with the Constitution and the concept of originality, both of which act as a powerful limitation on Congress's authority to legislate copyright protection.

II. Originality

Any action in the United States for copyright infringement must be brought under the federal copyright statute n10 This limitation is the result of the Supreme Court's decision in *Wheaton v. Peters* holding there is no federal common law copyright. n11 Section 301 of the Copyright Act preempts equivalent state laws. n12 The legislation that implemented U.S. adherence to the Berne Convention states pellucidly that no rights may be asserted directly under that convention. n13 Given the entirely statutory nature of the right, the source for Congress's authority power must necessarily be found in the Constitution, specifically Article I, section 8, clause 8 which empowers Congress to "Promote the Progress of Science ... by securing for Limited Times to Authors ... the exclusive right to their respective Writings...." n14 The Supreme Court, interpreting the constitutional terms "writings" and "authors," has repeatedly held that they embody a requirement of originality. n15 Congress may, therefore, only grant copyright protection to original works. n16

The Court has also written that the flip side of the originality requirement is a constitutional right to copy unoriginal material. n17 This constitutional right is, the Court noted, "the essence of copyright." The constitutional policy supporting the public's right to copy unoriginal material is easy to identify. Copying such material keeps the basic building blocks of knowledge free for all to use. As the Court observed, copying unoriginal material is the very "means by which copyright advances the progress of science and art." n18 Since copyright is nothing more than a "bundle of exclusive rights," n19 the exercise of one of those rights in the form of court-ordered remedial relief or [*388] damages against U.S. citizens must be consistent with the constitutional originality limitations. In the choice of law context, this means there can be no choice of law on the question of originality: U.S. law must apply. n20

Surprisingly, this was not the conclusion of one district judge in the Southern District of New York. In *Bridgeman Art Library, Ltd. v. Corel Corp.*, n21 plaintiff was an English company in the business of acquiring licenses to market photographic transparencies of public domain art. Defendant marketed compact discs in the U.K., Canada, and the United States containing a significant number of the same works of art for which plaintiff asserted it had exclusive rights. Plaintiff claimed all questions (i.e., originality and infringement) were to be determined under British law. n22 After an initial opinion applying British law on originality n23 which understood national treatment [*389] principle n24 and the Second Circuit's then recent decision in *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, n25 Judge Kaplan issued a new opinion upon reconsideration. This second opinion reached the correct result (U.S. law applies to the question of originality), but did so without any perceptible governing principle. n26 Agreeing that the Constitution acts as a limitation on Congress's power to grant copyright, n27 Judge Kaplan nevertheless asserted that under its treaty power n28 Congress

could constitutionally

obligate itself by treaty to permit enforcement of a foreign copyright where that copyright originates under the law of a signatory nation which does not limit copyright protection to works that are original in the sense required by the U.S. Constitution. n29

This argument is questionable. The Executive Branch could not enter into a treaty that took away First Amendment rights; since under *Feist Publications, Inc. v. Rural Telephone Serv. Co.* n30 there is a constitutional right to copy unoriginal material, the analysis should be the same. n31 Judge Kaplan believed it was arguably "material" that [*390] plaintiff claimed rights under a British copyright, and that both the United States and Britain are members of the Berne Convention. n32 The fundamental issue according to Judge Kaplan was whether the Berne Convention was self-executing. On this point, the implementing U.S. Berne legislation couldn't be clearer: the Convention is not self-executing. n33 Because Berne is not self-executing, Judge Kaplan found that domestic U.S. copyright law is the exclusive source of law on originality questions. n34 By posing the question this way, Judge Kaplan erroneously implied that had the Berne Convention been self-executing, the constitutional requirement of originality would have been subverted.

Judge Kaplan framed a question that could never supply an answer to the choice of law problem: even if Berne was self-executing, Berne has a minimum originality requirement but does not have a choice of law rule on originality. How, then, would one know from the convention which country's law to apply, if a foreign country were to have a higher standard of originality? n35 Furthermore, if the sole basis for applying U.S. law on originality is Berne's non self-execution, what is the basis for choice of law when a country is not a Berne member? How, for example, should one treat works from Taiwan which will always be subject to a bilateral treaty, because under the "one China" policy of the United Nations, Taiwan is not eligible to [*391] join Berne. Once Berne's non self-execution is removed as a basis for choice of law, it is clear *Bridgeman II* has no governing principle for deciding choice of law issues.

III. Subject Matter

Assuming a given work is original, n36 in order to be protected under the Copyright Act it must still fall within the subject matter to which Congress has extended protection. Section 102(a) lists eight categories of eligible subject matter, n37 although the legislative history cautions that these categories are illustrative, not limitative. n38 There is, nonetheless, subject matter that is excluded, such as typeface. n39 In other countries, designs for useful articles and in some cases toys are excluded from copyright protection, being covered instead either by design patents or sui generis design laws. By contrast, in the United States, originality is the only requirement. n40 What happens if an original work is not protected by copyright in either its foreign country of origin or in the United States? One approach would be to apply U.S. law across the board: if the U.S. Copyright Act protects the work, fine; if not, too bad. This purely domestic attitude may, though, run afoul of treaty obligations, and thus a more thorough inquiry must be made.

[*392] Subsumed within this issue are two further questions: (1) do copyrights vest initially in one country, or, do they instead vest simultaneously and independently in other countries? (2) is the principle of national treatment n41 a choice of law provision or is it merely a provision prohibiting discrimination against foreign authors? These questions are relevant to the issue of subject matter protection because some courts have held that national treatment requires the forum country to protect foreign works even if those works are not protected in their country of origin; other authorities, though, reject that position.

A. How Many Copyrights Are There?

The answer to this thorny question implicates one of the most important issues in international copyright: whether there is a multiplicity of copyrights (one for each country in which protection is claimed), or, whether there is a single copyright that vests initially in a single country of origin, and which is then enforced throughout the world under the national treatment provisions of the international conventions. n42 If there is a multiplicity of copyrights, there is little reason not to apply the law of the forum to all issues since rights are created wholly by the forum. n43 If there is a single copyright, the possibility arises for genuine choice of law, including depeçage. n44

[*393] The First Restatement of Conflicts, under the influence of its reporter, Professor Joseph Beale, adopted a theory of vested rights. n45 According to Professor Friedrich Juenger

Beale reasoned that a court in a conflicts case does not apply foreign law, which can have no effect in the forum, but merely recognizes the "fact" of a right created abroad. To create a right that is entitled to recognition, a state must have "legislative jurisdiction" over a transaction, and such creative power can only be exercised within the state's boundaries. n46

The circularity of this approach has been ridiculed by Professor Juenger as "sheer sophistry." n47 The basis for this harsh judgment was set forth over a hundred and fifty years earlier by George W<um a>chter:

To claim absolute protection in the forum for a legal relationship created abroad according to foreign law is to argue from a premise that has not as yet been established, and presupposes something that still needs to be proved, namely that the legal relationship is to be judged according to foreign rather than forum law. For ... the question whether someone has acquired a right by virtue of an act done abroad depends, above all, on whether the act is to be judged by reference to foreign or forum law. n48

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The circularity of vested rights attacked by Juenger and W<um a>chter is avoided with copyright choice of law since Section 104 of the Copyright Act expressly grants protection in the United States to foreign works pursuant to a wide variety of connecting factors. n49 Clearly, then, copyright in an original work of authorship exists both under U.S. law and under the foreign country of origin since that foreign country provides the connecting factor that gives rise to the U.S. right. For example, if a Russian journalist writes an original article in Russia for a Russian periodical and the article is first published in Russia, it is a fact that copyright in the article exists in Russia under Russian copyright law. If the Russian author subsequently claims that her article has been infringed in the United States, the Russian copyright doesn't cease to exist; the issue is whether in the U.S. litigation, she is suing over her Russian copyright (recognized in the U.S. courts pursuant to *17 U.S.C. 104*), or, whether she is suing over a U.S. copyright that was created under the U.S. Copyright Act and that exists independently of any Russian copyright.

Section 104, by recognizing a foreign copyright pursuant to one of the enumerated connecting factors, seems to support the theory that there is a single copyright that vests initially in a single country of origin, and which is subsequently recognized in other countries pursuant to treaty obligations. Yet, it is traditional to describe copyright as a "territorial" right, n50 although it is not at all clear what is meant by that description.

If one contrasts the nature of copyright with the nature of patents and trademarks, and examines the different approaches to "territoriality" found in the Berne Convention (governing copyrights) and in the Paris Convention for the Protection of Industrial Property (governing patents and trademarks), n51 copyright does not appear to be territorially dependent. Throughout the world, copyright exists [*395] automatically upon creation; n52 no administrative agency grants the right. n53 The opposite is true with patents; no right exists until an administrative agency grants it. n54 Trademarks fall in the middle: while rights accrue upon use, n55 registration is generally required for the right to exist. n56

The Berne Convention makes no reference to the existence of independent copyrights, n57 while the Paris Convention is explicit in stating that a patent or trademark granted in one country is independent of any rights granted in another country, including the country of origin. n58 Both Conventions are, moreover, governed by the same organization, the World Intellectual Property Organization (WIPO). Internationally, then, a strong case may be made for considering patents to be separate, independent creations of each territory (*droit independant*), trademarks perhaps to a lesser extent. Copyrights, however, may properly be said to vest initially in one country, and then to be recognized in others according to treaty obligations (*droit acquis*). Decisions in the Second Circuit have also tracked this division in the forms of intellectual property, holding that ownership of copyright may be a matter for the law of the country of origin, n59 while the presence

or lack of protection in a foreign country is irrelevant to whether trademark rights exist in the United States. n60

[*396] The *droit independant* approach that applies to patents and trademarks leads to application of the law of the forum, with the principal benefit being that the forum court can easily apply its own law and rely on the actions of its own administrative agency. The principal disadvantage is substantial, though: the same work will be subject to a multiplicity of laws as well as the actions of administrative agencies of other countries, laws and actions that may vest different parties with ownership or exploitation rights. Licensing of worldwide rights under such a situation becomes complex, adding unnecessary costs and uncertainty. By contrast, *droit acquis*, which applies to copyright, leads to application of the law of the country of origin, at least for those issues, such as ownership and restrictions on assignments, which are most closely tied to the work's creation. This certainly complicates the task of the forum court by requiring it to comprehend and apply foreign law, but it has the distinct advantage of allocating to the single law of the country of origin the important question of ownership, thereby facilitating worldwide licensing. n61

B. National Treatment n62

Those arguing that the *droit independant* approach for patents and trademarks should also be applied to copyright are heavily influenced by the principle of national treatment, which, they believe, points to the law of the forum. n63 No doubt because of the late entry of the United States into the international copyright community and the resulting unfamiliarity with the copyright conventions, U.S. courts have evidenced an abysmal understanding of national treatment, the principle that forms the background of all intellectual property conventions. n64 Some courts have confused it with national [*397] eligibility and standing; yet others have regarded it as a choice of law rule requiring application of the law of the forum. Judge Friendly's 1985 opinion for the Second Circuit in *Hasbro Bradley, Inc. v. Sparkle Toys, Inc.* n65 is an early example of this confusion.

1) Confusion of National Treatment with National Eligibility

Hasbro Bradley, a U.S. toy company, had developed a popular series of changeable robotic action figures called "The Transformers." The toys were manufactured for Hasbro in Japan by Takara, a Japanese toy manufacturer. In 1983, Takara, for its own purposes, created original designs for two toys, "Topspin" and "Twin Twist." Since these were designed for the mass-market they were not subject to copyright protection under Japanese law. n66 Approximately 213,000 copies of the toys were sold in Japan between December 1983 and March 1984. In June 1984, Takara showed the toys to Hasbro. Hasbro decided to [*398] include them in "The Transformers" line, and obtained an assignment of rights from Takara.

Sparkle Toys, an American toy manufacturer, copied Topspin and Twin Twist in Asia from the original Takara models, and then distributed the copies in the United States. In the resulting infringement suit brought against it in the U.S. by Hasbro Bradley, Sparkle asserted that the lack of copyright protection in Japan resulted in a lack of protection in the United States. n67 This argument should have prevailed. Judge Friendly, however, rejected Sparkle's argument, relying on the national eligibility of Japanese authors provided by 17 U.S.C. 104(b)(2). That section states original works of authorship are subject to protection under title 17 if "the work is first published ... in a foreign nation that, on the date of first publication, is a party to the Universal Copyright Convention"(UCC). n68 Since the work was original, and was first published in Japan (a UCC member), Judge Friendly took the position that the work was protected in the United States, notwithstanding its lack of protection in Japan.

Judge Friendly reached the wrong result by confusing standing with substance. Section 104's national eligibility provisions merely provide standing on the basis of points of attachment – connecting factors by which the works of authors become eligible for protection in the United States. The purpose of section 104 is to establish who is entitled to bring suit for which works; it does not establish whether or under what country's law the plaintiff has a copyright. n69

Judge Friendly impliedly adopted the theory that copyright vests independently in each country. This is apparent when we examine the alleged source of Hasbro Bradley's rights. Since Takara had no Japanese copyright, it could not assign any Japanese rights to Hasbro Bradley. Instead, it must have assigned a U.S. copyright, created independently under U.S. law. n70 Under Judge Friendly's reasoning, [*399] which I term "territorial," foreign authors have U.S. copyrights even when they have no such rights in their country of origin. The mistaken source of these rights was section 104, a standing provision which Judge Friendly confused with a mandate to provide the substantive protections of title 17.

Hasbro Bradley's territorial approach is hard to defend on policy grounds: why should the United States prohibit its citizens from copying the work of a foreigner when the foreign country of origin denies protection, permitting its own

citizens to copy it? n71 This policy debate [*400] had, in fact, been played out during the 1952 drafting of the UCC. The history of that revision reveals that, contrary to Hasbro Bradley, where the country of first publication of the work (Japan) does not protect particular subject matter, the foreign country in which protection is later claimed (the United States) is not obligated to extend protection. n72

Lack of protection in the forum country is accomplished under the UCC through application of Article IV(4)(a), which embodies a "comparison of terms," or, as it is sometimes called, the "rule of the shorter term." n73 The provision reads in relevant part: "No Contracting State shall be obliged to grant protection to a work for a period longer than that fixed for the class of works to which the work in question belongs...." Where the class of work (subject matter) is not protected in the country of first publication (Japan), it is considered to have a zero term of protection. The forum country (the United States) later compares its term to that of the country of first publication (Japan), and if protection is shorter there, the forum country is permitted to grant the shorter term, in this case zero.

This result was (ironically for Hasbro Bradley) advocated by the Japanese government in a proposed amendment to Article II, which embodies the principle of national treatment. The Japanese proposal read, in relevant part: "The Contracting States are not obliged to grant any protection to published works which are not protected in their country of origin...." n74 The proposed amendment to Article II was defeated, n75 but only upon the understanding that it could be subsequently raised in amendments to Article IV. n76 The Japanese delegation [*401] did propose the following amendment to Article IV: "In cases where no protection is granted to a published work in the country of its first publication ... the Contracting States are free to deprive such work of protection." n77

A different proposal was then offered by the delegations from Austria, Denmark, Finland, France, Italy, Mexico, Norway, Sweden, the United Kingdom, and the United States: "No Contracting State shall be obligated to accord protection to any class of works for a period longer than that fixed for that class of works, by the law of the State of first publication, if that State be a Contracting State...." n78 The Japanese delegation, while supporting this proposal, nevertheless wished its own proposal to be considered in order to remove any doubt that "in the case where a work was not protected in its country of origin, it could not be protected in the country where protection was claimed." n79 At this point, the debate shifted to the ancillary question of whether protection could be denied where a work was in the public domain in its country of origin for failure to comply with formalities n80 rather than a lack of subject matter of protection. Language was added to ensure protection would not be forfeited in such circumstances. n81 Before a vote was taken on Article IV, the chair of the conference addressed the Japanese delegation's concern:

If a work belonged to a category which was protected in Contracting State A, but not in Contracting State B, a work of that category connected with State B (as the place of first publication or by the nationality of the author) could not claim protection in State A, for according to paragraph 4, first phrase, the term to be compared was equal to zero, and State A would not be obligated to grant protection for longer than zero years. n82

This is the exact fact pattern in Hasbro Bradley. The toys were first published in Japan (State B) where they were unprotected as a class. Accordingly, they should have received zero years protection in the United States (State A). n83

[*402] Hasbro Bradley's territorial approach would have been defensible had it been the result of a considered review of the choice of law issues raised; instead, Judge Friendly appears to have been unaware of those issues and unaware of the history of the treaty provisions implicated.

2) Confusion of National Treatment as a Choice of Law Provision

The Second Circuit took a second confusing look at national treatment in *Murray v. British Broadcasting Corporation*, n84 a dispute over the "Mister Blobby" costume character, which Murray, a U.K. citizen, had created as an independent contractor for the BBC. When the BBC appeared ready to launch a merchandising campaign in the United States, Murray sued in New York. n85 The district court dismissed on the ground of forum non conveniens. n86 The court of appeals affirmed. n87 In its review of national treatment, the court of appeals at first described the principle as "a choice-of-law rule mandating that the applicable law be the copyright law of the country in which the infringement occurred, not that of the country of which the author is a citizen or in which the work was first published." n88 Under this approach, U.S. law

should have applied, since Murray alleged infringement in the U.S. The court seemed to take solace in its odd dismissal of the case by theorizing that if Murray sued in the U.K., national treatment would require application of U.S. law to acts of U.S. infringement: "The Berne Convention's national treatment principle insures that no matter where Murray brings his claim, United States copyright law would apply to exploitation of the character in this country." n89 This statement is incomprehensible. Whatever national treatment may be, it is not a jurisdictional provision requiring countries [*403] to accept foreign infringement claims and to apply foreign law to them.

3) What is National Treatment?

In any multilateral intellectual property convention, decisions must be made concerning the conditions under which the rights provided for in the convention will be available in signatory countries: e.g., will the rights be granted to all authors throughout the world, regardless of whether the country they are a citizen of is a member of the convention? Or, should protection instead be limited to authors from signatory countries, or perhaps also to domiciliaries of such countries, or even to works of authors from non-member countries which are first published in a member country?

Protecting authors throughout the world provides no incentive for non-signatory countries to join the convention since their authors will receive protection anyway; thus, the conventions impose some limitations on eligibility for convention rights. The conventions vary considerably, however, in the type of connecting factors or points of attachment used to satisfy convention eligibility, i.e., what facts will "connect" or "attach" the work or the author to the protection afforded by the convention: examples include nationality, place of first publication, domicile, and place of first fixation. n90

The question of eligibility for convention benefits, though, is a threshold issue having nothing to do with which rights an otherwise eligible foreign author or work receives in the forum. Here too there are a number of options: the forum could grant to foreign authors all the rights domestic authors enjoy, regardless of whether those rights are covered by the convention; the forum could grant only convention rights; or, the forum could grant the same rights that the foreign author's [*404] country grants to the forum's authors. The first option – granting all rights regardless of whether they are covered by the convention is the approach taken in the United States Copyright Act, but this approach is rare since, as with threshold eligibility, across-the-board protection not provide incentives for other countries to improve their laws. In the case of the United States, though, this generosity is not as abundant as it seems, since in many areas, e.g., performers' rights and moral rights, our laws are substantially below world norms.

Granting only the level of protection the foreign author's country grants forum authors, called "material reciprocity," n91 is not generally permitted by the conventions since it defeats a principal objective, that of providing a broad multilateral system of rights rather than a patchwork of comparative relations among nations. Thus, short of a most favored nation clause, a typical solution is to require the forum to provide foreign authors or works with the rights covered by the convention.

"National treatment" is the term used to describe the various approaches taken to the rights foreign authors or works receive in the forum. It is usually described as the assimilation of foreign authors to the status of domestic authors, n92 but this is an overstatement since assimilation under the conventions need not be complete: n93 it need only concern the convention minima. Rights beyond those provided in the convention may depend upon a country's characterization of rights as copyright or non-copyright, e.g., home taping may be classified either as a copyright right to reproduce works (covered by the convention and thus by national treatment) or as non-copyright revenue sharing for cultural purposes generated by a tax not covered by the convention and thus subject to reciprocity). n94 As with choice of law, such characterizations can be (and are) easily manipulated to [*405] achieve the desired result, that result being denial of foreign authors a share of the royalties. n95

National treatment operates in tandem with the requirement that member countries provide a minimum level of rights to foreign authors. n96 National treatment without required minima might prove a pyrrhic victory, for a net-importing country could provide a low, inadequate level of protection to its own authors, and then, consistent with national treatment, extend those same inadequate rights to foreign authors from net-exporting countries. By requiring minimum rights for foreign authors, the Berne Convention avoids such an undesirable result. n97

Up to this point, there is nothing to suggest that national treatment operates as a choice of law principle; instead, it functions as a non-discrimination device, restricting countries' ability to enact laws that treat domestic authors more favorably than foreign authors. n98 Indeed, a case may be made that national treatment alone never operates as a choice of law principle, in the sense of directing a court to apply the laws of one country in a case where the court might also

apply the laws of another country.

That national treatment need not implicate choice of law issues is proved by a simple illustration: the requirement of national treatment could be satisfied by an amendment to the U.S. Copyright Act providing that rights for both domestic and foreign authors are to be [*406] determined by the laws of the country of origin. According to such a provision, in an action for infringement brought in U.S. courts, a work whose country of origin is the United States would be governed by U.S. law, while a work whose country of origin is Russia would be governed by Russian law. Both domestic and foreign works would be treated alike though: both would receive "national treatment" because the same rule – the law of the country of origin – would apply to domestic and foreign authors. National treatment thus requires only that the same rules apply, not that any particular law govern. n99

Does Article 5 of the Berne Convention otherwise operate as a choice of law provision? Before we can answer that question, we must appreciate that the copyright conventions do not apply to domestic works, that is, to works in their own country of origin. n100 Protection for these works is governed exclusively by domestic law, which need not provide for its own authors even the minimum requirements of the conventions, and which may condition protection for its authors on compliance with formalities. n101 This fact eliminates one area of possible conflict of laws: suits involving a work of U.S. origin and a foreign defendant. National treatment is thus, as Professor Willem Groshiede has noted, a "law for foreigners." n102 Indeed, the United States could satisfy its obligations under the Berne Convention (including Article 5) if it abolished all protection for works of U.S. origin and provided the minimum convention protection only for works [*407] whose country of origin is a Berne country other than the United States.

Accordingly, in a suit brought in the United States, choice of law disputes must concern works whose country of origin is a country other than the United States. n103 Article 5(2) of the Berne Convention appears to cover such a dispute and to contain a choice of law provision:

Apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

The meaning of this provision is subject to some ambiguity. The WIPO Guide to the Convention observes that it only applies to "rights that are claimed by virtue of the Convention," that, is the convention minima. n104 Rights outside the coverage of the convention do not require national treatment. n105 With respect to the minima, Article 5(2) concerns itself with two areas: (1) the extent of protection and (2) the means of redress. In these two areas, "the laws of the country where protection is claimed" shall govern exclusively, unless, as the guide indicates, the parties have agreed that another forum's law shall apply, i.e., a forum selection clause. n106 The guide further explains that the extent of protection and the means of redress refer to "the enjoyment of the rights, their scope and duration." n107 Duration, however, is covered separately in Article 7. n108 With respect to the enjoyment and scope of the minimum rights granted in the convention, absent an agreement by the parties to the contrary, the "law of the country [*408] where protection is claimed shall govern." Is this an invocation of the law of the forum? As regards an action for infringement, the WIPO Guide and some commentators indicate, not necessarily. n109 The guide notes that "an author suffering infringement usually picks a court in the country in which his rights were infringed," n110 but he or she need not. The author is permitted to choose another country where no infringing acts occurred, but where the defendant has assets that can satisfy a judgment. In such a case, the guide indicates, "it would be a matter for the courts to apply the appropriate private international law to resolve any conflict that arises." n111 Prominent French scholars have taken the position, however, that the law of the country where the infringement occurred should always govern. n112

Whatever ambiguity may exist with respect to infringement actions, the national treatment provisions of Article 5 of the Berne Convention do not cover issues of ownership. Professor Ginsburg states this conclusion quite forcefully: "The treaty provides that the law of the country where protection is claimed defines what rights are protected, the scope of protection, and the available remedies; the treaty does not supply a choice of law rule for determining authorship." n113 This conclusion is supported by Professor Sam Ricketson who, in a discussion of the boundaries of national treatment, states:

Where a provision of national law lies entirely outside these [boundaries], it cannot be the subject of any requirement to accord national treatment: there can be no automatic claim made to the law of the country where protection is claimed. A good example here might be the rules of national law relating to ownership and exploitation of literary and artistic works. None of these matters is covered by the Convention, except for Article 14ter which deals very incompletely with rights in cinematographic works. n114

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As Professor Ricketson makes clear in further comments, the ownership and exploitation rights referred to concern "the problems of employee authors and the contracts of assignment or licensing between authors and publishers or other disseminators of their works... [A] number of countries have laws that specifically relate to authors." n115

In summary, there is no Berne Convention requirement to apply national treatment to ownership of copyright, n116 and thus even for those who view national treatment as a choice of law provision, Berne has no general choice of law directive on ownership; member countries are free to apply their domestic laws to works of foreign ownership, and they are free to apply the law of the foreign country of origin. n117

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IV. Choice of Law Rules on Ownership

A. Initial Ownership

1) U.S. Statutory Choice of Law Rules

We have so far reviewed the constitutional and treaty sources for authorship. The next step is to review any statutory sources of law in title 17. There is only one such provision, section 104A, covering a narrow class of foreign works that were in the public domain in the United States for failure to comply with formalities such as notice or renewal, as well as for lack of national eligibility. n118 Section 104A was added in the 1994 Uruguay Round Agreements Act n119 to comply with our obligations under Article 18bis(1) of the Berne Convention. n120 As a result, such foreign works were resurrected from the dead. These phoenixes are called "restored works."

Resurrection, however, led to a choice of law question: whose law should govern ownership of these works – U.S. law, which restored them, or, the foreign country (called the "source country") that vested them with life to begin with? The decision was made to vest ownership of restored works according to the law of the foreign source country. "Restored works" are thus defined as works whose "source country" n121 is a member country of the World Trade Organization or [*411] the Berne Convention, and which fell into the public domain in the United States for failure to comply with formalities previously imposed by the United States, or for lack of national eligibility. Such works are taken out of the public domain and given the term of protection to which they would otherwise have been entitled. n122 Specifically, section 104A(b) provides:

Ownership of a Restored Copyright. – a restored work vests initially in the author or initial rightholder of the work as determined by the law of the source country of the work. n123

Since the provision is limited to "restored works," one might conclude that section 104A(b) was believed necessary because without it a general contrary rule would apply, i.e., U.S. law would govern ownership issues. Because the bill was passed under fast-track procedures, there is no committee report discussion of this issue. n124 However, since I was copyright counsel to the House Judiciary Committee at the time, and was an "author" of 104A(b), I have personal knowledge of the purpose of the section. I have previously explained that purpose as follows:

In an unsolicited draft bill submitted to the congressional copyright subcommittees, the private sector had sought automatically to vest restored rights in transferees, but this approach was rejected out-of-hand.

...

[*412] Under 104A(b), the question of who is the initial author or rightholder is determined in federal court according to the law of the source country of the work. This statutory conflict of laws provision requires U.S. courts to decide the issue of initial ownership of the restored copyright not by looking at the U.S. Copyright Act, but by looking to the law of the foreign source country, a task that may include examination not only of foreign statutes, but also foreign regulations and case law. One important relevant difference between many foreign laws and U.S. law is our work-made-for-hire provisions, which vest copyright initially in the employer as "author," a practice not generally followed in foreign countries. n125

The reason for inserting section 104A(b) was thus to reject emphatically an avaricious attempt by book publishers and others to obtain directly for themselves, as transferees, the restored copyrights. For example, suppose a foreign author's work had previously been in the public domain in the United States for failure to comply with the renewal requirement, and the author had signed a contract assigning rights to an American publisher for the "term of the copyright." Section 104A indicates that ownership of the restored copyright vests initially in the foreign author under the law of the foreign source country. The U.S. assignee would then have to prove that the assignment covered the (restored) renewal term, presumably according to that same law. Section 104A(b) was inserted to prevent publishers from going into court and arguing that as transferees from the author they automatically succeeded to the restored copyright. No general choice of law rule should thus be deduced from section 104A. n126

2) The Federal Common Law of Copyright Conflicts

a) Itar-Tass News Agency v. Russian Kurier, Inc.

We have now reviewed all of the constitutional and statutory provisions that may bear on the question of initial ownership. A few important answers were provided, but not enough to address the many problems that arise. What law should a U.S. court look to, then, to fill in the many gaps?

This issue was confronted by the U.S. Court of Appeals for the Second Circuit in *Itar-Tass News Agency, Inc. v. Russian Kurier, Inc.* n127 In that case, newspaper and magazine articles written by Russian journalists and first published in Russia were allegedly infringed [*413] in New York by a Russian language newspaper. Plaintiffs, a varied group of Russian newspaper and periodical publishers, argued that U.S. law governed ownership issues; defendants argued Russian law governed. The differences between U.S. and Russian law were significant. Under the work-for-hire provisions of U.S. law, n128 all plaintiffs would be regarded as authors and therefore have standing to sue. Under Russian law, only plaintiff Itar-Tass had standing; all the others did not.

The district court, in confused opinions, n129 applied Russian law to both ownership and infringement, giving broad standing and remedies to collective work owners n130 far beyond that permitted by U.S. law. The Second Circuit reversed and remanded. Rejecting the late Professor Melville Nimmer's view that the national treatment principle requires both ownership and infringement issues to be governed by the law of the country in which the infringement occurred, n131 the court of appeals, per Judge Jon O. Newman, held that national treatment is not a conflict of laws principle, n132 consistent with what I have argued here. Instead, national treatment "simply assures that if the law of the country of infringement applies to the scope of substantive copyright protection, that law will be applied uniformly to foreign and domestic authors." n133 National treatment is, in other words, a non-discrimination principle. Judge Newman also rejected Nimmer's wholly erroneous view that the Berne Convention provides a source [*414] for choice of law resolution. n134 Since there was no constitutional issue involved (the works were clearly original), Judge Newman next turned to the Copyright Act, which, as we have seen, has no choice of law provision. n135

At this point, Judge Newman had only two options: (1) he could have adopted a unilateralist approach, inquiring whether the ownership provisions of the U.S. copyright were intended to reach works with a foreign country of origin (leading to application of U.S. law) n136; or, (2) he could have adopted a multilateralist approach, interposing choice of law rules and then applying those rules to assign to the laws of one country or another the ownership issue. Judge Newman did not consider unilateralism, but immediately ran into a problem in using the multilateral approach: what was the source for the choice of law rules he wished to interpose?

The answer given was "federal common law," n137 the substance of which would be derived from "principles of

private international law, which are 'part of our law.'" n138 *Erie Railroad Company v. Tompkins*, n139 of course, overruled *Swift v. Tyson* n140 and abolished federal common law, but only with respect to state law matters: "Matters governed by the Federal Constitution or by acts of Congress," n141 were left untouched. n142 In *Community for Creative Non-Violence* [*415] v. Reid, n143 for example, the Supreme Court faced competing theories about the scope of the work-for-hire provision in section 201(b) of the Copyright Act. Under this section, the employer is deemed to be the author of a work "prepared by an employee within the scope of his or her employment." Did this provision cover only nine-to-five employees, employees within the agency meaning of "employment," employees under a right to supervise test, or employees under a right to supervise and control test? Since the terms "employee" and "employment" were undefined, the Court, according its practice of construing Congressional silence in such situations, held that Congress meant to incorporate the common law agency meanings of those terms.

But what common law? The Copyright Act is an exclusively federal statute, so clearly not state common law. The law to be referred to was, Justice Marshall indicated, "the general common law of agency, rather than the law of any particular State." n144 This is a common law of a very limited kind, and it may, in fact, be more accurate to describe the Court's approach as an interpretation of a statute rather than the creation of a body of law. As Judge Posner has observed, "since the concept of 'federal common law' is nebulous when a statute is in the picture, it might be better to jettison the concept in that context and say simply that in filling in the gaps left by Congress ... the courts seek to effectuate federal policies." n145 Although the court of appeals in *Itar-Tass* wrote that it was "filling in the interstices of the [Copyright] Act by developing federal common law on the conflicts issue," n146 the creation of a set of choice of law rules to be interposed between the U.S. Copyright Act and foreign copyright law is quite a different exercise than merely construing the meaning of a statutory term. n147

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b) Customary International Law

The federal common law Judge Newman spoke of was not domestic common law, but rather customary international law, a conclusion supported by his citations, the first of which was *Hilton v. Guyot*. n148 In *Hilton*, Justice Gray defined international law in the "widest and most comprehensive sense" n149 to include not only public law between nations, but also "private international law, or the conflict of laws." n150 This law "must be ascertained and administered" by U.S. courts even though foreign law does not have any effect in the United States. n151 The justification for applying foreign law under such circumstances is, as conflicts scholars have noted, problematic, since "the forum court is an authoritative political organ of the state, and it is hard to find a good positive law reason for disregarding the political will of the forum, as expressed in its laws." n152 The justification given by Justice Gray, citing Story, n153 was "comity." A desire to be friendly toward other nations is, though, hardly adequate grounds for displacing domestic law. Accordingly, Justice Gray grounded his decision ultimately on the belief that it would be useful to engage in comity since other countries may thus be led to reciprocate in cases of interest to our citizens. n154 This hope still springs eternal, notwithstanding convincing evidence to the contrary. n155

[*417] The application of customary international law as an attribute of comity is very much alive. In *Lauritzen v. Larsen*, n156 the Supreme Court held that comity is exercised by referring to the "prevalent doctrines of international law." n157 Although occasionally incorporated directly into a statute, n158 customary international law is more typically said to result from the "customary practice of [nation-] states followed from a sense of legal obligation," n159 as in the law merchant. n160 As such, it is a kind of *ius gentium*, a supranational common law; in other words, substantive law that is applied to cases in all countries. n161 This means, however, that customary international law does not raise conflicts issues since choice of law involves choosing between competing, different laws. Customary international law, by contrast, involves incorporation of a supranational law as domestic law.

c) The Questionable Basis of Customary International Law

Just how customary international law becomes "real law," especially federal common law, is the subject of sharp dispute. n162 Professor Harold Koh is one of the most enthusiastic advocates of customary international law and one who has attempted to answer one of the most vexing problems associated with it - absent a binding treaty or a statute, how can it be said that a nation has actually accepted customary international law as part of its domestic law? Professor Koh provided the following answer in remarks he made to the 1998 annual meeting of the American Society of International Law: "How does customary law drive national conduct? ... We reach [*418] the conclusion that customary international

law rules acquire their normative force through their internalization or domestication into domestic legal relations." n163 Since customary international rules can not become internalized or "domesticated" unless they are accepted, though, they have no normative force until accepted; such subsequent acceptance can not form the basis for the a priori legitimacy of customary international law.

A direct assault on customary law as federal common law comes from the so-called "revisionists," who argue that customary international law (which they abbreviate as CIL) is without foundation since Erie. They also describe the Restatement (Third) of Foreign Relations as nothing of the sort, n164 and challenge the basis for CIL in Hartian terms. n165 The sweeping nature of these (and other) attacks have shocked traditionalists, who have fought back stridently. n166

d) Application of Customary International Law in Copyright Cases

Whatever the outcome of this academic donnybrook, the courts are happily applying customary international law. The Second Circuit, in *In re Maxwell Communication Corp.* n167 (relied upon by Judge Newman in *Itar-Tass* n168), not only waxed enthusiastically about comity, n169 [*419] but also held that "because Congress legislates against a backdrop that includes those international norms that guide comity analysis, absent a contrary legislative direction the doctrine may properly be used to interpret any statute." n170 Such a "silence equals incorporation" approach is certainly a convenient way to explain federal courts' source of law authority - they're not really creating law, only interpreting a statute in the manner to which Congress, by its silence, directed them n171 - but the soundness of the premise leaves everything to be desired. n172

Regardless of the weakness of "silence equals incorporation" as justification for the courts' application of customary international law, courts applying it are faced with the task of discerning those "certain norms shared among nations...." n173 In the case of copyright, those norms would most likely be expressed in the international copyright conventions, principally the Berne Convention. n174 However, Congress unequivocally barred its direct application. n175 Incorporation of Berne into the copyright act through customary international law would be too clever a way to circumvent the legislative branch's clear policy on non self-execution. Yet, if the Copyright Act is silent n176 and Berne is off-limits (at least directly), n177 where should copyright choice of law be found? A partial answer given in *Itar-Tass* was the Restatement (Second) of Conflict of Laws. n178 Dividing ownership and [*420] infringement issues par depeage, n179 the court of appeals held that since "copyright is a form of property, ... the usual rule is that the interests of the parties in property are determined by the law of the state with 'the most significant relationship' to the property and the parties." n180 Since the works were created in Russia by Russian nationals and first published there, Russia was the country with the only significant relationship with the work's creation. n181

Judge Newman's use of the "most significant relationship" as the choice of law rule for ownership, and his use of the Copyright Act's definition of the "'country of origin' of a Berne Convention work" as the connecting factor for assigning the national law governing ownership [*421] of copyright made good sense under the facts of *Itar-Tass*. n182 Judge Newman cautioned, though, against mechanically using the country of origin concept as the sole connecting factor, adding that it "might not always be the appropriate country for purposes of choice of law concerning ownership." n183 One obvious reason for this caution is that the purpose of the definition of the "country of origin of a Berne Convention work" has nothing to do with choice of law; instead its role is to sort out those works which do not need to comply with section 411(a)'s registration before suit requirement. n184

The final reason for Judge Newman's caution was that *Itar-Tass* presented a simple fact pattern: the works were created by Russian nationals and were first published in Russia in Russian periodicals. *Itar-Tass* thus did not have to delve into the more complicated questions that arise when nationality, domicile, place of creation, or first publication are not united in the same country. We shall now examine how these connecting factors can wreak havoc on efforts to formulate rigid choice of law rules.

e) Connecting Factors

Dispersion of potential connecting factors (e.g., nationality, domicile, place of creation, or place of first publication) among various countries can rapidly lead one to different conclusions about the country with the most significant relationship to the work. In non-copyright choice of law problems, decisions usually reveal a preference for either domicile or nationality, an ancient divide which Professor Brilmayer has characterized as one of the fundamental recurring problems in conflicts analysis. n185 Copyright, through the [*422] additional connecting factors of place of creation and place of first publication, adds twists that greatly complicate matters.

One example will demonstrate how analysis can be more difficult than "domicile versus nationality." A U.S. citizen, domiciled in Canada but working in the United States for a corporation under a work-for-hire arrangement, creates in the United States a guide to maple tree sugar harvesting. Upon completion, she immediately e-mails the work to France, where it is first published. Under both the definition of the country of origin of a Berne Convention work in section 101 of the U.S. Copyright Act and Article 5(4) of the Berne Convention, the country of origin would be France. Assigning the situs of the property to France because it is the country where the work was first published would, though, produce unexpected results (at least for the employer). Under French law, the employee be regarded as the author and would retain a number of important economic rights (and have moral rights). n186 Under Canadian law, the employer would be regarded as the owners of all rights, but the writer would be regarded as the author and thus have moral rights. n187 Under U.S. law, the employer would be the author and thus own all rights; n188 there would be no moral rights.

Under these facts, first publication in France should not be the determinative factor for assigning a country with the most significant relationship to the work. Domicile in Canada, isolated from U.S. nationality and divorced from any possible situs for the property (i.e., place of first publication or creation) also seems weak. The "better law" n189 would be to apply the U.S. work for hire provision because the U.S. has a greater interest in determining the ownership rights of works created by its citizens in the United States. Nationality and place of creation seem more important here, n190 and probably lurking in the background is the belief that this result would better fit the parties' expectations. However, no matter how intuitively correct this result may seem, it does jettison the place of first publication as the basis for determining the situs of the property, and in so doing ignores [*423] one of the fundamental methods for assigning the country of origin under customary international copyright law. n191

If the country of first publication is not the most important connecting factor for determining the situs of the property, what should be? One possibility is the place of creation, since another fundamental principle of customary international copyright law is that copyright exists automatically upon creation. n192 Ownership could, then, be determined by the law of the country in which the work created, which will usually be the country where the work is first fixed. n193 As with first publication, though, it is easy to construct facts that render creation a weak connecting factor: Assume a work is created in France by a U.S. citizen while on a weekend jaunt, but is first published in Germany. France should not be deemed to have the most significant relationship with the work, although we could increase this relationship if we changed the facts so that the U.S. citizen was domiciled in France. We could, however, detract from France's relationship to the work by making the U.S. citizen a staff employee of a U.S. corporation, there on long-term assignment for that corporation. [*424] Under these revised facts, one might argue that nationality should play the dominant role (by squarely falling on the nationality side of the "nationality versus domicile" debate), again with the parties' expectations lurking in the background. Nevertheless, France can hardly be said to have no claim, while Germany, merely being the place of first publication, has the weakest connection.

Nationality should not, of course, always be the dominant factor for ownership issues: Assume a work is created in Russia by a U.S. citizen domiciled in Russia, and is first published in France. Under Article 5(4)(a) of the Berne Convention, France would be the country of origin. But should French law determine authorship under a theory that the property was "vested" by the act of first publication? This seems a weak claim since it is the only connecting factor to France. At the same time, it is difficult to see the overriding interest of the United States in applying its ownership rules to works created by its citizens domiciled overseas and first published in yet a third country. Russia's connections of domicile and place of creation appear to be the strongest under these facts, albeit not necessarily compelling. But we could weaken the importance of domicile if we vary the facts so that the work was first published in the United States rather than France. The U.S. would then claim both citizenship and first publication as connecting factors. Russia would claim domicile and place of creation. In the customary international law of copyright, nationality is generally more important than domicile and place of first publication is more important than place of creation. n194 Thus, under this last set of facts, the U.S. may be said to have the most significant relationship to the work.

Regardless of the prominence first publication may play in certain circumstances, e.g., for determining national eligibility, courts should be wary of assigning it prominence for choice of law analysis. Given the globalization of markets and entertainment corporations, the country of first publication may not be the country with the most significant relationship. In the case of sound recordings, for example, if Cuban musicians are recorded in Havana's Egrem studio, but the sound recording is first published in the United States, Cuba should be considered the country of origin for choice of law analysis. Similarly, if a British performer records a live musical performance in Australia, but the sound recording is first published in the United States, [*425] either England or Australia, but not the United States should be considered the country of origin.

f) How to Weigh Connecting Factors

Given the wide variety of possible fact patterns and the number of possible connecting factors, it is easy to appreciate why the Itar-Tass court wisely avoided reaching issues beyond those of its own facts. But what should future courts do when faced with one of these more complex fact patterns? One ill-advised approach is to focus mechanically on one factor, such as the place of first publication, as some lower courts have already done in a mistaken interpretation of Itar-Tass. n195 Another approach to be avoided is tallying up the various connecting factors, and letting the country with the greatest [*426] number win; not only is such an approach arbitrary, it also fails in cases where there is a tie.

At this point in an article, one is expected to announce a grand unifying theory that will miraculously answer all future problems. Professor Larry Kramer, however, has rightly cautioned against the creation of such choice of law theories; n196 hopefully the examples given above illustrate the wisdom of Falstaff's remark in Henry IV: "The better part of valor is discretion." n197 There are, though, four issues that can be eliminated from a conflicts analysis when a foreign claim of authorship is asserted. The first is a case where application of foreign law would result in protection for a work that cannot constitutionally be protected in the United States. Such a work cannot be protected here even if a conflicts analysis would otherwise point to application of the foreign law. n198 The second is a case where application of foreign law would vest rights in a person who can not constitutionally [*427] be deemed an author, e.g., someone who has only contributed ideas, facts, or other uncopyrightable material; U.S. law should apply. The third is a case, like Hasbro Bradley, Inc. v. Sparkle Toys, Inc. n199 where a work is original and could, constitutionally be protected here, but is not in its country of origin. Under these circumstances, it should not be protected in the United States, absent an obligation to directly apply article 5(2) of the Berne Convention.

The final case concerns party autonomy. The decision whether to protect certain subject matter or assign ownership rights to one person versus another is a fundamental legislative policy that should not be subject to manipulation by the parties. Unlike other forms of property, copyright (at least in the United States) is not granted for the benefit of private parties; rather, as the Supreme Court has held, "the limited grant is a means by which an important public purpose may be achieved." n200 This public, instrumental goal should not be defeated by contract.

Party autonomy may be appropriate in one situation, however, that of joint authorship. n201 Assume one author is creating a work in the United States jointly with a colleague in England. They trade drafts back and forth by e-mail. Whose law applies in such a circumstance? The choice of one law over another could be critical. In the United States, joint authors are considered tenants in common, and can license a work non-exclusively without the permission of the other joint author (subject only to a duty to account for any income received). n202 One joint author may also sue a third party for infringement without the other's permission. n203 This is not the case in the United Kingdom, where, although joint authors are regarded as tenants in common, they nevertheless may not license the work or sue without the other's permission. n204 Variations on this theme are found in most of the world's copyright laws. n205 These differences between U.S. and U.K. law may create a stand-off. The unencumbered tenancy [*428] in common policy of the United States is clearly implicated by the presence of a U.S. author, as is the contrary policy of the United Kingdom by the presence of a U.K. author. n206 Under such circumstances, it does not seem unreasonable to let the joint authors choose which country's law should apply, since such party autonomy affects only those individuals. Where, however, the parties have not agreed, and a dispute arises (one assumes because the U.S. joint author attempts to exercise tenancy in common rights), the general preference for forum law should prevail. n207

Aside from the above four areas where a conflicts analysis should not be undertaken, courts should examine all possible connecting factors and assign to those factors the weight they are given in customary international copyright law; e.g., in the "domicile versus nationality" debate, nationality over domicile; n208 in the "creation versus first publication" debate, first publication may, in appropriate circumstances, be favored. n209 But even here, such factors do not rise to the level of presumptions – only weighted considerations, which in particular cases, such as sound recordings, may be outweighed by countervailing factors.

3) Treaties and the Special Case of Cinematographic Works

Although national treatment does not act as a choice of law rule for ownership issues, n210 the Berne Convention does contain such a rule in one particular instance, that involving cinematographic works. Article 14bis(2)(a) reads, "ownership of copyright in a cinematographic work shall be a matter for the legislation in the country where protection is claimed." n211 The WIPO Guide to the convention explains that the term "owner of copyright" in a cinematographic work was

used rather than "author" in order to "take account of the various legal systems...." n212 In some countries, the "maker," e.g., the producer, is the first owner of exploitation rights in the film, while [*429] the script writer, composer, and set designer, etc. retain authorship rights in their individual contributions. In other countries, the director, cinematographer, script writer, and other creative persons are considered joint authors, with the caveat that a "legal assignment" is presumed to have been given by the joint authors to the maker of the film to exploit it. n213 In the United States, the producer is considered the author and, therefore, the initial owner of all rights. n214 Due to these different approaches, Professor Ricketson has written that while Berne mandates application of the law of the forum, Article 14bis(2)(a) serves to ensure that the forum is free to "maintain whichever system it prefers" n215 In other words, there is no mandatory approach to authorship/ownership of cinematographic works.

Article 14bis(2)(a) works out bizarrely in practice except where the forum coincides with the country of origin. Where the forum does not coincide with the country of origin of the cinematographic work, application of the law of the forum ensures that a multiplicity of ownership rules will apply to the same motion picture. Not only will the individuals or entities considered authors vary, but the strength and nature of the presumptive transfer of economic rights will also vary. In the area of moral rights (of particular concern to U.S. motion picture companies), application of Article 14bis(2)(a) by the law of the foreign forum will usually mean that moral rights claims may be asserted successfully in foreign countries by U.S. directors, cinematographers and screen writers against their own U.S. employer, a result that would be impossible if United States work-for-hire law applied. n216

Moral rights aside, from the standpoint of facilitating economic exploitation of motion pictures, article 14bis(2)(a) adopts the worst possible choice of law rule. n217 A better approach would be to require application of the law of the country of origin. This would have the twin virtues of prescribing a single rule, thereby promoting certainty [*430] in international commerce, n218 and of selecting as the country with the "most significant relationship" with the work. n219

B. Ownership by Assignment: Copyright or Contract Choice of Law?

There are only two ways to become a copyright owner: either by being the author (and, therefore, the initial owner of all rights), or, by acquiring rights via a written assignment from the author. n220 Where [*431] the plaintiff is not the initial author, *17 U.S.C. 501(a)* permits only an exclusive owner of copyright n221 to sue for infringement; nonexclusive licensees lack standing. *Itar-Tass* properly held that this statutory restriction also holds true when the court applies foreign law on ownership. n222 Thus, whether a foreign plaintiff is an exclusive licensee will be tested under U.S. law, after, of course, it has first been determined under the law of the foreign country of origin that plaintiff is the author or the owner of the exclusive right allegedly infringed. n223 This is consistent with customary international law, which regards procedural issues as outside conflicts analysis. n224

1) National Copyright Laws Restricting Assignments

There is, nevertheless, considerable opportunity for conflicts analysis when it is alleged that the plaintiff-assignee lacks the claimed rights not under U.S. law, but by virtue of restrictions imposed in the foreign country of origin on the author's ability freely to [*432] alienate his or her rights. Such restrictions are very common and include prohibitions against (1) transferring rights to works not yet in existence, n225 (2) transferring rights to exploitation by technologies not yet in existence, n226 (3) blanket transfers of all rights, n227 (4) transfer of world-wide rights, n228 as well as (5) reversion of rights through failure to exploit the works and application of the so-called "purpose-restricted transfer doctrine (*Zweck^ubertragungsgrundsatz*), according to which "the author is held not to have granted more extensive rights than would be required by the purpose of the grant at issue." n229 The strength of these restrictions vary, with some being outright bars, while others require express enumeration of the right or work transferred coupled with a right to remuneration.

These type of restrictions (coupled with *droits moral*) stem from civil law's highly protective policy toward individual authors, in contrast with the *laissez faire* approach of common law countries. Where an author from a civil law country assigns to a U.S. corporation rights which the author's country prohibits assignment of, but which U.S. copyright law permits, a conflicts problem arises when the assignment is subsequently challenged. The problem, moreover, arises from classic choice of law issues of characterization, in our context, whether we regard the restrictions on alienation as an aspect of the substantive law of copyright ownership, or whether we regard the issue as one of contract law. Put another way, for conflicts purposes, in assigning a source country, do we apply copyright choice of law rules governing ownership or do we apply contract choice of law rules? n230

[*433] The arguments in favor of applying copyright rules are strong: restrictions on alienation may properly be regarded as legislative mandates that ownership remain in the author. The restrictions are intended to further the country's policy of protecting authors as well as its judgment about how best to accomplish social and cultural objectives. n231 Under this approach, if we apply the law of the source country for ownership, we should also apply that law with respect to restrictions on ownership. Moreover, the property that is the subject of the contract, copyright, exists only by virtue of the very law that imposes the restrictions. Since one cannot assign more than one owns, the substantive law, in effect, limits the scope of the contractual assignment. n232

Those who favor freedom of contract would assert that restrictions on assignments of rights should apply only in the country imposing them since copyright law, like most law, is generally not extraterritorial. n233 If the social and cultural goals of the United States favor free alienation of copyright, application of the law of a foreign country that interferes with such freedom interferes with U.S. policy. n234 And it does seem undesirable to permit an author (or, more likely, the author's heirs) to disavow a contract freely entered into on the ground that the author's country of origin prohibited the contract, a fact no doubt well known at the time.

Application of contract conflicts rules may not, however, get those favoring free alienation out of their difficulties. The Restatement (Second) of Conflicts, following its "most significant relationship" principle, lists in Section 188 a number of possible factors, including "the place of contracting, the place of negotiation of the contract, the place of performance, the location of the subject matter of the contract, and the domicil, residency, nationality, place of incorporation and place of business of the parties." n235 The first two factors, [*434] the place of the contract and its negotiation, might favor application of a law different from that governing ownership, but they can easily be manipulated. n236

For example, assume a German software developer has a hot new program which a French company is eager to purchase for distribution in France. The programmer insists on a contractual provision barring reverse engineering of the program, a clause void under the European Union Computer Software Directive (and, therefore, in Germany and France). n237 The French distributor agrees to the clause in order to beat out the competition by being the first to introduce the work in the marketplace. They sign the contract in a neighboring country not having the Software Directive's restrictions. The French distributor then sues the German in French court arguing that the clause offends the *ordre public* as embodied in the EU directive and as implemented in French law. n238 While the example given would appear [*435] to meet the *ordre public* standard, less obnoxious attempts to contract around local law may not, especially where there is no obvious attempt at subterfuge through a third country.

Even aside from subterfuge, though, conceptually the connecting factors of the place and negotiation of the contract may lack any meaningful connection to the work or to the parties. For example, if a Belgian composer is on tour in Estonia, and while there, negotiates and conveys rights simply because that was the place that fit into everyone's schedule, it seems quite a stretch to apply Estonian law. n239 What if instead the contract was negotiated in Poland, the Czech Republic, and Hungary via e-mail while the composer was schlepping her laptop computer on a tour of those countries? Does it make sense to assign the place of the contract to one or any of these countries? Probably not. n240 Either Belgium or the place of performance of the contract is a more logical choice. n241

Location of the subject matter depends upon whether one views copyright as vesting in a multiplicity of countries (under a territorial view of copyright such as Judge Friendly's n242), or, whether copyright vests under the laws of a single country and is then enforced in other countries under national treatment. n243 In the case of a novel being made into a motion picture, should we look to the law of the country where the novel was written (say Germany) or the law of the country where the motion picture is being made (say the U.S.)? Since the restrictions concern the ability of the novelist to assign rights, Germany would appear to be the more logical choice, although the restrictions certainly affect the United States.

Domicile, residency, and nationality by themselves are not particularly helpful factors unless we know whether to give more weight to one factor or another or to one party's domicile, residence, or citizenship. The 1980 Rome Convention on the Law Applicable to Contractual Obligations favors applying the law of the country where the transferor has his or her habitual residence, but the convention is not open to the United States. n244 The importance of place of incorporation or of the business of the parties will also depend upon which [*436] party's connection is entitled to greater weight where the parties are incorporated in different countries. n245

The larger point, though, is that the copyright versus contract choice of law debate is a repeat of the characterization problem long identified by conflicts scholars. n246 The problem was particularly acute with the First Restatement of

Conflicts, which applied the law of a single jurisdiction based upon characterization of the case as sounding in contract, tort, property, etc. Courts, unhappy about the result if a contract analysis was applied, became adept at recharacterizing the dispute as a tort case, thereby permitting them to reach the desired result. n247 Classification of the matter as a contract conveying a property right, copyright, which vests according to the laws of the country of origin – and therefore subject to limits on the author's ability to convey that property – merely relabels the issue rather than solving it. Indeed, by stating that the contract conveys only those rights that the author is permitted to convey under the country of origin, we are resurrecting the debates on women's contractual freedom that so caught the interest of Professor Currie. n248

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2) Married Women's Contracts Revisited

Professor Currie's jumping off point was the 1878 opinion by the Massachusetts Supreme Judicial Court in *Milliken v. Pratt*. n249 In *Milliken*, Mrs. Pratt, a Massachusetts married woman entered into a contract with a Maine company for the sale of goods. In Massachusetts, women could not bind themselves by contract; in Maine they could. After delivery of the goods in Massachusetts, payment was not forthcoming, and defendant chose to sue Mrs. Pratt in her home state. Mrs. Pratt raised Massachusetts law as a defense. In rejecting application of Massachusetts law to a Massachusetts married woman resident, Justice Gray wrote that

the general rule is that the validity of a contract is to be determined by the law of the state in which it is made; if it is valid there, it is deemed valid everywhere, and will sustain an action in the courts of the state whose laws do not permit such a contract. n250

But where was the contract made? The court decided on the place where Mrs. Pratt's offer was accepted, Maine. In so holding, the court also rejected Mrs. Pratt's argument that the question of her capacity to contract should have been determined by the law of Massachusetts, her place of domicile, and that this lack of capacity "accompanies and governs the person everywhere." n251 The argument was based, as Justice Gray acknowledged, on the "rightful power" of states "to regulate[] the status and condition of its subjects." n252 Nevertheless, Justice Gray countered that "it is only by the comity of other states that laws can operate beyond the laws of the state that makes them." n253

Restrictions on alienation of copyright are the intellectual property equivalent of the married women's statutes. Should the author's lack of capacity to convey the rights due to restrictions imposed in the country of origin be enforced under comity in the forum court? Characterization of the issue as "copyright or contract" or "property or contract" is not likely to prevent a court from achieving the desired result. In *Milliken*, the contract could just as well have been considered to have been concluded in Massachusetts. Where choice of law leads to application of the country of origin of the work, restrictions [*438] on alienation imposed by that country would apply regarded as an aspect of ownership. Nevertheless, as a practical matter, forum preferences for the policies embodied in forum law may play the dominant role in such disputes. An American court, faced with a contract between a German composer and an American corporation covering "all technologies now known or later developed" might be led to apply U.S. law out of preference for the forum's policies, n254 while a German court adjudicating the same contract would likely apply German law. We will see such preference in our next section, which covers the choice of law issues raised by different terms of protection.

C. Duration of Protection

Duration of protection has been described as "probably the most important issue in international copyright relations...." n255 Fixing the term of protection involves balancing the need to provide an adequate incentive to create while still ensuring that there will be a robust public domain from which new works may be developed. n256 Limitations on term also ensure that the copyright monopoly is not used as a weapon of censorship by remote heirs. n257 The point at which private rights should be turned into public property has led to animated debates in common law countries, where rights are statutorily based. n258 In civil law countries authors' rights are viewed as an attribute of natural law, and thus the debate centers more on why there should be any time limitation. n259 In both systems, the importance of duration to the cultural and political fabric of society leads to [*439] the obvious conclusion that the law of the forum should govern durational issues. n260

Different approaches to duration can also lead to trade distortions. One of the early accomplishments of the Berne Convention, made in the 1908 Berlin revision, n261 was to mandate a minimum term of life of the author plus 50 years. Article 19 of the Berne Convention, however, permits countries to grant more generous protection, and a number of countries did, leading, naturally, to problems where the author in a "life plus 50 country" claimed the longer term in a "life plus 70 country." The resulting disharmony led the European Union, in 1993, to issue a directive to its member countries requiring raising the term of protection to life of the author plus 70 years. n262 Article 7(1) of the directive prohibits EU members from granting copyright to the works of non-EU members longer than that granted in the non-member country of origin. This provision is derived from Article 7(8) of the Berne Convention, known as the "rule of the shorter term":

In any case, the term shall be governed by the legislation where protection is claimed; however, unless the legislation of that country otherwise provides, the term shall not exceed the term fixed in the country of origin of the work. n263

Article 7(8) applies in the following three situations: (1) where one country of the Union provides a term of life of the author plus 50 and another country provides a longer term; (2) where one provides a term longer than life of the author plus 50 years and another country provides an even longer term; and, (3) where one provides a term of life of the author plus 50 years and another provides a lesser term. n264 Within the European Union, however, Article 7(8) cannot be applied against nationals of other European Union countries or the EEA countries of Iceland, Norway, and Liechtenstein because of the non-discrimination principle embodied in Article 71 of EEC Treaty. n265 [*440] Moreover, since both the European Union n266 and the United States n267 have moved to a term of life plus 70, the potential application Article 7(8) has been diminished. n268 The seemingly mandatory phrasing of Article 7(8) ("the term shall be governed") is qualified by language permitting countries to "otherwise provide." While the United States, by failing to enact legislation adopting the rule of the shorter term grants to all authors the same term of protection, n269 other countries have enacted the rule resulting, in many cases, in U.S. works receiving a shorter term in a foreign forum country than that country's authors do. n270 The largest class of U.S. works subject to the rule of the shorter term are those first published in the United States before 1964 since these works were subject to a renewal requirement; i.e., in order to obtain the full 56 year term provided in the 1909 Act, the author or the author's successors were required to [*441] file, during the 28th year from first publication a renewal application with the Copyright Office. n271

I shall now discuss the choice of law problems that arise from our former renewal system. These problems are of three types: (1) a U.S. work has fallen into the public domain in the U.S. due to failure to renew, but has not fallen into the public domain in that foreign country; (2) a dispute over whether a contract between a foreign author and his or her assignee conveyed the U.S. renewal right, whose law governs? (3) where an author of a 1909 Act work dies before the renewal period vests but previously assigned the renewal right, does U.S. or foreign law apply?

D. Renewal

Before the 1976 Copyright Act established a single term of protection for individual authors of life plus 50 years n272 (now 70), n273 a dual term of protection had been in place since the first copyright act of 1790. Under that act, the initial term of protection was 14 years measured from the author's filing of a prepublication copy of the title page of the work with the clerk of the district court where the author resided. If the author survived until the end of that 14 year period, a second filing was required in the final year of the original term; failure to do so in the correct form and in a timely manner resulted in the work irretrievably falling into the public domain. n274 If an effective second filing was made, the author was granted an additional ("renewal") term of 14 years, for a total of 28 years. This system was copied from the British, who had the good sense to abandon it in 1814. n275 The U.S., however, retained it until 1978, although by that point the terms had been doubled, to 28<plus>28 years.

[*442]

1) In litigation brought in a foreign country where a U.S. work has fallen into the public domain in the U.S. due to failure to renew, but has not fallen into the public domain in that foreign country, which law applies?

As a result of our 20th century adherence to the 18th British renewal anachronism, the United States was the only country in the world tying term of protection to a formality, i.e., not measuring term from the life of the author plus a set number of years post mortem. n276 The U.S. dual system of term raised choice of law problems where a U.S. work was in the public domain (here) for failure to renew. n277 What if the author or the author's heirs brought an infringement action in a foreign country: would the foreign country apply the rule of the shorter term and deny protection, or, would it instead apply the durational provisions of its own law? The answer varies depending upon the time and manner in which the rule of the shorter term was implemented (if at all), whether the UCC rule or the Berne rule was applied and when, n278 and whether there were any bilateral agreements covering the issue. n279 The majority of countries appear, however, [*443] to apply the rule in this situation, i.e., to grant the work only the term of protection it received in the United States (28 years), rather than the longer term in the foreign forum. n280

2) Where there is a dispute over whether a contract between a foreign author and his or her assignee conveyed the U.S. renewal right, whose law governs?

Because of our dual system, choice of law questions have arisen over conveyances of the renewal term. Although there is strong support for the argument that authors were unable to convey simultaneously both the original and the renewal term, the Supreme Court held to the contrary in its 1943 *Fred Fisher Music Co. v. M. Witmark & Sons* opinion. n281 Thereafter, a host of lower court decisions attempted to limit the effect of *Fred Fisher* by creating a strong presumption against the conveyance of renewal rights. n282 Did this presumption apply only to contracts for works whose country of origin was the United States, or, did it also apply to foreign works and contracts? The answer seems to depend entirely on the forum hearing the matter.

[*444] In *Campbell Connelley & Co. v. Noble*, n283 an English composer assigned worldwide rights, in England, to an English music publisher. A dispute subsequently arose over whether the assignment conveyed the U.S. renewal right. Describing the agreement as "a purely English contract," the court held that it "must plainly be interpreted according to English law," n284 even though there was no renewal term under British law. n285

The opposite result was reached by the U.S. Court of Appeals for the Second Circuit in *Corvacado Music Corp. v. Hollis Music, Inc.* n286 In *Corvacado*, Brazilian composer Antonio Carlos Jobim assigned in Brazil certain rights (including U.S. rights) to a Brazil publisher, Arapua. Through mesne conveyances, the rights ended up in the hands of a U.S. publisher, Hollis. Jobim, believing he had retained the U.S. renewal rights, subsequently assigned them to another publisher, *Corvacado*, which then sued Hollis. Hollis argued that the case belonged in Brazil under a forum selection clause, and because it involved interpretation of Brazilian law. The forum selection clause was held not applicable because *Corvacado* was not a party to the contract between Jobim and Arapua. n287 With no discussion of whether Brazilian law should govern, n288 the appeals court applied U.S. copyright law, based on the following factors:

United States renewal copyrights reflect a vital policy of U.S. copyright law; the forum in which the Jobim–Arapua contracts are to be construed is in the United States ...; and the place of the performance of the contracts is also the United States. Under these circumstances, we believe that United States law is applicable. n289

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The Chancery Court's decision in *Campbell Connelley & Co.* was distinguished factually as involving a suit between the composer and an assignee, while *Corvacado* involved a suit by one assignee of the composer versus another assignee of the composer. n290 This distinction is hardly persuasive: in both cases, the contracts were made in the country of origin and involved the question of whether that contract conveyed U.S. renewal rights. Would the *Corvacado* court's view have been different if it was Jobim suing Hollis rather than *Corvacado*? I fail to see how this would matter. Nor is it self-evident that the contract was to be performed in the United States; the question presented was whether a contract formed in Brazil between two Brazilian parties conveyed U.S. renewal rights. It is certainly true that construction of the Brazilian contract would decide who could collect royalties earned in the United States, but in either case, the royalties would be split between Jobim and Hollis or between Jobim and *Corvacado*. Just what vital policy of U.S. law is involved in such a

dispute is far from clear. It is thus unclear why U.S. principles of contract construction should apply to a contract made in Brazil between Brazilians involving a work which was created and first published in Brazil.

If the Corvacado court had taken the position that the renewal right was an attribute of duration, as it assuredly is, applying U.S. law might have been more defensible (although not assured): it was, after all, U.S. law that created the renewal term. n291

In any event, given the different results in the U.S. court's Corvacado decision and the English court's Campbell Connelley & Co decision, one appreciates the importance of rulings on forum selection clauses.

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3) Where an author of a 1909 Act work dies before the renewal period vests but previously assigned the renewal right, does U.S. or foreign law apply?

We noted above that where the author dies before the renewal term begins, the Supreme Court has held that any conveyance by the author of that term is void, n292 resulting in the renewal term automatically vesting in the author's statutory successors. This creates a conflicts problem, though, where the author granted worldwide rights: in foreign countries, where there was no renewal term, should the reversion to the author's heirs under U.S. law dictate that the heirs also own the foreign rights, or, should the assignee prevail? No case has decided the issue, but the weight of scholarly opinion is strongly in favor of the assignee. n293

E. Termination of Transfers

The main theory behind a dual system of term was that it gave the author or the author's heirs a "second bite at the apple;" when the renewal term came around, the value of the copyright would be better known than at the time of initial publication. With this information, a new bargain could be struck that would more accurately reflect the market rate. n294 In light of the Supreme Court's 1943 *Fred Fisher Music Co. v. M. Witmark & Sons* opinion n295 upholding simultaneous assignments of the original and renewal terms, the benefit of this [*447] second bite was all but wiped out. The only sensible thing left for authors with families to do was to commit suicide before the renewal term vested, since, as noted above, the Supreme Court held that where the author dies before the renewal term vests, assignments of the renewal term are void as contingent expectancies, the contingency being the author surviving until the vesting of the renewal term. n296

Congress's reaction to the *Fred Fisher* decision did not come until the 1976 omnibus act (effective January 1, 1978), when two provisions were added giving authors an inalienable right to terminate transfers. n297 The time period for termination varies depending upon whether the work was published and rights transferred before January 1, 1978 (section 304(c)) or whether the transfer of rights occurred on or after January 1, 1978 (section 203(b)). n298 It is difficult to overstate the intricacies of these provisions, the result of which is that they are barely used, no doubt the result desired by lobbyists for assignees. n299 One provision is quite clear, however: termination only affects U.S. rights. Sections 203(b)(5) and 304(c)(6)(E) both state, in relevant part, that termination "affects only those rights covered by the grants that arise under this title [17 U.S.C.], and in no way affects rights under ... foreign laws." n300 Accordingly, where a U.S. author conveys worldwide rights and terminates under either section, grants in all other countries remain valid according to their terms or provisions in other countries' laws. n301

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V. Infringement and the Law of the Horse

The applicable law for infringing conduct that takes place in the United States is quite simply the substantive, domestic U.S. copyright law. This was recognized by the court of appeals in *Itar-Tass*, n302 and is supported by Article 5(3) of the Berne Convention, n303 and the Berne Convention implementing legislation. n304

Considerable ink has, however, been spilled lately over infringement via the Internet and the possibility of a U.S. federal court deciding claims of infringement that occur overseas. Two scenarios are typically cited. In the first, a U.S. court is asked to find infringement and award remedial relief for acts that occur outside the United States, either by placing

an unauthorized copy on a server in a foreign country or on a website in another foreign country from which the copy is downloaded in the United States. In the second, the unauthorized copy is placed on a server or website in the United States from which it is downloaded overseas. Those arguing for exercise of jurisdiction in these scenarios do so in order to provide a single forum (even if foreign law is applied to some elements of the claim) for adjudicating all of the evil defendant's activities – what may be called the "no safe haven for pirates" approach. n305 Professor Ginsburg has offered the following theory in support of this approach:

The principle of territoriality becomes problematic if it means that posting a work on the GII [Global Information Infrastructure] calls into play the laws of every country in which the work may be received, when, as we shall see, these laws may differ substantively. Should the rights in a work be determined by a multiplicity of inconsistent legal regimes when the work is simultaneously communicated to scores of countries? Simply taking into account one country's law, the complexity of placing works in a digital network is already daunting: should the task be further burdened by an obligation [*449] to assess the impact of the laws of every country where the work might be received? Put more bluntly, for works on the GII, there will be no physical territoriality; no way to stop works at the border, because there will be no borders. Without physical territoriality, can legal territoriality persist? n306

In order to address this problem, Professor Ginsburg proposes applying the law of the forum country so long as a facilitating act of infringement originates from that country, the defendant is a citizen thereof, resides there, or maintains an "effective business establishment" there. n307 The forum court could, under any of these conditions, award remedies for infringements that occur in other countries. n308 This may well be an effective multilateral solution if agreed to in a convention, n309 but at present it stretches the bounds of the U.S. [*450] Copyright Act considerably, to say nothing of violating the sovereignty of other nations. n310 Oddly, at least commentator seems to view

this as a plus. n311

[*451] Examination of a few basic principles will reveal the conceptual fallacies of expansive approaches to forum adjudication of overseas acts of infringement, beginning with the basic principle that conduct that occurs overseas does not violate our copyright act. If I make an infringing book here, I am liable for infringement here. If I sell that same book in the United States to a French citizen and that person takes the copy to France and makes multiple copies there, the copyright owner's recourse is in France for the French copying, not here. Similarly, if an infringing book is made in France, sold in France to a person who brings the copy to the United States, and who then makes infringing copies here, recourse against the French activity is still in France. The Internet certainly makes the process of copying vastly easier and therefore more problematic, but the governing principle should be no different. Judge Easterbrook made this same point in a provocative speech entitled *Cyberspace and the Law of the Horse* n312:

The best way to learn the law applicable to specialized endeavors is to study general principles. Lots of cases deal with sales of horses; others deal with people kicked by horses; still more deal with licensing and racing of horses ... Any effort to collect these strands into a course on "The Law of the Horse" is doomed to be shallow and to miss unifying principles... Only by putting the law of the horse into the [*452] context of broader rules about commercial endeavors could one really understand the law about horses. n313

Judge Easterbrook was particularly critical of the beliefs lawyers hold about computers, arguing that putting together "two fields about which you know little" will result in the "cross-sterilization of ideas." n314 Most behavior in cyberspace, Judge Easterbrook believes, "is easy to classify under current property principles." n315 If we also recall Professor Kramer's advice to delineate first the elements of the cause of action before leaping to a choice of law analysis, n316 we will realize we already have the tools to address the cyberspace and extraterritorial problems that have so confused courts and commentators.

A. The non extraterritoriality of the Copyright Act

The U.S. copyright act grants economic rights in section 106, which begins: "Subject to sections 107–121, the owner of copyright under this title has the exclusive right to do and to authorize any of the following...." n317 Section 106 is linked to section 501(a), which describes anyone who violates any of the exclusive rights granted in the section as an "infringer of the copyright." n318 Since these rights are granted only under title 17, and are not expressly extraterritorial, the presumption against extraterritoriality set forth by the Supreme Court in *Equal Employment Opportunity Commission v. Arabian American Oil Company* applies. n319 In order to avoid clashes with other laws of other countries, thereby leading to international discord, n320 the Court in *Aramco* held that it will presume a statute is not extraterritorial unless there is an "affirmative intention of Congress clearly expressed." n321 There is, therefore, a presumption against extraterritoriality, [*453] resulting in the statute being construed as being "primarily concerned with domestic conditions." n322

As the Court noted, the question of extraterritoriality is ultimately one of statutory construction. n323 The Copyright Act fares quite poorly under the *Aramco* standards as having extraterritorial effect. There is, in fact, no intent whatever to reach foreign acts of infringement; none of the rights granted are, by their terms, extraterritorial in effect. To the contrary, an important provision concerning importation assumes that the Copyright Act is not extraterritorial. n324 In the past, when Congress wished the act to apply extraterritorially, it had no trouble expressing that intent. n325 Under *Aramco*, the copyright act should be construed as only reaching infringing acts that occur in the United States.

It is thus quite surprising that the case law interpreting the extraterritoriality of the Copyright Act is disarray. The source of that disarray does not lie in differences of statutory interpretation, but rather from a failure to grasp another fundamental point of copyright: there can be no contributory infringement unless there is also direct infringement.

B. The relationship of direct infringement to contributory infringement

Section 106 of the copyright act, as quoted above, n326 grants the copyright owner the right "to do and to authorize" the exercise of any of the six exclusive rights. The verb "to do" refers to direct infringement. (I personally make an illegal copy of a rented videocassette). The verb "to authorize" refers to contributory acts. The legislative history of the 1976 Copyright Act describes a contributory infringer as a person "who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing conduct of another." n327 [*454] As the italicized word "infringing" underscores, in order to be a contributory infringer, there must be a direct infringer: you can't commit contributory infringement by inducing, causing, or materially contributing to conduct that is itself not infringing. n328

This principle was at the heart of the Supreme Court's "*Betamax*" case, *Sony Corporation of America, Inc. v. Universal City Studios, Inc.*, n329 in which copyright owners sought to ban the sale of video cassette recorders (VCR) as contributorily infringing their works. This claim would not have been viable if the actions of consumers in making the actual copies by time-shifting was not direct infringement. Accordingly, in order to get Sony and other VCR manufacturers off the hook, the Court had to excuse consumers' conduct as non-infringing, even though unauthorized. The affirmative defense of fair use was enlisted to perform this role. n330 The Court's fair use analysis and incorporation of the patent law staple article of commerce doctrine n331 were both predicated on the necessity of finding non-infringing uses by consumers sufficient to relieve the manufacturer of contributory infringement responsibility. Contributory infringement was thus seen as predicated on the existence of direct infringement.

The example of a contributory infringer given in the legislative reports is a person who, although lawfully possessing a legitimate copy of a motion picture, rents it without permission to a theater owner for an unlicensed performance. n332 The person renting the film is contributorily liable for the infringing performance because he provided the means by which the infringement occurred even though he did not himself engage in any direct act of infringement.

Applying these principles to Internet infringement, it should be clear that without direct infringement in the United States, there can never be contributory infringement, notwithstanding all of the overreaching decisions to the contrary. n333 The reason is simple: because [*455] overseas conduct does not violate title 17, there cannot, therefore, be contributory infringement in the United States solely with respect to acts that make that conduct possible. n334

C. Extraterritoriality or How U.S. Courts Ignore the Statute

The existence of a "predicate" act in the United States, whether authorizing unauthorized overseas conduct or providing the means by which such conduct is carried out, is insufficient to impose liability for overseas acts. Some courts, such

as the Second Circuit, at least limit exercise of extraterritorial jurisdiction to instances where defendant has engaged in a direct infringement in the United States by activity such as manufacturing the infringing copy from which the foreign copies were made. n335 Acts short of that, such as making the infringing copy overseas or engaging in acts that are not direct infringement here but which make direct infringement possible overseas, are inadequate. n336

[*456] The egregiousness of courts' and commentators' errors is only compounded when we realize that this misapplication of contributory infringement is merely a ruse to reach what all agree, however reluctantly, is not infringing, namely the overseas conduct. n337 The imposition of damages based on overseas conduct is totally outside U.S. court's power in an action brought under title 17. n338 The ultra vires nature of this is not mitigated by the euphemism of describing such an award as the creation of a "constructive trust." This trust theory stems from one of Judge Learned Hand's opinion in *Sheldon v. MGM Pictures Corp.*, which involved the making of an infringing motion picture negative in the United States from which unauthorized foreign theatrical performances occurred: n339

The negatives were "records" from which the work could be "reproduced," and it was a tort to make them in this country. The plaintiffs acquired an equitable interest in them as soon as they were made, which attached to any profits from their exploitation, whether in the form of money remitted to the United States, or of increase in value of shares of foreign companies held by the defendants. We need not decide whether the law of those countries where the negatives were [*457] exploited recognized the plaintiff's equitable interest; we can assume arguendo that it did not, for, as soon as any of the profits so realized took the form of property whose situs was in the United States, our law seized upon them and impressed them with a constructive trust. n340

This is utter nonsense, albeit from one of our greatest jurists. Judge Hand assumes that a foreign country would not recognize plaintiff's claim to damages, but that's OK because the property is in the United States. The "property," of course, is a claim to damages arising from conduct occurring overseas, governed by a foreign law. It is hardly surprising that the imperialistic impulses which so feverishly gripped Judge Hand in the midst of World War II should captivate judges caught up in our current World War Against Pirates. Like it or not, though, federal judges are not the equivalent of a Copyright Interpol; they operate under the confines of a statute, and like it or not that statute is maddeningly territorial. Congress is not always parochial in the intellectual property field, though. The Lanham Trademark Act expressly provides for extraterritorial application, and under this language the courts have granted extraterritorial injunctions. n341 Until Congress amends the Copyright Act in a manner similar to the Lanham Act, courts should apply the former as written.

D. Law of the Horse and Cyberinfringement

Judge Easterbrook's Law of the Horse approach should also answer at least some questions about choice of law for cyberinfringement. Placing an unauthorized copy of a work on a website outside the United States cannot give rise to liability in the United States even if an infringing copy is made in the United States by downloading from that foreign website. n342 There is thus no choice of law problem because there is no cause of action. Conversely, placing an infringing copy on a website in the United States obviously subjects one to liability here, but cannot give rise to jurisdiction over infringements that occur extraterritorially by virtue of downloading from the United States.

There may come a time when a multilateral agreement is entered into permitting one country to exercise jurisdiction over all acts that emanate therefrom, but that time is not here yet. Caution is particularly important given the current international disagreements over fundamental questions such as whether computer storage of [*458] works as a necessary adjunct to electronic receipt constitutes the making of a prohibited "copy." The United States unsuccessfully sought to establish this principle in 1996 diplomatic negotiations that led to the WIPO Copyright Treaty. n343 The European Union in its May 21, 1999 proposal to implement that treaty exempts such activity, n344 demonstrating that the United States is unlikely to prevail in future debates. The extraterritorial exercise of jurisdiction over activities for which there is no international consensus, or, as with temporary storage, there is a sharp disagreement, is a singularly bad idea. When the United States adhered to the Berne Convention, the House Judiciary Committee noted that adherence would require "careful due regard for the values" of other countries. n345 Applying our law in the face of known differences in national laws is the antithesis of such regard. n346

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E. The Special Case of Transmissions

In the case of satellite transmissions, fixing the situs of the tort has proved problematic: is it the uplink country (the country from which the transmission is sent), is it the downlink country (the country in which the transmission is received) or both? The European Union attempted to settle the issue by pointing to the law of the uplink country in its definition of "communication to the public by satellite." n347 Pre-directive court decisions were more expansive. n348 Those who favor an expansive approach to extraterritoriality for internet infringements rely on this directive for support. n349 The European Commission has rejected both the analogy and application of a single country of origin principle for digital transmissions, noting that unlike with satellites, "the technical nature of digital transmission is such that it is quite difficult to establish one single place where the transmission originates." n350 One highly significant difference between the EU directive and such proposals is that the directive was drafted, negotiated, agreed to, by, and is binding upon the member states of the EU, rather than being created by the judiciary of one nation in an extraterritorial attempt to reach conduct occurring in other countries.

In the United States, the question is unsettled. Courts in the Ninth Circuit have analyzed the question in the context of extraterritorial application of the U.S. Copyright Act; since that court apparently regards the public performance as occurring solely in the receiving country jurisdiction has been declined where overseas reception is at issue. n351 Recently, the Second Circuit in Manhattan took a very different approach, holding, in a complaint over transmissions [*460] to satellite recipients in Canada, that a domestic violation of the U.S. Copyright Act occurs solely from the intermediate uplink of the work from a U.S. television station to satellites. n352 By characterizing the uplink as a purely domestic act, this novel approach avoids extraterritorial application of the law, while still permitting the court to enjoin overseas downlinking. Depending upon how broadly the Second Circuit's opinion is construed by future courts, it may provide a powerful weapon in efforts by copyright owners to reach worldwide distribution by other means, including the Internet, since all that may be required to vest a U.S. court with jurisdiction over foreign reception is a transmission within the United States, n353 and arguably reception by some segment of the public in the United States, a requirement that should be easy to meet (e.g., access to the work via a website).

1) The Facts in *NFL v. PrimeTime 24*

The National Football League is the copyright owner in original telecasts of its football games. These telecasts qualify as "audiovisual works" under *17 U.S.C. 102(a)(6)*. PrimeTime 24 Joint Ventures is a satellite carrier that makes encrypted retransmissions of copyrighted television programming to owners of satellite dishes. Within the United States, PrimeTime 24 operates under the *17 U.S.C. 119* compulsory license, which permits it to retransmit those signals, under certain conditions, upon payment of a fee set by Congress and adjusted by arbitrators. The NFL did not allege PrimeTime 24 was operating unlawfully within the United States; rather, the complaint solely concerned the unauthorized retransmission of telecasts to PrimeTime 24 subscribers in Canada. PrimeTime 24 alleged that its retransmissions in Canada were lawful under Canadian law, an allegation that appears not to have been challenged.

[*461] PrimeTime 24's general n354 practice was to pick up, in the United States, over-the-air broadcasts of NFL telecasts, and uplink those telecasts to satellites on which PrimeTime 24 leased transponders. These satellites are considered to be within the territory of the United States. n355 PrimeTime 24 would then downlink a package of its programming, including the NFL games, to those of its subscribers within the satellites' footprints. n356 The size of the footprints were large enough to reach subscribers in the United States as well as a small number of households in Canada. PrimeTime 24 actively solicited Canadian subscribers and admitted that it possessed the technological ability to limit reception to U.S. subscribers. It is of great significance that both the U.S. and Canadian subscribers received the same network signals, originating from the same sources, using the same equipment, at the same time. n357

2) The Trial Court

In the trial court, PrimeTime 24 initially moved to have the complaint dismissed under *Federal Rule of Civil Procedure 12(b)(6)* - the NFL, PrimeTime 14 asserted, failed to state a claim upon which relief could be granted since "all the actions complained of take place outside the United States. It is axiomatic that the copyright laws of the United States do not apply extraterritorially." n358 PrimeTime 24's position was that it had not publicly performed the works in the United States. The relevant public, rather, was in Canada; being in Canada, the U.S. Copyright Act had no application to public performances occurring in that country. United States District Judge Lawrence McKenna noted that the Ninth Circuit Court of Appeals agreed with PrimeTime 24's position, but also noted that other courts had taken a different view

of the chain of transmission. n359 Following [*462] these other decisions, Judge McKenna held that "PrimeTime's transmission of the signals captured in the United States is 'a step in the process by which a protected work wends its way to its audience,' although not the only, or the final step, and an infringement, even though it takes one or more further steps for the work to reach the public." n360

The legal grounding for this holding is ambiguous. n361 Was Judge McKenna construing the language of the Copyright Act to hold that intermediate transmissions were an independent, infringing public performance, or, was he instead following a different line of Second Circuit case law involving contributory infringement which focuses on "predicate acts" occurring in the United States. n362 The difficulty with the intermediate transmission approach was that in the prior cases relied on by Judge McKenna, the ultimate reception by the public was to a public wholly within the United States. Moreover, PrimeTime 24's actions in the United States were lawful pursuant to its *17 U.S.C. 119* compulsory license. Perhaps because of these difficulties, Judge McKenna apparently resorted to the contributory infringement predicate act approach, which acknowledges the general non-extraterritoriality of the U.S. Copyright Act, but which carves out a limited exception where the defendant engages in infringing conduct [*463] within the United States that provide the means by which foreign infringement occurs. In such a limited circumstance, U.S. courts have asserted jurisdiction over both the U.S. and foreign infringing acts.

In the NFL-PrimeTime 24 dispute, the predicate act would be picking up the NFL's signal in the United States; but for this uplink, the alleged infringing downlink to the Canadian subscribers could not occur. However, as stated above, PrimeTime 24's uplink was lawful, at least with respect to the downlink to the U.S. subscribers. Under Canadian law, PrimeTime 24's transmissions to its Canadian subscribers were lawful. Nor could the NFL rely on the mere act of authorizing in the United States reception overseas since Judge McKenna, following the Ninth Circuit, further rejected an interpretation of *17 U.S.C. 106* as providing such a separate right. n363 This left a rather interesting theoretical lacuna: where, exactly was the infringing act? Asserting predicate act contributory infringement jurisdiction based on the Canadian reception was tautological since it assumed that such reception was infringing, but such infringement seemingly could only occur as a result of extraterritorial application of U.S. law. The reception in Canada was, therefore, infringing only if it was determined that it violated the U.S. law; but that result would follow only if it was determined that the U.S. Act applied to such reception.

3) The Court of Appeals

On appeal, this writer submitted an amicus brief on behalf of the television networks ABC, CBS, NBC, and Fox, urging affirmance, but on a different theory from that offered by the trial court or by the NFL, namely that the uplink was itself an independent, infringing public performance, a public performance that occurred wholly within the United States. There was, accordingly, no need to worry about extraterritorial application of U.S. law.

PrimeTime 24 admitted that its interception of and uplink of the NFL's works was a performance within the meaning of the Copyright Act; it argued, though, that its performance was not a "public" performance because some of the public who received the NFL's works were in Canada. PrimeTime 24 conceded, however, that its downlink reached the public in the United States. Indeed, critically, PrimeTime 24 stated that the "signals received by PrimeTime 24's Canadian subscribers are the same network signals, delivered at the same time and using the same equipment, as the network signals received by PrimeTime 24's American subscribers." There was, in other words, a single, unitary act of transmission which reached both U.S. and Canadian subscribers.

[*464] PrimeTime 24's concession that a single, unitary act of transmission was involved resulted in it taking the anomalous position that a single transmission, delivered to a wide group that is capable of "receiving it ... in separate places and at the same time or at different times," *17 U.S.C. 101* (definition of "to perform a work 'publicly'"), is simultaneously public and non-public: it is "public" in the United States, but "non-public" in Canada. There is nothing in the statute to justify such a construction. All that is required for a work to be publicly performed is that the transmission be sent to individuals who are capable of "receiving it ... in separate places and at the same time or at different times." This was most assuredly the case here, as PrimeTime 24 conceded its signal - the identical one received by Canadian subscribers - is received by U.S. subscribers, in fact at the same time it was received by the Canadian subscribers. PrimeTime 24's wholly domestic interception and uplink of the NFL's works thus neatly fit within the statutory definition of the public performance right.

PrimeTime 24 sought to avoid its liability by making two, interlocking arguments, both of which sought to shift the debate toward its Canadian customers' acts of receiving its signals, an understandable tactic given that the NFL was

complaining only about the Canadian reception.

4) Argument One: The Curious Case of the Vanishing Public

First, while PrimeTime 24 conceded that its conduct in transmitting a signal embodying the NFL's work was to the public when received by customers in the United States, it argued that because that U.S. downlink activity was potentially subject to the 119 compulsory license, its entire transmission was noninfringing. Even though "the same network signals, delivered at the same time and using the same equipment," were used to deliver the NFL's work to its Canadian subscribers, the admitted U.S. public performance apparently ceased to exist because a different group of individuals in Canada simultaneously received the identical signal transmitted by PrimeTime 24. This author countered that either PrimeTime 24's unitary transmission was a public performance or it wasn't. Here it was, regardless of whether part of that performance is infringing and part wasn't. n364

[*465]

5) Argument Two: It's The Receiving Not the Transmitting That Matters

PrimeTime 24's second argument, based on the Ninth Circuit's Allarcom opinion, n365 was that the infringing public performance was not "completed" until it is received in Canada. Since it was completed in a foreign country, the U.S. Copyright Act did not apply. This author countered that a direct act of infringement occurs when the signal is intercepted and uplinked to the satellite, not only when it is further downlinked to customers. The uplink is an independent public performance which does not require reception by the real consuming "public." Such reception is relevant only for the theoretically different purpose of ensuring (if in fact it is necessary) that ultimately there are human beings who see and hear the performance.

The conclusion that intermediate transmissions do not require viewing by human beings in order to be regarded as "public" performances flows from the definition of public performance and the architecture of the 1976 U.S. Copyright Act. Under that act copyright owners are granted broad rights, limited only by specific exemptions. One exemption in particular, the 111(a)(3) "passive carrier" exemption, demonstrates Congress's intention to regard intermediate transmissions as discrete acts of direct infringement of the public performance right. In deciding to reverse the Supreme Court's restrictive approach to the public performance right under the 1909 Act, n366 Congress was faced with arguments by special interest groups that they should be exempt from liability under the expansive provisions of the 1976 Act's public performance right. In one case Congress agreed, that of intermediate common carriers and satellite services which pick up a telecast over the air and then transmit that work to another cable or satellite services, which in turn actually deliver the telecast to the consumer. This exemption, in section 111(a)(3), states in relevant part:

The secondary transmission of a primary transmission embodying a performance or display of a work is not an infringement of copyright if - (3) the secondary transmitter is made by any carrier who has no direct or indirect control over the content or selection of the primary transmission or over the particular recipients of the secondary transmission, [*466] and whose activities with respect to the secondary transmission consist solely of providing wires, cables or other communication channels for the use of others.

This exemption would be unnecessary if the public performance right was violated only when the transmission is received by consumers via the final link in the transmission chain: intermediate retransmitters such as resale carriers never deliver the work to consumers; instead they pick the telecast up and deliver it to another service or to a satellite from which the telecast is delivered to consumers. Intermediate retransmitters who sought the section 111(a)(3) exemption did so because they - and Congress - were aware that a public performance occurs any time the telecast is picked up in the chain of transmission and further transmitted; it matters not whether that transmission is to another cable or satellite service or to consumers. Indeed, Congress, earlier on in the revision process that led to the 1976 Act, rejected an argument by the Copyright Office that such an exemption was unnecessary on the ground that intermediate transmissions were not to the public, and included the 111(a)(3) exemption in its 1966 bill, where it remained virtually unchanged for the ten years passed as part of the 1976 Copyright Act. n367

In the absence of entitlement to the exemption in 111(a)(3) or some other defense, an unauthorized intermediate retransmission is an act of direct copyright infringement. n368 Thus, PrimeTime 24's argument that there is no infringement unless it transmitted the NFL's signal to consumers and those consumers are located in the United States ignores the structure of the Copyright Act as detailed above: intermediate carriers sought, and Congress granted them, an exemption in 111(a)(3) precisely because without such an exemption intermediate carriers are direct infringers. Since it is not a requirement that an intermediate carrier – engaging in precisely the same activity as PrimeTime 24 here – retransmit the signal to the public at all, it hardly matters where the public is located. All that matters is that the direct infringement, the intermediate transmission, occur in the United States, as it surely did in the case of PrimeTime 24.

The Second Circuit, in a brief opinion by Judge Van Graafeiland, agreed with this analysis. n369 According to the contrary Ninth Circuit case law "little weight largely because it contains no analysis of the [*467] Copyright Act," n370 Judge Van Graafeiland wrote that "a public performance or display includes 'each step in the process by which a protected work wends its way to its audience,'" n371 adding, "under that analysis, it is clear that PrimeTime's uplink transmission of signals captured in the United States is a step in the process by which NFL's protected work wends its way to a public audience."

The potential breadth scope of this holding should be of interest. As a matter of abstract statutory construction, and at the broadest level of interpretation, so long as there is a human who ultimately has access to the work, an intermediate transmission in the U.S. that involves unauthorized reception (and regardless of where that reception occurs) could be argued to a domestic violation of the U.S. copyright act. At the narrowest interpretation, jurisdiction lies only where there is reception in the United States and the reception in a foreign country involves the same signals, delivered at the same time and using the same equipment as those involved in the U.S. domestic reception. A middle course would require that there be reception in the U.S. and overseas, perhaps simultaneous, perhaps not. While only future cases and facts can answer how broadly or narrowly the NFL – PrimeTime 24 opinion will be construed, by basing its rationale on an interpretation of the language of the statute, the opinion is on firmer ground than the policy approach favored by the Ninth Circuit, and is also more sensitive to the means by which copyrighted works are now being distributed.

F. Copyright is Not a Transitory Tort

In cases where under both a conflicts and contributory infringement analysis, the United States lacks sufficient contacts with either the subject matter or the acts of infringement to assert jurisdiction, some courts have, nevertheless, been unable to resist the temptation to act as a world forum for copyright infringement. The first court led astray was *London Film Prod., Ltd. v. Intercontinental Communications, Inc.*, n372 which asserted diversity jurisdiction under 28 U.S.C. 1332(a)(2) over foreign acts of copyright infringement. In *London*, Judge Carter adjudicated alleged infringement by an American corporation in South America of a British corporation's copyright. The work was in the public domain in the United States. Judge Carter, citing only the late Professor Nimmer, based jurisdiction on copyright being a "transitory tort." n373 Unfortunately, Professor Nimmer had [*468] not the slightest idea what a "transitory tort" is, an ignorance that no doubt misled Judge Carter to the offer the following inconsistent policy justifications for asserting jurisdiction:

The Court has an obvious interest in securing compliance with this nation's laws by citizens of foreign nations who have dealings within this jurisdiction. A concern with the conduct of American citizens in foreign countries is merely the reciprocal of that interest. An unwillingness by this Court to hear a complaint against its own citizens with regard to a violation of foreign law will engender, it would seem, a similar unwillingness on the part of a foreign jurisdiction when the question arises concerning a violation of our laws by one of its citizens who has since left our jurisdiction. n374

Taking these sentences apart seriatim, the Court's interest in adjudicating copyright infringements by foreign citizens that occur in the court's district is statutorily provided for by Congress in title 17, U.S.C. Nothing a foreign court could or could not do would affect that power. Moreover, if an American infringes a British work in Britain, the British courts will hear the claim because they too would be doing so pursuant to a domestic statute. British courts certainly would not decline otherwise proper jurisdiction because a U.S. court refused to hear a case against an American citizen for infringement that occurred in England. In *London Film Productions*, there was no U.S. copyright violation because the work was in the public domain here. Should we expect a British court to hear a case brought by a U.S. citizen involving an alleged infringement of copyright in South America by a British citizen when the work is in the public domain in England, merely because the bad boy was British? If so, we would have been sorely disappointed: at the time of the *London Film Productions* decision, English courts declined jurisdiction over even British citizens' claims of overseas infringement.

Diversity jurisdiction was supposedly justified by copyright infringement being a "transitory tort." Why is copyright

allegedly a transitory tort? Because, Professor Nimmer declared, copyright is an incorporeal form of property, and therefore "has no situs apart from the domicile of its proprietor." n375 Presumably, if the proprietor moves, the situs of the property moves too. But if the proprietor doesn't move, the situs must remain with the proprietor, in the London Film Productions suit this meant in England. Under this reasoning a U.S. court would never have jurisdiction to hear a claim of infringement of a foreign copyright. In any event, the nature of copyright as an incorporeal property has nothing to do with transitory causes of action.

[*469] The history behind the local versus transitory distinction is an ancient one in Great Britain, the origins of which are thoroughly traced in *Pearce v. Ove Arup Partnership Ltd.* n376 The distinction was originally drawn in order to determine whether a case should be brought in the county where the event occurred. Jurisdiction was mandatory in that county when the jury needed to have knowledge of particular facts; where no such knowledge was necessary, plaintiff was permitted to bring suit in any county over which jurisdiction against the defendant would lie. n377 Although fictions were later developed permitting suits to be brought even where local knowledge was required, this was not extended to causes of action that arose outside of England. Until England's adherence to the Brussels Convention on Jurisdiction and Enforcement in Civil and Commercial Matters in 1982 and subsequent English acts that implemented that convention, English courts routinely refused to hear cases of infringement that occurred overseas, based on the position that copyright infringement was a local and not a transitory tort. n378 It is noteworthy that the change came for reasons associated with adherence to the Brussels Convention, not because of a change in the characterization of the cause of action. Professor Nimmer was simply wrong in asserting that copyright is a transitory tort.

Regrettably, a number of subsequent courts have been also misled by Professor Nimmer's singular lack of scholarship, citing *London Films* for the transitory tort proposition as if that decision was based on a firm foundation. n379 It is well-past time to reveal that the transitory tort emperor has no clothes. Either a federal court has jurisdiction under title U.S.C., or it has no jurisdiction at all over a claim of copyright infringement.

Conclusion

Copyright choice of law is a work in progress. Following the yellow brick road suggested by the elements of an infringement cause of action, this Article has examined the sources for a choice of law doctrine for each element. Thus, with regard to originality, the U.S. Constitution is the source for a choice of law, and the choice is clearly U.S. law. Assignments of copyright pose a more complicated situation: where the law of the foreign country of origin has placed restrictions [*470] on the author's ability to convey rights, those restrictions should be respected as an attribute of ownership; where the assignment does not impinge on those restrictions and the place of performance is the United States, U.S. law should govern. With regard to subject matter (e.g., whether copyright has been extended to a particular class of work such as works of applied art) and duration, title 17 and treaty analysis provide the rule – U.S. law applies. With regard to ownership, however, courts are appropriately developing a federal common law based on customary international law. Finally, with regard to infringement, including over the Internet, I have argued that U.S. law should apply as a matter of statutory construction, traditional principles of copyright, and concerns about comity. Aggrieved authors of overseas conduct must travel to those jurisdictions until Congress decides otherwise, hopefully as part of an international consensus.

FOOTNOTES:

n1. For the sake of convenience, I use the term "American" in the common, though inaccurate sense, as a synonym for the United States, well aware that there are other "Americas" on our continent.

n2. The Berne Convention is the world's oldest and most prestigious multilateral copyright convention. Founded in 1888 by luminaries such as Victor Hugo, it has been at the forefront of international copyright relations ever since. The United States adhered to the convention by the Act of October 31, 1988, Pub. L. No. 100-568, 100th Cong., 2d Sess., 102 Stat. 2853 (effective March 1, 1989); William Patry, 2 *Copyright Law & Practice* 1287-91 (1994). Effective September 16, 1955, the United States had adhered to the Universal Copyright Convention (UCC), 15 *UST* 2228, TIAS 5710. The UCC provides a lower level of protection than Berne because it was designed to take into account the idiosyncracies of U.S. copyright law. See *supra*, 2 *Copyright Law & Practice* at 1257-63. With U.S. adherence to Berne, the importance of the UCC is marginal, and even during the period 1955-1989, the UCC

was marginal outside of serving as a point of attachment between the United States and other countries. *Id.* at 1258. Prior to adhering to the UCC, the United States had adhered to two hemispheric copyright treaties, the Mexico City Copyright Convention of 1902, and the Buenos Aires Convention of 1910, *id.* at 1249, 1252–53. See Rinaldo, "The Scope of Copyright Protection in the United States under Existing Inter-American Relations: Abrogation of the Need for U.S. Protection under the Buenos Aires Convention by Reliance Upon the Universal Copyright Convention," 22 *Bull. Copr. Soc'y* 417 (1975); Arpad Bogisch, Protection Of Foreign Works, Copyright Office Study No. 32, 86th Cong., 2d Sess. (House Comm. Print 1961). See also Edward Ploman & L. Clark Hamilton, *Intellectual Property In The Information Age* 54 (1980) (listing the six Inter-American conventions).

n3. As noted *infra* n. 6, federal copyright is entirely a creature of statute. Until January 1, 1978, however, there was state common law protection for unpublished works; such protection was available without regard to nationality. As of January 1, 1978, all unpublished works are protected under the federal statute, including those previously protected under common law. See *17 U.S.C. 301* (1978).

Prior to joining the international copyright conventions, there was no bar to a U.S. court engaging in a choice of law analysis and applying foreign law. The increased commerce in intellectual property facilitated by adherence to the multilateral copyright treaties has increased contacts with foreign authors and countries, leading to a new willingness by U.S. courts to apply foreign law.

n4. One example in the area of copyright would be infringement in the United States by a foreign defendant of a work whose country of origin is the United States.

n5. Kramer, "Rethinking Choice of Law," 90 *Colum. L. Rev.* 277, 283 (1990). This approach is avowedly multilateral, looking as it does at more than the law of the forum to determine if it and other laws may apply. By contrast, a unilateral approach would determine whether the U.S. Copyright Act may be construed to apply to the issue at hand, examining, in other words, the spatial character or reach of the statute. Under a unilateral approach, if the statute covers the issue in question, there is no need to look further. As Professor Kramer has noted, with both the multilateral and unilateral approaches, interpretation is involved.

n6. *Wheaton v. Peters*, 33 *U.S.* (8 *Pet.*) 591 (1834).

n7. See *infra* text accompanying n.18–35.

n8. I have included under the heading "ownership" issues relating to duration, renewal, and termination of transfers since these issues most often arise from the author's ability to assign rights for the full period of protection. See *infra* text accompanying nn. 281–301.

n9. Courts and commentators give an almost limitless variety of formulations of the *prima facie* test, some more confused or abbreviated than others. See William Patry, 1 *Copyright Law & Practice* 556–716 (1994).

n10. *17 U.S.C. 101 et seq.* (1978, as amended).

n11. See *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834).

n12. 17 U.S.C. 301 (1978).

n13. See William Patry, 3 Copyright Law & Practice 1686 (1994).

n14. U.S. Const. Art. I, sec. 8, cl. 8. Whether Congress may grant copyright-like protection under other powers, such as the Commerce Clause, is a controversial issue. See Patry, "The Enumerated Powers Doctrine and Intellectual Property: An Imminent Collision," 67 *Geo. Wash. L. Rev.* 359 (1999).

n15. See *Feist Publications, Inc. v. Rural Telephone Serv.*, 499 U.S. 340, 345 (1990) (Feist). See also *The Trademark Cases*, 100 U.S. 83, 94 (1879); *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884).

n16. This limitation has been incorporated into the Copyright Act, see 17 U.S.C. 102(a) (1978) ("Copyright protection subsist, in accordance with this title, in original works of authorship ...").

n17. *Feist*, *supra* n.15, 499 U.S. at 349.

n18. *Id.* at 350.

n19. See Patry, *supra* n. 9, at 504.

n20. Whether a state court would have jurisdiction over a claim of foreign copyright infringement involving a U.S. citizen or whether such a claim would be preempted pursuant to 17 U.S.C. 301 (1978) or the Supremacy Clause is a difficult question meriting a separate article. There is no problem when the parties are all foreign. This article will focus on actions brought under the federal copyright act, and thus will not discuss issues surrounding possible diversity actions involving foreign works.

n21. 25 *F. Supp. 2d* 421 (S.D.N.Y. 1998), 36 *F. Supp. 2d* 191 (S.D.N.Y. 1999).

n22. 25 *F. Supp. 2d* at 425. Plaintiff argued that because the initial acts had occurred, allegedly, in the U.K., British law governed all acts of infringement even those that occurred in the U.S. *Id.* Since *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 *F.3d* 87 (2d Cir. 1998) clearly held that U.S. law applies to acts of infringement that occur in the U.S., U.S. law was correctly applied to those claims. *Id.* at 426, citing *Itar-Tass*, 153 *F.3d* at 91. The court dismissed the Canadian and English infringement claims for lack of jurisdiction. 25 *F. Supp. 2d* at 427, 430-31.

n23. *25 F. Supp. 2d 421 (S.D.N.Y. 1998)*. Judge Kaplan began this opinion with a confused discussion of national treatment; after citing the national treatment provisions of the Universal Copyright Convention and the Berne Convention, he wrote, "a foreign national such as Bridgeman may seek copyright protection under the [U.S.] Copyright Act although the source of its rights lies abroad." *Id. at 425*. If Judge Kaplan meant there is one copyright, created under the law of the country of origin and later enforced pursuant to national treatment in other signatory countries, this would be an acceptable, indeed, I believe generally correct statement of law as applied to ownership. Unfortunately, Judge Kaplan seemed to be of two minds about the nature of national treatment. On one hand he acknowledged that the Second Circuit had held national treatment is not a choice of law rule. *Id.* On the other hand he wrote, "in most circumstances, choice of law issues do not arise" under the copyright conventions because each country applies national treatment. *Id.* But if national treatment is not a choice of law provision, the presence or absence of national treatment can't affect choice of law. Aside from this confusion we are still left with no governing principle concerning the law to apply, i.e., forum or foreign law, where the source of the rights is foreign.

Itar-Tass dealt with the question of ownership, not originality, and under facts where there was no dispute that the works were original. A general conflicts rule on ownership does not have any relevance in determining the question of originality, especially in the United States where the issue of originality is one of constitutional law.

n24. The principle of national treatment is the backbone of international intellectual property conventions and ensures that foreign authors will obtain at least the minimum convention rights in all signatory countries.

n25. *153 F.3d 82 (2d Cir. 1998)*.

n26. *36 F. Supp. 2d 191 (S.D.N.Y. 1999)*. I sent the court a letter urging reconsideration.

n27. *Id.* at 192.

n28. U.S. Const. Art. II, sec. 2.

n29. *36 F. Supp. 2d at 192*.

n30. *490 U.S. 340, 349 (1991)*. If one does not accept this reading of Feist, if one takes the position either that it was dictum or that Congress could enact protection under some circumstances for non-original works under the Commerce Clause, then under *Missouri v. Holland, 252 U.S. 416 (1920)*, discussed *infra* n. 3, a treaty obligating the U.S. to protect non-original works would be permissible.

n31. Even short of such a constitutional right, though, under a conflict of laws analysis, courts will refuse to apply foreign law in a conflicts situation where application of that law is repugnant to public policy. See *Southern Cross Overseas Agencies, Inc. v. Wah Kwong Shipping Group, Ltd., 1999 WL 42631, 12 (3d Cir. June 25, 1999)*; Lea Brilmayer, *Conflict Of Laws* 319 (1995) ("A decision might well be within constitutional limits, and might be a correct one from the point of view of the rendering state's choice of law rules, but still offend the enforcing state"); Friedrich Juenger, *Choice of Law and Multistate Justice* 79-82 (1993) [hereinafter "Juenger"] (tracing origins of

exception to Bartolus); *Restatement (Second) of Conflicts* 103 (1971). It is clearly against the public policy of the United States to grant copyright to works that do not meet the constitutional requirement of originality.

Judge Kaplan also relied on *Missouri v. Holland*, 252 U.S. 416 (1920). *Missouri v. Holland*, however, dealt with a state's challenge to a treaty as violative of the Tenth Amendment. Missouri argued that since an earlier federal statute had been held to violate the Tenth Amendment, the treaty must as well. The Court rejected the argument, holding: "It is obvious there may be matters that an act of Congress could not deal with but that a treaty followed by such an act could" *Id.* at 433. More importantly for our purposes, the Court subsequently noted that nothing in the *Missouri v. Holland* treaty was inconsistent with the Constitution. See *Reid v. Covert*, 354 U.S. 1, 17 (1957). The Reid Court also repeated its holding from *Geofroy v. Rogers*, 133 U.S. 258, 266 (1890) that the Constitution is superior to a treaty, writing that the treaty power does not "extend so far as to authorize what the Constitution forbids." *Id.* Judge Kaplan cited *Geofroy* but not *Reid v. Covert*. See also Healey, Note, "Is *Missouri v. Holland* Still Good Law?," 98 *Colum. L. Rev.* 1726 (1998).

n32. *Id.*

n33. The Second Circuit had so held in *Itar-Tass*, 153 F.3d 82, 88-91, although Judge Kaplan didn't cite the court of appeals' extensive discussion of that issue.

n34. 36 *F. Supp. 2d* at 194-95.

n35. For example, England has a higher originality standard for joint works than does the United States. See *Hadley v. Kemp*, (Chancery Div. April 30, 1999); *Robin Ray v. Classic FM PLC* [1998] *FSR* 622; *Flyde Microsystems Ltd. v. Key Radio Sys. Ltd.*, [1998] *FSR* 449, 457; *Cala Homes (South) v. Alfred McAlpine Homes East Ltd.*, [1995] *FSR* 818. Under British case law, a joint author must contribute "significant creative expression" By contrast, in the U.S., a joint author must contribute expression, though it need not be "significant." See *Weissman v. Freeman*, 868 F.2d 1313 (2d Cir.), cert. denied, 493 U.S. 883 (1989). In a case involving an English and an American co-authors, it is possible that both authors' contributions would meet the U.S., but not the British standard of originality. Obviously, one standard should be applied to a single work, and for a suit brought in the United States that standard should be that of the U.S. See *Brilmayer*, supra n. 31, at 247 ("Territoriality would seem to be an obvious candidate for dealing with the hard cases... In international law, application of American statutes depends on the occurrence of conduct or impact within the United States... When in Rome, one does as the Romans do.").

A number of countries have a higher standard of originality for works of applied art, see, e.g., Adolf Dietz, "Germany" 22 (also noting Germany formerly applied a higher standard for computer programs until 1993) in Paul Geller & Melville Nimmer, 2 *International Copyright Law & Practice* (1998), id., Gunnar Karnell, "Sweden" 15. Photographs historically were put to a more rigorous test of originality, see id. Andre Lucas & Robert Plaisant, "France" 25-26; Alain Strowel, "Belgium" 15-16, and generally Ysolde Gendreau, *La Protection des D'Auteur Francais, Americain, Britannique et Canadien Photographies en Droit* (1994).

n36. In other words, the constitutional requirement has been satisfied. In joining the Berne Convention, the United States obligated itself to protection "literary and artistic works," a category that included architectural works, the actual built structure. See Berne Convention for the Protection of Literary and Artistic Works, art. 2(1) (Paris text 1971). As a result of this requirement, the U.S. amended the Copyright Act to extend such protection. See William Patry, 1 *Copyright Law & Practice* 302-11 (1998). With this amendment, any treaty subject matter conflict was eliminated since the U.S. is obligated to extend protection to all convention works even if the country of origin does not. See Berne, art. 2(6) ("The works mentioned in this article shall enjoy protection in all countries of the

Union"); Berne art. 5(2) ("The enjoyment and exercise of these rights ... shall be independent of the existence of protection in the country of origin of the work").

n37. The eight categories are: literary works; musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and, architectural works. Classification has relevance for the rights granted (not all subject matter enjoys all rights) and availability of compulsory licensing.

n38. H.R. Rep. No. 1476, 94th Cong., 2d Sess. 53 (1976); *Eltra Corp. v. Ringer*, 579 F.2d 294 (4th Cir. 1978). No court has found subject matter protected outside of the statutorily enumerated categories. See *Vermont Castings, Inc. v. Evans Prod. Co.*, 215 U.S.P.Q. (BNA) 758, 762 n.2 (D. Vt. 1980).

n39. H.R. Rep. No. 1476 at 55.

n40. In the case of pictorial, graphic, and sculptural works that serve as the design of useful articles, in addition to the originality requirement that applies to all works, these designs must also possess features that can be "identified separately from, and are capable of existing independently of, the utilitarian aspects of the [useful] article." 17 U.S.C. 101 (1978) (definition of "useful article"). Courts have had a difficult time formulating and applying a test for when the separability requirement is met. See William Patry, *supra* n. 9, at 256-86, and *id.*, 1998 Supp. at 20-24.

n41. See *infra* text accompanying nn. 62-117.

n42. As discussed *infra* text accompanying n. 46-49, this approach does not necessitate adoption of the vested rights theory.

n43. Of course, the forum law may have choice of law provisions.

n44. Depeage is the application of more than one law to a case, e.g., in a copyright case, applying foreign law on ownership and U.S. law on infringement. See *Restatement (Second) Of The Conflict Of Laws* 222 (1971); Richman, "Graphic Forms in Conflict of Laws," 27 *U. Tol. L. Rev.* 631, 647-49 (1996); Reese, "Depeage: A Common Phenomenon in Choice of Law," 73 *Colum. L. Rev.* 58 (1973); Weintraub, "Beyond Depeage: a 'New Rule' Approach to Choice of Law in Consumer Credit Transactions and a Critique of the Territorial Application of the Uniform Consumer Credit Code," 25 *Case. W. Res. L. Rev.* 16 (1974); Wilde, "Depeage in the Choice of Tort Law," 41 *S. Cal. L. Rev.* 329 (1968). Another use of depeage is to apply different laws to different parts of a contract, e.g., under party autonomy one obligation is governed by the law of country A (the country where the contract was made), but another obligation is governed by country B (the country where the contract is to be performed). See Albert Dicey & John Morris: *The Conflict Of Laws* 1205-08 (12th ed. 1993). See also Rome Convention on the Law Applicable to Contractual Obligations, art. 3(1) (1960) ("By their choice the parties can select the law applicable to the whole or part only of the contract"). Conceptually, however, some writers, such as Dicey, viewed this form of depeage as splitting the contract into separate documents, *id.* at 1206.

Professor Juenger takes a negative view of depeceage (and many other things), tying it to the classification approach to choice of law. Juenger, *supra* n. 31, at 76 ("Inevitably, the more refined the classificatory scheme becomes, the more frequently the depeceage problem will arise. ... The best that can be said about ...depeceage is that, like characterization, [it] encourages judicial creativity by making room for result-selective manipulations.") See also *id.* at 138-39, 159, 192, 197. The basis of his objection appears to be a dislike of composite solutions, by which he means a judicial opinion that does not read as if it applies the substantive law of a single jurisdiction. See *id.*: "Splicing together rules of decision from different legal systems is apt to produce composite solutions that bear no resemblance to those found in any positive law." One reply is, "So what?" If a work was created by a Russian author for a Russian magazine and first published in Russia, but infringed in the United States, must Russian law be applied to all issues so that the court's decision is recognizable as a "Russian" decision. Or, conversely, must U.S. law govern all issues so that we can recognize the opinion as a purely "U.S." decision? Juenger's approach, also taken by the First Restatement, ignores the consideration that Russia has a great interest in ensuring that its policy on ownership is followed, while the U.S. has little if any such interest under these facts, while the Congress has declared, in forceful language, that all substantive rights on infringement will be determined by U.S. law, See William Patry, *supra* n. 12, at 1686. It is difficult to discern what would be gained by mechanically applying one country's laws under these facts.

n45. Copyright's intangible nature and lack of creation by a government agency caused Professor Beale's great conceptual difficulties in localizing the right, leading him to the assertion that copyright exists nowhere. Infringement claims had, therefore, to be based solely on in personam jurisdiction. See Joseph Beale, 1 *Treatise On The Conflict Of Laws* 448-49 (1935). But see Restatement (First) Conflict Of Laws 213 (1934): "The original creation of property in an intangible thing which exists only because it has been created by law is governed by the law of the state which created the original intangible thing and interest therein." While this would apply to the United States, where federal copyright exists solely by virtue of statute, it is not true of many other countries, where the origin of the right is natural law. In a conflict case, then, involving ownership of a foreign copyright, this section may be of no assistance.

n46. Juenger, *supra* n. 31, at 90.

n47. *Id.* at 21.

n48. Quoted *id.* at 32.

n49. These include being a national or domiciliary of a country that is a party to a treaty to which the United States is also a party, 17 *U.S.C.* 104(b)(1) (1978), first publication in a country that is party to the Universal Copyright Convention, *id.*, 104(b)(2), or the Berne Convention, *id.*, 104(b)(4) (1989).

n50. Professor Groshiede has written effusively that "the intellectual property law community over the whole range has cherished for many decades and still favours the territoriality" principle. Groshiede, "Experiences in the Field of Intellectual Property, reproduced," in *Internet: Which Court Decides? Which Law Applies?* 39 (Katharina Boele-Woelki & Catherine Kessedjian eds., 1998).

n51. See also Article 16(4) of the Brussels Convention on Jurisdiction and Enforcement of Civil and Commercial

Matters, which excludes from the convention's coverage proceedings concerned with the registration or validity of patents or trademarks, based on the administrative nature of the grant of rights. For a recent look at the international territoriality issues raised by patents and trademarks, See Bradley, "Territorial Intellectual Property Rights in an Age of Globalism," *37 Va. J. Int'L L.* 505 (1997); Chisum, "Normative and Empirical Territoriality in Intellectual Property: Lessons from Patent Law," *37 Va. J. Int'L L.* 603 (1997).

n52. *17 U.S.C. 102(a)* (1978); Berne Convention for the Protection of Literary and Artistic works, art. 5(2) (Paris text 1971) (establishing regime of automatic protection); Wipo Guide To The Berne Convention 33 (1978) ("Here appear the other fundamental principles of the Convention. First and foremost, protection may not be conditional on the observance of any formality whatsoever. The word 'formality' must be understood in the sense of a condition which is necessary for the right to exist....").

n53. The U.S. Copyright Office is unique in the world for examining claims to copyright, but even here its role is limited to granting or rejecting such claims. The ultimate say on copyrightability is up to the courts. H.R. Rep No. 388, 103d Cong., 1st Sess. 11 (1993). Few other countries even have a copyright office. See Patry, *supra* n. 2, at 185-86. The World Intellectual Property Organization's website has information about how other countries administer copyright. See www.wipo.org.

n54. *35 U.S.C. 101-102*, 151.

n55. Many countries permit applications to be filed upon a statement of an intent to use the trademark. At some point, though, actual use must be made in order to prevent stockpiling of marks. *15 U.S.C. 1051*.

n56. Unregistered marks may be protected under common law, or, under the unfair competition provisions of *15 U.S.C. 1125(a)(1)*. For registered marks, there are also requirements of continued use and the filing of periodic renewal statements attesting to that use, *15 U.S.C. 1059* (1988).

n57. But see *infra* n. 73.

n58. See Paris Convention arts. 4bis (patents) and 6(a) (trademarks).

n59. *Itar-Tass Russian News Agency, Inc. v. Russian Kurier, Inc.*, *152 F.3d 82 (2d Cir. 1998)* (also noting differences between copyright and trademark). See also Brussels Convention on the Jurisdiction and Enforcement of Civil and Commercial Matters, art. 16(1) (1968).

n60. *Otokoyama Co., Ltd. v. Wine of Japan Import, Inc.*, *175 F.3d 266, 272 (1999)*; *Vanity Fair Mills, Inc. v. T. Eaton Co.*, *234 F.2d 633, 639 (2d Cir. 1956)*. The Otokoyama court did find, however, that evidence of denial of a foreign trademark on the grounds of genericism may be used to show that the term in question refers to a type or class of product, rather than to the source of a particular product, and to show that fraud was committed on the U.S. Trademark Office. Even if a U.S. registration is based on a foreign registration, once granted, the validity, term, and

transfer of rights will be governed by the U.S. registration. This too offers a contrast with copyright. Contrary to the neat division between copyrights and patents/trademarks drawn in the text, the Second Circuit has held that the lack of copyright in a foreign country of origin does not mean there cannot be a valid U.S. copyright. This decision, *Hasbro Bradley, Inc. v. Sparkle Toys, Inc.*, 780 F.2d 189 (2d Cir. 1985), is criticized infra text accompanying nn. 66–83.

n61. With the notable exception of the United States, there will be no administrative agency actions to review, either.

n62. The concept of national treatment may have had its origins in the influential writings of Italian scholar and statesman Pasquale Stanislao Mancini, who, in 1851, wrote that while law is intended primarily for citizens of the forum "citizens and aliens should be entitled to equal treatment." See Juenger, supra n. 31, at 41.

n63. See, e.g., Eugen Ulmer, *Intellectual Property Rights and the Conflict of Laws* 34 (1976) ("It follows from the principle of territoriality that the creation, scope and termination of copyrights are to be governed by the law of the protecting country"); Groshiede, supra n. 50, at 35, 38.

n64. Berne Convention for the Protection of Literary and Artistic Works, art. 5(1) (Paris text, 1971); Universal Copyright Convention, art. II(1) (Paris text, 1971), Paris Convention for the Protection of Industrial Property, art. 2(1) (1967); Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, art. 2 (1960); GATT TRIPS Agreement, art. 3; WIPO Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works, art. 1(4) (1996); WIPO Treaty for the Protection of the Rights of Performers and Producers of Phonograms, art. 4 (1996). See also WIPO Guide to the Berne Convention 32–38 (1978); Sam Ricketson, *The Berne Convention for the Protection and Literary and Artistic Works 1886–1986*, AT 195–210 (1987); Stephen Stewart, *International Copyright and Neighbouring Rights* 38–48 (1989); J.A.L. Sterling, *World Copyright Law* 115–38 (1999); Nordeman, "The Principle of National Treatment and the Definition of Literary & Artistic Works," [1989] *Copyright* 300; Eugen Ulmer, *Intellectual Property Rights and the Conflict of Laws* 1–3, 28–35 (1978); Vaver, "The National Treatment Requirements of the Berne and Universal Copyright Conventions," 17 *Internationale Revue Property And Copyright Law* 577 (pt. 1), 715 (pt. 2); Steup, "The Role of National Treatment for Foreigners and its Application to New Benefits for Authors," 25 *Bull. Copr. Soc'y* 279 (1978); Crewe, "National Treatment as the Basis for a Universal Copyright Convention," III *Unesco Copyright Bulletin*, No. 1 at 6 (1959). Because the principle operates similarly in all these conventions, I shall quote only the formulation in article 5 of the Berne Convention:

(1) Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention;

(2) The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed;

(3) Protection in the country of origin is governed by domestic law. However, when the author is not a national of the country of origin of the work for which he is protected under this Convention, he shall enjoy in that country the same rights as national authors.

n65. *780 F.2d 189 (2d Cir. 1985)*.

n66. Instead, they were entitled to a more limited form of design protection. See A. Kitagawa, *Doing Business In Japan* 8.02[5](c) (1985). Such a mandatory bifurcated regime was rejected by the Supreme Court in *Mazer v. Stein*, 347 U.S. 201 (1954).

n67. Sparkle's principal argument was that copyright had been forfeited through failure to comply with the then-existing notice requirement. *780 F.2d at 192*. Judge Friendly, in an equally creative construction of the statute, held that forfeiture had not occurred even though Takara had omitted the notice from all its 213,000 copies because Hasbro, its subsequent licensee, owned an "incipient copyright." *Id. at 194*. The copyright was described as "incipient" because 17 U.S.C. 405(a)(2) gave copyright owners up to five years to take steps to cure the omission of notice. Of course, the original copyright owner, Takara, took no steps to cure omission. Judge Friendly's opinion is truly an example of the sins of the father not being visited on the son.

n68. *17 U.S.C. 104(b)(2)* (1978).

n69. See Ginsburg, "Ownership of Electronic Rights and the Private International Law of Copyright," 22 *Colum.-Vla. J.L. & Arts* 165, 168 (1998): "Section 104 of the 1976 Copyright Act prescribes the U.S. law protection for foreign works; it does not directly address the application of U.S. law to foreign authors or rightsholders."

n70. Cf. *Quantitative Financial Software, Ltd. v. Infinity Financial Technology*, 47 U.S.P.Q. 1764, 1765 (S.D.N.Y. 1998) (in dismissing case for lack of subject matter jurisdiction where an Israeli corporation was suing Turkish defendant in New York for an infringement that allegedly occurred overseas, court assumed, without deciding, that plaintiff had a valid Israeli copyright). For another across the board application of U.S. law, see *Biblical Archeology Society v. Quimron*, 1993 WL 39572 (E.D. Pa. Feb. 10, 1993). In *Shanks*, the dispute involved alleged copyright infringement of reconstructions of the Dead Sea Scrolls. In response to a suit filed in Israel by Elisha Quimron alleging infringement in the United States by the Biblical Archeology Society (BAS), an Israeli judge issued a worldwide injunction. BAS, a U.S. corporation, then filed a declaratory judgment in the Eastern District of Pennsylvania, where Quimron was temporarily working, requesting a judgment that it was not infringing any rights of Quimron. The court in Pennsylvania denied Quimron's motion to dismiss on the ground of forum non conveniens (and comity), holding that since BAS' alleged infringement occurred in the U.S., U.S. copyright law applied.

n71. The converse is also true: when a work is unprotected in the United States, we have no interest in insisting that other countries protect the work. The Library of Congress might disagree in one circumstance. Under 17 U.S.C. 105 (1978), works of the United States government are excluded from protection. Nevertheless, it is the policy of the Library of Congress to require non-U.S. subscribers to its LC MARC tapes to enter into a licensing agreement with the Library for copying and distribution of the tapes. The tapes themselves bear the following legend: "Copyright 19 by the Library of Congress except within the United States." The exclusion from protection of works of the United States government is based on the double-payment theory - U.S. taxpayers pay for the salaries of the government employees who create the work, and should not therefore pay twice in the form of royalties - as well as on First

Amendment grounds. See Patry, 1 *supra* n. 9, at 338–56. Neither concern is present with foreign licensees. This was also the position taken by the House of Representatives' Committee on the Judiciary in its discussion of Section 105:

The prohibition on copyright protection for United States Government works is not intended to have any effect on protection of these works abroad. Works of the governments of most other countries are copyrighted. There are no valid policy reasons for denying such protection to United States Government works in foreign countries, or for precluding the Government from making licenses for the use of its works abroad.

H.R. Rep. 1476, 94th Cong., 2d Sess. 59 (1976).

Not all countries approached by the Library of Congress for license fees readily paid them. See Ringer & Flacks, "Applicability of the Universal Copyright Convention to Certain Works in the Public Domain in Their Country of Origin," 27 *Bull. Copr. Soc'y* 157, 159 (1980) ("U.S. negotiators have been met with arguments that, since the work is in the public domain in the United States, the other country has no obligation to give it any protection under the UCC....").

A number of countries provide protection for works of their governments, typically under the rubric of "crown copyright." The works covered by such copyright, and their durations, vary. See, e.g., Australian Copyright Act of Jan. 1, 1998, 233–35; Belgian Copyright Act of June 30, 1994, art. 8(2); Great Britain, Copyright, Patent & Designs Act of 1988, 163–67; Sterling, "Crown Copyright in the United Kingdom and other Commonwealth Countries," 10 *I.P.J.* 157 (1996); Vaver, "Canada," in Geller & Nimmer, *supra* n. 35, at 37–39; Vaver, "Copyright and the State in Canada and the United States," 10 *I.P.J.* 187 (1996); Lucas & Plaisant, *supra* n. 35, at 35–36; Indian Copyright Act of 1957, art. 2k; Israeli Copyright Law, 18, Basic Law 28; Koumantos, "Greece" 12 *supra* n. 35, in Geller & Nimmer; Doi, "Japan" 19–20, in *id.*; Cohen Jehoram, "Netherlands" 23–24, in *id.*; Bercovitz & Bercovitz, "Spain" 23, in *id.*; Karnell, in *id.*

n72. This is, apparently, also the interpretation given Article IV(4)(a) in France, See Bernard Edelman, "Applicable Legislation Regarding Exploitation of Colourized U.S. Films in France: The "John Huston" Case," 23 *IIC* 629, 631–32 (1992) (citing cases).

n73. See Berne Convention for the Protection of Literary and Artistic Works, art. 7(8) for the same principle. At the same time, article IV(4)(a) of the Universal Copyright Convention does not require that the foreign country in which protection is claimed deny protection where the work is unprotected in its country of origin. Judge Friendly's decision, is, therefore, only incorrect in holding that the U.S. was required under the convention to protect the work. Under the Berne Convention, the U.S. is required to protect works covered under that convention regardless of whether protection exists in the country of origin. See Berne Convention article 5(2). In the case of works of applied art and industrial designs and models, as involved in Hasbro Bradley, though, article 2(7) of Berne contains an exception to this general obligation, depending whether a country has separate design legislation.

n74. Records of the Conference of the Intergovernmental Copyright Conference, Geneva, August 18–September 9, 1952, Document No. DA/16, at 335 (1955). See also *id.* at 139 (Japanese delegation explaining that "it would be useless to provide protection for works which were not protected either in the author's own country or in the country where they were first published, since that would amount to granting rights which no would could claim and which were, therefore, non-existent."

n75. Id. at 142.

n76. Id.

n77. Id. at 341, Document DA/83, and id. at 155 (explanation of proposal).

n78. Id. at 342-43, document DA/137.

n79. Id. at 193. See also id. at 194 (delegation of Spain expressing similar concerns).

n80. This proposal was important to the United States because it was the only country imposing formalities.

n81. This ensured that a work that was in the United States for failure to comply with the notice or renewal requirements would still be protected in another UCC country (including Japan) which did not impose those requirements.

n82. Id. at 230. Accord: Arpad Bogisch, *The Law of Copyright the Universal Copyright Convention* 54 (3d ed. 1968).

n83. Article VI(4)(a) was applied by a French court in 1985 to deny protection to a U.S. work which was in the public domain in the United States for failure to renew. See Paris District Court, March 21, 1985, 1986 P.I.B.D., Vol. III, at 16; 7 R.D.P.I., 79 (1986).

n84. *81 F.3d 287 (2d Cir. 1996)*.

n85. Plaintiff considered suing in Britain for acts occurring there, but couldn't afford the litigation costs. This fact, more than any other, may have caused dismissal of the U.S. action since the court may have concluded plaintiff was forum shopping for a lawyer who would take his case on a contingency basis.

n86. *906 F. Supp. 858 (S.D.N.Y. 1995)*.

n87. *81 F.3d 287 (2d Cir. 1996)*.

n88. *81 F.3d at 290*, citing *3 Nimmer On Copyright 17.05* (1995). It is unclear whether the court of appeals

intended the term "applicable law" to include questions of ownership. A subsequent passage seems to indicate it did not. See *81 F.3d at 293*:

The central issue in dispute concerns the circumstances surrounding the creation of Mr. Blobby. Once that dispute is resolved, the right to exploit the character will be quickly resolved. The crux of the matter, therefore, involves a dispute between British citizens over events that took place exclusively in the United Kingdom. Moreover, it appears that much of the dispute over the creation of Mr. Blobby implicates contract law. British law governs those issues. The United States thus has virtually no interest in resolving the truly disputed issues.

n89. *81 F.3d at 293*.

n90. Compare Berne Convention (1971 Paris text), art. n. 3 (authors who are nationals or habitual residents of a Union country, as well as authors from other countries who first publish in a Union country), art. 4 (maker of cinematographic work who has headquarters of habitual residence in Union country), as well as authors of architectural works erected in a Union country and artistic works embodied therein); Universal Copyright Convention (1971 Paris text), art. II (published works of nationals of Contracting State and works from other states first published in a Contracting State, unpublished works of nationals of Contracting States); Geneva Phonograms Convention, art. 2 (producers of phonograms who are nationals of another Contracting State); World Intellectual Property Organization Performance and Phonograms Treaty (1996), art. 4(1) (nationals of other Contracting States); Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961), arts. 4–6 (performance in Contracting State or incorporation of phonogram or broadcast that is protected; producer of phonogram is a national of a Contracting State, is first fixed or first published in a Contracting State; headquarters of broadcasting organization is situated in a Contracting State or broadcast is transmitted from a Contracting State); GATT TRIPS Agreement, art. 3(1) (nationals of other member countries subject to exceptions in listed intellectual property conventions); Paris Convention for the Protection of Intellectual Property as amended (1979), art. 2 (nationals of any member country).

n91. See Sterling, *supra* n. 64, at 116–38; Katzenberger, "National Treatment, minimum protection and reciprocity in international copyright law," 11 IIC Studies 45 (1989); von Lewinski, "National treatment, reciprocity and retortion in the case of the public lending right," 11 IIC Studies 53 (1989). In addition to material reciprocity, there is also "formal reciprocity." Under formal reciprocity, once it has been determined that the foreign country of origin protects forum authors, the foreign author receives the same rights that the forum's authors do, regardless of whether the foreign country of origin provides to the forum's authors the particular right in question. Formal reciprocity is, for our purposes, identical with national treatment.

n92. See, e.g., WIPO Guide to the Berne Convention 32 (1978); Guide to the Application of the Paris Convention for the Protection of Industrial Property 27 (1968); Ricketson, *supra* n. 64, at 194; Ginsburg, "Conflicts of Copyright Ownership Between Authors and Owners of Original Artworks: An Essay in Comparative and International Private Law," 17 *Colum.-Vla J. L. & Arts* 395, 406 (1993).

n93. Assimilation need not be complete under the Berne Convention because with respect to *droit de suite*, the

rights may be reciprocal. See art. 14ter.

n94. *Id.* at 134.

n95. See, e.g., Sterling, *supra* n. 64, at 134; Dillenz, "The Remuneration for home taping and the principle of national treatment," [1990] Copyright 186.

n96. National treatment and required minima have been referred to as "the twin pillars on which protection under the Convention rests." Ricketson, *supra* n. 64, at 205. The national treatment requirement is contained Article 5(1) of the Berne Convention, which specifies that authors shall enjoy the rights that the law of the forum provides to its own authors "as well the rights specially granted by this Convention." See also WIPO Guide To The Berne Convention 32 (1978); Ricketson at 200 (1987) (noting that the phrase includes "the substantive rights referred to in articles 6bis, 8, 9, 11bis, 11ter, 12, 13, 14 and 14ter, as well as the other mandatory provisions concerning absence of formalities (article 5(2)) and duration (article 7)).

n97. This still does not help domestic authors, of course, but it is assumed (if only for political reasons) that a country will not provide more extensive rights to foreign than domestic authors. See Ricketson, *supra* n. 64, at 206. Although both the UCC and the Berne Convention require national treatment and minima, Berne requires a higher minimum level of protection.

n98. See Ricketson, *supra* n. 64, at 194: "This approach is not concerned with the question of choice of law, as it simply removes any differences between national and foreign authors, providing that both are to be treated in the same way under national law." This is also the approach taken by the Second Circuit in *Itar-Tass Russian News Agency, Inc. v. Russian Kurier, Inc.*, 153 F.3d 82, 89 (2d cir. 1998) (holding that national treatment is not a conflicts principle, but "simply assures that if the law of the country of infringement applies to the scope of substantive copyright protection, that law will be applied uniformly to foreign and domestic authors"), and *id.* n.8: "Whether U.S. copyright law directs U.S. courts to look to foreign or domestic law as to certain issues is irrelevant to national treatment, so long as the scope of protection would be extended equally to foreign and domestic authors." See also Stirling, *supra* n. 64, at 109 ("national treatment may not in itself be regarded as constituting a rule of conflicts").

n99. In *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 89 & *id.* n. 8 (2d Cir. 1998), the court of appeals adopted the view expressed in the text. The author served, by appointment of the court, as the court's amicus. See also Ricketson, *supra* n. 64, at 194 (also adopting view), and Walter, "Contractual freedom in the field of copyright and conflicts of law," R.I.D.A. 44, 46 (1976) (same view). But see *Murray v. British Broad. Corp.*, 81 F.3d 287, 290 (2d Cir. 1996) (national treatment is "a choice-of-law rule mandating that the applicable law be the copyright law of the country in which the infringement occurred, not that of the country in which the author is a citizen or in which the works was first published").

n100. Except where the author is not a national of that country. See Berne Convention, art. 5(3): "Protection in the country of origin is governed by domestic law. However, when the author is not a national of the country of origin of the work for which he is protected under this Convention, he shall enjoy in that country the same rights as national authors." See also *id.* art 5(1): "Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do

now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention." (emphasis added).

n101. Berne Convention, art. 5(2). This "two-tier" approach was used by the United States when it adhered to the Convention with respect to the requirement in *17 U.S.C. 411(a)* that registration be obtained prior to the institution of an infringement action. The requirement was abolished for works whose country of origin is a Berne Convention member (other than the United States), but retained for U.S. works. The same approach could have been, but wasn't, used for the notice requirement.

n102. Groshiede, *supra* n. 50. See also *id.*, "it offers no answer in cases in which the existence or infringement of rights in another country is at stake or as to the question which law applies when parties have agreed to submit questions of existence or infringement to a law other than the *lex protectionis*." It is an odd choice of law provision that applies only to foreigners.

n103. Subject to national treatment, in the case of a citizen of another country who first publishes in the United States. Term of protection is another area for conflict of laws, under the comparison of terms regime. See Berne Convention art. 7(8), discussed *infra* 408–16.

n104. WIPO Guide to the Berne Convention 33 (1978) (WIPO Guide).

n105. A public display right, for example.

n106. WIPO Guide, *supra* n. 104, at 34.

n107. *Id.* Professor Ginsburg has noted the existence of a very fine distinction drawn by several French commentators between the phrase "enjoyment of rights" in the Convention and choice of law. See Ginsburg, "Colors in Conflicts: Moral Rights and the Foreign Exploitation of Colorized U.S. Motion Pictures," 36 *J. Copr. Soc'y* 81, 88 n.25 (1988):

According to these writers, the "enjoyment of rights" principle simply means that a foreigner is entitled to invoke the same categories of rights as French nationals; the content of the rights will be determined according to choice of law rules. For example, French law authorizes dissolution of marriage by divorce. A foreign couple may be able to obtain a divorce in France, but it does not follow that the French court will always apply French law.

Whatever may be the case in family law matters, in copyright the distinction between the category and content of the right appears foreclosed under the Berne Convention by the additional requirement in Article 5 that national treatment apply to "the scope of rights."

n108. Article 5(4)(a), though, does incorporate the rule of the shorter term for the purpose of assigning a country

of origin to the work.

n109. See, e.g., Ulmer, *supra* n. 64, at 10; Ricketson, *supra* n. 64, at 226, notes Ulmer's position and at first states that it "must be correct" He then adds, though, that it "remains an open question under the Convention, and... is a matter for national laws to determine for themselves. In most instances, it seems that these will apply the principle of territoriality, and will therefore be restricted to infringements committed within their jurisdiction and will not extend to those committed abroad."

n110. WIPO Guide, *supra* n. 104, at 34.

n111. *Id.* This would include, of course, declining jurisdiction.

n112. See, e.g., Andre Lucas & H.J. Lucas, *Traite De La Propriete Litteraire Artistique 1066-1074* (1994); Henri Desbois, Andre Francon & Andre Kerever, *Les Conventions Internationales du Droit D'Auteur et des Droits Voisins 153* (1976).

n113. Ginsburg, *supra* n. 69, at 165, 167-68.

n114. Ricketson, *supra* n. 201, at 209 (emphasis added); Ulmer, *supra* n. 64, at 3, 36-39; Nimmer, "Who is the Copyright Owner When the Laws Conflict?," 5 IIC 62, 63 (1974); Francon, "Les droits sur les films en droit international prive," in *Travaux de Comte Francais de Droit International Prive 1971-73* at 39, 53. There is, however, a split in the French lower courts on which country's law should be applied to initial ownership: a majority apply the law of the country of origin, a minority the law of the forum. See cases cited in Ginsburg & Sirinelli, "Authors and Exploitations in International Private Law: The French Supreme Court and the Huston Film Colorization Controversy," 15 *Colum.-Vla J.L. & Arts* 135, 141 n.31 (1991).

n115. Ricketson, *supra* n. 64, at 904. See also Boytha, "Some Private International Law Aspects of the Protection of Authors' Rights," 24 *Copyright (WIPO)* 399, 410 (1988); Ulmer, *supra* n. 64, at 39, 40. Ulmer's discussion of choice of law for works created by employees is confusing due to his mistaken interpretation of U.S. 1909 Copyright Act as generally creating only a presumption that the employer owns rights. From this, he concluded that such arrangements may be regarded as a form of legal assignment of rights, and then further that the rules of the country in which protection is claimed concerning limitations on transfers may be applied. *Id.* at 39.

n116. Accord: *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 *F.3d* at 89 (rejecting contrary view of Nimmer). Article 14bis(2)(a), concerning cinematographic works, is an exception. See further discussion, *infra* text accompanying nn. 320-39. In *Murray v. British Broadcasting Corp.*, 906 *F. Supp.* 858 (*S.D.N.Y.* 1995), Judge Stanton appeared to agree. Granting defendant BBC's motion to dismiss, on the ground of forum non conveniens, a suit brought by a British subject over infringement in the United States of a work created in Britain, Judge Stanton rejected plaintiff's argument that national treatment under the Berne Convention requires a U.S. court to accept jurisdiction in a dispute between British citizens, writing "national treatment ensures that the substantive law of the country in which infringement is alleged will govern a claim, even if the law of that country differs from the law of the country in which protection was claimed." 906 *F. Supp.* at 862. It is not clear, though, whether Judge Stanton

used the term "substantive rights" in reference only to rights of exploitation alone, or, whether he was used the term to cover both rights of exploitation and ownership rights. It appears likely he was using the term to refer solely to exploitation rights, since in the discussion of authorship – the principle issue in dispute – the only law mentioned is *British law*. See *906 F. Supp. at 863*. Judge Stanton thus would have applied British law on ownership and U.S. law on infringement. On appeal, the Second Circuit affirmed, *81 F.3d 287, 290 (1996)*, holding that national treatment requires "that the applicable law is the copyright law of the country in which the infringement occurred."

n117. See Ginsburg, *supra* n. 107, at 81, 85; Ginsburg, "Global Use/Territorial Rights: Private International Law Questions of the Global Information Infrastructure," 42 *J. Copr. Soc'y* 318, 331–38 (1995). This does not mean, however, that there are no choice of law provisions regarding ownership: Article 14bis(2)(a), concerning cinematographic works, is the exception.

n118. An earlier version of section 104A, inserted in the NAFTA, applied only to Mexican and Canadian films that were in the public domain for failure to comply with the notice provisions of the 1976 Act. This version was superseded by the broader GATT version.

n119. See Act of December 8, 1994, Pub. L. No. 103–465, 103d Cong., 2d Sess., 108 Stat. 4809. See Patry, "Copyright and the Gatt: an Interpretation and Legislative History of the Uruguay Round Agreements Act, 1995 Supplement," *Copyright Law & Practice*, for a review of the intellectual property provisions of the GATT implementing legislation. The intellectual property components of the Uruguay Round are referred to as the "TRIPS Agreement," short for Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods. It is reproduced *id.* at Appendix A. Article 3(1) of the TRIPS Agreement requires a signatory country to "accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property," subject to the exceptions already provided in, *inter alia*, the Berne Convention. Article 4 goes further, requiring most favored nation protection, again subject to exceptions in other intellectual property conventions.

n120. Article 18bis(1) provides: "This Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expiry of the term of protection."

n121. The definition of "source country" provided in *17 U.S.C. 104A(h)(8)* is not the same as the definition of "country of origin" in the Berne Convention. The former provision reads:

The "source country" of a restored work is –

- (A) a nation other than the United States;
- (B) in the case of an unpublished work –
 - (i) the eligible country in which the author or rightholder is a national or domiciliary, or,
 - if a restored work has more than 1 author or rightholder, the majority of foreign authors or

rightholders are nationals or domiciliaries of eligible countries; or

(ii) if the majority of authors or rightholders are not foreign, the nation other than the United States which has the most significant contacts with the work; and

(C) in the case of a published work –

(i) the eligible country in which the work is first published, or

(ii) if the restored work is published on the same day or in 2 or more eligible countries, the eligible country with the most significant contacts with the work.

The "most significant contacts" factor is derived from the Restatement (Second) of Conflicts. The definition of "source country" is far more complex than it appears, since it incorporates two other defined terms, "restored work," *id.*, 104A(h)(6), and "eligible country," *id.*, 104A(h)(3). The upshot of this web of definitions is to reduce the number of restored works, e.g., where a U.S. author first published her work in England, but failed to renew, the work is not restored, 104A(h)(D); or, where a French author published a work in France and thirty days later in the U.S., the work is also not restored, *id.*

n122. 17 U.S.C.104A(1)(b) (1995); William Patry, Copyright and the GATT 43–44 (1995) (Copyright and the GATT). Protection is not restored where the work is in the public domain in its country of origin due to expiration of term. 17 U.S.C. 104A(h)(6)(B) (1995).

n123. The term "initial rightholder" refers exclusively to sound recordings. See Copyright and the GATT *supra* n.122 at 37, 38 n.137.

n124. There are floor statements by two members of Congress discussing (incorrectly) rights in transferees, but not the question of ownership. *Id.* at 38 n.137. The Executive Branch's Statement of Administrative Action on the legislation notes that under 104A(b), the foreign country's law determines ownership and that, therefore, "in certain instances it will be necessary to refer to foreign law to identify the initial owner of the restored copyright," *Id.* at 325.

n125. *Id.* at 38.

n126. This was also the conclusion reached by the Second Circuit in *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d at 90 n.10.

n127. 153 F.3d 82 (2d Cir. 1998). After argument and briefing, the court of appeals appointed the author as its amicus to advise it on conflicts issues. The pre-*Itar-Tass* copyright case law on conflict of laws was relatively small, inconsistent, and rarely if ever reasoned.

n128. 17 U.S.C. 201(b) (1978).

n129. 886 F. Supp. 1120 (S.D.N.Y. 1995) and 1997 WL 109481 (S.D.N.Y. March 10, 1997).

n130. A "collective work" is defined in the copyright act as "a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions constituting separate and independent works in themselves are assembled into a collective whole." 17 U.S.C. 101 (definition of "collective work"). Under section 201(c) of the Act:

Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular work, any revision of that collective work, and any later collective work in the same series.

17 U.S.C. 201(c) (1978).

Russian copyright law had a somewhat similar provision in article 11(2). The plaintiffs in Itar-Tass were the copyright owners of collective works, but were not assignees of rights from the authors of the individual contributions. Plaintiffs asserted only infringement of the individual articles. Unless the authors of the individual authors were employees for hire (under either Russian or U.S. law), plaintiffs lacked standing. Only plaintiff Itar-Tass was a for-hire employer under Russian law, thus the other plaintiffs lacked standing.

n131. 153 F.3d at 89.

n132. Id. at n.8.

n133. Id. See also id.: "Whether U.S. copyright law directs U.S. courts to look to foreign or domestic law as to certain issues is irrelevant to national treatment, so long as the scope of protection would be extended equally to foreign and domestic authors."

n134. Id. at 90. The view is wholly erroneous because the treaty is not self-executing.

n135. The provisions regarding restored works under 17 U.S.C. 104A did not apply because Russia is neither a Berne nor WTO member.

n136. See Juenger, supra n. 31, at 45-46; Brilmayer, supra n. 31, at 17-19. Application of U.S. law would follow because Russian works are eligible for protection under 17 U.S.C. 104(b)(2), and, in the absence of any choice of law application, they would be protected under the terms of title 17.

n137. See, e.g., Field, "Sources of Law: The Scope of Federal Common Law," 99 Harv. L. Rev. 883 (1986); Weinberg, "Federal Common Law," 83 NW. U. L. Rev. 805 (1989).

n138. *Id.* at 90, quoting *Maxwell Communication Corp. v. Societe Generale*, 93 F.2d 1036, 1047 (2d Cir. 1996) (itself quoting *Hilton v. Guyot*, 159 U.S. 113, 143 (1895)). Professor Harold Koh has devoted considerable effort to determining the ways that international law becomes internalized into the domestic law or customs of countries. See, e.g., Koh, "Is International Law Really State Law?," 111 *Harv. L. Rev.* 1824 (1998); "Bringing International Law Home," 35 *Hous. L. Rev.* 623 (1998); "Contemporary Conceptions of Customary International Law," Proceedings of the 92nd Annual Meeting of the American Society of International Law 37 (1998); "Why Do Nations Obey International Law?," 106 *Yale L.J.* 2599 (1997); "Transnational Legal Process," 75 *Neb. L. Rev.* 181 (1996); "The 'Haiti Paradigm' in United States Human Rights Policy," 103 *Yale L.J.* 2391 (1994); "Refugees, the Courts, and the New World Order," 1994 *Utah L. Rev.* 999; "Transnational Public Law Litigation," 100 *Yale L.J.* 2347 (1991).

n139. 304 U.S. 64 (1938).

n140. 41 U.S. (16 Pet.) 1 (1842).

n141. *Erie*, supra n. 139, 304 U.S. at 78.

n142. See Justice Jackson's concurring opinion in *D'Oench, Duhme & Co., Inc. v. Federal Deposit Insurance Co.*, 315 U.S. 447, 467-72 (1942); Friendly, "In Praise of Erie – And of the New Federal Common Law," 39 *N.Y.U. L. Rev.* 383 (1964). See also Bauer, "The Erie Doctrine Revisited: How a Conflicts Perspective Can Aid the Analysis," 74 *Notre Dame L. Rev.* 1235 (1999).

n143. 490 U.S. 730 (1989).

n144. *Id.* at 740.

n145. *Prudential Insurance Co. of Am. v. Athmer*, 178 F.3d 473, 475 (7th Cir. 1999).

n146. 153 F.3d at 90 (citing Justice Jackson's concurring opinion in *D'Oench, Duhme & Co. v. FDIC*, 315 U.S. 447, 472 (1942)).

n147. But see Kramer, supra n. 5, at 277, 291 ("choosing' and 'applying' are not analytically distinct processes"); Kramer, "Extraterritorial Application of American Law After the Insurance Antitrust Case: A Reply to Professors Lowenfeld and Trimble," 89 *Am. J. Int'l L.* 750, 758 (1995) (proposing to fill in gaps by "balancing U.S. and foreign interests on a statute-by-statute basis and reading specific limitations into particular statutes"). Cf. Bradley, supra n. 51, at 505, 566-69 (criticizing Kramer proposal as violating separation-of-powers doctrine). Under Professor Kramer's approach, Judge Newman may be said to have interpreted the Copyright Act as permitting the application of foreign law on ownership.

n148. *159 U.S. 113 (1895)*.

n149. *Id. at 163*.

n150. *Id.*

n151. *Id.*

n152. Brilmayer, *supra* n. 31, at 16.

n153. *159 U.S. at 164-65*. Story, in turn, relied on Ulrich Huber's "Conflictu Legum Diversarum in Diversis Imperium."

n154. *159 U.S. at 166-67, 227-29*.

n155. See *Tolofson v. Jensen*, 120 D.L.R. (4th 289, 303 (Sup. Ct. Canada 1994) (reviewing origins of comity and expressing belief that to "accommodate the movement of people, wealth and skills across state lines," states will "in great measure recognize the determination of legal issues in other states"). The actual record is dispiriting, though. The French Revolutionary Copyright Decrees of 1791 and 1793 extended protection to all foreigners regardless of whether French authors were protected in the other country of origin. After almost two hundred years of waiting in vain for foreign countries to reciprocate, the 1964 French statute introduced a reciprocity requirement. See also art. L. 111-4 of the 1992 French Intellectual Property Code, and Desbois, "La loi française du 8 juillet 1964," [1965] R.I.D.A. 23. If anything, reciprocity has been a powerful tool, as the European Union, through directives, seeks to whipsaw the United States by conditioning term extension and sui generis database protection on reciprocal protection in the United States. Cf. W.R. Cornish, "The Canker of Reciprocity," [1988], E.I.P.R. 99.

Professor Harold Koh has identified four "strands" of thought on why nations obey customary international law: (1) coercion; (2) self-interest; (3) a sense of moral obligation, "derived from considerations of fairness, democracy, and legitimacy" embodied in "liberal" domestic legal structures; and (4) commonality of values within the "international society." Koh, "Bringing International Law Home," *supra* n. 138, at 623, 633. The first strand seems to have nothing to do with adoption of generally agreed upon norms, and the example given, the Iraqi withdrawal from Kuwait, only heightens this belief. The second strand doesn't fair much better since it assumes country A doesn't share certain values but thinks abiding by them will be beneficial in other areas. The fourth strand assumes the answer, while the third at least provides some rationale, albeit one that is not legal in nature.

n156. *345 U.S. 571 (1953)*.

n157. *Id. at 577*.

n158. See, e.g., the Alien Tort Claims Act, 28 U.S.C. 1350 (original jurisdiction is granted to federal district courts for actions brought by aliens for violations of "the law of nations or a treaty of the United States").

n159. *Restatement (Third) of the Foreign Relations Law of the United States* 102(2) (1987). See also Bradley & Goldsmith, "Customary International Law as Federal Common Law: A Critique of the Modern Position," 110 *Harv. L. Rev.* 815, 817 (1997); Lea Brilmayer, "Federalism, State Authority, and the Preemptive Power of International Law," 1994 *Sup. Ct. Rev.* 295, 295, 302-04; Henkin, "International Law as Law in the United States," 82 *Mich. L. Rev.* 1555, 1560-62 (1984).

n160. See Theodore Plucknett, *A Concise History of the Common Law* 657-65 (1956) (tracing origins to the *lex rhodia*, a body of law that grew up around the island of Rhodes in the third century B.C.E.); Juenger, "American Conflicts Scholarship and the New Law Merchant," 28 *Vand. J. Transnat'l L.* 487 (1995); Berman, "The Law of International Commercial Transactions (Lex Mercatoria)," 2 *Emory J. Int'l Dispute Resolution* 235 (1988).

n161. See McDougal, "'Private' International Law: Ius Gentium versus Choice of Law Rules or Approaches," 38 *Am. J. Comp. L.* 521 (1990); Juenger, *supra* n. 31, at 8-10, 218-20.

n162. See generally H.L.A. Hart, *The Concept of Law* 213-37 (2d ed. 1994).

n163. Harold Koh, "Contemporary Conceptions of Customary International Law," Proceedings of the 92d Annual Meeting of the American Society of International Law 38 (1998).

n164. See, e.g., Bradley & Goldsmith, *supra* n. 158, at 815, 833-34 (1997); Bradley, "The Status of Customary International Law in U.S. Courts: Before and After Erie," 26 *Dem. J. Int'l L. & Pol'y* 807 (1998); Curtis Bradley & Eric Posner, "Notes Toward A Theory of Customary International Law," Proceedings of the 92d Annual Meeting of the American Society of International Law 52 (1998). Bradley, "A New American Foreign Affairs Law?," 70 *U. Colo. L. Rev.* 1089 (1999); Weisburd, "State Courts, Federal Courts, and International Cases," *Yale J. Int'l L.* 1 (1995).

n165. Bradley & Posner, *id.* at 52 (CIL "lacks a centralized lawmaker, a centralized executive enforcer, and a centralized, authoritative decision maker. The criteria for the identification of CIL are controversial and difficult to identify").

n166. See, e.g., Koh, "Bringing International Law Home," *supra* n. 138, at 623, 665-67; Koh, "Is International Law Really State Law?," *id.* at 1824; Neuman, "Sense and Nonsense About Customary International Law: A Response to Professors Bradley and Goldsmith," 66 *Fordham L. Rev.* 371 (1997); Giba-Matthews, "Customary International Law Acts As Federal Common Law," 20 *Fordham Int'l L. J.* 1839 (1997); Glennon, "Process Versus Policy in Foreign Relations: Foreign Affairs and the United States Constitution," 95 *Mich. L. Rev.* 1542 (1997); Lowenfeld, "Nationalizing International Law: Essay in Honor of Louis Henkin," 36 *Colum. J. Transnat'l L.* 121, 126 n.23 (1997); Stephens, "The Law of Our Land: Customary International Law as Federal Law After Erie," 66 *Fordham L. Rev.* 393 (1997); Paust, "Customary International Law and Human Rights Treaties are Law of the United States," 20 *Mich. J. Int'l L.* 301 (1999). See also White, "Observations on the Turning of Foreign Affairs

Jurisprudence," 70 U. Colo. 1109,1111 (1999) (noting attacks but making a dispassionate review of the issues).

n167. *93 F.3d 1036 (2d Cir. 1996)*.

n168. *153 F.3d at 90*.

n169. *In re Maxwell Communication Corp.*, *93 F.3d at 1048*: "Comity is a doctrine that takes into account the interests of the United States, interests of the foreign state, and those mutual interests the family of nations have in just and efficiently functioning rules of international law." For a recent Canadian decision applying English law on copyright ownership on the ground of comity, see *Folkes v. Greensleeves Publishing, Ltd.*, *76 C.P.R.3d 359 (Ont. Gen. Div. 1997)*, *1997 ACWSJ LEXIS 87163 (Ont. Gen. 1997)*, *aff'd*, *85 C.P.R.3d 144 (Ont. Ct. App. 1998)*.

n170. *Id.*, *93 F.3d at 1048*.

n171. See Steinhardt, "The Role of International Law as a Canon of Domestic Statutory Construction," *43 Vand. L. Rev. 1103 (1990)*.

n172. But see *Community for Creative Non-Violence v. Reid*, *490 U.S. 730, 748 (1989)* ("ordinarily, 'Congress' silence means just that – silence") (quoting *Alaska Airlines v. Brock*, *480 U.S. 678, 686 (1987)*).

n173. *In re Maxwell Communication Corp.*, *93 F.3d 1036, 1047 (2d Cir. 1996)*.

n174. See K. Lipstein, *Principles of the Conflict of Laws, National and International* 94–98, 107–112 (1981).

n175. See *supra* n.67.

n176. With the exception of *17 U.S.C. 104A*, governing "restored works," discussed *supra* text accompanying nn. 229–32

n177. Berne need not be entirely off-limits. As is evident from Congress's Berne implementing legislation declarations, see *supra* n. 67, Congress's concern was with moral rights, contained in Article 6bis of the Convention. Other provisions of Berne, which do not so directly clash with U.S. law, while not directly applicable, may, nevertheless provide some guidance on customary international law. Accord: *Itar-Tass*, *153 F.3d at 91*.

n178. *Restatement 2d Conflicts of Laws* 222 states as a general rule:

The interests of the parties in a thing are determined, depending upon the circumstances, either by the "law" or by the "local law" of the state which, with respect to the particular issue, has the most significant relationship to the thing and the parties ...

The Restatement introductory note to Section 222 indicates that this principle encompasses intellectual property:

Property is synonymous with "interest," which comprises some aspect of the beneficial side of a legal relationship, such as a right, power, privilege, or immunity. Property may denote a single interest, but is normally used to designate a group of interests in a particular thing, such as a piece of land or a chattel. The word "thing" is used with the broadest connotation to include both tangibles and intangibles. Thus, a thing may be a piece of land, a chattel or an intangible, such as the good will of a business, a literary idea or other chose in action.

See also *United States v. Nippon Paper Indus.*, 109 F.3d 1, 11 (1st Cir. 1997), cert. denied, 18 S.Ct. 685 (1998):

The Restatement (Third) of the Foreign Relations Law of the United States restates international law, as derived from customary international law and from international agreements to which the United States is a party, as it applies to the United States.

The most significant interest test of the Restatement (Second) of Conflict of Laws has found favor in Europe, and thus may in fact be said to be a part of customary international law. See, e.g., Rome Convention on the Law Applicable to Contractual Obligations, 1980 O.J. (L 266) 1 ("most closely connected" law); Bundesgesetz <um u>ber das Internationale Privatrecht, art. 117 (Switzerland, Bundesgesetz <um u>ber das Internationale Privatrecht, 35-44, BGBI 304/1978 (Austria); In Re A Lithuanian Composer's Works, (Case 3 U 171/94) [1999] ECC 143 (Hanseatisches Oberlandesgericht, Hamburg, 22 Oct. 1997). See also 10 of the Restatement (Second), which declares that it is "generally applicable to cases with elements in one or more foreign nations. There may, however, be factors in a particular international case which call for a result different from that which would be reached in an interstate case." But see Ginsburg & Sirinelli, supra n. 114, at 135, 138:

In general when a French court encounters a case presenting extraterritorial elements, the judges determine the law competent to govern the claim by applying the traditional conflicts method. This method entails determining which of the potentially pertinent laws (French or foreign) applies to the problem posed. The choice among the laws of the countries presenting a point of attachment to the claim follows from objective reasoning. The court characterizes the claim as, for example, one in tort, one in contract, or real property, and then applies the choice of law rule corresponding to the claim thus characterized.

This approach is consistent with the First Restatement of Conflicts.

n179. 153 F.3d at 90, citing *Restatement (Second) of Conflict of Laws* 222.

n180. Id.

n181. Impliedly, Judge Newman thereby rejected the multiplicity of copyrights theory.

n182. For a trenchant criticism of this principle as applied to torts, See Ehrenzweig, "The 'Most Significant Relationship' in the Conflicts Law of Torts: Law and Reason Versus the Restatement Second," 28 Law & Contemp. Probs. 700 (1973).

n183. *153 F.3d at 90-91.*

n184. Before the Berne implementing legislation, all plaintiffs had to file a claim to copyright with the Copyright Office as a jurisdictional prerequisite to bringing an infringement action. *17 U.S.C. 411(a)* (1978). The principal purpose of this requirement was to provide the Library of Congress with free books and other works of authorship since deposit of two copies of the work had to be made at the time of such filing. *17 U.S.C. 407* (1978). Conditioning litigation upon registration with the Copyright Office was a formality prohibited under Article 5(2) of the Berne Convention. However, since the Berne Convention only applies to foreign works, the U.S. was permitted to (and did) "two-tier" section 411(a), i.e., retain the registration before suit requirement for works of U.S. origin. In order to classify which works were of U.S. origin and which were from other Berne countries, a definition of "country of origin of a Berne Convention work" was provided in section 101.

For a discussion of the function of points of attachment under the Berne Convention before the 1971 Paris revision, see Ulmer, "Points de rattachement et Pays d'origine dans le systeme de la Convention de Berne," 36 Nordiskt Immateriellt R<um a>ttskydd 208 (1967).

n185. See Brilmayer, *supra* n. 31, at 19-20.

n186. See Article L. 111-1 of the French Intellectual Property Code of 1992; Lucas & Plaisant, *supra* n. 35 at 4[1][b][ii]-[iii], (1998). I have deliberately avoided using the example of a collective work, such as a magazine, since French law treats the "principal" under whose name the work appears as the owner of all rights. See Lucas & Plaisant, *id.* at 4[1][b][I].

n187. See Vaver, *supra* n. 35, at 3(3)(c), 4[1][b](1978).

n188. *17 U.S.C. 201(b)* (1978).

n189. See *Henri Studio, Inc. v. B.V.B.A. Bouw Remi de Witte*, Trib. Gent, Jan. 10, 1996, R.D.C. 1997, note by M. Pertegas Sender (Belgian court applied U.S. work for hire doctrine to garden sculpture).

n190. This is Professor Ricketson's view as well. See Ricketson, *supra* n. 64, at 211 ("when the application of

the [country of origin rules] ... means that the [country of origin] of a published work will be different from the country of which the author is a national, ... it is more logical that the [country of origin] of a work should be the country of which the author is a national").

n191. At the same time, though, the concept of first publication includes "simultaneous publication," defined as occurring when a work has been "published within thirty days of its first publication." Berne Convention, art. 3(4). This concept, which is most relevant for authors from non-convention countries, further weakens the idea that there is always one country with a special claim to be designated the country of origin based on the first publication as the connecting factor. See Ricketson, *supra* n. 64, at 214-15.

n192. See Ulmer, 36 *supra* n. 64, at ("Basically, national legislative systems work on the principle that copyright is first owned by the creator of the work"). Oddly, though, Professor Ulmer's general position is that "the question of who is the first owner of the copyright is ... decided in accordance with the law of the country where protection is claimed." *Id.* These two sentences are inconsistent where protection is claimed in a country other than the one where it was first fixed - and there is no occasion for choice of law where this is not the case. The inconsistency can be understood (though not reconciled) with Dr. Ulmer's belief that national treatment is a choice of law principle. *Id.* at 2 ("The principle of national treatment is the central point. In private international law this means that the acquisition, scope and termination of rights are basically to be assessed in accordance with the state for whose territory protection is claimed").

n193. See 17 U.S.C. 201(a) (1978) ("Copyright vests initially in the author or authors of the work."). This principle has important consequences for those wishing to claim copyright by assignment, since it deprives them of work-for-hire authorship status. For example, if I write a screenplay on vacation at the beach, and on returning decide I want to try and sell it to a motion picture studio, and a studio agrees to purchase it, the studio must acquire rights by assignment: an after-the-fact work-for-hire agreement is invalid by virtue of copyright having vesting automatically in me upon creation. In other words, one can transfer copyright, but not authorship. Work-for-hire agreements, which vest authorship status in the commissioning party, must be entered into before the work is created, be in writing and state the work is for hire, and fall within one of the nine enumerated categories listed in the 101 definition of work made for hire. See Patry, 1 *supra* n. 9, at 373-82 (1994). Where an individual creates a work in the scope of his or her employment, no such agreement is required, with copyright vesting automatically in the employer. Where rights in a work must be acquired by assignment, the issue of restrictions on assignments arises. See *infra* text accompanying nn. 220-254.

n194. In assigning the country of origin, the Berne Convention generally uses first publication as the connecting factor, except for unpublished works where nationality is used. The 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, however, places great emphasis on domicile. See Richard Fentiman, *Foreign Law In English Courts: Pleading, Proof and of Law* 126-29 (1998); Christopher Wadlow, *Enforcement of Intellectual in European and International Law* 90-92 (1998). See also *Restatement Of Conflict Of Laws* 9-41 (1934); *Restatement (Second) Of Conflict Of Laws* 11-12, 29 (1971).

n195. The cautious nature and nuances of Judge Newman's *Itar-Tass* opinion have, on occasion, been lost as some district judges attempt to discern in the opinion rote rules that can be mechanically applied to choice of law issues. *Cranston Print Works Company v. J. Mason Products*, 49 U.S.P.Q.2d 1661 (S.D.N.Y. 1998), 49 U.S.P.Q.2d 1669 (S.D.N.Y. 1998) (partial summary judgment), the first post-*Itar Tass* opinion, is an example of this all too common phenomenon. In *Cranston*, an Italian in-house designer for an Italian company created in Italy an original fabric design. The work remained unpublished in Italy. An American company, *Cranston*, purchased U.S. rights to

the design from the Italian corporation, and subsequently created a derivative work of the original, unpublished design. This derivative work was first published in the United States, where it was allegedly infringed by defendant. Defendant argued (after the time period for production of expert testimony had passed) that under Italian law, the employee held "title to the artwork." 49 *U.S.P.Q.2d* at 1665. Plaintiff argued that U.S., rather than Italian law applied to ownership issues. In an initial pre-Itar Tass opinion, the district court held defendant had waived its right to argue foreign law due to untimeliness, and thus had not carried its burden in rebutting plaintiff's evidence on ownership under American law. This ruling was consistent with *Federal Rule of Civil Procedure 44.1*.

Following Itar-Tass, defendant argued the court should reverse its grant of partial summary judgment in favor of plaintiff. Addressing the choice of law issue, the district judge construed Itar-Tass as establishing that courts "should look principally at the place of first publication and the author's identity and affiliation to determine which country has the closest relationship to the work at issue." *Id.*, 29 *U.S.P.Q.2d* at 1670. It is unclear what the court meant by the terms "identity and affiliation." Cf. *Shaw v. Rizzoli Int'l Publications, Inc.*, 51 U.S.Q.P.2d (S.D.N.Y. 1999) (in case involving varied facts on citizenship and place of first publication, court placed significant emphasis on citizenship). The nationality of the author and place of creation may be important factors, as may the place of first publication. For example, both nationality and first publication are important in determining, under the Berne Convention, the "country of origin." The Berne concept of country of origin may be inappropriate, however, because a given case may present facts that require reliance on different considerations than publication. Cranston illustrates one example in which the country of first publication should not be considered the initial source of law for ownership of copyright. Under all copyright statutes, protection vests automatically upon creation. This means that copyright inures in an unpublished work from the moment of its creation and that ownership is determined as of that moment. Accordingly, the Italian designer was the author of the work, and any subsequent rights obtained by third parties would have to be obtained from the designer rather than from his employer except for those rights contractually granted to the employer. See Fabiani, "Italy," in Geller & Nimmer, *supra* n. 35, at 4[1][b](1997). Designation of Italy as the source of ownership law for the unpublished Italian design is not affected by the subsequent creation and publication in the United States of a derivative textile pattern. Copyright law makes a clear distinction between an original work (the Italian design) and a derivative work (Cranston's). See 17 *U.S.C* 103.

If U.S. law were held to govern ownership of the original Italian design, it would invert both the facts and the law: ownership rights in an original work (the unpublished Italian design) which should properly be governed by Italian law, would incorrectly be governed by U.S. law because a later derivative work was created and first published in the United States.

A hypothetical will illustrate how the Cranston court reversed matters. Assume an unpublished work was created by a non work-for-hire American in the United States. The American's employer (but not in the copyright sense) later authorizes a Saudi Arabian corporation to make a derivative work, which is first published in Saudi Arabia by a Saudi corporation. Under Cranston, ownership of the American's derivative rights would be determined by Saudi Arabian copyright law. Clearly this is an incorrect result: Saudi Arabia has no connection with the unpublished American work, while under U.S. law the individual would own the copyright. By mechanically placing emphasis on the place of publication of the derivative Saudi work, the U.S. author would be improperly deprived of part of his or her copyright in the original (the right to authorize derivative works).

Nothing in Itar-Tass requires reliance on place of first publication of a derivative work in determining ownership of the underlying original work. Itar-Tass dealt with works created by Russian authors and first published in Russia with the permission of those authors. It was, for that reason, an easy case. No derivative works were involved. Cranston was equally straightforward because there was no publication of the original, and, therefore, Italian law should have governed ownership of the unpublished Italian design. This does not mean defendant should have prevailed. First, since plaintiff failed to comply with *F.R.C.P. 44.1*, the law of the forum, the United States applied, according to which the work would be for-hire. Second, plaintiff could have obtained an assignment of rights from the Italian author. Finally, it is possible to plaintiff could have relied on its U.S. copyright in the derivative work since this is the work defendant was alleged to have infringed.

n196. See Kramer, *supra* n. 5, at 277, 321:

It is a mistake to try and devise a comprehensive system of rules from a single choice of law theory. Resolving true conflicts is a process of accommodating conflicting policies and overlapping concerns that are enormously varied. Any effort to articulate a single theory that encompasses this variety is likely to become so general as to be useless – as the Second Restatement sadly illustrates.

n197. William Shakespeare, *Henry IV*, Part I, Act 5, scene 4.

n198. See *supra* text accompanying nn. 10–35.

n199. *780 F.2d 189 (2d Cir. 1985)*.

n200. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984). At other times, though, the Court has emphasized a desert theory for rewarding authors.

n201. See also *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*, 145 F.3d 481, 491 (2d Cir. 1998); *Direct Mail Productions Services, Ltd. v. MBNA Corp.*, 2000 WL 1277597 (S.D.N.Y. Sept. 7, 2000).

n202. *Oddo v. Ries*, 743 F.2d 630 (9th Cir. 1984). See also *Azuri v. Israel Theaters, Ltd.*, (Tel-Aviv Civ. App.), Case No. 869/22, P7; *Hakari v. Hotsa'at Sefarim Freund, Ltd.* (Tel-Aviv, on opening motion), Case No. 444/94 (unpublished).

n203. See Patry, *supra* n. 9, at 362–63.

n204. *Robin Ray v. Classic FM PLLC*, English High Court, Chancery Division, [1998] FSR 622; *Cala Homes (South) Ltd. v. Alfred McAlpine Homes East Ltd.*, [1995], FSR 818; *Cescinsky v. George Routledge*, [1916] 2 K.B. 325. This result is obtained by interpretation of statute, which has been held to override the joint tenancy rule.

n205. In Canada, one joint author can sue a third party for infringement without the other's permission, but may not independently license the work. See Vaver, *supra* n. 35, at 4[1][1][I](1998).

n206. The difficulty could, of course, be increased by adding more joint authors from the same or other countries.

n207. See Brainerd Currie, *Selected Essays on the Conflict of Laws* 183–84 (1963); Ehrenzweig, "The Lex Fori: Basic Rule in the Conflict of Laws," *58 Mich. L. Rev.* 637 (1960); Cox, "Razing Conflicts Facades to Build Better Jurisdiction Theory: The Foundation – There is No Law but Forum Law," *28 Val. U. L. Rev.* 1 (1993). But see Kramer, "Interest Analysis and the Presumption of Forum Law," *56 U. Chi. L. Rev.* 1301 (1989); Hill Kay, "Ehrenzweig's Proper Law and Proper Forum," *18 Okla. L. Rev.* 233 (1965); Siehr, "Ehrenzweigs lex-foi Theorie und ihre Bedeutung f<um u>r das amerikanische und deutsche Kollisionsrecht," *34 RabelsZ* 585 (1970).

n208. See Berne Convention for the Protection of Literary and Artistic Works (Paris text 1971), art. 3(1)(a).

n209. *Id.*, arts. 3(1)(b); 5(4)(a)–(b).

n210. See *supra* text accompanying n. 224–26.

n211. Berne Convention for the Protection of Literary and Artistic Works, art. 14bis(2)(a) (Paris text 1971).

n212. WIPO Guide, *supra* n. 104, at 85.

n213. *Id.* at 82. In those countries which consider only the individual contributors to the film to be the authors, 14bis(2) contains a presumptive transfer to the producer authorizing it to engage in the most important acts of exploitation. Other countries confer these rights by statute. In the former situation, conflicts rules governing assignments become significant.

n214. *17 U.S.C. 101* (definition of "work for hire"), 201(b) (1978) (work for hire employer is considered the author).

n215. Ricketson, *supra* n. 92, at 582. See also Bureau International Pour La Protection Propriete Intellectuelle, Conference of Stockholm, 1967, *Proposals for Revision of the Substantive Copyright Provisions* 58 (1966).

n216. See *infra* n. 220.

n217. See Desbois, Francon, & Kerever, *supra* n. 112, at 217 (describing provision as an aberration).

n218. This was, apparently, the view of the Paris Court of Appeals in the John Huston case, *Huston v. La Cinq*, Cour d'appel, Paris, *143 Revue Internationale Droit D'Auteur* 329, 339 (1990) note Andre Francon. See also Ginsburg & Sirinelli, *supra* n. 114, at 135, 136 n.8 (1991).

n219. See Ginsburg, *supra* n. 107, at 81, 98 ("As a general matter, a conflicts analysis that produces disruption in international commerce should be presumptively disfavored. International commerce in works of authorship may not thrive if the initial copyright owner, or a subsequent acquirer, lacks exploitation rights once the work crosses an international border, or finds her ownership variously modified each time another country's frontiers are traversed."). Ginsburg, *supra* n. 117, at 318, 332–33 (1995) and *id.* at 333 n.55 (citing scholars criticizing rule).

One must also determine whether Article 14bis(2)(a) states an exception to a general rule, or whether it is a *sui generis* provision. If an exception, the general rule would be that for non-cinematographic works, ownership is determined by the law of the country of origin. As with *17 U.S.C. 104A*, there is no evidence Article 14bis(2)(a) was considered to be an exception to a general rule on determining ownership. Indeed, Professor Ricketson, in his magnum opus on the Berne Convention, demonstrates that the section was designed to accommodate the different national approaches to attributing authorship in films, and the understandable desire of a multilateral convention that includes members with such differing approaches to respect them. Ricketson, *supra* n. 92, at 551–57. The WIPO Guide to the Convention also acknowledges there are divergent approaches to assigning authorship in non-cinematographic works:

[The Convention] does not specifically define the word "author" because on this point too, national laws diverge widely, some recognising only natural persons as authors, while others treat certain legal entities as copyright owners, some imposing conditions for the recognition of authorship which others do not accept.

WIPO Guide, *supra* n. 104, at 11.

Article 14bis(2)(a) should, therefore, be construed as a *sui generis* provision, from which no general conflicts rule on ownership should be implied. More to the point for the United States, since no provision of the Berne Convention is self-executing, Article 14bis(2)(a)'s choice of law is not a part of domestic law, whatever its value may be for a federal court in searching for a choice of law rule.

n220. *17 U.S.C. 204(a)* (1978). One may, of course, become a copyright owner by assignment from an assignee of the author. As discussed *supra* text accompanying nn. 336–46, in the case of cinematographic works, national laws vary widely on who may be considered an author. Those who may not be regarded as an author of a cinematographic work according to a particular national copyright law (i.e., a juridical entity) may nevertheless be considered an owner of rights, or a presumptive transferee of rights. In those countries which consider only the individual contributors to the film to be the authors, Article 14bis(2) of the Berne Convention contains a presumptive assignment to the producer authorizing the producer to engage in the most important acts of exploitation. Some countries confer these rights by statute. In a presumptive assignment jurisdiction, conflicts law governing assignments rather than those governing ownership will apply. See Ulmer, *supra* n. 64, at 36–37. Thus, if a country follows the choice of law rule for cinematographic works set forth in Article 14bis, that is, it applies the law of the country where protection is claimed, and that law is a presumptive assignment jurisdiction, a U.S. motion picture company may not be able to transfer rights it clearly owns in the United States. Professor Ulmer has pointed out some of the consequences of application of choice of law principles governing assignment in these circumstances:

If for example a work made for hire in the USA is to be exploited in Germany, the principle is that the copyright belongs to the employer [in the US]. In Germany, however, the acquisition of copyright can only be interpreted as an agreement. It is therefore effective only within the limits in which a grant of rights of use is permissible according to German law: the author's moral right and rights relating to types of use which were still unknown at the time of the conclusion of the contract remain the property of the author.

See also Professor Ginsburg's discussion of this passage in Ginsburg, *supra* n. 107, at 81, 93-94.

n221. This can be either the entire copyright or any one or more of the bundle of exclusive rights that comprise the copyright. See 17 U.S.C.101 (defining "copyright owner" "with respect to any one of the exclusive rights comprised in a copyright, as the owner of that particular rights").

Another area that is not subject to conflicts analysis is that of the form of the transfer. The copyright act has specific provisions concerning transfers, and it is evident from reading these sections that they were intended to have extraterritorial effect. See 17 U.S.C. 204(b) (prescribing the form for authentication of transfers entered into in foreign countries); 204(a) (invalidating any assignment of exclusive rights that is not in writing and signed by the transferor of the rights). Thus, when a foreign transfer is at issue, that assignment must comply with all relevant provisions of the U.S. Copyright Act. The transfer must also comply with all relevant provisions of the foreign country of origin since failure to comply with those provisions may result in the transferor having nothing to assign.

n222. *153 F.3d at 92.*

n223. If the foreign plaintiff is not the author or exclusive licensee under the law of the foreign country of origin, there is no need to evaluate the issue under U.S. law. See Ulmer, *supra* n. 64, at 45 (discussing 1954 German opinion applying Italian law on question of whether Italian music publisher had been granted an exclusive right).

n224. See Fentiman, *supra* n. 194, at 35-41; the "Alf" decision of the Bundesgerichtshof of June 17, 1992, 1992 Grur Int. 697 (in English 24 IIC 539 (1993)) in which a German court decided that German law would be applied to determine whether the German sublicensee of an American licensee of German rights possessed a *schutzwürdiges Interesse*, a legally protected interest sufficient to confer standing to sue.

n225. See, e.g., French Law on Intellectual Property of 1992, art. L. 131-1; Greek Copyright Act of 1993, art. 13(5); Italian case law, see Fabiani, "Italy," in Geller & Nimmer, *supra* n. 35, at 41-42 (1998); Spanish Copyright Act of April 23, 1996, art. 43; Switzerland, art. 27, Civil Code. Cf. Belgian Copyright Act of June 30, 1994, art. 3(1)(2) (such assignments valid if for a limited time and types of works are specified); Brazilian Copyright Act of 1973 as amended Sept. 12, 1983, art. 54 (valid if limited to five year license), and Netherlands, Article 97, Book 3 of the January 1, 1992 Civil Code, permitting such transfers.

n226. See Belgian Copyright Act of June 30, 1994, art. 3(1)(6); German Copyright Act of 1965, art. 31(4); Dietz, in Geller & Nimmer, *supra* n. 35, at 49; Greek Copyright Act of 1993, art. 13(5). French copyright law permits such clauses if they provide for a "correlative participation in profits of exploitation," Intellectual Property Code of 1992, art. L. 131-6; Lucas & Plaisant, *supra* n. 35, at 65.

n227. See Ficsor, "Hungary," in Geller & Nimmer, *supra* n. 35, at 31.

n228. This issue arose in *Itar-Tass*, but was avoided on appeal.

n229. German Copyright Act of 1965, art. 41 (failure to exploit work); Dietz, in Geller & Nimmer, *supra* n. 35, at discussed *infra* n. 438. See also Katzenberger, "Protection of the Author as the Weaker Party to a Contract under International Copyright Contract Law," 19 IIC 731 (1988). Professor Katzenberger's theory was rejected by the Second Circuit in *Boosey & Hawkes Music Publishers v. Walt Disney Co.*, 145 F.3d 481 (2d Cir. 1998).

n230. Occasionally, countries eliminate any conflicts analysis by limiting the scope of the law to domestic authors or assignments, see, e.g., art. 132-5 of the July 1, 1992 French Intellectual Property Code, limiting to French authors the requirement that publishing contracts provide authors with a proportional share of the profits from exploitation; 17 U.S.C. 203(b)(5) and 304(c)(6)(E) (1978).

n231. Common law countries are not immune from such policies. Sections 203(b) and 304(c)(6) of title 17, United States Code, contain inalienable termination of transfer rights. Australia, Canada, and the United Kingdom also have limited termination rights.

n232. Under this theory, even when applying contract choice of law, the restrictions should run with the contract. See Katzenberger, "Urheberrechtsverträge im Internationalen Privatrecht und Konventionsrecht," in *Urhebervertragsrecht* 225, 247 (Friedrich-Karl Beier et al., eds. 1995).

n233. See *infra* text accompanying nn. 317-322.

n234. For discussion of policy issues raised by copyright contracts, see Fabiani, "Conflicts of Law In International Copyright Assignment Contracts," [1998] Entertainment L. Rev. 157; de Freitas, "Copyright Contracts," [1991] Copyright 222; Dietz, *Das Primär Urhebervertragsrecht In Der Bundesrepublik Deutschland Und In Den Andern Mitgliedstaaten Der Europäischen Gemeinschaft* (1984); *Copyright Contracts* (Herman Cohen Jehoram, ed. 1977).

n235. *Restatement (Second) Of Conflict Of Laws*, 6, 188 (1988). Section 188 applies, though, in the absence of an effective choice by the parties under 187. Where an assignment of economic rights does not involve issues of contracting around statutory restrictions on those rights, there seems to be no reason not to permit the parties to select a jurisdiction that has a "substantial relationship to the parties or the transaction," *Id.*, on issues of contract interpretation. See also Ernst Rabel, *3 Conflict of Laws: A Comparative Study* 76-77 (1964) (suggesting general rules on chattels should apply to copyright assignments).

n236. Conceptually, these factors may reflect the tendency to reify, through reference to physical action, something (an agreement) that lacks physical manifestation. See Juenger, *supra* n. 31, at 53:

Contracts lack a physical manifestation. This poses a difficulty for the classical conflicts mechanism, which is geared to localizing transactions wherever they tangibly manifest themselves. Of course, contracting usually entails some overt action, so that it is possible to select the law of the place where the parties did something, for instance where they shook hands or signed a piece of paper. The tendency to focus on such visible evidence of juridical

events explain the hoary *lex loci contractus* rule, which antedates Bartolus. However, the seemingly simple and straightforward place-of-contracting rule, like the place-of-wrong rule [for torts], creates more problems than it resolves.

Professor Juenger also points out that jurisdictions differ concerning the point at which a contract is formed. *Id.*

n237. See Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs, art. 9(1). Other examples include Council Directive 92/100/EEC of 19 November 1992 on rental right and lending right and on certain rights related to copyright in the field of copyright, art. 4(2) (right to obtain equitable remuneration for rental not waivable) and Council Directive 96/9/EC of 11 March 1996 on the legal protection of databases, art. 15 (contract barring permitting acts void).

n238. See Lucas & Plaisant, in Geller & Nimmer, *supra* n. 35, at 55 (1998):

French courts will tend to adjudicate contracts, insofar as they transfer economic rights, by the law freely chosen by the parties, absent fraud and provided that public policy and express provisions on purely French conveyances are not contravened. It is with great reluctance that a French court is likely to apply French rules limiting the validity of certain contractual clauses which appear in contracts validly concluded abroad.

See also *id.* n. 90 (discussing case where French court upheld a British contract that conveyed greater economic rights than would have been permitted had French contract construction been applied). But see Strowel & Corbet, *Belgium* 30, *id.*:

[A] Belgian court could exceptionally consider applying certain Belgian rules to copyright contracts otherwise subject to foreign contract law if ... the ... rule was based on ... (*ordre public*) or were otherwise of a mandatory nature. For example, ... such rules might arguably limit a contractual transfer of economic rights in unknown forms of exploitation or an overreaching contractual waiver of moral rights.

n239. See Baxter, "Choice of Law and the Federal System," *16 Stan. L. Rev.* 1, 4 (1963) (criticizing using place of execution of contract).

n240. See Juenger, *supra* n. 31, at 53.

n241. European courts have routinely used this factor in cases involving the administration of copyright licenses in the music industry. See, e.g., *In Re A Lithuanian Composer's Works*, (Case No. 3 U 171/94), [1999] ECC 143 (Hanseatisches Oberlandesgericht, Hamburg, 22 Oct. 1997).

n242. See *supra* text accompanying nn. 62-83.

n243. See supra text accompanying nn. 42–61.

n244. Rome Convention on the Law Applicable to Contractual Obligations, arts. 4.1, 4.2 (1980).

n245. Although Professor Ulmer appears to favor applying the law of the country where protection is sought, Ulmer, supra n. 63, at 99, 100 (art. F) (1978), others, such as Professor Dessemontet, strongly favor applying the law of transferor's place of business, in order to ensure a single source of law. See Dessemontet, "Les contrats de licence en droit international privé," in *Melanges Guy Flattet* 435 (1985), discussed in Ginsburg, supra n. 107, at 91 n.35 (1988). See also Ginsburg, supra n. 92, at 395.

n246. See, e.g., Brilmayer, supra n. 31, at 124–25.

n247. Interest analysis and Professor Baxter's comparative impairment theory, see supra n. 38, fare no better. In our problem, how would a U.S. federal court weigh whether the civil law country of origin has a greater interest in ensuring its authors retain certain copyright rights, or, whether the United States has a greater interest in ensuring that contracts entered into by its corporations are honored? In the language of comparative impairment, is the civil law of the country of origin or the law of the United States impaired more?

Professor Currie, in favoring the law of the forum in such circumstances, did so in large part because of the impossibility of making such value judgments about sovereigns:

Assessment of the respective values of two sovereign states, in order to determine which is to prevail, is a political function of a very high order. This is a function which should not be committed to courts in a democracy.

Currie, "Notes on Methodologies and Objectives in the Conflict of Laws," *1959 Duke L. J.* 171, 176.

Despite efforts of some conflicts scholars to substitute game theory or other fictional devices to calculate the hypothetical bargain that states would engage in on such issues, the cold reality remains that no such bargaining occurred. There is simply no way to guess which outcomes one state would care about more than others. In light of this, Currie's forum preference does not seem unreasonable.

n248. See Brainerd Currie, supra n. 207, at 77.

n249. *125 Mass.* 374 (1878).

n250. *Id.* at 375. For a recent application of this principle, See *Kipin Indus., Inc. v. Van Deilen Int'l, Inc.*, 1999 WL 463194 (6th Cir. July 9, 1999) (upholding contract that provided for lien-waiver even though the clause was void against public policy in the state selected by the parties).

n251. *Id.* at 377.

n252. *Id.* at 382.

n253. *Id.* This was hardly responsive to Mrs. Pratt, though, a Massachusetts resident asking a Massachusetts court to apply its own law for a contract she signed in Massachusetts for delivery of goods in Massachusetts.

n254. Discerning the existence, if any, of a forum preference for favoring authors or assignees is not so easy either, compare *Boosey & Hawkes Music Publishers v. Walt Disney Co.*, 145 F.3d 481 (2d Cir. 1998); *Bourne Co. v. Walt Disney Co.*, 68 F.3d 621, 630 (2d Cir. 1995) and *Bartsch v. MGM*, 391 F.2d 150, 155 (2d Cir. 1968) with *Rey v. Lafferty*, 990 F.2d 1379, 1390-91 (1st Cir. 1993); *Cohen v. Paramount Pictures Corp.*, 854 F.2d 851, 853-54 (9th Cir. 1988). For an English decision on point, see *Board of Governors of the Hospital for Sick Children v. Walt Disney Productions, Inc.*, 2 All. ER 321, [1996] (Chancery Div.).

n255. Ricketson, *supra* n. 201, at 318.

n256. See Aoki, "Authors, Inventors and Trademark Owners: Private Intellectual Property and the Public Domain," 18 *Colum.-Vla. J.L. & Arts* 1 (1994).

n257. See Patry, "The Failure of the American Copyright System: Protecting the Idle Rich," 72 *Notre Dame L. Rev.* 907 (1997).

n258. The most famous example is found in the 1841 House of Commons debates on term extension, in which Macaulay and Sergeant Talfourd squared off. See Seville, "Talfourd and his contemporaries: The making of the 1842 copyright act," in 1 *Perspectives On Intellectual Property* (1997). The debates are reproduced in Patry, *supra* n. 12, at 1465-83. See also *infra* n. 420. The Sony Bono Term Extension Act, Act of Oct. 27, 1998, Pub. L. No. 298, 105th Cong., 2d Sess., 112 Stat. 2827, which added an additional 20 years of copyright, has triggered not only debate but also a lawsuit challenging its constitutionality. See *Eldred v. Reno*, 74 F. Supp. 2d 1 (D.D.C. 1999). A copy of the complaint and information about the suit is available at: <http://cyber.law.harvard.edu/commons>.

n259. See Ricketson, *supra* n. 64, at 318-23.

n260. See 17 *U.S.C.* 302, 303 (1978, 1998).

n261. The Berne Convention was originally concluded in 1886. Revisions were made in the additional Paris Act of 1896, the Berlin Act of 1908, the Rome Act of 1928, the Brussels Act of 1948, and the Paris Act of 1971. (The Stockholm Act of 1967 never came into force. Two treaties were concluded in December 1996, but have not yet entered into force).

n262. Council Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and certain related rights.

n263. Berne Convention for the Protection of Literary and Artistic Works, art. 7(8) (Paris text, 1971). This provision is similar to Article IV(4)(a) of the Universal Copyright Convention, with one important exception: under Berne the rule of the shorter term is applied on a work-by-work basis, whereas under the UCC it is applied to classes of works.

n264. A grandfather provision was included in Article 7(7) for those countries that were, at the time, members of the Rome Convention and which granted a shorter term of protection.

n265. Under this article, extended to the EEA countries under article 4 of the EEA Agreement, nationals of other member Countries and their successors in title must be accorded the same copyright protection as granted to EEC and EEA nationals in any member state. In the leading copyright case on this issue, *Phil Collins v. Imrat Handelsgesellschaft GmbH et al*, [1993] 3 CMLR 773 (Court of Justice of the European Communities, 20 Oct. 1991), a bootleg recording of a concert was made in California and distributed in Germany. Had Collins been a German performer, the German courts would have granted him the requested relief. Article 7(1) of the EEC Treaty, however, prohibits "any discrimination based on nationality." The Court of Justice of the European Communities, in siding with Collins, held that the place of the bootlegging was irrelevant; what mattered is that the performer were denied protection granted to the nationals of other EU members countries. The effect of this decision has been monumental, eliminating, for example, application of the rule of the shorter term under Article 7(8) of the Berne Convention, and *Re Performance Rights in "La Boheme"*, [1998] ECC 264 (Oberlandesgericht, Regional Court of Appeal, Frankfurt am Main, 29 April 1996) (Italian opera composer Puccini's works are entitled to German term of life of the author plus 70 years under *Phil Collins*); Dworkin & Sterling, "Phil Collins and the Term Directive," [1994] E.I.P.R. 187; Edelman, *supra* n. 72, at 629, 632; J-L. Gaster, "On the European Commission Staff Working Paper on the Implications of the ECJ Phil Collins Ruling," (1996) 168 R.I.D.A. 52-60. But see Caviedes, "International Copyright Law: Should the European Union Dictate its Development?," 16 *B.U. Int'L L. J.* 165, 226-27 (1998) (arguing that because the TRIPS Agreement incorporates the rule of the shorter term from Article 7(8) of the Berne Convention that article governs under last to be enacted principle).

n266. Council Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and certain related rights.

n267. Act of Oct. 27, 1998, Pub. L. No. 298, 105th Cong., 2d Sess., 112 Stat. 2827.

n268. Neither EU countries nor the United States are required to grant the longer term to GATT signatory countries since the national treatment and most favored nation provisions contained in the TRIPS Agreement permit application of Berne Convention exceptions. Article 7(8) is one such exception.

n269. Although not an exception to this principle, it should be noted that the Uruguay Round Implementation Act, in resurrecting foreign works from the public domain for failure to comply with U.S. formalities, excludes

from resurrection works that were in the public domain in their foreign country of origin due to expiration of term. See *17 U.S.C. 104A(h)(6)(B)* (1995). This provision thus directs U.S. courts to look to the foreign law of the work to determine whether the work could be resurrected.

n270. As a result of the European Union's 1993 term directive, and its mandatory rule of the shorter term, comparison of terms has enjoyed a renaissance, see Council Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and related rights, art. 7(1).

n271. This requirement was abandoned in 1992, and eliminated the need for renewals for works first published between 1964 (1992 minus 28 years) and 1977 (the last year of the 1909 Act's dual term system).

n272. *17 U.S.C. 302* (1978).

n273. Act of Oct. 27, 1998, Pub. L. No. 298, 105th Cong., 2d Sess., 112 Stat. 2827.

n274. See Patry, *supra* n. 9, at 470–83.

n275. 53 GEO. III., ch. 156. This Act provided for a term of 28 years from first publication plus the remainder of the author's life if he or she were alive at the end of the 28 year term. In 1842, the British switched to a term of 42 years from first publication or life of the author plus 7 years, whichever was longer. 5 & 6 VICT., ch. 45. The original proposal, by Serjeant Talfourd, for a 60 year term from first publication, was cut back after Lord Macaulay's well-known attack on extension of term. See T.N. Talfourd, *Three Speeches Delivered in the House of Commons in Favour of a Measure for an Extension of Copyright* (1884) and *Copyright Commission: The Royal Commission and Report of the Commissioner, C.2036* (1878) (arguments in favor of severely limiting or abolishing copyright); *Edinburgh Review*, Oct. 1878, No. 304 (reviewing the Commission report). In 1911, as a result of the Berlin revision of the Berne Convention, England moved to a single term of life of the author plus a set number of years, 1 & 2 GEO. V, ch. 34. In order to comply with the European Union term directive, this period was expanded to life of the author plus 70 years.

n276. The vast majority of countries have always measured term from life of the author. See Patry, *supra* n. 9, at 463–64 n.19.

n277. For countries adhering to the Universal Copyright Convention (the point of attachment for U.S. works between Sept. 15, 1955 and Feb. 28, 1989), public domain status due to failure to comply with formalities such as the notice requirement would not result in application of the rule of the shorter term. From March 1, 1989 on (the date of U.S. adherence to the Berne Convention, notice is no longer mandatory, thereby eliminating any such public domain choice of law problem.

n278. Article IV(4)(a) of the 1971 Paris text of the Universal Copyright Convention permits member countries to apply a comparison of terms where another country provides a shorter term "for the class of works to which the

work in question belongs." Since under the 1909 Copyright Act the United States applied a (potential) 56 year term for all classes of works, this could be interpreted to bar application of the rule of the shorter term for a period of less than 56 years, although permitting application of the rule after 56 years. A contrary argument would permit application of the rule even for the renewal period of years 28 to 56 under a theory that the term for the class of works that are not renewed is 28 years. By contrast, the Berne Convention applies comparison of terms on an individual work, rather than class basis as does the UCC.

Ironically, U.S. adherence to the Berne Convention could be detrimental to some U.S. authors of 1909 Act works. In those countries that are members of both the Berne and UCC, Berne governs, see UCC, Appendix, Article XVII. Prior to March 1, 1989 (the date of U.S. Berne adherence), countries that were members of both conventions applied the UCC's rule of the shorter term to U.S. works since that was the only point of attachment; after that date, Berne's rule must be applied. For discussion of how this may affect U.S. works in particular countries, see Knap & Knap, "Czech Republic," in Geller & Nimmer, 1 *supra* n. 35, at 13-14 (indicating work would be protected in Czech Republic); cf. *id.*, Fabiani, at 26-27 (taking view that "if the law of ... a U.C.C. country grants two or more terms of protection, as the United States did before 1978, and a work originating in that country is not protected there during any second or subsequent term, for, example, for failure to obtain a U.S. renewal, the U.C.C. country does not protect that work during that further term").

n279. Germany is an excellent example of this complexity, See Dietz, in Geller & Nimmer, *supra* n. 35, at 40-44. For an extensive review of the protection of U.S. works in Germany, see Drexl, "Duration of Copyright Protection Accorded U.S. Authors in the Federal Republic of Germany: Changes Due to the Accession to the Berne Convention," 22 IIC 27 (pt. 1), 204 (pt. 2) (1991); Nordeman, "The Term of Protection for Works of U.S.-American Authors in Germany," 44 J. Copr. Soc'y 1 (1996). For a pre-U.S. Berne adherence study, see Eugen Ulmer, "The Term of Protection for Works of American Origin in the Federal Republic of Germany," 10 IIC 287 (1979). For a review of the 1892 bilateral agreement between the United States and Germany. See Puschel, "Der Vertrag zwischen dem Deutschen Reich und den USA über den Schutz von Urheberrechten vom 15. Januar 1892," 130 Archiv für Urheber-, Film-, Funk- und Theaterrecht 25 (1996). Protection for U.S. works in former East Germany (which did not regard itself as bound by the 1892 bilateral agreement) is discussed in Kaul, "Zum Schutz der Rechte von Urhebern aus den USA in der DDR," 1965 Neue Justiz 760.

n280. In the following countries the work would be in the public domain: Argentina, see Emery, "Argentina," in Geller & Nimmer, *supra* n. 35, at 32 (1998); Australia, see Lahore, "Australia," at 40; France, see Lucas & Plaisant, at 40; Greece (until March 1, 1989 when the U.S. joined Berne), see Koumantos, "Greece," at 16-17; Hungary, see Ficsor, "Hungary," at 21; India, see Ramaiah, "India," at 24; Italy, see Fabiani, "Italy," at 27; Japan, see Doi, "Japan," at 24; Netherlands, see Cohen Jehoram, "Netherlands," at 28; Sweden, see Karnell, "Sweden," at 22, and probably in Belgium, see Strowel & Corbet, "Belgium," at 25, and in Brazil, see Chaves, "Brazil," at 26.

In the following countries the work would not be in the public domain, the United Kingdom, see Bently & Cornish, "United Kingdom," at 47; Canada, see Vaver, "Canada," at 45; Czech Republic, see Knap & Knap, "Czech Republic," at 13-14; Hong Kong, see Margolis, "Hong Kong," at 16 (no comparison of terms used); Switzerland, see Dessemontet, "Switzerland," at 34-35 (no comparison of terms is used), as well as probably in Spain, see Bercovitz & Bercovitz, "Spain," at 29. In Israel, a work that fell into the public domain in the United States before September 16, 1955 would still be subject to protection in Israel; after that date it would be in the public domain in both countries. See Weisman, "Israel," at 16.

n281. *218 U.S. 643 (1943)*. See criticism of this opinion in Patry, *supra* n. 9, at 72-73.

n282. See, e.g., *Corvado Music Corp. v. Hollis Music, Inc.*, 981 F.2d 679, 684-85 (2d Cir. 1993); *Yount v. Acuff-Rose Opryland*, 103 F.3d 830, 833 (9th Cir. 1996).

n283. [1963]1 All E.R. 237 (Ch.) (1962).

n284. *Id.* at 239. See also *Mother Bertha Music, Ltd. v. Bourne Music*, (Chancery Div. 21 March 1997 (Transcript available on LEXIS "Enggen," "Cases," database)).

n285. For a case where an English grant of world-wide rights, including the U.S. renewal rights, did involve a reversionary right under previous U.K. law, see *Chappell & Co., Ltd. v. Redwood Music, Ltd.*, 2 All ER 817 (H.L. 1980).

n286. 981 F.2d 679 (2d Cir. 1993).

n287. *Id.*, 981 F.3d at 681-82. This may seem a surprising result to some, since it provides an easy subterfuge for avoiding forum selection clauses. In light of this, other courts have declined to follow *Corvacado* on this point. See *Omron Healthcare, Inc. v. Maclaren Exports, Ltd.*, 28 F.3d 600, 602 (7th Cir. 1994) (trademark case); *Graham Technology Solutions, Inc. v. Thinking Pictures, Inc.*, 949 F. Supp. 1427, 1433 (N.D. Cal. 1997); *Pixel Enhancement Laboratories, Inc. v. McGee*, 1988 WL 518187, 3 n.4 (D. Mass. Aug. 5, 1998). See also *John Wyeth & Brother, Ltd. v. Cigna Int'l Corp.*, 119 F.3d 1070, 1076 (3d Cir. 1997) (distinguishing *Corvacado*). Nevertheless, it is true that *Corvacado* did not have a contractual relationship with *Arapua* and that the *Jobim-Arapua* contract did not have a clause requiring *Jobim* to insert a Brazilian forum selection clause in future assignments.

n288. The alleged infringement occurred in the United States, and personal jurisdiction was proper over the parties.

n289. *Id.* at 685. See also *Shaw v. Rizzoli Int'l Publications, Inc.*, 1999 WL 160084 (S.D.N.Y. March 23, 1999), applying U.S. renewal provisions to works of U.S. citizens (and perhaps others) first published overseas.

n290. *Id.* at 685 n.8.

n291. Professor Dietz has opined that where an author had "unconditionally and expressly granted worldwide rights for the first and renewal terms, in a contract interpreted and deemed valid under the appropriate contract law, this grant would be effective for the whole German term... since Germany, where protection is sought, does not recognize any renewal term or reversion." Dietz, "Germany," in *Geller & Nimmer*, supra n. 35, at 43 (1998). In reaching this conclusion, Professor Dietz, following Professor Ulmer, divides conflicts analysis into two steps, the first for choosing the law governing the contract, the second for choosing the law governing the substantive provisions. Professor Ulmer, perhaps influenced by the German monist theory of copyright, drew a distinction between contractual obligations (to be governed by the law of the country governing the contract) and transfer of "proprietary rights" (to be governed by the law of the country where protection is claimed). However, since in the United States a contractual assignment of an exclusive right is a transfer of a proprietary right, Professor Ulmer's distinction makes no sense. Thus, if, under a conflicts analysis, the United States was deemed the law governing the contract, and under U.S. law the renewal term was adequately conveyed, the full term of German copyright would

be vested in the assignee. If the renewal term was not conveyed under U.S. contract law, presumably the assignee would only enjoy rights to the first term in Germany. The critical issues, though, are (1) whether to engage in such a dual conflicts analysis, see *supra* text accompanying nn. 365–99, and (2) determination of the law of the country governing the contract.

n292. *Miller Music v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960); *Stewart v. Abend*, 495 U.S. 207 (1990).

n293. See Emery, "Argentina," in Geller & Nimmer, *supra* n. 35, at 32; *id.* Lahore, "Australia," at 40; *id.*, Lucas & Plaisant, "France," at 40–44; *id.* Ficsor "Hungary," at 21; *id.* Karnell, "Sweden," at 22. *Contra.*, *id.* Doi, "Japan," at 24. The most extensive discussion of the issue is that of Professor Dessemontet, *id.* "Switzerland," at 35.

n294. See Patry, *supra* n. 9, at 468–70 (1994) (also reviewing exchange between Mark Twain and Representative Currier during hearings on the 1909 Act); Ringer, "Renewal of Copyright," Copyright Office Study No. 31, 86th Cong., 2d Sess. 124–25 (Senate Comm. Print 1961). In European and other civil law countries, this same concern over the inability to ascertain the future market value of the work has led to restrictions on the author's ability to transfer rights by means of exploitation not in existence at the time of the contract. This theory, known in German as "Zweck^ubertragungstheorie,"

takes into account the factual impossibility of exactly predicting the extent and the success of the exploitation of copyrights at the moment of creation. The parties cannot completely and exhaustively specify all the uses and media eventually feasible for a work under a given contract. In case of litigation, the court searches for the actual scope of the transfer at issue by examining the reasonable consequences flowing from the parties' interests in mutual profit that motivated their common understanding. Where the evidence leaves the scope of the transfer in doubt, the parties are presumed to have agreed upon what is usual in the particular trade or industry.

Dessemontet, "Switzerland," at 45, in Geller & Nimmer, *supra* n. 35. This approach contrasts sharply with that of some U.S. courts, particularly the Second Circuit, which will construe the contract merely according to its terms, not its purpose, and certainly not in context of the underlying purposes of copyright.

n295. 218 U.S. 643 (1943).

n296. *Miller Music v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960); *Stewart v. Abend*, 495 U.S. 207 (1990).

n297. 17 U.S.C. 203(a)(5); 304(c)(5) (1978). Both sections declare: "Termination of the grant may be effected notwithstanding any agreement to the contrary, including an agreement to make a will or to make any future grant."

n298. Section 304(c) governs exclusively works published before January 1, 1978 because the termination right concerns the extra 19 years of copyright added on to these works by the 1976 Act, i.e., the termination concerns the period after the original 56 years has passed. The Section 203 termination right, by contrast, is triggered by the date of the transfer, and thus in addition to works created on or after January 1, 1978, it may also encompass works

created before January 1, 1978 but which were not the subject of an assignment before that date.

n299. See Patry, *supra* n. 9, at 493-500.

n300. *17 U.S.C. 203(b)(5), 304(c)(6)(E) (1978)*.

n301. The U.K. has a termination (reversionary) right, which covers works created (and probably transfers made) before June 1, 1957. Unlike the U.S. statute, reversion is automatic. It is not exercisable by the author, though, but instead by his or her heirs, successors or legal representatives, 25 years after the author's death. The provision is limited to grants by individual authors (i.e. not employers or the authors heirs). See Copinger and Skone James *On The Law Of Copyright* 182-83 (9th ed. 1958). Heirs of U.S. authors should be entitled to this reversionary interest for transfer of rights in the United Kingdom. See Lisa Alter, *Protecting Your Musical Copyrights* 13 (1998) for a listing of the large number of existing and former British territories to which the interest extends. Canada also has a reversionary provision, which voids assignments after 25 years. Exceptions are made for contributions to collective works and works for hire. Professor David Vaver has written that

Only Canadian copyrights would seem to be subject to such reversion. Foreign copyright, even if conveyed by a Canadian contract, would be treated by a Canadian court as subject to the foreign law establishing copyright.

Vaver, "Canada," in Geller & Nimmer, *supra* n. 35, at 4[3][b] n.106 (1998). See also *Redwood Music, Ltd. v. Bourne*, 63 C.P.R. 3d 380 (1995) (reviewing Canadian and reversions in other countries). A number of other countries have or have had reversions for the benefit of heirs after a fixed period, particularly, as occurred in the United States, when the term of copyright is extended. See, e.g., Bercovitz & Bercovitz, "Spain," at 27 & *id.* n.38, in Geller & Nimmer.

n302. *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 90 (2d Cir. 1998). See also *Murray v. British Broad. Corp.*, 81 F.3d 287, 290 (2d Cir. 1996), quoted *supra* n. 209.

n303. See *supra* 100 (quoting provision).

n304. See *17 U.S.C. 104(c)*(1989).

n305. See, e.g., tough approach advocated in Parant, "Jurisdiction and Conflict of Laws: Thwarting Internet Pirates in "Intellectual Property Havens," 15 Ent. & Sports L. 20 (Fall 1997).

n306. Ginsburg, "Global Use/Territorial Rights:", *supra* n. 117, at 318, 319-20. It should be emphasized that Professor Ginsburg is a moderate in this debate, flanked on the far left by Johnson & Post, "Law and Borders - The Rise of Law in Cyberspace," *Stan. L. Rev.* 1367 (1996); Perritt, Jr., "Jurisdiction in Cyberspace," 41 *Vill. L. Rev.* 1 (1996), and Geller, "New Dynamics in International Copyright," 16 *Colum. VLA-J.L. & Arts* 461 (1992), who argue for

various types of separate legal systems for cyberspace.

n307. *Id.*, 42 J. Copr. Soc'y at 338.

n308. See also Ginsburg, "Extraterritoriality and Multiterritoriality in Copyright Infringement," 37 *Va. J. Int'l L.* 587, 600 (1997) (arguing for an expanded "root" or "master" copy and "nerve center" approach according to which "if it is possible to localize in the United States the point from which the communication of the infringing work ... becomes available to the public (wherever that public be located), then U.S. courts should apply U.S. law to all unauthorized copies, wherever communicated," and "where the United States is the 'nerve center' for foreign distributions, the domestic acts of planning and intellectually implementing the offshore acts should suffice to justify the application of U.S. law to the full series of acts"); Ginsburg, "Copyright Without Borders? Choice of Forum and Choice of Law for Copyright Infringement in Cyberspace," 15 *Cardozo Arts & Ent. L.J.* 153 (1997); Kaufmann-Kohler, "Internet: Mondialisation de la communication - mondialisation de la resolution des litiges?, in Internet; Which Court Decides Which Law Applies? 89 (Katharina Boele-Woelki & Catherine Kessedjian eds. 1998) (taking position that forum court of author's domicile should adjudicate all claims). This expansive view of the competence of the forum court is criticized in Austin, "Domestic Laws and Foreign Rights: Choice of Law in Transnational Copyright Infringement Litigation," 23 *Colum.-Vla. J. L. & Arts I* (1999).

n309. Indeed, Professor Ginsburg's objective largely has been partially achieved in the European Union, by virtue of the 1968 Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters. Article 5(3) of the Convention generally vests jurisdiction in the court of the country where the "harmful event occurred," a phrase that has been interpreted to include both the place where the damage occurred and the place of the event giving rise to the damage, see *infra* n. 60. Article 6(1) of the Convention states that where there are multiple defendants "the court for the place where any one of them is domiciled" has jurisdiction over all the defendants. This includes claims of contributory infringement so long as there is a serious question to be tried as to the alleged contributory infringer. See *ABKCO Music & Records, Inc. v. Music Collection International Ltd.*, [1995] R.P.C. 657 (Ct. App., Civil Div., 7 Nov. 1994). See also *Pearce v. Ove Arup Partnership, Ltd.* [1999] 1 All ER 769 (Ct. App., Civ. Div.) Dicey & Morris, *supra* n. 44, at 385-86, 393, 1515-19 (12th ed. 1993); Arnold, "Can One Sue in England for Infringement of Foreign Intellectual Property Rights?," 12 *European Intellectual Property Review* 254 (1990); Jooris, "Infringement of Foreign Copyright and the Jurisdiction of English Courts," 18 *European Intellectual Property Review* 126 (1996); Inglis & Gringas, "Conflict of Intellectual Property Laws: A U.K. Perspective on Europe," 19 *European Intellectual Property Review* 396 (1997); Cornish, "Intellectual Property Infringement and Private International Law: Changing the Course of the Common Law Approach," 4 *Grur Int.* 285 (1996).

n310. See *Mother Bertha Music, Ltd. v. Bourne Music*, Transcript at 19 (Chancery Div. March 21, 1997) (plaintiff argued that court should decide issues of foreign infringement, but court expressed concern that foreign laws may have different provisions than the U.K. statute). Even within the European Union, there is strong objection to "any harmonization establishing the country of origin of a digital transmission as the country where the act of transmission is taking place and its law as the only one applicable." Proposal for a European Parliament and Council Directive on the harmonization of certain aspects of copyright and related rights in the Information Society, 97/0359 (COD), COM (97)628 final, Dec. 10, 1997 at 12 P8. The objections mostly stem from concern that transmissions could be selected to emanate from countries with a low level of protection, *id.*

Under article 5(3) of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, a person domiciled in a Contracting State may be sued in matters relating to "tort, delict or quasi-delict" in the courts of the place "where the harm occurred." This latter phrase has been interpreted by the European Court of Justice in *Bier v. Mines de Potasse d'Alsace*, Case 21/76 [1976], E.C.R. 1735, as referring

to both the place where the damage occurred or the place of the event giving rise to the damage. Thus, within the European Union, placing an infringing work on a website could give rise to jurisdiction in the country where the website is located or where the work is downloaded.

n311. See Geller & Nimmer, *supra* n. 35, at 48. Apparently dissatisfied with the continued existence of differing national copyright laws not to his liking, Mr. Geller advocates a "We are the World" approach to achieving an undefined international uniformity. This uniformity would involve "enhancing the coherence of ultimate results in the same or similar cases from country to country." *Id.* How to achieve this wonderful, albeit fuzzy, objective? By letting national courts loose to act as an Interpol copyright police force, imposing remedies for worldwide conduct:

Courts should ... analyze infringement with an eye to weaving as seamless and coherent a global web of copyright remedies and sanctions as possible. These complementary desiderata may guide localizing infringement at distinct stages: initially, that of injunctions; and, finally, that of monetary awards.

Id.

This is malarkey. Mr. Geller's reaction to differences in national legislative policy is to encourage a court in one jurisdiction to eliminate differences in other jurisdictions by imposing its substantive law and remedies on those other countries, an act of blatant copyright imperialism. The only way to achieve the nirvana of a "seamless or coherent web of remedies" is through a multilateral treaty. The affront to national sovereignty by this proposal is all the more sharp when we realize that no other country in the world awards the type of generous statutory damages we do, see *17 U.S.C. 504(1)*(1978, 1989). Mr. Geller acknowledges that the type and amount of damages and the availability of juries differ widely from country to country. *Id.* at 49 n.45. Unfortunately, the seriousness of those differences give him no pause. Should a U.S. defendant, sued in England for contributory infringement for an act that occurred in the United States be deprived of his constitutional right to a jury for the U.S. conduct? See *Feltner v. Columbia Pictures Television*, 523 U.S. 340 (1998). Should a foreign defendant be subject to the very generous statutory damages under the U.S. copyright act for engaging in contributory infringement here, but direct infringement overseas in a country that does not award such damages? Geller would, apparently, say yes.

Unfortunately, a few courts have also been swept away by a swashbuckling passion to do battle with modern international copyright pirates. A district judge in Nashville, Tennessee apparently knowingly wrote that:

Piracy has changed since the Barbary days. Today, the raider need not grab the bounty his own hands; he need only transmit his go-ahead by wire or telefax to start the process in a distant land. [The Ninth Circuit's decision in] *Subafilms* ignores this economic reality, and the economic incentives underpinning the Copyright clause designed to encourage creation of new works, and transforms infringement of the authorizations right into a requirement of domestic presence by a primary infringer. Under this view, a phone call to Nebraska results in liability; the same phone call to France results in riches. In a global marketplace, it is literally a distinction without a difference.

Curb v. MCA Records, Inc., 898 F. Supp. 586, 595 (M.D. Tenn. 1995).

This is indeed a breathtaking view of U.S. federal courts' authority and role, to say nothing of the maligning of the French, but at least in *Curb* there was direct infringement in the United States by making unauthorized copies of records. The same cannot be said for *Expeditors Int'l of Washington v. Direct Cargo Mgt. Services, Inc.*, 995 F. Supp. 468 (D. N.J. 1998), in which authorization in the United States to an Asian licensee to continue to use a lawfully possessed copy of software after the expiration of the license was found to be within the court's jurisdiction, the "pirate" passage from *Curb, supra*, being cited in support. 995 F. Supp. at 475-77. No act of "piracy" occurred in either country. The only activity in the United States was a telephone call to an Asian licensee.

This is an indefensible expansion of barely defensible authority.

n312. *1996 U. Chi. Legal F.* 207. Judge Easterbrook's "horse" analogy was derived from Llewellyn, "Across Sales on the Law of the Horse," *52 Harv. L. Rev.* 725, 735, 737 (1939); Llewellyn, "The First Struggle to Unhorse Sales," *52 Harv. L. Rev.* 873 (1939). Judge Easterbrook did not address extraterritoriality in his speech, but I believe his insights are useful for that issue.

n313. *Id.* at 207-08.

n314. *Id.* at 207.

n315. *Id.* at 209. This is also the view of the European Commission, see *supra* n. 31 and Proposal for a European Parliament and Council Directive on the harmonization of certain aspects of copyright and related rights in the Information Society, 97/0359 (COD), COM (97)628final, Dec. 10, 1997 at 11, P7: "Rules on liability for copyright infringements are established at the national level and, in principle, would also apply to the digital environment. Recent case law at the Member States' level confirm this."

n316. See *supra* text accompanying n. 5.

n317. *17 U.S.C. 106* (1978, 1995). The six exclusive rights granted then follow.

n318. *17 U.S.C. 501(a)*(1978, 1991).

n319. *499 U.S. 244* (1991). The decision was subsequently reversed as to title VII, see Civil Rights Act of 1991, Pub. L. No. 166, 102d Cong., 2d Sess., 105 Stat. 1071, codified in *42 U.S.C. 2000e(f)*, and is criticized as applied to intellectual property in Bradley, *supra* n. 51, at 505, 510-19.

n320. *Id.* at 248. The Ninth Circuit expressed just such concern - and cited this passage from Aramco - in declining an expansive view of extraterritoriality. *Subafilms, Ltd. v. MGM-Pathe Communications Corp.*, *24 F.3d 1008, 1097* (9[su'th'] Cir.)(en banc), cert. denied, *115 S.Ct. 512* (1994). The concern is particularly appropriate in copyright given the important social and political values of a national copyright embodies.

n321. *Id.*

n322. *Id.*

n323. Id.

n324. See *17 U.S.C. 602(b)*(1978): "In a case where the making of the copies or phonorecords would have constituted an infringement of copyright if this title had been applicable, their importation is prohibited." Obviously, if the unauthorized making of copies overseas was unlawful, this section would be wholly unnecessary. In reviewing the possible extraterritoriality of the Copyright Act under the *Aramco*, the Ninth Circuit, sitting en banc, also noted the presence of 602, and described its presence as "doubly fortifying" the presumption against the statute's extraterritoriality. See *Subafilms, Ltd. v. MGM-Pathe Communications Corp.*, 24 F.3d 1008, 1096 (9[su'th'] Cir.) (en banc), cert. denied, 115 S.Ct. 512 (1994).

n325. See *17 U.S.C. 401(a)*, 402(a)(1978, revised 1989), which required that a copyright notice be affixed whenever a work or sound recording protected under title 17 "is published in the United States or elsewhere by authority of the copyright owner...." See also id. 204(a)(prescribing form of acknowledgment for overseas assignment of copyright).

n326. See supra text accompanying n. 317.

n327. H.R. Rep. No. 1476, 94[su'th'] Cong., 2d Sess. 61 (1976); S. Rep. No. 473, 94[su'th'] Cong., 1[su'st'] Sess. 57 (1975)(emphasis added). The Supreme Court thus got it wrong in *Sony Corp. of Am. v. Universal Studios, Inc.*, 464 U.S. 417, 434 (1984), when it said that the "Copyright Act does not expressly render anyone liable for infringement committed by another."

n328. See *Subafilms, Ltd. v. MGM-Pathe Communications Corp.*, 24 F.3d 1008, 1091-93 (9[su'th'] Cir.) (en banc), cert. denied, 115 S.Ct. 512 (1994).

n329. 464 U.S. 417 (1984).

n330. *17 U.S.C. 107* (1978, 1992). See generally, William Patry, *The Fair Use Privilege in Copyright* (2d ed. 1995).

n331. 464 U.S. at 440. Under this doctrine, embodied in 35 U.S.C.271(c), liability for the sale of an article commonly used may not be held to infringe a patent unless there is no substantial noninfringing use for the article.

n332. Id. This example is based on *Kalem Co. v. Harper Bros.*, 222 U.S. 55 (1911).

n333. See e.g., *Los Angeles News Service v. Reuters Television Int'l, Ltd.*, 149 F.3d 987 (9[su'th'] Cir. 1998), cert. denied, 119 S. Ct. 1032 (1999); *Liberty Toy Co. v. Fred Silber Co.*, 149 F.3d 1183 (table), No. 97-3177, 1998 WL 385469, 4 (6[su'th'] Cir. June 29, 1998)("significant activity" in the United States); *Expeditors Int'l of Washington v. Direct Cargo Mgt. Services, Inc.*, 995 F. Supp. 468 (D. N.J. 1998); *Curb v. MCA Records, Inc.*, 898 F.Supp.

586 (M.D. Tenn. 1995); *Fyk v. Roth*, 1995 WL 290444, 2 (E.D. Pa. May 9, 1995) ("Infringing acts abroad that are part of or a consequence of infringing acts that occur within the United States are actionable in United States courts"), 1995 WL 321803 (E.D. Pa. May 25, 1995) (denying motion for summary judgment); *GB Marketing USA, Inc. v. Gerolsteiner Brunnen GmbH & Co.*, 782 F. Supp. 763, 772-73 (W.D.N.Y. 1991) (reaching purely overseas conduct on basis of knowledge that infringing labels would be shipped to the United States). See also Dodge, "Extraterritoriality and Conflict-of-Laws Theory: An Argument for Judicial Unilateralism" 39 *Harv. Int'l L.J.* 101 (1998); Ginsburg, "Extraterritoriality" supra n. 308, at 587; Brillmayer & Norchi, "Federal Extraterritoriality and Fifth Amendment Due Process," 105 *Harv. L. Rev.* 1217, 1217 (1992).

n334. Since this is a matter of statutory construction, other countries' laws may reach a different result, as is the case in the *United Kingdom*. In *ABKCO Music & Records, Inc. v. Music Collection Int'l, Inc.*, [1995] R.P.C. 657 (Ct. App., Civil Div. 7 Nov. 1994), the court compared the language in the 1988 U.K. Copyright, Designs and Patents Act on direct infringement – noting it was territorially limited to acts occurring in the U.K. – with the language on contributory infringement – noting that it was not territorially limited – and based on this comparison, held that an act of authorization overseas violated U.K. rights even in the absence of direct infringement in the U.K.

n335. *Update Art, Inc. v. Modiin Pub., Ltd.*, 843 F.2d 67, 73 (2d Cir. 1988).

n336. See *Robert Stigwood Group, Ltd. v. O'Reilly*, 530 F.2d 1096, 1110-01 (2d Cir.), cert. denied, 429 U.S. 848 (1976) (assembling case and necessary elements in the United States for unauthorized Canadian performance of musical in Canada insufficient). See also *Quantitative Financial Software, Ltd. v. Infinity Financial Technology*, 47 U.S.P.Q. (BNA) 1764, 1765 (S.D.N.Y. 1998); *FunDamental Toy, Ltd. v. Gemmy Indus. Corp.*, 41 U.S.P.Q. (BNA) 1427 (S.D.N.Y. 1996); *DeBardossy v. Puski*, 763 F. Supp. 1239, 1243-45 (S.D.N.Y. 1991); *Shaw v. Rizzoli*, 51 U.S.P.Q.2d (S.D.N.Y. 1999); *General Motors Corp. v. de Arriortua*, 948 F. Supp. 684 (E.D. Mich. 1996) (if all acts occur outside United States remedies can not be awarded, but if some acts occur within, extraterritorial relief is proper). But see *Richard Feiner & Co. v. Turner Entertainment Co.*, 47 U.S.P.Q.2d (BNA) 1539, 1541 (S.D.N.Y. 1998), where in ordering turnover of foreign copies, and Judge Owen wrote that "were it otherwise in a global marketplace, our copyright laws would be pointless." The court's use of "us" certainly indicates a global view of the effect of U.S. law, but it seems a rather large overstatement to conclude that U.S. copyright law would be "pointless" if a court couldn't award damages for infringement in Japan.

In the area of satellite transmissions, there can be disagreements about where the infringing activity takes place, see *Los Angeles News Service v. Reuters Television Int'l, Ltd.*, 149 F.3d 987 (9[su'th'] Cir. 1998), cert. denied, 119 S. Ct. 1032 (1999); *Allarcom Pay Television, Ltd. v. General Instrument Corp.*, 69 F.3d 381 (9[su'th'] Cir. 1995) (satellite signal sent from U.S. but received in Canada did not violate U.S. copyright act); *National Football League v. Prime Time 24 Joint Venture*, 50 U.S.P.Q.2d 1999 (finding retransmission in U.S. a performance but dismissing Canadian and UK infringement claims).

n337. One example is *GB Marketing USA, Inc. v. Gerolsteiner Brunnen GmbH & Co.*, 782 F. Supp. 763 (W.D.N.Y. 1991). Defendant was a German corporation that allegedly prepared infringing labels for water bottles in Germany. The bottles were then sold in Germany to another German corporation, who exported them to the United States. Defendant was alleged to have prepared the bottles in various ways for the U.S. market. No act of authorization took place in the United States, nor any direct infringement by defendant. The court found the acts in Germany of preparing the bottles with the American market in mind to constitute contributory infringement, and contributory infringement to be a wholly alternative ground for jurisdiction. Under this approach any act overseas followed by importation of the infringing goods in the United States constitutes contributory infringement in the United States. Unfortunately, the decision was not appealed.

n338. Professor Goldstein, in yet another of his pseudo-economic displacements of Congress's policy and statutory language, has argued that

courts can be expected to weigh the infringing or non-infringing nature of the foreign conduct in determining whether the economic impact on the domestic authorization right is sufficient to justify third-party relief.

Paul Goldstein, Copyright 6.3.2 (1996).

Whatever their other faults may be, fortunately courts have not lived up to Professor Goldstein's expectations for them. There is no basis in the statute or legislative history for Professor Goldstein's jurisdiction-based-on-the-amount-of-money-lost theory: if a copyright owner loses x percentage of sales, a court should award relief for foreign conduct, but if it loses less than that percentage jurisdiction should be declined. Such a proposal gives even Law & Economics a bad name.

n339. *106 F.2d 45 (2d Cir. 1939)*, aff'd, *309 U.S. 390 (1940)*.

n340. *Id. at 52*.

n341. *Steele v. Bullova Watch Co.*, *344 U.S. 280 (1952)*; *Liberty Toy Co. v. Fred Silber Co.*, *149 F.3d 1183 (table)*, No. 97-3177, *1998 WL 385469* (6[su'th'] Cir. June 29, 1998); *Nintendo of America, Inc. v. Aeropower Co., Ltd.*, *34 F.3d 246* (4[su'th'] Cir. 1994)(distinguishing copyright act); *Vanity Fair Mills v. The T. Eaton Co.*, *234 F.2d 633 (2d Cir.)*, cert. denied, *352 U.S. 871 (1956)*.

n342. There is, of course, jurisdiction over the domestic downloading.

n343. WIPO Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, WIPO Treaty, adopted by the Diplomatic Conference on Dec. 20, 1996, WIPO Doc. CRNR/DC/94, Dec. 23, 1996; id. Agreed Statements, WIPO Doc. No. CRNR/DC/95; WIPO Performances and Phonograms Treaty, adopted by the Diplomatic Conference on Dec, 20, 1996, WIPO Doc. CRNR/DC/96; id., Agreed Statements, WIPO Doc. CRNR/DC/97.

n344. See Amended proposal for a European Parliament and Council directive on the harmonization of certain aspects of copyright and related rights in the Information Society, 97/0359/COD, COM(1999)250final, May 21, 1999, art. 5.

n345. H.R. Rep. No. 609, 100[su'th'] Cong., 2d Sess. 20 (1988), quoted in *Subafilms, Ltd. v. MGM-Pathe Communications Corp.*, *24 F.3d 1088, 1097* (9[su'th'] Cir.) (en banc), cert. denied, *155 S.Ct. 512 (1994)*.

n346. One might ask what the harm is of a U.S. court asserting jurisdiction over and awarding damages for

foreign activity if that activity also violates the copyright law of that foreign country. This approach was rejected by the Ninth Circuit in *Subafilms, Ltd. v. MGM-Pathe Communications Corp.*, 24 F.3d 1088, 1093-94 (9th Cir.) (en banc), cert. denied, 155 S.Ct. 512 (1994). The court of appeals' rejection was based on the same statutory construction approach used here, namely, that the Copyright Act does not make conduct overseas, or authorization here of conduct overseas, a violation of the statute. Thus, whatever may be the case in other fields of law, there is a statutory mandate to think local even if defendant acts globally. Nor is this a quaint or parochial anachronism that can be safely disregarded by those who have a grander sense of justice than Congress: copyright is territorial because it embodies important national views about how political and culture goals should be furthered. Until an international consensus develops on global jurisdiction – as the European Union regionally came to with the 1968 Brussels Convention on enforcing judgments, U.S. courts should decline the role of world enforcer of Copyright Americana.

But even if one wishes a court to ignore the statute under which it is deciding a case, there are likely to be few cases where a defendant cannot assert at least a colorable (and sometimes perhaps a legitimate) claim that its activity does not violate the laws of the foreign country. U.S. courts would then be required to evaluate the claim under foreign law: not an impossible task, to be sure, but an unnecessary one given the availability of adjudicating the foreign infringement in that foreign country. Even if the substantive law is the same, the remedies are not likely to be. It is certainly against principles of comity to willy-nilly award a plaintiff remedies against a foreign defendant that would not be imposed in the defendant's country of origin.

n347. Council Directive of 27 Sept. 1993, 93/83/EEC, O.J.E.C. L. 248/15, preamble P14, art. 1.2(b) ("The act of communication to the public by satellite occurs solely in the Member States where, under the control and responsibility of the broadcasting organization, the programme-carrying signals are introduced into an uninterrupted chain of communication leading to the satellite and down towards the earth").

n348. See "Tele-Uno II" Decision of the Austrian Supreme Court, Oberster Gerichtshof, May 28, 1991, 1991 Grur Int. 920, English translation, 23 IIC 703 (1992); *Radio Monte Carlo v. Syndicat National de l'edition Phonographique*, [1991] ECC 221 (Cour d'appel, Paris 1989). For a post-directive decision, see *Landesgericht Stuttgart*, April 21, 1994, 1995 Zum 58, 1995 Grur Int. 412 (applying German law to Swiss broadcast retransmitted into Germany). See also commentary by Ficsor, "Direct Broadcasting by Satellite and the 'Bogsch Theory,'" 1990 Int'l Business Lawyer 258; Gunnar Karnell, A Refutation of the Bogsch Theory on Direct Satellite Broadcasting Rights, *id.* at 263; Dietz, "Copyright and Satellite Broadcasts," 20 IIC 135 (1989).

n349. See, e.g., Ginsburg, "Global Use/Territorial Rights: Private International Law Question of the Global Information Infrastructure," 42 J. Copr Soc'y 318, 335-38 (1995). See also Ginsburg, "Copyright Without Borders?," *supra* n. 308, at 153 (1997).

n350. Proposal for a European Parliament and Council Directive on the harmonization of certain aspects of copyright and related rights in the Information Society, 97/0359 (COD), COM (97)628 final, Dec. 10, 1997 at 12 P8.

n351. *Allarcom Pay Television, Ltd. v. General Instrument Corp.*, 69 F.3d 381 (9th Cir. 1995). But cf. *Los Angeles News Service v. Reuters Television International, Ltd.*, 149 F.3d 987 (9th Cir. 1998), discussed below in note 362.

In *Allarcom*, plaintiff was the licensee of exclusive rights to exhibit certain programming in Canada. Defendant was the manufacturer of the VC II decoder chip which, in addition to legitimate uses, was being altered to permit

unauthorized reception in Canadian of signals originating in the U.S. and containing programming licensed to Plaintiff. The complaint initially alleged violations of the *U.S. Federal Communications Act*, 47 U.S. 605, as well as state law claims. Plaintiff thereafter withdrew the federal claims, leading defendant to file a motion to dismiss the complaint on the grounds that the state claims were preempted by the FCA and by the Copyright Act. While the appeal from the district court grant of that motion was pending, the Ninth Circuit, en banc, held in *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088 (9th Cir. 1994) that in order for a U.S. court to have jurisdiction over foreign infringement at least one act of infringement must be completed entirely in the United States, and, that mere authorization in the United States to commit foreign infringement is not such a completed act. 24 F.3d at 1094, 1098. Alarcom made clear that in the case of the public performance right, the infringement does not occur until the signal is received, in that instance, in Canada. Thus, since the act of infringement was not completed in the United States, U.S. copyright law did not apply. 69 F.3d at 387.

n352. *National Football League v. PrimeTime 24 Joint Venture*, 211 F.3d 10 (2d Cir. April 28, 2000).

n353. Personal jurisdiction over the defendant is still (and separately) required.

n354. The manner in which PrimeTime 24 retransmitted signals from the Fox network varied, and was different from the other networks. The court of appeals did not address those differences in its opinion.

n355. See 18 U.S.C. 7(6); Convention on Registration of Objects Launched into Outerspace, Jan. 14, 1975, art. II, 28 U.S.T. 695; Treaty on Principles Governing the Activities of States in the Exploration and Uses of Outer Space, Including the Moon and Other Celestial Bodies, Jan. 27, 1967, art. VIII, 18 U.S.T. 2410; Nathan Goldman, *American Space Law: International and Domestic* 73, 85, 133 (2d ed. 1996).

n356. The size of the footprint was determined by the satellite owner, not by PrimeTime 24.

n357. *National Football League v. PrimeTime 24 Joint Venture*, 1999 WL 760130, 2 (S.D.N.Y. September 27, 1999).

n358. *National Football League v. PrimeTime 24 Joint Venture*, 1999 WL 163181, 1 (S.D.N.Y. March 24, 1999). The district court's subsequent memorandum and order granting the NFL's motion for summary judgment may be found at *National Football League v. PrimeTime 24 Joint Venture*, 1999 WL 760130 (S.D.N.Y. September 27, 1999).

n359. For example, *WGN Continental Broadcasting Co. v. United Video, Inc.*, 693 F.2d 622 (7th Cir. 1982); *David v. Showtime/The Movie Channel, Inc.*, 697 F. Supp. 752 (S.D.N.Y. 1988).

n360. 1999 WL 163181, 2 (S.D.N.Y. March 24, 1999). The flip of *NFL v. PrimeTime 24* occurred in *Twentieth Century Fox Film Corp. v. iCrave TV*, No. 00-121 (W.D. Pa. Jan. 20, 2000), where a Toronto company with offices in the United States intercepted U.S. television programming in Canada, and retransmitted that programming into the United States on its website. Like PrimeTime 24, iCrave argued that its activity was lawful under Canadian law.

The court found that infringement occurred in the United States when U.S. consumers received the programming, even though the transmission began in Canada.

n361. Judge McKenna instead expressed concern that under the Ninth Circuit's place of reception approach, advocated by PrimeTime 24, "anyone in any foreign nation (irrespective of whether that nation is a signatory to any international copyright conventions, or in practice, enforces its copyright laws against its own nationals or itself at the instance of Americans) can reach into the United States, capture the first transmission of signals from the United States, and retransmit those signals for public viewing within its borders without liability under United States Copyright Act to the holder of United States copyright." 1999 WL 163181, 3 (S.D.N.Y. March 24, 1999).

n362. See, e.g., *Update Art, Inc. v. Modiin Publishing, Ltd.*, 843 F.2d 67 (2d Cir. 1988); *Sheldon v. MGM Pictures Corp.*, 106 F.3d 45, 52 (2d Cir. 1939), cert. denied, 309 U.S. 390 (1940). In *Los Angeles News Service v. Reuters Television International, Ltd.*, 149 F.3d 987 (9th Cir. 1998), the Ninth Circuit followed the Second Circuit's approach, rather than its own decisions in *Subafilms* and *Allarcom*. See above n. 351. In *Los Angeles New Service*, copies had been made in Los Angeles and sent by satellite to New York, and hence to other parts of the world. Permitting the plaintiff copyright to collect damages for this unauthorized, infringing overseas exhibition, the court held that the "satellite transmissions were merely a means of shipping the unlicensed work abroad for further distribution." 149 F.3d at 992. The court thus analogized satellite transmissions made from an infringing copy to hard copy distribution made from an infringing copy. *Los Angeles News Service* does not supply support for the NFL in the PrimeTime 24 case, however, since in that case there was no infringing copy made in the United States.

n363. 1999 WL 163181, 4 (S.D.N.Y. March 24, 1999).

n364. There is no anomaly in a single transmission being simultaneously infringing and non-infringing. The Satellite Home Viewer Act of 1988, which established the 119 compulsory license clearly contemplates such a situation in its unserved household restrictions, 17 U.S.C. 119(a)(2)(B). Under these provisions, satellite carriers can retransmit network signals to households if they are incapable of receiving such a signal. See 17 U.S.C. 119(d)(10)(definition of "unserved household"). This privilege is, though, determined on a station by station basis. A given household might, for example, be considered unserved for CBS, but not ABC. In order to avoid liability for reception of the ABC programming, satellite carriers such as PrimeTime 24 are obligated to block the ABC programming; the transmission as a whole is still a public performance.

n365. See above n. 351.

n366. See *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390 (1968); *Teleprompter Corp. v. Columbia Broadcasting Sys., Inc.* 415 U.S. 394 (1974); *The Cable and Satellite Carrier Compulsory Licenses: An Overview and Analysis*, Report of the Register of Copyrights 5-40 (1992)(history of the "cable wars"); *Draft Secondary Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1975 Revision Bill*, October-December 1975, ch. V (1975)(same).

n367. See *Eastern Microwave, Inc. v. Doubleday Sports, Inc.*, 691 F.2d 125, 132 n.16 (2d Cir. 1982), cert. denied, 459 U.S. 1226 (1983).

n368. The passive carrier exemption in *17 U.S.C. 111(a)(3)* applies to cable retransmissions. Satellite retransmissions are covered in 119. The argument made in the text does not seek to apply section 111 to section 119, but rather uses the exemption in 111(a)(3) to make a structural argument about the public performance right in general works.

n369. *211 F.3d 10 (2d Cir. 2000)*.

n370. *Id. at 13*. Presumably, what Judge Van Graafeiland meant was that the Ninth Circuit had not analyzed the statutory provisions concerning the public performance right.

n371. *Id.*

n372. *580 F. Supp. 471 (S.D.N.Y. 1984)*.

n373. *Id. at 48*. Subsequently, Professor Goldstein, with no research of his own, has aped Nimmer's position. See Goldstein, *supra* n. 338, at 16.2 (2000).

n374. *580 F. Supp. at 48*.

n375. *3 Nimmer on Copyright 12.01[C](1982)*.

n376. *[1999] 1 All. E.R. 769, 786-93*. See also Currie, "The Constitution and the "Transitory Cause of Action," in *Selected Essays on the Conflict of Laws* 282, 311-19 (1963).

n377. *Id. at 789*.

n378. See Cornish, *supra* n. 309, at 285.

n379. See e.g., *Frink America, Inc. v. Champion Road Machinery, Ltd.*, *961 F. Supp. 398, 404-05 (N.D.N.Y. 1997)*; *Armstrong v. Virgin Records*, *91 F. Supp.2d 628 (S.D.N.Y. 2000)*; *Carell v. Shubert Organization, Inc.*, *104 F. Supp.2d 236, 157-59 (S.D.N.Y. 2000)*. See also *Jose Armando Bermudez & Co. v. Bermudez International*, 2000 WL1225792 (S.D.N.Y. Aug. 29, 2000).