# A DUTY TO PROTECT THE RIGHTS OF PERFORMERS? CONSTITUTIONAL FOUNDATIONS OF AN INTELLECTUAL PROPERTY RIGHT

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## I. "WEISST DU WAS DARAUS WIRD?"[1]

### A. *It Started with Opera*

> It is only in comparatively recent times that a virtuoso, conductor, actor, lecturer, or preacher could have any interest in the reproduction of his performance. Until the phonographic record made possible the preservation and reproduction of sound, all audible renditions were of necessity fugitive and transitory; once uttered they died; the nearest approach to their reproduction was mimicry. Of late, however, the power to reproduce the exact quality and sequence of sounds had become possible, and the right to do so, exceedingly valuable . . . .[2]

The invention of sound recording devices changed the paradigms under which performers had worked for centuries. Before, the

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[1] RICHARD WAGNER, GÖTTERDÄMMERUNG [Twilight of the Gods], Sc. 1 ("Know'st thou what comes thereof?").

[2] RCA Mfg. Co. v. Whiteman, 114 F.2d 86, 88 (2d Cir. 1940).

artist's only right was to ask for remuneration for her appearance. There was no other way to enjoy a performer's art than by attending a personal performance.[3] In theory, the performer was able to exercise quasi-perfect control over her performance. However, sound recording devices allowed the materialization of the performance, thus transforming the fugitive performance into a permanent object with its own economic value, and enabling a listener to enjoy a performance without having to be at a particular place at a particular time.[4] Thus, technological inventions eventually caused considerable social change. Courts on both sides of the Atlantic were called upon to respond in the first decade of the twentieth century.

Companies entered into separate contracts with individual singers and musicians, most often with singers from the so-called "Grand Opera Companies" of New York, Paris, London, Berlin, Milan and Vienna. Under these contracts, artists agreed to record their vocal performances of well-known operatic pieces on various devices.[5] In return, the "gramophone" companies paid singers a fee, often combined with a contractual duty to pay a royalty for

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3 *See* W. MAK, RIGHTS AFFECTING THE MANUFACTURE AND USE OF GRAMOPHONE RECORDS 99 (1952).

4 *See* Waring v. WDAS Broad. Station, 327 Pa. 433, 435 (1937); R. HOMBURG, LEGAL RIGHTS OF PERFORMING ARTISTS 14 (Maurice J. Speiser trans., 1934); MAK, *supra* note 3, at 100.

5 The term "mechanical reproduction" was commonly used at the beginning of the twentieth century to include all means of sound recording available at that time. *See, e.g.*, Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as last revised Sept. 28, 1979, 828 U.N.T.S. 221 [hereinafter Berne Convention].

"It is understood that the manufacture and sale of instruments serving to reproduce mechanically the airs of music borrowed from the private domain are not considered as constituting musical infringement." SAM RICKETSON, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986 375 (1987) (quoting Berne Convention, Closing Protocol No. 3, Sept. 9, 1886). *See also id.* at 377 (quoting Berne Convention, art. 13(1), rev. Nov. 13, 1908) ("The authors of musical works shall have the exclusive right of authorizing (1) the adaptation of these works to instruments which can reproduce them mechanically . . . .").

"Mechanical reproduction" included a variety of sound devices including: the musical box, *see* Wikipedia.com, Musical Box, http://en.wikipedia.org/wiki/Musical_box (last visited Sept. 5, 2006); the player piano, *see* Wikipedia.com, Player Piano, http://en.wikipedia.org/wiki/Player_piano (last visited Sept. 5, 2006); the phonograph and the gramophone, *see* Wikipedia.com, Phonograph, http://en.wikipedia.org/wiki/Phonograph (last visited Sept. 5, 2006). *See also* Wikipedia.com, Sound Recording, http://en.wikipedia.org/wiki/Sound_recording (last visited Sept. 5, 2006) (brief history of the development of the sound recording).

Although these devices are covered by the contemporary definition of mechanical instruments, they have to be divided into two groups: (1) instruments on which the recording of the sound has been achieved by an individual act of a performer, and, (2) instruments on which sound has been recorded without the underlying performance of an individual. *See* MAK, *supra* note 3, at 2-3. This distinction is of little importance from the author's point of view, since her interest in the exploitation of her work is affected equally in both. It makes a difference, though, from the performer's point of view because only the first group of such instruments, like the gramophone, raises the question addressed in this article.

each record produced from the original matrix.[6] After copies of the records had been released, competitors bought copies and duplicated them without seeking authorization from either the artists or the "original" recording company, and offered them on the market at a price substantially below that which the "original" company was asking.[7]

In an attempt to thwart their competitors, the "original" record companies argued that their chance to amortize their investments by selling a certain number of copies at a set price was seriously threatened because the competitors were able to offer the same recording[8] at a lower price.[9] Additionally, the companies also pointed to the negative effects of the unauthorized records on the interests of the performing artists: not only did a third party benefit from a performance without having compensated the performer, but the performer's expectancy to be compensated through royalties, as well as the prospect of future contracts for the performer, were at risk.[10]

Defendant's actions, however, also had two positive effects: first, the competitor's entrance into the market prevented a monopoly from arising with regard to a specific sound recording. Thus, the public enjoyed the benefits of competition. Second, due to the lower price, the possibility of a widespread distribution of a single recorded performance was enhanced, leading to a greater dissemination of music than would otherwise have occurred.[11] An American court responded to the recording

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6 *See, e. g.,* Fonotipia Ltd. v. Bradley, 171 F. 951, 954 (C.C.E.D.N.Y 1909), *overruled in part by* G. Ricordi & Co. v. Haendler, 194 F.2d 914, 916 (2d Cir. 1952); Josef Kohler, *Autorschutz des reproduzierenden Künstlers*, GRUR 230, 231 (1909) (citing *LG Berlin*, GRUR 131 (1900)); Entscheidungen des Reichsgerichts in Zivilsachen [hereinafter RGZ] 77, 294 (296).

7 *Fonotipia,* 171 F. at 957-58; RGZ 77, 294 (296).

8 The court in *Fonotipia* discussed if the competitor really offered the "same" recording copy because of a lack of sound quality inherent in the technical process of copying the "original" record copies. *See Fonotipia*, 171 F. at 957-58.

9 *See Fonotipia,* 171 F. at 954; RGZ 73, 294 (296).

10 The court in *Fonotipia* emphasized the fact that "the initial cost of producing the record is great, and the companies are under an agreement to pay a royalty for each record produced from the original matrix, thus furnishing a continuing contract and expense, of which the benefit is going to the singer." *Fonotipia,* 171 F. at 954.

11 *Id.*

> The court must also take into account, in any such matter as the present, not only questions of public policy, but questions of public benefit, and it is evident, from the common use of various forms of talking machines or phonographs and graphophones, that the better class of music is brought within the observation and study of many persons who would have neither time nor opportunity to become familiar with it in other ways. The reproduction of songs by famous singers and artists is both educational and beneficial to the people as a whole, and the court cannot but take notice of the fact that such music has an educational side, and appeals to substantially every one, even though they be unconscious of this result.

*Id.*

companies' claims by stating:

> The education of the public by the dissemination of good music is an object worthy of protection, and it is apparent that such results could not be attained if the production of the original records was stopped by the wrongful taking of both product and profit by any one who could produce sound discs free from the expense of obtaining the original record.[12]

### B. *Familiar Tunes*

The situation of performers appeared to be analogous to that of authors following the invention and widespread use of the printing press.[13] With the introduction of sound recording devices, audio performances could exist detached from a performer's personality, as is the case with an author's work. In both situations, the possibility of reproduction by third parties demonstrated the limits of contractual protection. A contract binds only the author's or the performer's contracting partner. If there were no absolute right to his work, neither the author, the performer, nor his intermediary, could successfully claim protection against a third party's acts.[14] Hence, as explained by Jessica Litman's "primitive conception of the economic analysis of law" concept,[15] the rationale for performer protection is clear. Because copyright offers incentives to authors to encourage them to create new works and distribute them to the public, it is certainly logical to protect performers' activity and the record companies' investment as a copyright. Following this line of reasoning, the court in *Fonotipia Ltd. v. Bradley*, in an obiter dictum held that the singer's recorded performance was eligible for federal copyright protection.[16] Lower German courts in similar situations granted decisions that were even more favorable than *Fonotipia* to the original performers and companies. The courts held that the unauthorized copying and dissemination of those copies infringed a performer's personality expressed in the "original" recording and protected within the copyright statute.[17]

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12 *Id.* at 963.

13 *See* Waring v. WDAS Broad. Station, Inc., 327 Pa. 433, 435 (1937); HOMBURG, *supra* note 4, at 15; DELIA LIPSZYC, COPYRIGHT AND NEIGHBOURING RIGHTS 353 (UNESCO trans., 1999) (1993).

14 A claim would be allowable based on unfair competition law. *See infra* note 18.

15 Jessica Litman, *Sharing & Stealing*, 27 HASTINGS COMM. & ENT. L.J. 1, 13 n.45 (2005).

16 *Fonotipia*, 171 F. at 963. The court based its dictum on the 1909 Copyright Act. Prior to 1909, all products of mechanical sound devices were held to be beyond the scope of copyright protection. *See* White-Smith Music Pub. Co. v. Apollo Co., 209 U.S. 1, 15-18 (1908) (holding that piano rolls, as well as records, were not "copies" of the copyrighted composition, in terms of the federal copyright statutes, but were merely component parts of a machine which executed the composition).

17 *LG Berlin*, GRUR 131 (1900); *LG Leipzig*, 1909 GRUR 34 (1909).

Subsequent decisions demonstrate that these courts relied on statutory copyright protection too readily, thereby straining both text and legislative intent.[18] Nonetheless, the approaches to protecting the "capital and labor"[19] invested to produce a sound recording, or the performer's personality, through copyright and authors' rights, started a long discussion that continued throughout the twentieth century regarding the protections of performers and their performances.

### C. *Questions and Answers*

Should performers enjoy legal protection? If so, what is the subject matter of such protection? If it is the "performance," should protection be limited to the recorded performance, excluding the unfixed one? Should protection be granted within the established system of copyright or is it appropriate to create a new neighboring category for performers as a related right to copyright? If we opt for the latter alternative, what rights do we grant and when should they expire? Should we limit the protection to economic interests only, or are performers' non-economic interests worthy of protection as well?[20]

I am more concerned with whether the (constitutional) law itself requires protecting performers in general if there were no protection established already. In Part II, I examine the international treaties dealing with protection of performers. I discuss the development of performers' protection within the concept of related rights as established by the Rome Convention, and explain why these rights are not protected as copyrights within the international copyright treaties. Next, I present the basic principles governing the treaties dealing with performers'' rights, provide an overview of performers' exclusive rights in the unfixed and fixed performance, and briefly mention their moral rights with regard to a performance. I argue that international

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18 *See, e.g., Waring*, 327 Pa. at 437-38 (holding that the recording of a performance is not a copyrightable subject matter and protected under common-law property rights); Capitol Records v. Mercury Records Corp., 221 F.2d 657, 661 (2d Cir. 1955) (holding that the recording of a performance is not a copyrightable subject matter and protected under state common law). *See also* Goldstein v. California, 412 U.S. 546, 567 (1973) (holding that Congress did not occupy the field of copyright protection with regard to sound recordings in the 1909 Act). The decision of *LG Leipzig*, *supra* note 17, was affirmed by the higher courts, although on different grounds. The Regional Appellate Court and the Reichsgericht based their decision on unfair competition grounds. *See OLG Dresden*, GRUR 237, 239-41 (1900); RGZ 77, 294 (296). The court in *Fonotipia* granted relief on unfair competition grounds as well. *Fonotipia*, 171 F. at 963. This part of the decision was later overruled by G. Ricordi & Co. v. Haendler, 194 F.2d 914, 916 (2d Cir. 1952).

19 *Fonotipia*, 171 F. at 963.

20 *See* OWEN MORGAN, INTERNATIONAL PROTECTION OF PERFORMERS' RIGHTS 6-7 (2002) (raising questions regarding the scope of protection).

treaties do not provide a legal justification for protection simply by their mere existence. Rather, member states have to express their consent to be bound by those instruments. I then contend that the rationale for this consent has to be found within national constitutional law.

In Part III, I focus on the relevance of national constitutional law for performers' protection from a comparative viewpoint. I discuss whether the Constitution not only *allows* the legislature to enact protections for performers but also *requires* it to do so. First, I consider the current understanding of the copyright clause in the United States Constitution. I demonstrate that the conventional incentive rationale makes it impossible to argue in favor or against protection based on principles. I explain that the incentive rationale has to be understood as a policy argument, thus limiting the scope of judicial review of existing law. I also discuss the legislature's duty to enact intellectual property rights if performers were not protected at all. I argue that Congress' discretion to exercise whether to protect copyrightable subject matters is a second reason why the United States Constitution does not function as an enforceable legal justification of performers' rights.

In contrast, German constitutional law recognizes the negative *and* positive function of fundamental rights. This understanding affects the constitutional anchorage of copyright and performers' rights. As explained in Part III, under German constitutional law the state has an obligation to protect performers' economic interests in the exploitation of their performance. From a normative point of view, I argue that the constitutional foundation of an intellectual property right should be embraced. Although it seems to strengthen the position of already well-protected rightholders, the German conception allows and requires considering the public interest as the guiding principle in determining the scope of protection.

Finally, I contend that because the arguments both in favor of expanding and limiting the scope of protection are based on principles and not on policies, they can be successfully argued in courts to safeguard the public's interest, the interest of new creators building on existing works, and the interests of performers against their intermediaries.

## II. INTERNATIONAL FRAMEWORK FOR THE PROTECTION OF PERFORMERS' RIGHTS

### A. *Historical Development of the Concept of Neighboring or Related Rights*

The dangers for the record industry arising from unauthorized copying and dissemination of records led to efforts in the first half of the twentieth century to protect both producers of such records[21] and performers[22] within the framework of the *Berne Convention*. Shortly before the outbreak of World War II there was a new attempt to regulate the rights of performers, producers of phonograms and broadcasting organizations, as "connected with" the *Berne Convention*.[23] It became clear during the Brussels Conference in 1948 that the problem would not be resolved through the *Berne Convention*.[24] Eventually, an international agreement was drafted. This agreement was concerned with the protection of performers, producers of phonograms and broadcasting organizations and was doctrinally separate from authors' rights.[25] Henceforth these two sets of rights have been referred to as "neighboring rights" or "related rights." The *Rome Convention* of 1961[26] was the first international treaty dealing exclusively with these rights. The Convention applies only to international situations; the regulation of domestic situations is reserved for individual country's domestic legislations.[27] Thus, the Convention applies only if a performer claims protection in a country different from that to which the performance, sound fixation, or broadcast can be attached.[28]

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21 At the Berlin Conference in 1908, the British delegation unsuccessfully proposed international copyright protection for the record producer, and repeated this proposal at the Rome Conference in 1928. *See* STEPHEN M. STEWART, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS 221-22 (2d ed. 1989); RICKETSON, *supra* note 5, at 309-10.

22 The Italian government introduced a proposal to protect performers against unauthorized broadcasts and recordings of their performances. It also proposed remuneration when sound recordings were used for the broadcast of a public performance. Again, the proposal was unsuccessful, although the Conference expressed the view that governments should consider protection within their national laws. *See generally* STEWART, *supra* note 21, at 222; RICKETSON, *supra* note 5, at 311; MAK, *supra* note 3, at 110-11.

23 *See* STEWART, *supra* note 21, at 222-23.

24 *See* RICKETSON, *supra* note 5, at 311-12.

25 *See generally* Eugen Ulmer, *The Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations*, 10 BULL. OF THE COPYRIGHT SOC'Y OF THE U.S.A. 90, 90-100 (1963) (comprehensive background history); STEWART, *supra* note 21, at 223-24. For a contemporary voice see MAK, *supra* note 3, at 128-29.

26 International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, Oct. 26, 1961, 496 U.N.T.S. 43 [hereinafter Rome Convention].

27 Ulmer, *supra* note 25, at 171.

28 WILHELM NORDEMANN ET AL., INTERNATIONAL COPYRIGHT 374 (Gerald Meyer trans., 1990). The relevant point of attachment for performers is subject to articles 4 and

The *Rome Convention*, which has been signed by all member states of the European Union, although not the United States,[29] established a dividing rule between the protection of authors and the protection of performers together with producers of phonograms and broadcasting organizations. Those theories that had argued for performer protection because of similarities to authors[30] were rejected on an international level. Rather, since *Rome,* the rights of a performer generally have been construed as being different from those of an author.[31]

When performers entered the field, author protection had already been established.[32] It was obvious to argue that performers were entitled to protection as well, either because they should be treated like authors[33] or because they are adaptors of original works.[34] Soon, though, this conception of the rights of performers

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5 of the Rome Convention.

> Each Contracting State shall grant national treatment to performers if any of the following conditions is met:
>
> (a) the performance takes place in another Contracting State;
>
> (b) the performance is incorporated in a phonogram which is protected under Article 5 of this Convention;
>
> (c) the performance, not being fixed on a phonogram, is carried by a broadcast which is protected by Article 6 of this Convention.

Rome Convention, *supra* note 26, at art. 4.

> 1. Each Contracting State shall grant national treatment to producers of phonograms if any of the following conditions is met:
>
> (a) the producer of the phonogram is a national of another Contracting State (criterion of nationality);
>
> (b) the first fixation of the sound was made in another Contracting State (criterion of fixation);
>
> (c) the phonogram was first published in another Contracting State (criterion of publication).
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> 2. If a phonogram was first published in a non-contracting State but if it was also published, within thirty days of its first publication, in a Contracting State (simultaneous publication), it shall be considered as first published in the Contracting State.
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> 3. By means of a notification deposited with the Secretary-General of the United Nations, any Contracting State may declare that it will not apply the criterion of publication or, alternatively, the criterion of fixation. Such notification may be deposited at the time of ratification, acceptance or accession, or at any time thereafter; in the last case, it shall become effective six months after it has been deposited.

Rome Convention, *supra* note 26, at art. 5. For the interpretation of these provisions see generally Ulmer, *supra* note 25, at 171-76; STEWART, *supra* note 21, at 227-31.

[29] *See* World Intellectual Property Organization (WIPO), Contracting Parties to the Rome Convention (Apr. 15, 2006), http://www.wipo.int/treaties/en/documents/pdf/rome.pdf.

[30] *See generally* LIPSZYC, *supra* note 13, at 366-68; MAK, *supra* note 3, at 104-09. An example of a performer protection theory can be found in HOMBURG, *supra* note 4, at 85-99.

[31] *See* LIPSZYC, *supra* note 13, at 374-76.

[32] *See supra* notes 5-17 and accompanying text.

[33] *See, e.g.,* Rudolf Cahn-Speyer, *Leistungsschutz oder Urheberrecht des Ausübenden Künstlers,* 4 UFITA 368 (1931); HOMBURG, *supra* note 4, at 75-78 (arguing that artists are analogous to authors and as such enjoy protection).

[34] *See, e.g.,* Kohler, *supra* note 6. Kohler argued that the fixed interpretation is but an arrangement of the original work and the performer its author. His view was particularly

was questioned. It was challenged by an invocation of a romantic notion of authorship.[35] Authors, so the argument went, can only be those who create new works. Since the performer only interprets an already existing work, he does not create. Hence, he cannot be an author.[36] Therefore, it is appropriate to establish a new form of protection for performers[37] clearly distinct from that awarded to an author. In Germany and Austria this new right was called *Leistungsschutzrecht*.[38]

The driving force behind this development was authors' associations,[39] which feared a negative legal and economic impact on authors' rights if performers were granted strong protection. These authors' associations argued that an exclusive right in the

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influential in Germany. In 1910, the Reichstag amended the Copyright Act of 1901 and introduced a new section 2:

> Wird ein Werk der Literatur oder der Tonkunst durch einen persönlichen Vortrag auf Vorrichtungen für Instrumente übertragen, die der mechanischenWiedergabe für das Gehör dienen, so steht die auf diese Weise hergestellte Vorrichtung einer Bearbeitung des Werkes gleich. . . . Im Falle des Satz 1 gilt der Vortragende . . . als der Bearbeiter.

MAK, *supra* note 3 (quoting Gesetz zur Ausführung der revidierten Berner Übereinkunft zum Schutze von Werken der Literatur und Kunst, May 22, 1910, RGBl. at 793). Mak provides a translation of the text:

> If a literary or musical work is transmitted by a personal performance on appliances belonging to instruments serving for the mechanical rendering of sound, the so obtained contrivance is to be considered an adaptation. . . . In such a case the performing artist is deemed to be the adapter.

*Id.* Thus, the performer was deemed to be an adapter who in turn was deemed to be an author. Nonetheless, the protection was doctrinally an author's right. *See RGZ* 153 1 (7).

35 The Confédération Internationale des Sociétes d'Auteurs et Compositeurs (CESAC) proclaimed the "Charter of Author's Rights" in 1956. This charter contains a plain, unsophisticated view of the legal nature of authors' rights:

> 5. *The author's right is based upon the act of creation itself.* It has origin in the very nature of things. The law is concerned only with the protection and regulation of that right, and the existence of the right itself should not accordingly be subject to completion of formalities. 6. Since entitlement to the author's right derives from the act of intellectual creation, it is solely in the physical person of the creator that this right can originate. . . . 7. A work of the mind is at one and the same time a manifestation of the author's personality and economic asset. The author's right over his work is, therefore, entirely personal and unassignable; a right akin to that of paternity. On the same principle the author is entitled to an exclusive, transmissible right in all forms of economic exploitation of his work, whatever their value and purpose.

INTERNATIONALE GESELLSCHAFT FÜR URHEBERRECHT, CHARTE DU DROIT D'AUTEUR 28-29 (1958) (emphasis added).

36 MAK, *supra* note 3, at 105-09.

37 *Id.* at 116-18.

38 Bruno Marwitz, *Künstlerschutz*, 3 UFITA 299 (1930). Austria's law of 1936 was the first law that divided between authors' rights vested in authors and "related" rights vested in e.g. performers. *See* Gesetz über das Urheberrecht an Werken der Literatur und der Kunst und über verwandte Schutzrechte, Apr. 9, 1936, BGBl. at 111.

39 *See* INTERNATIONALE GESELLSCHAFT FÜR URHEBERRECHT, *supra* note 35, at 28: "4. The legitimate interests of interpretative or performing artists and of those industries concerned with the exploitation of works of the mind can be appropriately regulated only within their own field. The author should not be hampered in the exercise of his rights over his works so exploited." *See also* Ulmer, *supra* note 25, at 94-99 (providing a detailed account of the resistance by authors' associations to performers' rights).

(fixed) performance would allow performers to forbid their use and thus interfere with authors' public performance right.[40] To ensure copyright priority, there was a proposal to limit the performers' rights to remuneration claims.[41] This provoked a second fear. If performers were entitled to claim remuneration for their performance, the same "cake" would have to be divided among more claimants.[42] Eventually a compromise was reached in the *Rome Convention* and the concept of "related rights"[43] different from authors' rights was accepted at an international level.

The conjoint dealing under the penumbra of the term "related rights" of the rights of performers, producers of phonograms, and broadcasting organizations was the starting point for a momentous policy decision. Most states participating at the Rome conference thought that these rights were interlinked and that they had to be addressed together in the same instrument.[44] However, the foundations of these rights, as they have been established by the *Rome Convention* itself, are quite different. Producers of phonograms and broadcasting organizations enjoy protection only in recognition of the technical and organizational achievement and the economic investments that are required in their field.[45] Performers are protected because of the individual nature of their performance. From the perspective of an authors' rights system, only the performance of an individual artist is really related to the protection of an individual work of an author[46] because its object is in general a work of authorship.[47] This evaluation changes if the concept of neighboring rights is viewed from the perspective of a copyright system. Copyright's main purpose is to protect the investments of publishers and distributors of works of authorship.[48] From this

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40 *See* INTERNATIONAL LABOR ORGANIZATION, RECORDS OF THE DIPLOMATIC CONFERENCE ON THE INTERNATIONAL PROTECTION OF PERFORMERS, PRODUCERS OF PHONOGRAMS AND BROADCASTING ORGANIZATIONS 102-04 (1968) [hereinafter ILO]. This is an astonishing argument proposed by advocates of strong copyright protection. It flatly denies the fact that without fixed performances—labors, personality, investments of others—there would be any possibility to claim royalties at all from recorded performances.

41 *See* Eduardo Piola-Caselli, *Die Regelung der Konflikte zwischen dem Urheberrecht und manchen benachbarten oder ähnlichen Rechten*, 11 UFITA 1-8, 71-82 (1938).

42 *See* STEWART, *supra* note 21, at 226 (holding that the "cake-theory" has been falsified).

43 *See infra* note 89 and accompanying text.

44 STEWART, *supra* note 21, at 190.

45 NORDEMANN, *supra* note 28, at 340-41.

46 STEWART, *supra* note 21, at 190.

47 *See infra* notes 77-79, 82 and accompanying text.

48 *See* BENJAMIN KAPLAN, AN UNHURRIED VIEW OF COPYRIGHT 75 (1966); Litman, *supra* note 15, at 1. *See, e. g.*, Am. Geophysical Union v. Texaco, 60 F.3d 913, 927 (2d Cir. 1994) ("[T]he monopoly privileges conferred by copyright protection and the potential financial rewards therefrom are not directly serving to motivate authors to write individual

point of view, it makes perfect sense to protect the intermediaries with a copyright-like system. In any event, the situation of performers is different from those of their intermediaries.[49] Grouping together such heterogeneous rights in one international convention under a single label has caused inequities in the protections granted to the disadvantage of the performing artists.[50]

The next step for the protection of performers arose from the TRIPS Agreement in 1994.[51] TRIPS followed the concept of *related rights*[52] as established by the *Rome Convention*, distinguishing between authors' rights and the rights of performers, producers of phonographs, and broadcasting organizations. Regarding the copyright protection of authors, the agreement opted for a so-called "Berne-plus" approach,[53] which holds that member states should comply with the substantive provisions of the *Berne Convention*,[54] except for the issue of moral right protection.[55] A different path was chosen for the related rights. Due to the comparatively low acceptance of the *Rome Convention* at that time,[56] the contracting parties decided not to incorporate its substantive provisions and instead regulated the scope of the rights independently.[57] However, although its rights are not incorporated, the *Rome Convention* plays two important roles. First,

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articles; rather, they serve to motivate publishers to produce journals, which provide the conventional and often exclusive means for disseminating these individual articles.").

49 *See* Ulmer, *supra* note 25, at 99 ("In the case of performers' rights there is a mixture—in a way very similar to copyright—of elements of moral and property rights. But in the case of the rights of producers of phonograms and broadcasting organizations, it is solely a matter of protecting property interests; as far as its judicial nature in concerned, this protection is close to the protection granted by the law of unfair competition.").

50 NORDEMANN, *supra* note 28, at 341. *See also infra* notes 140-53 and accompanying text.

51 The Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of the Uruguay Round, 33 I.L.M. 1125 (1994) [hereinafter TRIPS]. *See generally* DANIEL GERVAIS, THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS §§ 3-28 (1998) (describing the development of TRIPS within the Uruguay Round); David Nimmer, *GATT's Entertainment: Before and NAFTA*, 15 LOY. L.A. ENT. L.J. 133, 137-42 (1995) (providing a historical background of TRIPS).

52 *See* TRIPS, *supra* note 51, pt. II, § 1 (Copyright and Related Rights).

53 *See* Paul Katzenberger, *TRIPS and Copyright Law, in* 18 STUDIES IN INDUSTRIAL PROPERTY AND COPYRIGHTS LAW (FROM GATT TO TRIPS) 59, 64-65 (Friedrich-Karl Beier & Gerhard Schricker eds., 1996).

54 Berne Convention, *supra* note 5, at arts. 8, 9, 11, 11*bis*, 12. The Berne Convention has 162 member parties, *see* WIPO, Contracting Parties to the Berne Convention (May 30, 2006), http://www.wipo.int/treaties/en/documents/pdf/berne.pdf.

55 *See* Berne Convention, *supra* note 5, at art. 9(1).

56 Before January 1, 1994, the Rome Convention was signed by less than forty states. Since then the number of member states has risen significantly to eighty-three states. Contracting Parties to the Rome Convention, *supra* note 29.

57 *See* Jörg Reinbothe, *Der Schutz des Urheberrechts und der Leistungsschutzrechte im Abkommensentwurf GATT/TRIPs*, GRUR Int. 707, 709 (1992); Katzenberger, *supra* note 53, at 65-66.

all natural and legal persons who are nationals of WTO members and meet the criteria of the *Rome Convention*[58] are also eligible for protection under TRIPS.[59] Second, TRIPS entitles member states to provide for all the limitations, exceptions and reservations allowed by the *Rome Convention*.[60]

The third major international instrument that regulates performers' rights is the WIPO Performances and Phonograms Treaty ("WPPT"), adopted in Geneva on December 20, 1996,[61] follows the same approach of inclusion of member parties to prior conventions.[62] Thus, the *Rome Convention*, TRIPS and the WPPT are consistent with one another regarding the eligibility of protection.[63] However, this is the only direct link between these three instruments.[64] Unlike the prior agreements, the WPPT is limited to the protection of performers and producers of phonograms.[65] The intent of the WPPT is to protect the rights of performers and producers of phonograms as effectively and uniformly as possible.[66] The echo of the *Berne Convention*[67] is clearly audible in the preamble to the WPPT. It appears the international community concluded that the association between copyright and the "related rights" is getting closer, as it contemporaneously adopted the WIPO Copyright Treaty ("WCT").[68] The WCT and the WPPT both provide strong—and remarkably similar—protection for authors and performers/ producers of phonograms respectively. The challenges of the

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58 *See* Rome Convention, *supra* note 26, at arts. 4-5. See *supra* note 28 for selected text from these articles.

59 *See* TRIPS, *supra* note 51, at art. 1(3).

60 *See id.* at art. 14(6). *See* Ulmer, *supra* note 25, at 239-41 for the exceptions in the Rome Convention.

61 WIPO Performances and Phonograms Treaty, Dec, 20, 1996, 2186 U.N.T.S. 245 [hereinafter WPPT].

62 *Id.* at art. 3.

> (1) Contracting Parties shall accord the protection provided under this Treaty to the performers and producers of phonograms who are nationals of other Contracting Parties.
>
> (2) The nationals of other Contracting Parties shall be understood to be those performers or producers of phonograms who would meet the criteria for eligibility for protection provided under the Rome Convention, were all the Contracting Parties to this Treaty Contracting States of that Convention. In respect of these criteria of eligibility, Contracting Parties shall apply the relevant definitions in Article 2 of this Treaty.

*Id.*

63 *See* JÖRG REINBOTHE & SILKE VON LEWINSKI, THE WIPO TREATIES 1996 234 (2002). *See also id.* at 3-17 (providing background information on the development of the treaty).

64 *See* MORGAN, *supra* note 20, at 123.

65 *See* WPPT, *supra* note 61, at art. 3(1).

66 *Id.* at pmbl., recital 1.

67 The Berne Convention begins, "[t]he countries of the Union, being equally animated by the desire to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works . . . ." Berne Convention, *supra* note 5, pmbl.

68 WIPO Copyright Treaty, Dec. 20, 1996, 2186 U.N.T.S. 152 [hereinafter WCT].

"New Technology"[69] eventually led to an expansion of the scope of protection of performers' rights in a manner formerly unknown on an international level.[70]

### B. *Who Is a Performer and What Constitutes a Performance*

According to international conventions,[71] performers are actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, interpret[72] or otherwise perform literary or artistic works[73] or expressions of folklore.[74] A few remarks are necessary to clarify these definitions.

First, only individual persons are protected as performers.[75]

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69 *See generally* J.A.L. STERLING, WORLD COPYRIGHT LAW 29-34 (2003) (discussing "New Technology" challenges on an international level). For a very different point of view, see LAWRENCE LESSIG, THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD (2002); JESSICA LITMAN, DIGITAL COPYRIGHT (2001).

70 REINBOTHE & VON LEWINSKI, *supra* note 63, at 234. *See also* notes 150-55 and accompanying text.

71 The Rome Convention protects as performers "actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, or otherwise perform literary or artistic works." Rome Convention, *supra* note 26, at art. 3(a). The WPPT defines performers as "actors, singers, musicians, dancers and other persons who act, sing, deliver, declaim, play in, interpret or otherwise perform literary or artistic works or expressions of folklore." WPPT, *supra* note 61, at art. 2(a). TRIPS does not contain a specific definition, but it does refer to the Rome Convention, and arguably incorporates by reference the definitions of the Rome Convention. *See also* MORGAN, *supra* note 20, at 143.

72 Of the different conventions, only the WPPT includes "interpret" as a possible activity of a performer. WPPT, *supra* note 61, at art. 2(a).

73 Subsequent international conventions retained the definition of "literary or artistic works" articulated in article 2 of the Berne Convention. *See* ILO, *supra* note 40, at 102-04; Ulmer, *supra* note 25, at 176; NORDEMANN, *supra* note 28, at 355 (Rome Convention); REINBOTHE & VON LEWINSKI, *supra* note 63, at 254 (WPPT).

According to the Berne Convention:

> The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

Berne Convention, *supra* note 5, at art. 2(1). For an interpretation of this provision *see generally* RICKETSON, *supra* note 5, at 228-317; NORDEMANN, *supra* note 28, at 43-58.

74 Of the different conventions, only the WPPT includes "folklore" within the definition of a performer. WPPT, *supra* note 61, at art. 2(a). Folklore has traditionally not been protected under the Berne Convention. It is regarded as different from works of authorship because it generally not the creation of an individual, but rather that of a family, tribal or other social group. *See* STERLING, *supra* note 69, at 249-50. On the nature of folklore, see generally Paul Kuruk, *Protecting Folklore Under Modern Intellectual Property Regimes: A Reappraisal of the Tensions Between Individual and Communal Rights in Africa and the United States*, 48 AM. U. L. REV. 769 (1999); Silke von Lewinski, *The Protection of Folklore,* 11 CARDOZO J. INT'L & COMP. L. 747 (2003).

75 REINBOTHE & VON LEWINSKI, *supra* note 63, at 257. Generally, when a group performs, each performer has the rights set out below; the member state, however, is

Second, the regular object of a performance is a work subject to protection under *Berne*. There is a consensus that the work performed need not still be actually protected as literary or artistic work.[76] This is the link between copyright and the related rights of the performer. Copyright determines if the performer's activity is protected. It is irrelevant if the activity involves special skills like in the case of circus artists, acrobats,[77] and sportsmen since they do not interpret or perform an underlying work.

In a certain sense, performances are derivative works, comparable to translations and adaptations.[78] The link between copyright protection and performers' rights is especially noteworthy because that link is absent with respect to producers of phonograms and broadcasting organizations. They enjoy protection regardless of whether the sound has a basis in a work of authorship or not.[79] Hence, it is misleading in an authors' rights system to use the expression of "related rights" to describe all these rights if only the performance is actually related to the work. It would have been possible to protect the performance as a derivative work.[80] However, for the reasons stated above,[81] this path has not been followed. In my opinion, the link between a copyrightable work and the protection of its performance can best be described under an expanded accessory theory. Performers' protection is accessory to authors' protection, but also is more expansive in that it covers works for which protection has already expired.

Thus, the emphasis in the definition has to be placed on the word "perform." This activity distinguishes the performer from the author. Under international law, the individual who has made a work by creative activity is designated as its author.[82] The individual who performs a work is designated its performer, and

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allowed to determine the manner in which artists can claim their rights. *See* Rome Convention, *supra* note 26, at art. 8; NORDEMANN, *supra* note 28, at 390.

76 NORDEMANN, *supra* note 28, at 355; REINBOTHE & VON LEWINSKI, *supra* note 63, at 254.

77 Ulmer, *supra* note 25, at 176-77; REINBOTHE & VON LEWINSKI, *supra* note 63, at 249; MORGAN, *supra* note 20, at 145-46 ("[F]ailure to add variety artists and circus performers to the list of recognized performers is a serious blow for those performers.").

78 *See* STEWART, *supra* note 21, at 194; LIPSZYC, *supra* note 13, at 367-71.

79 *See* Rome Convention, *supra* note 26, at arts. 3(b) ("'[P]honogram' means any exclusively aural fixation of sounds of a performance *or of other sounds*."), 3(f) ("'[B]roadcasting' means the transmission by wireless means for public reception *of sounds or of images and sounds*.") (emphasis added). *See also* WPPT, *supra* note 61, at art. 2(b) ("'[P]honogram' means the fixation of the sounds of a performance *or of other sounds*, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work") (emphasis added).

80 *See supra* note 34 and accompanying text for the German law of 1910.

81 *See supra* notes 39-43 and accompanying text.

82 STEWART, *supra* note 21, at 158; STERLING, *supra* note 69, at 184-87.

the performance is the subject matter of the protection.[83] But what exactly is a performance? Although international law only defines "performer" and not "performance," the given definition is helpful to draw some conclusions. Since it contains a definition of who a performer is, the performance is the activity of a performer.[84] The examples in the definition contain an element of communication (act, sing, declaim, play, etc.). Communication as a process requires a person who communicates—the performer—and a recipient—the audience. Therefore, a performance can be described as an activity of an individual perceived by others and intended as some form of communication of a work of authorship between the acting individual and others.[85]

### C. *International Protection for Performers*

#### 1. Basic Principles

The international treaties protecting the rights of performers are built on four principles: (1) copyright safeguard, (2) national treatment, (3) minimum protection, and (4) independence from the rights of other possible rightholders, including authors. I will discuss each of them in turn.

Copyright safeguard was one of the most disputed issues at the *Rome Convention*. The French and Italian delegates argued against the protection of performers,[86] on the ground that such protections would adversely affect authors' rights, and violate copyright's priority.[87] Eventually a compromise was reached. "Protection granted under this Convention shall leave intact and shall in no way affect the protection of copyright in literary and artistic works. Consequently, no provision of this Convention may be interpreted as prejudicing such protection."[88] Essentially, the provision only states what naturally follows from the convention: authors' rights and related rights are distinct and independent from each other.[89] Here lies the main difference between the concept of related rights and copyright protection under United

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83 Ulmer, *supra* note 25, at 165; STERLING, *supra* note 69, at 658-59.

84 *See* STERLING, *supra* note 69, ¶ 60. *See also* ILO, *supra* note 40, at 40 ("[P]erformance means the activities of a performer *qua* performer.").

85 *See* MORGAN, *supra* note 20, at 27 ("A performance is the transitory activity of a human individual that can be perceived without the aid of technology and that is intended as a form of communication to others for the purpose of entertainment, education or ritual.").

86 *See* ILO, *supra* note 40, at 102-04.

87 *See generally* Ulmer, *supra* note 25, at 165-68. *See also* STEWART, *supra* note 21, at 225-27 for background information.

88 Rome Convention, *supra* note 26, at art. 1.

89 ILO, *supra* note 40, at 38; NORDEMANN, *supra* note 28, at 348-49.

States law. Under United States copyright law, fixed performances (sound recordings)[90] are eligible for copyright protection as works of authorship.[91]

The principle of national treatment is of central importance.[92] Member states are required to grant eligible foreign performers the same protection that their respective nationals enjoy under domestic law.[93] It is the treatment that a state grants under its domestic law to domestic performances,[94] regardless of the criteria it uses to determine whether a case is domestic or not.[95]

The principle of minimum protection[96] is closely related to the principle of national treatment. A member state must grant the minimum rights of—in our case—performers[97] to eligible performers, even if it does not grant them to its own nationals.[98] Also contained within the principle of minimum protection is the notion that a state is not limited to the standard of protection set forth in the Convention. The provision in the *Rome Convention* is somewhat unclear on whether a state, which guarantees a higher level of protection to its domestic performances, has to extend this level to foreign, eligible performers. Although some have argued that this provision limits national treatment to the rights covered by the Convention,[99] this runs against the understanding of this clause at the Conference[100] and its historic interpretation.[101]

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90 17 U.S.C. § 101 (2006).

> "Sound recordings" are works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.
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> . . . .
>
> "Phonorecords" are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term 'phonorecords' includes the material object in which the sounds are first fixed.

*Id.*

91 *See* 17 U.S.C. § 102(a)(7).

92 Rome Convention, *supra* note 26, at art. 2(1).

93 *See id.* at arts. 3, 4; *supra* note 28.

94 ILO, *supra* note 40, at 39.

95 *See* Ulmer, *supra* note 25, at 169.

96 *See* Rome Convention, *supra* note 26, at art. 2(2).

97 *See id.* at arts. 7, 12, 14.

98 STEWART, *supra* note 21, at 227; NORDEMANN, *supra* note 28, at 351-52.

99 *See* Jörg Reinbothe & Silke von Lewinski, *The EC Rental Directive One Year After Its Adoption: Some Selected Issues*, 6 ENT. L.R. 169 177 (1993); *see also* STERLING, *supra* note 69, at 650-54.

100 ILO, *supra* note 40, at 39 (proposing a national treatment ceiling to the rights guaranteed by the Convention even if the domestic level goes beyond that which was rejected by the Conference).

101 NORDEMANN, *supra* note 28, at 351-52; Ulmer, *supra* note 25, at 169; STEWART, *supra*

In TRIPS we encounter the principles of minimum protection[102] and national treatment[103] again.[104] The Agreement introduces a new principle, that of the most-favored-nation treatment.[105] Most-favored-nation treatment requires that any favor, advantage, or privilege bilaterally or multilaterally granted to any other country must be accorded to nationals of all WTO member states.[106] Its purpose is to avoid discriminating between domestic and foreign performances[107] and to ensure international uniformity.[108] However, there are important limitations to this principle.[109] Most notably, with respect to performers' rights, the principle applies only to such benefits that are guaranteed under TRIPS.[110] WTO member states and their nationals shall not profit from treaties they have not signed which establish protection for performers.[111]

The principle of national treatment is similarly restricted in scope. National treatment applies only to those rights guaranteed within TRIPS.[112] As mentioned above,[113] TRIPS has not incorporated the *Rome Convention*, but rather has established its own substantive protection.[114] This is but one reason for the limitation. Moreover, the concept of "neighboring" or "relating" rights as established by the *Rome Convention*, had not been adopted in several WTO member states, most notably the United States.[115] Had the principle of national treatment been left unlimited, each WTO member state would have been required to apply the protection granted to domestic performers to eligible foreign performers.[116] Obviously, the contracting parties were not ready to take such a step with regard to related rights as they had previously

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note 21, at 227.

102 TRIPS, *supra* note 51, at art. 1(1).

103 *Id.* at art. 3(1).

104 *See generally* Nimmer, *supra* note 51, at 144.

105 TRIPS, *supra* note 51, at art. 4.

106 *See* GERVAIS, *supra* note 51, at 54.

107 Katzenberger, *supra* note 53, at 75.

108 GERVAIS, *supra* note 51, at 54.

109 Advantages deriving from the Rome Conventions insofar as they rely on reciprocity provisions are excluded under TRIPS, *supra* note 51, at art. 4(b). *See* Katzenberger, *supra* note 53, at 76; GERVAIS, *supra* note 51, at 58-59. Moreover, the advantages granted by the Rome Convention, *supra* note 26, at art. 4(d), are themselves exempted from the national treatment principle. *See* Katzenberger, *supra* note 53, at 77.

110 *See* TRIPS, *supra* note 51, at art. 4(c).

111 Katzenberger, *supra* note 53, at 75-76.

112 *See* TRIPS, *supra* note 51, at art. 3(1).

113 *See supra* notes 56-57 and accompanying text.

114 *See* Katzenberger, *supra* note 53, at 74.

115 *See* 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 8E.01[B] (2004) [hereinafter NIMMER ON COPYRIGHT]; Barbara Ringer & Hamish Sandison, *United States of America*, *in* STEWART, *supra* note 21, at 657-62.

116 *See generally* GERVAIS, *supra* note 51, at 49-50.

done within the copyright field.[117]

National treatment[118] and minimum protection[119] are the basic principles of the WPPT as well. Following TRIPS, the principle of national treatment is limited to the rights granted in the Convention.[120] In addition, a third principle was adopted: "The enjoyment and exercise of the rights provided for in this Treaty shall not be subject to any formality."[121] This is in opposition to the *Rome Convention*[122] and the Geneva Phonograms Convention,[123] both of which allowed member states to decree formalities.

The last of the four common underlying principles is the legal independence of each of the related rights. This principle can best be demonstrated by an examination of the relationship between performers and producers of phonograms.[124] The object of a performer's protection is the performance, either unfixed or fixed, while the object of a producer's protection is the phonogram.[125]

The concept of related rights should not be interpreted as a

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117 *See* STERLING, *supra* note 69, at 683-84.

118 WPPT, *supra* note 61, at art. 4.

119 Unlike TRIPS, *supra* note 51, at art. 1(1), the minimum protection principle does not have an explicit textual basis in the WPPT. Rather, the Conference stated: "It is further understood that nothing in Article 1(2) precludes a Contracting Party from providing exclusive rights to a performer or producer of phonograms beyond those required to be provided under this Treaty."

120 WPPT, *supra* note 61, at art. 4(1). There was considerable disagreement between the U.S. and the E.C. delegations about the limitation of the minimum protection principle. The U.S. delegation was strongly against it; the E.C. strongly in favor. *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 279-84. *See generally* Pamela Samuelson, *The U.S. Digital Agenda at WIPO*, 37 VA. J. INT'L. L. 369 (1997) (evaluating the U.S. proposals at the Diplomatic Conference).

121 WPPT, *supra* note 61, at art. 20. *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 435 (stating that formalities are not prohibited as long as they are not a condition for the exercise of the rights granted under WPPT).

122 *See* Rome Convention, *supra* note 26, at art. 11.

123 Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms art. 5, Oct. 29, 1971, 866 U.N.T.S. 72 [hereinafter Geneva Phonograms Convention]. The Convention does not protect performers, only producers of phonograms. *See id.* at art. 2.

124 The definition of phonogram producer in the Rome Convention, *supra* note 26, at art. 3(c) ("'[P]roducer of phonograms' means the person who, or the legal entity which, first fixes the sounds of a performance or other sounds") is identical to the definition in the Geneva Phonograms Convention, *supra* note 123, at art. 1(b). Both definitions have been interpreted to mean that the status of producer is granted to the person who or entity which carries the organizational and economic responsibility for the first fixation. *See* NORDEMANN, *supra* note 28, at 362. This interpretation has been incorporated into the WPPT definition, according to which a "'producer of a phonogram' means the person, or the legal entity, who or which takes the initiative and has the responsibility for the first fixation of the sounds of a performance or other sounds, or the representations of sounds." WPPT, *supra* note 61, at art. 2(d). The latter part of the definition is a result of the broader definition of the phonogram in the WPPT. *See generally* REINBOTHE & VON LEWINSKI, *supra* note 63, at. 261-63.

125 *See supra* note 62.

regime that promotes divisibility of rights by different owners.[126] The theory of divisibility can only be invoked when different persons have a right in the *same object*. Thus, it is inapplicable here because the subject matter of protection for each owner is different. Granted, the physical object, the tangible phonogram itself contains both the fixed performance and the results of a producer's investments. It is important, though, not to think about the phonogram as a tangible good in which the producer has been granted rights. It is not the tangible object that is protected, but rather, under these international agreements, the fixed "sound recording pattern."[127] Unlike the United States Copyright Act,[128] international law does not require any form of originality or creativity by producers in order to grant rights in the phonogram.[129]

The recording of a performance on a phonogram creates rights for two different groups: (1) the performer has rights concerning the reproduction of her performance, and (2) the producer of the phonogram has rights relating to the reproduction of the phonogram. These rights exist independently of each other. The producer's right is original, not derivative. The scope of the protection granted to the producer incorporates, *inter alia*, the right to reproduce his phonograms.[130] The producer is not beholden to acquire a license from the performer in order to exercise his rights in the phonogram against third parties.[131] An example might help illustrate this scenario. If a live performance is fixed without the performer's consent by a producer of phonograms, and a third party reproduces copies of *this* phonogram, the producer can successfully claim infringement. However, the producer himself is liable for infringement claims by

126 United States copyright law is governed by the principle of divisibility. *See* 17 U.S.C. § 201(d)(2) (2006) ("Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title."). *See generally* 3 NIMMER ON COPYRIGHT, *supra* note 115, § 10.02. *See also infra* note 530 with regard to German copyright law.

127 *See* STERLING, *supra* note 69, ¶ 6.39. *But see* 17 U.S.C. § 202 ("Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied. Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any rights in the copyrighted work embodied in the object . . . .").

128 Because in the United States sound recordings are protected as "works of authorship," they have to comply with the requirement of originality of either or both the performer's and the record producer's contributions. *See* 17 U.S.C. § 102(a)(7). *See generally* 1 NIMMER ON COPYRIGHT, *supra* note 115, § 2.10[A][2].

129 *See* STERLING, *supra* note 69, ¶ 6.73; LIPSZYC, *supra* note 13, at 395-96.

130 *See* Rome Convention, *supra* note 26, at art. 10; TRIPS, *supra* note 51, at art. 14(2); WPPT, *supra* note 61, at art. 11.

131 *See* NORDEMANN, *supra* note 28, at 392.

the performer, for having fixed a performance without the performer's consent.[132] On the other hand, the performer cannot herself reproduce the phonogram of her fixed performance without the producer's consent. The performer does not have any original rights in the phonogram, and the producer does not have any original rights in the performance. A producer's successful exploitation of a fixed performance still requires the performer's authorization and *vice versa*. As far as the scope of the rights of each beneficiary, each third party wishing to reproduce the phonogram on which a performance had been recorded must seek permission from both the performer and producer.[133] This structure might well raise criticism because it can hardly be called efficient. Furthermore, given the previously existing copyright regime in the United States, there is no easy doctrinal solution. Under the Copyright Act, only the authorization of the sound recording's authors is required.[134] While this sounds simple in theory, it may well be extremely complicated in practice[135] because the Copyright Act does not provide a clear answer to the question of who is the author.[136] The performer, the sound engineers, and the record producer can either claim initial or joint ownership[137] in sound recordings, while the record producer might claim ownership through the work for hire doctrine.[138] In practice in the United States, these problems are solved either by the record companies' acquisition of exclusive licenses from the performers in countries adhering to the concept of related rights, or by assignment of these rights to record producers.[139]

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132 *See* STEWART, *supra* note 21, at 237.

133 This problem of seeking permission from both the producer and the performer is solved in practice. Generally, either the producer of phonograms acquires an exclusive license in the reproduction right of the fixed performance, or a third party, most commonly a record label, acquires exclusive licenses from both performer and producer.

134 *See* 17 U.S.C. §§ 106, 202 (2006).

135 *See* 1 NIMMER ON COPYRIGHT, *supra* note 115, § 2.10[A][3].

136 *See* H.R. REP. NO. 92-487, at 5 (1971) ("[T]he bill does not fix the authorship, or the resulting ownership, of sound recordings, but leaves this matters to the employment relationship and bargaining among the interests involved.").

137 *See* 17 U.S.C. § 201(a) ("Initial Ownership. Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are co-owner of copyright in the work."). *See generally* 1 NIMMER ON COPYRIGHT, *supra* note 115, § 2.10[A][2] (describing the requirement of originality and its connection to authorship).

138 *See* 17 U.S.C. § 201(b) ("Works Made for Hire. In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright."). *See generally* 1 NIMMER ON COPYRIGHT, *supra* note 115, § 5.03[B][2][a][ii] (discussing the applicability of the work made for hire doctrine to sound recordings).

139 *See, e.g.*, Teevee Toons, Inc. v. MP3.com, Inc., 134 F. Supp. 2d 546, 549 (S.D.N.Y. 2001).

> [I]t would appear from the sampling of agreements between the plaintiffs and the creators of the music in question that were furnished to the Court on the

2. The Legal Nature of Performers' Protection

It is not completely accurate to state that the *Rome Convention*, TRIPS, and the WPPT grant "rights" to performers. The basis of protection differs substantially between *Rome* and TRIPS on the one hand and the WPPT on the other. Strictly speaking, performers do not have rights under *Rome* and TRIPS; they have only a legal position.[140] *Rome* and TRIPS require that performer protection shall include "the possibility of preventing" certain specified acts,[141] although these same agreements require the "right to authorize" for producers of phonograms[142] and broadcasting organizations.[143] Thus, the producers are guaranteed exclusive property rights[144] while performers are not. The treaties impose a duty upon member states with regard to the ends, but allow them to choose the means.[145] Member states have a broad range of rights at their disposal, from protection under criminal law[146] to exclusive rights for performers.[147] That performers and producers are treated differently has been severely criticized[148] and can only be explained historically.[149]

The legal analysis changes under the WPPT. For the first time in a multilateral treaty,[150] the economic interests of performers are protected as "exclusive rights."[151] Performers now have an absolute right in their performance and the sole power to authorize or prohibit certain acts with respect to their

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summary judgment motions that plaintiffs' ultimate ownership of the underlying copyrights in issue is not in doubt, for the agreements provide that total and complete ownership passes to the plaintiffs, either as works made for hire or if such status is denied, by assignment.

*Id.*

140 *See* Ulmer, *supra* note 25, at 220.

141 Rome Convention, *supra* note 26, at art. 7; TRIPS, *supra* note 51, at art. 14(1).

142 Rome Convention, *supra* note 26, at art. 10; TRIPS, *supra* note 51, at art. 14(2).

143 Rome Convention, *supra* note 26, at art. 13.

144 *See* Ulmer, *supra* note 25, at 225.

145 NORDEMANN, *supra* note 28, at 384; STEWART, *supra* note 21, at 231.

146 With regard to TRIPS, it remains to be seen if criminal provisions might be enough to comply with article 14(1). *See* GERVAIS, *supra* note 51, at 98.

147 *See* Ulmer, *supra* note 25, at 220.

148 *See* STEWART, *supra* note 21, at 231; NORDEMANN, *supra* note 28, at 383-85.

149 *See* ILO, *supra* note 40, at 43 ("It was understood that this expression was used in order to allow countries like the United Kingdom to continue to protect performers by virtue of criminal statutes."). Two other reasons influenced this outcome: First, authors' associations feared an exclusive right for performers would compete with their exclusive rights in the work. Second, broadcasting organizations opposed such a right because they feared that it might ultimately lead to a weapon for the unions. *See* ILO, *supra* note 40, at 84-86; STEWART, *supra* note 21, at 231.

150 REINBOTHE & VON LEWINSKI, *supra* note 63, at 304. The first major step on the supranational level was the European Rental Rights Directive of 1992. See Council Directive 92/100, art. 2, 1992 O.J. (L 346) 6-9 (EC) on rental right and lending right and on certain rights related to copyright in the field of intellectual property.

151 *See* WPPT, *supra* note 61, at arts. 6-10.

performance.[152] However, it is important to note that the subject matter of the exclusive right is always the (unfixed or fixed) performance. The performer does not have any exclusive rights in the fixation of the performance (the phonogram[153] or sound recording[154]) itself, as this belongs exclusively to the producer of the phonograms.[155]

### 3. Economic Rights in the Unfixed Performance

#### a. The Transitory Nature of the Unfixed Performance

Sound recording changed the landscape for performing artists.[156] Improvements in technology made it possible to record the live performance or the live broadcast without the consent of the performer. These technological developments have been perceived as the most dangerous threat to a performer's control over her performance.[157] As a result of the social changes that occurred from the invention and use of sound recording devices, the legislature granted the performer rights to the unfixed performance. Before, the performer was theoretically able to exercise control over the audience, time and location of her performance. But with the advent of these inventions, the performance lost its transitory nature and was transformed into a commodity, thus threatening the performer's autonomous control.[158] New laws were structured to readjust the balance and, at least theoretically, to return to the performer control over her live performance.

#### b. Rome Convention

The performer needs to be protected against the unauthorized broadcasting[159] and dissemination to the public[160] of

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152 *See* STERLING, *supra* note 69, at 32.03 (defining an exclusive right).

153 "'[P]honogram' means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work." WPPT, *supra* note 61, at art. 2(b).

154 TRIPS uses sound recording, a term which is not generally employed within the concept of neighboring rights as a subject matter for copyright protection but is used in some countries, like the United States, as subject matter for copyright protection. *See* 17 U.S.C. § 102(a)(7) (2006). *See generally* GERVAIS, *supra* note 51, at 95-96.

155 *See* Rome Convention, *supra* note 26, at art. 10; TRIPS, *supra* note 51, at art. 14(2); WPPT, *supra* note 61, at arts. 11-14. The Rome Convention and the WPPT define "producer of a phonogram" as "the person, or the legal entity, who or which takes the initiative and has the responsibility for the first fixation of the sounds of a performance or other sounds, or the representations of sound." *See* Rome Convention, *supra* note 26, at art. 3(c); WPPT, *supra* note 61, at art. 2(d).

156 *See* HOMBURG, *supra* note 4, at 16-22; MAK, *supra* note 3, at 100.

157 *See* MAK, *supra* note 3, at 103.

158 *See* MORGAN, *supra* note 20, at 54-55.

159 *See* Rome Convention, *supra* note 26, at art. 3(f) ("'[B]roadcasting' means the

her performance.[161] In the end, only the performer's live performance enjoys protection,[162] because a performance which has already been fixed or broadcast,[163] is not guarded by the *Rome Convention*.[164] Thus, the performer cannot prevent acts of secondary exploitation of her performance. Unlike an author,[165] the performer does not enjoy a public performance right in her fixed performance. Instead, member states can provide either the performer and/or the producer of phonograms[166] with a single equitable remuneration if her performance is lawfully fixed, reproduced, and published on a phonogram for commercial purposes and if this phonogram is used directly[167] for broadcasting or communicating with the public.[168] However, the Convention allows member states to construct a series of exceptions to this provision.[169] Consequently, the performer has to consent to the first fixation[170] of her performance.[171] Hence, only the live oral or visual performance is protected.[172] These "rights" are protected for twenty years, commencing at the end of the year in which the

transmission by wireless means for public reception of sounds or of images and sounds.").

160 Communication to the public is not defined within the Rome Convention but is in the WPPT. WPPT, *supra* note 61, at art. 2(g) ("'[C]ommunication to the public' of a performance or a phonogram means the transmission to the public by any medium, otherwise than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram . . . ."). Most commentators agree that this provision covers all cases in which the performance is made perceivable in a room different from the place of the actual performance. *See* Ulmer, *supra* note 25, at 220-21; NORDEMANN, *supra* note 28, at art. 386-87; STEWART, *supra* note 21, at 232; REINBOTHE & VON LEWINSKI, *supra* note 63, at 267-68. *But see* MORGAN, *supra* note 20, at 155-56 (arguing that this provision also covers transmissions to spectators physically present at the performance).

161 Rome Convention, *supra* note 26, at art. 7(1)(a).

162 NORDEMANN, *supra* note 28, at 386-87; STERLING, *supra* note 69, ¶ 20.09.

163 Rebroadcasting of an authorized broadcast, the making of fixations for broadcasting purposes, and the use of those fixations are all subject to domestic legislation. *See* Rome Convention, supra note 26, at art. 7(2). *See generally* STEWART, *supra* note 21, at 234-35; Ulmer, *supra* note 25, at 223; MORGAN, *supra* note 20, at 157-58.

164 *See* Rome Convention, *supra* note 26, at art. 7(1)(a).

165 *See* Berne Convention, *supra* note 5, at art. 11*bis*.

166 The Rome Convention allows member states to choose between six options of dividing payment between performer and producer. It does not require that the performer receive part of the remuneration. *See* NORDEMANN, *supra* note 28, at 399-400.

167 *See* Ulmer, *supra* note 25, at 227-28; NORDEMANN, *supra* note 28, at 385.

168 *See* Rome Convention, *supra* note 26, at art. 12. Article 12 was hotly debated. *See* ILO, *supra* note 40, at 48-49; Ulmer, *supra* note 25, at 226-27.

169 *See* Rome Convention, *supra* note 26, at art. 16(1)(a). Providing exceptions was the price paid by the states supporting Article 12.

170 Fixation is not defined in the Rome Convention nor is it defined in TRIPS, but WPPT article 15 does define the word. *See infra* note 200. Its definition can be applied to the Convention, *mutatis mutandis*, with the important exception that "fixation" under the Rome Convention is not limited to sound but includes visual images as well. *Compare* MORGAN, *supra* note 20, at 161 *with* Ulmer, *supra* note 25, at 221.

171 Rome Convention, *supra* note 26, at art. 7(1)(b). *See generally* Ulmer, *supra* note 25, at 221.

172 STEWART, *supra* note 21, at 232; STERLING, *supra* note 69, ¶ 20.09.

performance took place.[173] Performances that took place before the *Convention* was enacted in the contracting party's contract are not protected.[174]

### c. TRIPS

Performers have the option of preventing the fixation of their unfixed performance.[175] This corresponds to the *Rome Convention* with one notable exception. TRIPS does not protect against visual and audiovisual fixations,[176] but limits this protection to fixations on a phonogram.[177] Essentially, TRIPS only protects musical performances.[178] Furthermore, performers are protected against unauthorized wireless broadcasting[179] and communication to the public[180] of their live[181] audio or audiovisual[182] performance.[183] These rights are protected for fifty years, computed from the end of the calendar year in which the performance took place.[184] Notably, the protection is generally guaranteed retroactively.[185]

### d. WPPT

Performers enjoy an exclusive right to broadcast[186] and communicate to the public[187] their unfixed performances if they

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173 Rome Convention, *supra* note 26, at art. 14(b).
174 *Id.* at art. 20(2).
175 TRIPS, *supra* note 51, at art. 14(1).
176 Katzenberger, *supra* note 53, at 91.
177 *See* TRIPS, *supra* note 51, at art. 14(1).
178 *See* GERVAIS, *supra* note 51, at 97.
179 *See supra* note 159.
180 *See supra* note 160.
181 The Rome Conference deliberately avoided the use of the world "live performance." *See* ILO, *supra* note 40, at 43-44.
182 *See* MORGAN, *supra* note 20, at 159.
183 TRIPS, *supra* note 51, at art. 14(1).
184 *Id.* at art. 14(5).
185 *See id.* at art. 14(6) with reference to Berne Convention, *supra* note 5, at art. 18. *See generally* GERVAIS, *supra* note 51, at 100-01, MORGAN, *supra* note 20, at 158-59.
186 *See* WPPT, *supra* note 61, at art. 2(f) ("'[B]roadcasting' means the transmission by wireless means for public reception of sounds or of images and sounds or of the representations thereof; such transmission by satellite is also 'broadcasting'; transmission of encrypted signals is 'broadcasting' where the means for decrypting are provided to the public by the broadcasting organization or with its consent."). The first phrase of the WPPT's "broadcasting" definition corresponds to the definition in the Rome Convention. *See* Rome Convention, *supra* note 26, at art. 3(f); *supra* note 159. The second part of the definition explicitly includes every form of satellite transmission, and the third part is the introduction of a new concept with regard to actual and future encryption technologies. *See generally* REINBOTHE & VON LEWINSKI, *supra* note 63, at 265-67.
187 WPPT, *supra* note 61, at art. 2(g).

> "[C]ommunication to the public" of a performance or a phonogram means the transmission to the public by any medium, otherwise than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram. For the purposes of Article 15 [Right of Remuneration], "communication to the public" includes making the sounds or representations of sounds fixed in a phonogram audible to the public.

*Id.*

have not been previously broadcast.[188] This provision follows the *Rome Convention*[189] and TRIPS,[190] although there are some modifications and clarifications.[191] Further, audiovisual and visual performances are protected.[192] Following the *Rome* approach, the performer does not have a public performance right because an already recorded performance is exempted from protection.[193] Instead, performers and producers of phonograms[194] have a right to a single remuneration for every[195] use of a phonogram[196] published[197] for commercial purposes.[198] However, exceptions to this provision exist.[199]

The second important right in the unfixed performance is the protection of the performer's exclusive right in the fixation[200] of her unfixed performance.[201] Based on the definition of the fixation, this protection refers only to oral performances.[202]

The performer's rights in her unfixed performance have to be protected for at least fifty years, beginning at the end of the year in which the fixation on the phonograph occurred.[203] The WPPT does not contain a specific provision regarding the protection of the unfixed performance.[204] Such a provision is not necessary because the duration of the protection is only an issue when the performance has been materialized.[205] Thus, if the broadcast or communication to the public was undertaken without any fixation, there is simply no possibility for infringement. If a performance were fixed without the performer's authorization,

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188 *Id.* at art. 6(i).

189 Rome Convention, *supra* note 26, at art. 7(1)(a).

190 TRIPS, *supra* note 51, at art. 14(1).

191 The provision avoids the term "live-performance" as used in TRIPS. *Id.*

192 REINBOTHE & VON LEWINSKI, *supra* note 63, at 306.

193 WPPT, *supra* note 61, at art. 6(i).

194 *See supra* note 124.

195 The Rome Convention only granted such remuneration for direct use. *See* Rome Convention, *supra* note 26, at art. 12. The WPPT includes direct and indirect use. WPPT, *supra* note 61, at art. 15(1).

196 "[P]honogram" means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work. *Id.* at art. 2(b).

197 "[P]ublication" of a fixed performance or a phonogram means the offering of copies of the fixed performance or the phonogram to the public, with the consent of the rightholder, and provided that copies are offered to the public in reasonable quantity. *Id.* at art. 2(e).

198 *See id.* at art. 15(1).

199 *See id.* at art. 15(3).

200 "'[F]ixation" means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device." *Id.* at art. 2(c).

201 *Id.* at art. 6(ii).

202 REINBOTHE & LEWINSKI, *supra* note 63, at 306-07.

203 WPPT, *supra* note 61, at art. 17(1).

204 *But see* Rome Convention, *supra* note 26, at art. 14(b).

205 *See* Ulmer, *supra* note 25, at 237.

protection would start at the end of the year during which the unlawful fixation was made. Following TRIPS,[206] the WPPT requires that member states, in general, apply these provisions to already existing performances.[207]

### 4. Economic Rights in the Fixed Performance

#### a. Rome Convention

The *Rome Convention* requires member states to protect performers against unauthorized reproductions[208] of fixations of their performances under special circumstances.[209] The common rationale behind this protection is the lack of adequate contractual protection.[210] Performer consent is required if the original fixation itself was made without the performer's consent.[211] This is the case with the reproduction of "bootleg"[212] recordings. Further, performer consent is necessary if the reproduction is made for purposes different from those for which the performers gave their consent.[213] Finally, consent is required if the original fixation was made for private use, for the use of short excerpts in connection with the reporting of current events, for ephemeral fixation by a broadcasting organization, or when a fixation is made solely for the purposes of teaching or scientific research.[214] Beyond the scope of the performer's reproduction rights are reproductions of authorized fixations[215] because they are not explicitly mentioned in the provision's text. With regard to visual and audiovisual fixations, the performer does not enjoy any "rights" after she has consented to the corporealization of her

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206 *See supra* note 175 and accompanying text.

207 *See* WPPT, *supra* note 61, at art. 22(1). The provision makes applicable *mutatis mutandis*. Berne Convention, *supra* note 5, at art. 18. For a detailed account of this provision, see REINBOTHE & VON LEWINSKI, *supra* note 63, at 441-45.

208 "'Reproduction' means the making of a copy or copies of a fixation." Rome Convention, *supra* note 26, at art. 3(e).

209 *See id.* at art. 7(c).

210 *See* Ulmer, *supra* note 25, at 222. The invocation of protection by contract has always had a certain appeal. The French delegation at the Rome Conference argued that the convention is unnecessary because its aims can be achieved by the use of contracts. *See* ILO, *supra* note 40, at 71.

211 *See* Rome Convention, *supra* note 26, at art. 7(c)(i).

212 Bootleg, http://en.wikipedia.org/wiki/Bootleg (last visited Sept. 8, 2006).

> As a noun, bootleg means the top part of a boot, the part that is around the leg instead of the foot. From the practice of hiding small items in a boot to smuggle them past the authorities, the word became a verb, meaning "to smuggle", and an adjective, describing something that has been smuggled (or, more rarely, stolen).

*Id.*

213 Rome Convention, *supra* note 26, at art. 7(c)(ii).

214 *Id.* at arts. 7(c)(iii), 15(1).

215 Herman Cohen Jehoram, *The Relationship Between Copyright and Neighboring Rights,* 144 REVUE INTERNATIONALE DU DROIT D'AUTEUR, 81, 97-98 (1990).

performance.[216] A performer's legal status is protected for twenty years, starting at the end of the year during which the fixation was made.[217] Performances that took place before the enactment of the *Convention* are not protected.[218]

### b. TRIPS

Under TRIPS, a performer has the right to prevent the reproduction of a fixation of her performance on a phonogram.[219] Because the text of the provision is not very clear on this point,[220] it is disputed whether this "right" exists regardless of whether the initial fixation was made with her consent.[221]

The *Rome Convention* provides an exclusive rental right in favor of performers if two criteria are met: (1) those performers have to be covered by the text of the provision ("producers of phonograms and any other right holders")[222] and (2) the member state must not have already established a system of remuneration.[223] The agreement itself does not contain a definition of right holder, but rather leaves this issue to be addressed by domestic law.[224] Thus, the performer enjoys the exclusive rental right if the domestic law confers performers any rights in phonograms (sound recordings).[225]

The text of the agreement is not very precise. As noted before,[226] in the system of related rights, performers do not have any rights *in a phonogram, but only in their performance.* However, the provision's intent is clear: performers shall be awarded the rental right if they materially contribute to the production of the sound

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216 Rome Convention, *supra* note 26, at art. 19. This provision and the definition of phonograms as "exclusively aural fixation of sounds of a performance or of other sounds," Rome Convention, *supra* note 26, at art. 3(b), effectively exclude the television and film industry from the application of the Convention provisions. Note that Rome Convention, article 7, applies until the performer refuses consent. *See generally* Ulmer, *supra* note 25, at 241-45 (neighboring rights and motion pictures). *See also infra* note 269 and accompanying text.

217 Rome Convention, *supra* note 26, at art. 14(a).

218 *Id.* at art. 20(2).

219 TRIPS, *supra* note 51, at art. 14(1).

220 "[P]erformers shall have the possibility of preventing the following acts when undertaken without their authorization: the fixation of their unfixed performance and the reproduction of *such* fixation." *Id.* at art. 14(1) (emphasis added). *See also* GERVAIS, *supra* note 51, at 97-98 (recounting the evolution of the provision).

221 *See* STERLING, *supra* note 69, ¶ 22.09 (arguing that the performer has the right to prevent reproduction); MORGAN, *supra* note 20, at 167 (arguing that the performer does not have the right).

222 TRIPS, *supra* note 51, at art. 14(4).

223 *Id.*

224 The passage concludes "and any other right holders in phonograms as determined in a Member's law." *Id.*

225 *See* WIPO, IMPLICATIONS OF THE TRIPS AGREEMENT ON TREATIES ADMINISTERED BY WIPO 70 (1997); Katzenberger, *supra* note 53, at 91. *See also* MORGAN, *supra* note 20, at 187.

226 *See supra* notes 152-55 and accompanying text.

recording. Thus, the performer is a right holder *in a phonogram* if a member state grants performers exclusive rights regarding the fixation of the performance *on a phonogram*.

These rights are protected for fifty years calculated from the end of the calendar year in which the fixation was made.[227] Notably, the protection is generally guaranteed retroactively.[228]

### c. WPPT

The WPPT contains four exclusive rights with regard to the protection of the fixed performance. First, and most important,[229] is the performer's right to authorize the direct or indirect[230] reproduction of his performances fixed in phonograms in any manner or form.[231] As an exclusive right, it covers both the reproduction of authorized and unauthorized fixations of a performance.[232] It covers all methods of fixing a performance[233] and includes all uses of performances in digital form.[234] The participants at the Conference could not reach agreement on a proposal by the United States[235] to include temporary copies in computer memory[236] within the reproduction right. Instead, an agreed statement[237] was adopted by vote.[238]

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227 TRIPS, *supra* note 51, at art. 14(5).

228 *See id.* at art. 14(6) and Berne Convention, *supra* note 5, at art. 18. *See generally* GERVAIS, *supra* note 51, at 100-01, MORGAN, *supra* note 20, at 158-59.

229 REINBOTHE & VON LEWINSKI, *supra* note 63, at 312 (describing the right of reproduction as the "crown right" of authors).

230 The wording is taken from the Rome Convention, *supra* note 26, at art. 10. Thus, not only the mechanical reproduction, but also the recording of a fixed performance is covered. *See* Ulmer, *supra* note 25, at 224; NORDEMANN, *supra* note 28, at 392.

231 WPPT, *supra* note 61, at art. 7.

232 *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 313; MORGAN, *supra* note 20, at 168.

233 *See* STEWART, *supra* note 21, at 121 (Berne Convention). The terms "in any manner or form" are taken from the Berne Convention, *supra* note 5, at art. 9(1).

234 "The reproduction right, as set out in Articles 7 and 11, and the exceptions permitted thereunder through Article 16, fully apply in the digital environment, in particular to the use of performances and phonograms in digital form." WPPT, *supra* note 61, Agreed Statement Concerning Articles 7, 11 and 16. An agreed statement might be relevant for the interpretation of a treaty; it does not, however share the authority of the text itself. *See* Vienna Convention on the Law of Treaties, 31(2)(a), 1969, 1155 U.N.T.S. 332. The first sentence of this statement is only a confirmation of the general principle of reproduction and was as such generally accepted at the Diplomatic Conference. *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 315-16.

235 *See* Samuelson, *supra* note 120, at 382-93.

236 *See* MAI Systems Corp. v. Peak Computer, Inc., 991 F.2d 511 (9th Cir. 1993) (holding that the loading of a computer program in a computer's RAM by an unlicensed party constitutes infringement). This argument was severely criticized. *See, e. g.*, Jessica Litman, *The Exclusive Right to Read*, 13 CARDOZO ARTS & ENT. L.J. 29, 43 (1994).

237 "It is understood that the storage of a protected performance or phonogram in digital form in an electronic medium constitutes a reproduction within the meaning of these Articles." WPPT, *supra* note 61, Agreed Statement concerning Articles 7, 11 and 16.

238 *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 311-12; MORGAN, *supra* note 20, at 170.

For the first time on the international level,[239] performers have been granted an exclusive right of distribution as a result of the WPPT. It has been framed as the right that performers have of "making available to the public[240] the original[241] and copies of their performances fixed in phonograms through sale or other transfer of ownership."[242] The distribution right is limited to fixed copies that can be put into circulation as tangible objects[243] and covers only permanent acts of distribution.[244] Associated with the distribution right is the problem of exhaustion, known in the United States as the first sale doctrine.[245] The WPPT defers to member states if under a state's national law the right will be exhausted after the first sale, and in deciding which requirements have to be met for exhaustion to occur (national, regional or international exhaustion).[246] However, the first sale does not, and cannot, exhaust the right of rental.[247] Because every act of rental requires acquiring permanent ownership before the rental, the rental right would always be exhausted if the first sale doctrine applied.

The rental right is the third exclusive performer right in the fixed performance[248] if the member state has not opted for a system of remuneration.[249] The WPPT's policies follow TRIPS for the most part, although they provide some useful clarifications. The rights of a performer do not depend on the legal position granted to her by the member state with respect to *rights in phonograms*.[250] Oral performers have an exclusive rental right, according to the domestic law.[251] The distribution right covers the

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239 On the supranational level, the EC Rental Directive introduced a distribution right for performers. *See* Council Directive 92/100, art. 9(1), 1992 O.J. (L 346) (EC).

240 "Making available to the public" is not defined in the WPPT. Its interpretation is left to the member states. *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 321-22.

241 Generally, only an unfixed performance would be considered original. As soon as the performance has been fixed, a copy of it has been made. *See* MORGAN, *supra* note 20, at 184. Here, the word "original" refers to the first fixation of the performance, the so-called "master tape." *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 322.

242 *See* WPPT, *supra* note 61, at art. 8(1).

243 *See id.* at Agreed Statement Concerning Articles 2(e), 8-9, 12-13. The distribution right in article 8 differs from the right of making available in article 10.

244 REINBOTHE & VON LEWINSKI, *supra* note 63, at 322.

245 *See generally* 17 U.S.C. § 109 (2006); Bobbs-Merrill Co. v. Straus, 210 U.S. 339 (1908) (holding that the exclusive right to vend is only applicable to the first sale and does not restrict further sales).

246 REINBOTHE & VON LEWINSKI, *supra* note 63, at 322-23.

247 WPPT, *supra* note 61, at art. 9(1).

248 *Id.*

249 *Id.* at art. 9(2). *See also* TRIPS, *supra* note 51, at art. 14(4).

250 *See supra* notes 224-27 and accompanying text.

251 *See* WPPT, *supra* note 61, at art. 9(1). The meaning of the limitation "as determined in the national law" remains unclear. REINBOTHE & VON LEWINSKI, *supra* note 63, at 329, argue that if a member state vests performers of performances fixed in phonograms with any rights at all, it must also grant them rental rights. This seems illogical because the purpose of the WPPT is to vest performers with such rights. Another possibility is that the

permanent transfer of ownership of a hard copy.[252] The right of making the performance available refers to any wired or wireless transmission.[253] Thus, the rental right deals with the transfer of possession of a hard copy for a limited amount of time.[254] The rental right is limited to commercial rental to the public.[255] Hence, public lending and other non-commercial acts of temporary transfer of possession of hardcopies are not covered.[256]

The fourth exclusive right of performers is the performer's "right of making available to the public of their performances fixed in phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them."[257] The right granted to performers is unique and considerably narrower than the respective right of communication to the public granted to authors in the WCT.[258] The parties to the WPPT did not want to grant performers (and producers of phonograms) a broad exclusive right of communication to the public.[259] The WPPT distinguishes between different access modes to online materials, and covers only the instances where the individual accessor chooses the time and date she wishes to access these materials. This is so-called on-demand-access.[260] Thus, performers are awarded an exclusive right with regard to on-demand dissemination of their fixed performances. The most pervasive example of this is Apple's iTunes Music Store.[261] All scheduled disseminations[262] are excluded from performers' rights. The WPPT follows the *Rome* approach with regard to the remuneration right: exclusive rights are withheld

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provision allows member states to determine which type of performances, if any, to which the rental right will apply. *See* MORGAN, *supra* note 20, at 190; STERLING, *supra* note 69, ¶ 24.09.

252 *See* WPPT, *supra* note 61, at art. 8(1)

253 *See id.* at art. 10.

254 *See* MORGAN, *supra* note 20, at 188.

255 *See* WPPT, *supra* note 61, at art. 9(1).

256 *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 329-30.

257 *See* WPPT, *supra* note 26, at art. 10.

258 *See* WCT, *supra* note 68, at art. 8.

> Without prejudice to the provisions of Articles 11(1)(ii), 11*bis*(1)(i) and (ii), 11*ter*(1)(ii), 14(1)(ii) and 14*bis*(1) of the Berne Convention, authors of literary and artistic works *shall enjoy the exclusive right of authorizing any communication to the public of their works*, by wire or wireless means, *including the making available* to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.

*Id.* (emphasis added). The United States and the European Community delegations followed a different approach at the Diplomatic Conference regarding the characterization of this right. The United States framed it as distribution right; the European Community framed it as communication to the public. *See* Samuelson, *supra* note 120, at 392-98.

259 REINBOTHE & VON LEWINSKI, *supra* note 63, at 337.

260 STERLING, *supra* note 69, ¶ 9.22.

261 iTunes Homepage, http://www.apple.com/itunes (last visited Sept. 15, 2006).

262 *See* STERLING, *supra* note 69, ¶ 9.77, tbl.

from all transmissions where the actual act of transmission is controlled by a third party who is not the final user of the performance.

The performer's rights in her fixed performance have to be protected for at least fifty years beginning at the end of the year during which the fixation on a phonogram took place.[263] The protection term for producers of phonograms may be considerably longer because the term regularly starts upon publication of the phonogram. Only if such publication has not occurred within fifty years after the fixation was made will the producer's right end, fifty years after the end of the year in which fixation was made.[264] This is a notable deviation from TRIPS.[265] Following the example TRIPS set in another area,[266] the WPPT requires member states to apply its provision to previously existing performances.[267] Exclusive rights in the fixed performance are limited to oral performances only. The relevant provisions throughout refer exclusively to phonograms,[268] thus excluding all audiovisual or visual performances.[269]

### 5. Moral Rights of Performers

Although authors have enjoyed protection of their moral interests under the *Berne Convention*[270] since the Rome Conference in 1928,[271] neither the *Rome Convention* nor TRIPS[272] have awarded

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263 WPPT, *supra* note 61, at art. 17(1).

264 *Id.* at art. 17(2).

265 *See* TRIPS, *supra* note 51, at art. 14(5).

266 *See supra* note 175 and accompanying text.

267 WPPT, *supra* note 61, at art. 22(1).

268 *See id.* at arts. 7-10.

269 *See* TRIPS, *supra* note 51, at art. 3; *supra* note 62. "Soundtracks" not exploited together with the movie, but sold separately, are considered to be phonograms because they are not *incorporated in* an audiovisual work. *Id.* at Agreed Statement Concerning Article 2(b) ("It is understood that the definition of phonogram provided in Article 2*(b)* does not suggest that rights in the phonogram are in any way affected through their incorporation into a cinematographic or other audiovisual work."). *See also* REINBOTHE & VON LEWINSKI, *supra* note 63, at 258-60.

270 Berne Convention, *supra* note 5, at art. 6*bis*.

271 *See generally* RICKETSON, *supra* note 5, at 102-03, 459-67.

272 The lack of moral rights protection in TRIPS hardly comes as a surprise because article 6*bis* of the Berne Convention is the only substantive provision of the Convention that TRIPS has explicitly excluded. *See* TRIPS, *supra* note 51, at art. 9(1). Although the United States became a member of the Berne Convention effective March 1, 1989, *see* Berne Convention, *supra* note 54, at Contracting Parties, it did not implement Article 6*bis*. *See* Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, § 3(b) [hereinafter BCIA]; *see generally* 2 NIMMER ON COPYRIGHT, *supra* note 115, § 8D.02 [C]. In Congress' opinion, the Act, together with the law as it existed on the date of the enactment of the Act, satisfied the obligations of the United States in adhering to the Berne Convention. BCIA § 2(3). Congress addressed both the rights of integrity and authorship but only to deny their legislation.

At the time of the Berne implementation, moral rights were expressly protected in state statutes to some degree. California was the first state to adopt a limited form of moral rights protection, *see* California Art Preservation Act, CAL. CIV. CODE § 987 (West

performers equivalent protection. The WPPT fills this gap.

An interesting question is why the United States opposed the incorporation of moral rights in TRIPS,[273] even though the United States is a signatory to the *Berne Convention*. To complicate the inquiry, the United States initially argued against granting performers any moral rights at the Geneva Diplomatic Conference, but did not oppose such a provision in the end.[274] Because the *Berne Convention* lacks a designated monitoring body, this allowed the United States to claim that its law, both at the federal and state level, complies with *Berne*. Similarly, there is no monitoring body under the WPPT.[275] TRIPS, however, has a system that allows member states to force other members to comply with its provisions.[276] One can reasonably argue that not even the United States believes that its law complies with the moral rights provisions of international agreements.[277]

Modeled after the provision in the *Berne Convention*,[278] the WPPT grants performers attribution rights and a right of integrity.[279] These rights vest in performers independent of their

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2004); followed by New York, *see* New York Artists' Authorship Rights Act, N.Y. ARTS & CULT. AFF. LAW § 11.01-16.01 (McKinney 2004), and other states. *See also* Connecticut Art Preservation and Artist's Rights Act, CONN. GEN. STAT. ANN. § 42-116s to § 42-116t (West 2004); Louisiana Artist's Authorship Rights Act, LA. REV. STAT. ANN. §§ 51:2151-2156 (2004); ME. REV. STAT. ANN. tit. 27, § 303 (2004); MASS. GEN. LAWS ANN. ch. 231, § 85S (West 2004); New Mexico's Act Relating to Fine Arts in Public Buildings, N.M. STAT. ANN. §§ 13-4B-1 to 13-4B-3 (West 1978 & Supp. 1996); N.J. STAT. ANN. § 2A:24A-1 to 24A-8 (West 2004); Pennsylvania Fine Arts Preservation Act, 73 PA. STAT. ANN. §§ 2101-2110; R.I. GEN. LAWS, §§ 5-62 to 5-62-6 (West 2004). Although they vary in detail, *see generally* 2 NIMMER ON COPYRIGHT, *supra* note 115, § 8D.07-08, the protection granted by the statutes is limited to artists, defined as individual(s) who create a work of fine art. *See* CAL. CIV. CODE § 987(c)(1); N.Y. ARTS & CULT. AFF. LAW § 11.01(1); CONN. GEN. STAT. ANN. § 42-116s(1); LA. REV. STAT. ANN. § 51:2152(1); ME. REV. STAT. ANN. tit. 27, § 303(1)(A); MASS. GEN. LAWS ANN. ch. 231, § 85S(b); N.J. STAT. ANN. § 2A:24A-3a; 73 PA. STAT. ANN. § 2102; R.I. GEN. LAWS, § 5-62-2(a).

On the federal level, Congress enacted the Visual Artists Right Act of 1990 (VARA), 17 U.S.C. § 106[A] (2002), in order to be "in greater harmony with law of other Berne countries." H.R. REP. NO. 101-514 at 10 (1990). VARA is analogous to article 6*bis* of the Berne Convention but its coverage is more limited. *See* Quality King Distribs., Inc. v. L'Anza Research Int'l., Inc., 523 U.S. 135, 149 n.21 (1998) (protecting only works of visual art and thus covering "only a very selected group of artists").

273 *See* U.S. GENERAL ACCOUNTING OFFICE, REPORT TO CONGRESS: URUGUAY ROUND FINAL ACT SHOULD PRODUCE OVERALL U.S. ECONOMIC GAINS 89 (1994). *See also* Martin D.H. Woodward, *TRIPS and NAFTA's Chapter 17: How Will Trade-Related Multilateral Agreements Affect International Copyright?*, 31 TEX. INT'L L.J. 269, 280 (1996).

274 *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 292-93.

275 *See* Julie Chasen Ross, *Trade-Related Aspects of Intellectual Property Rights*, *in* 2 THE GATT URUGUAY ROUND—A NEGOTIATING HISTORY 2288 (1993).

276 See TRIPS, *supra* note 51, at arts. 63-64. *See generally* Rochelle Cooper Dreyfuss & Andreas Lowenfeld, *Two Achievements of the Uruguay Round: Putting TRIPS and Dispute Settlement Together,* 37 VA. J. INT'L L. 275 (1997).

277 *See* NORDEMANN, *supra* note 28. *See generally* 3 NIMMER ON COPYRIGHT, *supra* note 115, § 8D.02[A]; Roberta Rosenthal Kwall, *Copyright and the Moral Right: Is an American Marriage Possible?*, 38 VAND. L. REV. 1 (1985).

278 *See* Berne Convention, *supra* note 5, at art. 6*bis*.

279 *See* WPPT, *supra* note 61, at art. 5(1).

economic rights.[280] This notion of independence is basic to the moral right concept.[281] Thus, a transfer of economic rights does not imply the transfer of the moral rights.[282] However, the independence of the moral right does not foreclose its alienability. Like the Berne Convention,[283] article five of the WPPT does not prohibit the separate transfer or waiver of moral rights[284] done according to domestic law.

The attribution right gives performers the ability to claim performership with regard to a specific performance, one that is either live[285] or fixed.[286] Performers have the right to be identified in such a manner that a potential user can identify the performer and attribute the performance to her.[287] Thus, the performer's name has to be used when a performance is exploited. This right can only be limited where the *omission is dictated by the manner of the use* of the performance.[288] The integrity right safeguards the performer against any modification of the performance that would have a negative impact.[289] "Modification" is a generic term, while "distortion" and "mutilation" are particularly severe forms of modification.[290] Because of its neutrality, the expression "other modification" covers any change of the performance.[291] Digital remastering, re-mixing and sound sampling are included within this term. This broad reading is counterbalanced by the objective requirement that to qualify as modifications, alterations must be prejudicial to the performer's reputation. There has been some discussion regarding the similar wording of article 6bis of the *Berne Convention*, and whether this similarity indicates that prejudice to the performer's reputation is a prerequisite only for modifications or if it applies to distortion and mutilation as well.[292] On the one hand, there is a strong grammatical argument for the second

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280 *See id.*

281 RICKETSON, *supra* note 5, at 467.

282 *See* WPPT, *supra* note 61, at art. 5(1).

283 RICKETSON, *supra* note 5, at 467. *Contra* STEWART, *supra* note 21, at 120 (arguing that moral rights are inalienable).

284 REINBOTHE & VON LEWINSKI, *supra* note 63, at 295.

285 MORGAN, *supra* note 20, at 197-98, calls the attribution right an "intriguing concept." However, the intention is clear. Only aural performances are protected, either fixed or unfixed. The wording tries to avoid any implication of the protection afforded the unfixed performance in article 6 of the WPPT that covers audiovisual and visual performances as well. *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 296.

286 *See* WPPT, *supra* note 61, at art. 5(1).

287 *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 296.

288 *See* WPPT, *supra* note 61, at art. 5(1).

289 REINBOTHE & VON LEWINSKI, *supra* note 63, at 290-91.

290 *Id.* at 297-98.

291 *See* RICKETSON, *supra* note 5, at 468 (regarding the use of the term "other modification" in article 6*bis* of the Berne Convention).

292 *See generally* RICKETSON, *supra* note 5, at 472-73.

interpretation.[293] Yet, on the other hand, it is possible to argue that distortion and mutilation are such severe forms of modification that they necessarily interfere with a performer's reputation. A possible compromise could be to interpret these kinds of modifications as constituting *prima facie* evidence in support of the performer. Prejudicial effect to a performer's reputation will then be assumed if the alleged infringer cannot submit persuasive evidence to the contrary.

A performer's moral rights last at least until her death.[294] If at that point her economic rights have not been extinguished,[295] the performer's moral rights will last until the economic rights expire.[296] When the performer's economic rights are not extinguished at death, it is domestic law that regulates who exercises the moral rights.[297] It is noteworthy that this protection within the WPPT is limited to live oral performances and the performances fixed in phonograms,[298] and not extended to performances of audiovisual works.[299] Furthermore, member states can exclude the protection of previously fixed performances.[300]

### D. *We Have to Protect Performers, We're Bound by International Law!*

International law offers an impressive framework and guideline for national[301] or—in the case of the EC[302]—

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293 *Id.*

294 The wording of WPPT, article 5(2), is not very clear with respect to the duration of a performer's moral rights. It is possible that moral rights could extinguish, along with economic rights, during the life of the performer. However, this interpretation would not take into account that article 5(2) is clearly drafted as an exception. Its intent is that moral rights shall never extinguish before economic rights. Thus, it is reasonable to interpret the provision in a way that guarantees the existence of moral rights at least during the lifetime of the performer. *See* REINBOTHE & VON LEWINSKI, *supra* note 63, at 301.

295 *See supra* notes 203-05, 263-65 and accompanying text.

296 *See* WPPT, *supra* note 61, at art. 5(2). Member states that had not protected moral rights after the death of the performer may provide that some of these rights will cease to be maintained. *Id.*

297 *See id.*

298 *Id.*

299 "[P]honogram" means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, *other than in the form of a fixation incorporated in a cinematographic or other audiovisual work*." *Id.* at art. 2(b) (emphasis added). In 2000, a Diplomatic Conference regarding the protection of audiovisual performers was held, but the parties did not come to an agreement. *See generally* Bernhard Adler, *The Proposed New WIPO Treaty for Increased Protection for Audiovisual Performers: Its Provisions and Its Domestic and International Implications,* 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1089; REINBOTHE & VON LEWINSKI, *supra* note 63, at 469-86.

300 *See* WPPT, *supra* note 61, at art. 22(2).

301 Germany has consented to be bound by the WPPT. *See* Aug. 10, 2003, BGBII. at 754.

302 The European Community formed a "special delegation" at the Diplomatic Conference in Geneva. WIPO, Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, Draft Rules of Procedure, R. 2(1)(ii) (Dec. 2, 1996),

supranational implementation of performers' rights.[303] It does not, however, provide reasons for why performers should be protected. Unfortunately, in the copyright field, there is a certain tendency for national governments to use international treaties as justifications for subsequent national legislation, even though the national legislatures were not involved. The digital agenda of the United States delegation at the WIPO Diplomatic Conference, where the United States tried to push forward provisions it had previously failed to implement in Congress, is but one example.[304] Another example is the Official Report which justified Germany's Copyright Law of 1965, which curtailed the rights of performers on the ground that it was necessary to comply with the *Rome Convention*.[305] William Patry, former copyright counsel to the United States House of Representatives, described this pattern with strong words:

> [C]opyright industries . . . wanted [strong] measures, but going through the ordinary course of domestic legislation ran the risk of opposition. What was the solution? Create a treaty obligation. With a treaty obligation, any rational discourse, as well as any assessment of an untoward domestic impact, is eliminated . . . . Yet, the existence of the [WCT and WPPT] is cited as a reason why, even if the United States wished to abolish the DMCA, it could not.[306]

As powerful as this argument might be from a *political* standpoint, it is not convincing from a *legal* point of view. All treaties regulating performers' rights allow its member states to withdraw.[307] Furthermore, neither the existence of nor signature on the *Rome Convention* or the WPPT has a binding effect on any state. According to the Vienna Convention on the Law of Treaties,[308] both treaties require an instrument of ratification or

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a*vailable at* http://www.wipo.int/documents/en/diplconf/pdf/2dc_e.pdf.

303 The European Community implemented its WPPT responsibilities by way of Council Directive 2001/29, recital, 2001, O.J. (L 167) 10 (EC).

304 *See* Samuelson, *supra* note 120, at 373-74, 428-31.

305 *See* BTDrucks IV/270, *reprinted in* 45 UFITA 240, 303-04 (1965).

306 William Patry, *The United States and International Copyright Law: From Bern to Eldred*, 40 HOUS. L. REV. 749, 753 (2003).

307 *See* Rome Convention, *supra* note 26, at art. 27; WPPT, *supra* note 61, at art. 31. TRIPS itself is not an independent treaty, but it is an integral part of the Agreement Establishing the World Trade Organization. Thus, a state can only withdraw from the WTO Agreement and thereby will no longer be bound by TRIPS.

308 Vienna Convention, *supra* note 236, at art. 14(1)(a), (2).

> The consent of a State to be bound by a treaty is expressed by ratification when: (a) the treaty provides for such consent to be expressed by means of ratification . . . . The consent of a State to be bound by a treaty is expressed by acceptance or approval under conditions similar to those which apply to ratification.

*Id.*

accession.[309] Thus, if a state chooses to change the scope of performers' protection or to abolish it altogether, it is free to do so, either by not signing the treaty or by withdrawing. Granted, the latter decision might place a state in an unfavorable light within the international community. However, some countries, including the United States, do not fear such a reprisal, because they believe their interests are better served by not being bound to the treaty.[310]

However, the mere existence of an international framework of protection does not, by itself, justify why a state would choose to join it. The reasons and justifications for performers' rights must be found elsewhere. Both Justice Ginsburg's majority opinion[311] and Justice Breyer's dissent[312] in *Eldred v. Ashcroft*[313]—while emphasizing the importance of international uniformity[314]—discuss the international copyright framework only with regard to whether the Act "is a rational exercise of the legislative authority conferred by the Copyright Clause."[315] Hence, the justifications regarding copyright protection of authors and performers have to be discussed within the frameworks of the national constitutions.[316]

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309 *See* Rome Convention, *supra* note 26, at art. 25 (adding the term "acceptance"); WPPT, *supra* note 61, at arts. 29- 30.

310 The Kyoto Protocol provides a good example of the United States being indifferent to the world's view of its nonparticipation in a treaty. *See* Kyoto Protocol, *available at* http://unfccc.int/resource/docs/convkp/kpeng.html (last visited Sept. 15, 2006).

311 Eldred v. Ashcroft, 537 U.S 186, 205-06 (2003).

312 *Id.* at 257-59 (Breyer, J., dissenting).

313 *Id.* at 186.

314 The international treaties relating to copyright were not at issue. An argument was made for harmonizing the term of protection of copyright and certain related rights. This was supported by the extension of copyright term in the European Community as determined by Council Directive 93/98, 1993, O.J. (L. 290) (EC). The argument for harmonization is not confined to the Directive, but applies to international treaties as well. Justice Breyer explicitly mentions the Berne Convention as a justification for the 1976 Copyright Act. *See Eldred*, 537 U.S. at 264-65 (Breyer, J., dissenting).

315 *Eldred*, 537 U.S. at 204 (majority opinion). *See also id.* at 244-45 (Breyer, J., dissenting) ("I would find the statute lacks the constitutionally necessary rational support . . . ."). *See, e.g.*, Shira Perlmutter, *Participation in the International Copyright System as Means to Promote the Progress of Science and Useful Arts*, 36 LOY. L.A. L. REV. 323 (arguing for a flexible interpretation of the Constitution in order to allow the executive and legislative branches to promote its policies on the international level).

316 The scope of performers' protection is broadly regulated within E.C. secondary law. Focusing on the national constitutions does not provide a comprehensive justification for two reasons. First, should the Treaty Establishing a Constitution for Europe enter into force, Europe will have a basic document providing that "[i]ntellectual property shall be protected." Treaty Establishing a Constitution for Europe, at art. II-77(2), *available at* http://europa.eu.int/eur-lex/lex/JOHtml.do?uri=OJ:C:2004:310:SOM:EN:HTML (last visited Sept. 15, 2006).

In addition, according to German constitutional law, the European Community derives its authority from the member states; its acts are valid only when a German decree governing application of the law—itself subject to constitutional restraints—is issued to enforce it. *See* Bundesverfassungsgerichts [BVerfGE] [Federal Constitutional Court] 1994, 89, Entscheidungen des Bundesverfassungsgerichts 155 [hereinafter BverfGE], *translated in* DONALD P. KOMMERS, THE CONSTITUTIONAL JURISPRUDENCE OF THE FEDERAL REPUBLIC OF GERMANY 109-10 (2d ed. 1997). Under this theory of authority, it is

## III. LEGAL JUSTIFICATIONS OF PERFORMERS' RIGHTS—POLICY VS. PRINCIPLE

There are three main legal theories proffered as justifications for the copyright system. The first is the incentive rationale, according to which copyright is a means to achieve a further end. This end is seen as benefiting either the aggregate social welfare[317] (a utilitarian justification[318]), or as an instrumentalist approach to maximize public access and increase expression.[319] The second theory is that authors and performers deserve the exclusive rights to the fruits of their labor.[320] Finally, it is claimed that a performer's work and performance are expressions of the

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ultimately national constitutional law that provides the justification for the acts of the European Community.

317 Stephen Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer-Programs*, 84 HARV. L. REV. 281 (1970) (arguing that copyright restrictions are justified only when necessary to achieve an important social benefit); William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright*, 18 J. LEG. STUD. 325 (1989) (stating that copyright law promotes economic efficiency by maximizing the social benefits of creating additional works and balancing them against the social costs of limited access and of administration); Wendy J. Gordon, *Fair Use as a Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Procedure*, 82 COLUM. L. REV. 1600 (1982) (arguing that copyright's objective is to cure market failure with regard to "public goods" by excluding non-purchasers from their use and establishing a model for consensual market transfer. Fair use as an exception to this model is limited to cases where the market transfer fails and the use of the good would be socially desirable.). *Cf. infra* note 339 (arguing for the existence of a distributional principle within copyright); William W. Fisher III, *Reconstructing the Fair Use Doctrine,* 101 HARV. L. REV. 1659 (1988) (arguing that copyright should maximize efficiency and protection should not be granted if it would not provide sufficient incentives to outweigh society's losses); Julie E. Cohen, *Lochner in Cyberspace*, 97 MICH. L.REV. 462 (1998) (arguing for a rethinking of the definition of "social welfare").

318 *See generally* David McGowan, *Copyright Nonconsequentialism,* 69 MO. L. REV. 1, 7-11 (2004) (discussing the utilitarian approach).

319 *See, e.g.*, PETER DRAHOS, A PHILOSOPHY OF INTELLECTUAL PROPERTY 41-72 (1996) (arguing in favor of an instrumentalist justification of intellectual property, which should serve overall public purpose; thus becoming less a right than a duty); Niva Elkin-Koren, *Copyrights in Cyberspace—Rights Without Laws?*, 73 CHI.-KENT L. REV. 1155 (1998) (arguing that maximizing public access to copyrighted works is a fundamental principle of copyright policy and that the effectiveness of copyright law for enhancing authorship rests on the existence of a robust public domain); Mark. A. Lemley, *Property, Intellectual Property and Free Riding*, 83 TEX L. REV. 1031 (2005) (arguing that intellectual property law is designed "to promote uncompensated positive externalities, by ensuring that ideas and works that might otherwise be kept secret are widely disseminated" and is "justified only in ensuring that creators are able to charge a sufficiently high price to ensure a profit to recoup their expenses"). *See also* Jeremy Waldron, *From Authors to Copiers: Individual Rights and Social Values in Intellectual Property,* 68 CHI.-KENT L. REV. 841 (1993) (arguing that copyright should be approached from the perspective of putative infringers whose individual liberty rights are limited by copyright restrictions).

320 This theory is conventionally traced back to John Locke's theory on property. *See* JOHN LOCKE, TWO TREATISES OF GOVERNMENT §§ 25-26 (Ian Shapiro ed., 2003) (1690). *See generally* Justin Hughes, *The Philosophy of Intellectual Property,* 77 GEO. L.J. 287, 297-330 (1988) (arguing that Locke's labor theory is a powerful, but incomplete justification for intellectual property rights); Lawrence Becker, *Deserving to Own Intellectual Property*, 68 CHI.-KENT L. REV. 609 (1993) (arguing that the labor argument does not imply what property law ought to be); McGowan, *supra* note 318 (arguing that a libertarian view of property rights is coherent, consistent with copyright policy and practice, and a legitimate starting point for congressional action).

performer's personality, providing an entitlement to their exclusive use.[321]

To complicate matters further, the justifications given in a country adhering to the copyright system might be different from those in a country following an authors' rights philosophy.[322] I will not enter this playground—or battlefield as it sometimes appears. Rather, I will leave the task of "analyz[ing] . . . the 'independent sources' that apply to intellectual property"[323] to others. Instead, I will examine the constitutional provisions of two different legal systems—the United States Constitution and the Continental constitutional tradition with an emphasis on Germany—and determine whether these systems provide sound solutions.

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321 Hegel's property theory, see GEORG WILHEM FRIEDRICH HEGEL, PHILOSOPHY OF RIGHT 41-65 (T. M. Knox trans., 1967) (1821) is conventionally used as point of reference. *See, e.g.,* Hughes, *supra* note 320, at 330-65 (combining Hegel's theory with a civil rights approach). The foundations of this theory have been laid in the eighteenth century by Thurneisen, Püttner, Immanuel Kant, *Von der Unrechtmäßigkeit des Büchernachdrucks*, BERLINISCHE MONATSZEITSCHRIFT 403-17 (1785) (arguing that the right of the author is not a right in the physical object but an innate right in his own person to prevent others from using his speech), and Johann Gottlieb Fichte, *Beweis der Unrechtmäßgkeit des Büchernachdrucks*, BERLINISCHEN MONATSZEITSCHRIFT (1791) (distinguishing between the material substance of the printed book, which is owned by the buyer and its intellectual content, which remains the property of the author). In the nineteenth century, a doctrinal model was built upon this idealistic philosophy. *See, e.g.,* OTTO VON GIERKE, 1 DEUTSCHES PRIVATRECHT 762 (1895) (arguing that the work is an expression of the author's personality; thus, he has the right to determine the work's use). *See generally* Christoph Ann, *Die idealistische Wurzel des Schutzes geistiger Leistungen,* GRUR Int. 597, 598-99 (2004); STERLING, *supra* note 69, ¶ 2.18. For criticism of the use of personality as an exclusive justification for authors' rights, see EUGEN ULMER, URHEBER- UND VERLAGSRECHT, 110-12 (3d ed. 1980).

322 *See, e.g.*, Neil Netanel, *Alienability Restrictions and the Enhancement of Author Autonomy in United States and Continental Copyright Law*, 12 CARDOZO ARTS & ENT. L.J. 1, 7 (1994):

> United States copyright law differs fundamentally from its Continental counterpart. U.S. copyright doctrine applies traditional property principles to the field of copyright, and treats authors' works as the subject of proprietary, quasi-ownership rights. In contrast, Continental copyright law and doctrine focuses on the author and his personal relationship to his work. Continental doctrine views copyright essentially as the protection of the author's individual character and spirit as expressed in his literary or artistic creation. Although a work may be commercially exploited, it is not simply a commodity—and many commentators would say that it is not a commodity at all. Instead, the work is seen, partially or wholly, as an extension of the author's personality, the means by which she seeks to communicate to the public. "When an artist creates, . . . he does more than bring into the world a unique object having only exploitive possibilities; he projects into the world part of his personality and subjects it to the ravages of public use."

*Id.* (citations omitted). *But see* Jane Ginsburg, *A Tale of Two Copyrights: Literary Property in Revolutionary France and America,* 147 REVUE INTERNATIONALE DES DROITS D'AUTEUR 125 (1991) (arguing that copyright theory and copyright practice in the late eighteenth and early nineteenth century in both the United States and France was quite similar. Both were aimed at the advancement of public instruction.); Thomas Dreier, *Balancing Proprietary and Public Domain Interests: Inside or Outside of Proprietary Rights?*, *in* EXPANDING THE BOUNDARIES OF INTELLECTUAL PROPERTY 295, 301 (Rochelle C. Dreyfuss et al. eds., 2001) (arguing that "commonalities in the rationale and theory for protection have led to an astonishing convergence of the two systems at the practical level").

323 Hughes, *supra* note 320, at 288 (referring to Board of Regents of State Colleges v. Roth, 408 U.S. 564, 577 (1972)).

### A. *It's the Economy, Stupid!*

#### 1. The Copyright Clause

The Constitution's text is a good starting point for this inquiry. The relevant provision of the United States Constitution reads: "The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[324]

The primary object of this clause seems clear: it gives Congress authority to enact federal law[325] to regulate the fields of copyright and patent law, thus limiting the states' power.[326]

> The clause is both a grant of power and a limitation. This qualified authority, unlike the power often exercised in the sixteenth and seventeenth centuries by the English Crown, is limited to the promotion of advances in the "useful arts." It was written against the backdrop of the practices—eventually curtailed by the Statute of Monopolies—of the Crown in granting monopolies to court favorites in goods or businesses which had long before been enjoyed by the public.[327]

The clause specifies what shall be granted (exclusive rights), who shall be awarded (authors and inventors), and what shall be protected (writings or discoveries). It also suggests that the reason for such protection is "to promote the Progress of Science and useful Arts."[328]

What exactly is the purpose of copyright then, and why is Congress allowed to protect authors? The conventional answer is more or less that "[i]ntellectual property protection in the United States has always been about creating incentives to invent."[329] However, not everybody agrees that the incentive rationale has always been the cornerstone of copyright theory.[330] In fact, there is language in earlier Supreme Court decisions indicating that copyright's protection of expression serves to protect an individual's personality.[331] Nonetheless, since the second half of

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324 U.S. CONST. art. I, § 8, cl. 8.

325 *See* Eldred v. Ashcroft, 537 U.S. 186, 194 (2003).

326 *See* U.S. CONST. art. VI, cl. 2. *See generally* 1 NIMMER ON COPYRIGHT, *supra* note 115, § 1.01[A].

327 Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 5 (1966).

328 U.S. CONST. art. I, § 8, cl. 8.

329 Lemley, *supra* note 319.

330 *See* Litman, *supra* note 15, at 13 n.45 (arguing that the incentive rationale is of fairly recent origin).

331 Bleistein v. Donaldson Lithographing & Co., 188 U.S. 239, 250 (1903) ("The copy is the personal reaction of an individual upon nature. Personality always contains something unique. It expresses its singularity even in handwriting, and a very modest grade of art has in it something irreducible, which is one man's alone. That something he

the twentieth century, Supreme Court decisions seem to have embraced the economic rationale of copyright with increasing passion.

According to *Mazer v. Stein*, "[t]he economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'"[332] However, the Court added a sentence often deleted when the decision is quoted:[333] "Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered."[334] Until the mid-twentieth century, rewarding an author for the creation of his work might not have been the primary object of copyright, but rather a secondary purpose.[335]

The reward theory has caused great discomfort for contemporary scholars.[336] Although the Supreme Court has given less prominence to the reward theory, it has repeatedly referenced

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may copyright unless there is a restriction in the words of the act.").

James Madison referred to the common law protection of authors in Great Britain:

> A power "to promote the progress of science and useful arts, by securing, for a limited time, to authors and inventors, the exclusive right to their respective writings and discoveries." The utility of this power will scarcely be questioned. *The copyright of authors has been solemnly adjudged, in Great Britain, to be a right of common law.* The right to useful inventions seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals. The States cannot separately make effectual provisions for either of the cases, and most of them have anticipated the decision of this point, by laws passed at the instance of Congress.

THE FEDERALIST NO. 43 (Madison) 272-73 (C. Rossiter ed.) (emphasis added).

Lord Mansfield wrote in 1785:

> [W]e must take care to guard against two extremes equally prejudicial; the one that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their *ingenuity and labour*; the other that the world may not be deprived of improvements, nor the progress of the arts be retarded.

Sayre vs. Moore, (1785) 102 Eng. Rep. 139 (K.B.) (emphasis added).

332 Mazer v. Stein, 347 U.S. 201, 219 (1954).

333 *See, e.g.*, Eldred v. Ashcroft, 537 U.S. 186, 212 n.18 (2003); 1 NIMMER ON COPYRIGHT, *supra* note 115, § 1.03[A].

334 *Mazer,* 347 U.S. at 219. *But cf.* Feist Publ'ns Inc. v. Rural Tel. Serv. Co, 499 U.S. 341, 359-60 (1991) ("[There is] no doubt that originality, not 'sweat of the brow,' is the touchstone of copyright protection.").

335 *See, e.g.,* United States v. Paramount Pictures, 334 U.S. 131, 158 ("The copyright law, like the patent statutes, makes reward to the owner a secondary consideration."); Fox Film Corp. v. Doyal, 286 U.S. 123, 127-28 (1932) ("The sole interest of the United States and the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors. A copyright, like a patent, is 'at once the equivalent given by the public for benefits bestowed by the genius and meditations and skill of individuals, and the incentive to further efforts for the same important objects.'") (citations omitted). The second part of this statement is omitted in later citations. *See, e.g.,* Twentieth Century Music v. Aiken, 422 U.S. 151, 156 (1975).

336 *See, e.g.*, Breyer, *supra* note 321, at 284-89.

it until recently.[337] The decision in *Twentieth Century Music v. Aiken* is regarded as the main step toward implementing the pure incentive rationale of copyright.[338]

> The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts. The immediate effect of our copyright law is to secure a fair return for an author's creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.[339]

It is a small step from the incentive rationale to the economic rationale of—dare I say—pure capitalism that "copyright law *celebrates* the profit motive."[340] The Court took this plunge, leaving skeptics behind with a remarkable social theory: "The profit motive is the engine that ensures the progress of science."[341]

### 2. The Incentive Rationale I: *Quis Iudicabit?*

But what does the economic rationale of copyright really entail? The common starting point, is that copyright protection is desirable only if it enhances incentives to create. However, there is substantial and fierce disagreement over what kind and level of protection enhances progress, and at what point protection starts to inhibit overall welfare. In fact, one of the fundamental disagreements is about the propertization of intellectual property. Does copyright share the economic rationale of real property? Should it be owned in order to create incentives for their efficient exploitation and to avoid overuse?[342] Alternatively, is there a

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337 *See Eldred*, 537 U.S at 212 n.18 (emphasizing the relationship between rewards to authors and the "Progress of Science").

338 *See* Peter Jaszi, *Towards a Theory of Copyright: The Methamorphosis of "Authorship,"* 1991 DUKE L.J. 455, 464 (1991); Litman, *supra* note 15, at 13 n.45.

339 *Twentieth Century Music*, 422 U.S. at 156. *Cf.* Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 546 (1985) ("The rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labors."). Thus, it is not clear that the Court had retreated from the reward theory. *See* Wendy J. Gordon, *An Inquiry into the Merits of Copyright: The Challenges of Consistency, Consent and Encouragement Theory*, 41 STAN. L.R. 1343, 1447-49 (1989).

340 *Eldred,* 537 U.S. at 212 n.18 (quoting Am. Geophysical Union v. Texaco Inc., 802 F. Supp 1, 27 (S.D.N.Y. 1992)).

341 *Id.*

342 *See, e.g.*, Frank H. Easterbrook, *Intellectual Property Is Still Property*, 13 HARV. J.L. & PUB. POL'Y 108 (1990) (arguing that treating intellectual property as property appeals to both utilitarians and libertarians); Trotter Hardy, *Property (and Copyright) in Cyberspace*, 1996 U. CHI. LEGAL F. 217 (1996) (arguing that the principal characteristics of property rules apply to cyberspace); William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright,* 70 U. CHI. L. REV. 471 (2003) (arguing that indefinitely renewable copyright

fundamental difference with respect to property between tangible and intangible goods, such that the justifications for exclusive rights in real property are not analogous?[343] Does cyberspace's entry into the copyright field alter the analysis?[344] At the heart of the debate lies the question of the robustness of the public domain and the role the public domain ought to play within copyright.[345]

In *Eldred,* the divergence in opinions was apparent.[346] At issue was the constitutionality of Congress' decision to increase the duration of copyright protection by twenty years.[347] Justice Ginsburg's majority opinion anchored copyright's justification in the incentive rationale[348] as did Justice Breyer in his dissent.[349] Justice Breyer, though, established a three-pronged rational basis test with considerable teeth. According to Breyer, Congress has not acted within the limits of the copyright clause if: (1) the significant benefits are private and not public, (2) the statute is a serious threat to the expressive values in the copyright clause, and (3) no copyright-related objective justifies the statute.[350] Breyer stated that the statute imposes significant costs on the public because royalties have to be paid and permission has to be acquired[351] and there are no benefits to counteract the numerous costs.[352]

The majority's response to Justice Breyer's economic critique of the Copyright Term Extension Act ("CTEA") is worth quoting at length.

> Rather than subjecting Congress' legislative choices in the copyright area to heightened judicial scrutiny, we have stressed that "it is not our role to alter the delicate balance Congress has

protection creates incentives to optimize the current use of the work); *cf.* Gordon, *supra* note 317, at 1354-65 (comparing entitlement structures and the limits of the common law of property).

343 *See, e.g.*, Mark A. Lemley, *Romantic Authorship and the Rhetoric of Property*, 75 TEX. L. REV. 873, 902-05 (1997); Lemley, *supra* note 319, at 25-34 (arguing that information does not share real property's "tragedy of the commons"); Stewart E. Sterk, *What's in a Name?: The Troublesome Analogies Between Real and Intellectual Property* (Cardozo Law Legal Studies, Research Paper No. 88, 2004), *available at* http://ssrn.com/abstract=575121; Elkin-Koren, *supra* note 319, at 1190-99.

344 *See, e.g.,* Niva elkin-Koren & Eli M. Salzberger, *Transaction Costs and the Law in Cyberspace, in* LAW, ECONOMICS AND CYBERSPACE 90-107 (Edward Elgar ed., 2004) (arguing that traditional economic models used to explain property need to be reconsidered when applied to cyberspace).

345 *See* Lemley, *supra* note 343, at 902; Elkin-Koren, *supra* note 319, at 1188-1200.

346 *Eldred*, 537 U.S. 186.

347 Copyright Term Extension Act (CTEA), Pub. L. No. 105-298, §§ 102(b), (d), 112 Stat. 2827 (1998) (amending 17 U.S.C. §§ 302, 304).

348 *Eldred*, 537 U.S. at 214 (quoting Mazer v. Stein, 347 U.S. 201 (1954)).

349 *Id.* at 245-48 (Breyer, J. dissenting).

350 *Id.* at 245.

351 *Id.* at 248-54.

352 *Id.* at 254-64.

> elaborated to achieve"[353] . . . . Calibrating rational economic incentives, however, like "fashioning new rules in light of new technology" is a task primarily for Congress, not the courts[354] . . . . [W]e are not at liberty to second-guess congressional determinations and policy judgments of this order, however debatable or arguably unwise they may be[355] . . . . We have also stressed, however that it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause's objectives.[356]

The argument is quite straightforward: it is the object of the copyright clause to produce incentives. Incentives can be produced on various levels by a multitude of means. There is considerable disagreement whether certain means contribute to that end. The appropriate governmental branch to balance the antipodal interests is Congress.[357] It is not for the courts to supersede Congress' choice with their own understanding of which means are appropriate to promote science and arts. "Under our systems of government the courts are not concerned with the wisdom or policy of legislation,"[358] and they should not rule on economic theories either.[359]

### 3. The Incentive Rationale II: Lack of Enforceability

Why did the Court retreat? Ronald Dworkin's rights-thesis[360] provides insight as to why the copyright clause and its actual interpretation inevitably led to the result in *Eldred*, and why the United States Constitution does not provide an *enforceable legal justification* for copyright and performers' rights. Judicial decisions are characteristically based upon principle and not on policy.[361] A principle is a proposition describing rights, while a policy is

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353 *Id.* at 205 n.10 (majority opinion)(citations omitted).

354 *Id.* at 207 n.15 (citations omitted).

355 *Id.* at 208.

356 *Id.* at 212 (citations omitted).

357 *But see* Stewart. E. Sterk, *Rhetoric and Reality in Copyright Law*, 94 MICH. L.REV. 1197, 1247 (1996) (arguing that participants of the legislative process have a self-interest in strong protection for copyright).

358 Lochner v. New York, 198 U.S. 45, 69 (1905) (Harlan, J., dissenting), *superseded by statute*, Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 (1938), *as recognized in* Imars v. Contractors Mfg. Servs., Inc., 165 F.3d 27 (6th Cir. 1998). The court invalidated New York's social welfare legislation, limiting employment in bakeries to sixty hours a week and ten hours a day, as causing arbitrary interference with the freedom to contract. *Id.* at 57-64. Beginning in the 1930's, the court discontinued this approach. *See, e.g.*, LAURENCE H. TRIBE, AMERICAN CONSTITUTIONAL LAW 8-5 to 8-7 (2d ed. 1988) (describing the doctrinal and political reasons for this discontinuation). *See generally* Cass R. Sunstein, *Lochner's Legacy*, 87 COLUM. L. REV. 873 (1987) (arguing that Lochner's reasoning is still present in certain areas of constitutional law); Cohen, *supra* note 317, at 462 (arguing that the "ghost of Lochner" is alive on the digital frontier).

359 *Lochner*, 198 U.S. at 75 (Holmes, J., dissenting).

360 RONALD DWORKIN, TAKING RIGHTS SERIOUSLY 81-130 (1977).

361 *See id.* at 96-97.

concerned with goals.[362] The incentive rationale is the perfect example of a collective goal. Collective goals are trade-offs between benefits and burdens within a community to produce some overall economic, political, or social benefit for the community as a whole.[363] The legislature is the appropriate body to engage in such policy arguments and adopt different strategies to choose between competing interests. If the courts were to engage in arguments of this kind, they would act as deputy legislators,[364] without having the democratic authority of actual legislators. Thus, while Justice Breyer's dissenting opinion might well be compelling *as a policy* argument, it is not an argument based on principle. Proponents of the conventional interpretation of the copyright clause must acknowledge that it precludes potential principle-based arguments in general. The current discussion of the scope of copyright protection in the United States is full of policy arguments; to an outsider, it appears as if principled arguments have been exiled.

One objection might be raised against my argument. Sometimes judges invoke policy considerations, especially when they apply an economic analysis of copyright law.[365] Such cases, though, consider only the welfare of the group whose general aims are at stake.[366] The costs or benefits for the community at large are not reflected in the concrete welfare interests of the groups involved.[367] Jeremy Waldron uncovered such apparently utilitarian reasoning.[368] Waldron explains that overall social good is served by the progress of science and arts, and this progress is served by encouraging authors through incentivization of legally-secured monopoly profits for the dissemination of their works. Incentives benefit those who we want to encourage. These benefits are typically a reward for efforts; thus, authors deserve the exclusive

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362 *Id.* at 90.

363 *Id.* at 22, 91.

364 *Id.* at 83.

365 *See, e.g.*, ProCD Inc. v. Zeidenberg, 86 F.3d 1447, 1453 (1996) ("*Competition* among vendors, not judicial revision of a package's contents, is how consumers are protected in a market economy. ProCD has rivals, which may elect to compete by offering superior software, monthly updates, improved terms of use, lower price, or a better compromise among these elements. As we stressed above, adjusting terms in buyers' favor might help Matthew Zeidenberg today (he already has the software) but would lead to a response, such as a higher price that might *make consumers as a whole worse off.*") (citations omitted) (emphasis added).

366 DWORKIN, *supra* note 360, at 99. Dworkin uses the term "abstract right," which he defines as a "general political aim, the statement of which does not indicate how that general aim is to be weighed or compromised in particular circumstances against other political aims." *Id.* at 93.

367 *See id.* at 99.

368 Waldron, *supra* note 319, at 851-56.

right to the work.[369] Such an argument which starts with an overall social welfare analysis, ends with a justification of an individual's claim. Once again, rhetoric can be deceiving.[370]

### B. Goldstein v. California *and Bob Dylan—Two Different Stories*

#### 1. Discretionary Copyright Protection

Performers in the United States have been enjoying *federal* copyright protection only since February 15, 1972, when sound recordings were added to the litany of copyrightable subject matter.[371] Before then, sound recordings were either protected by state common law of property[372] or by state criminal statutes.[373] In 1973, Donald Goldstein copied several commercially sold sound recordings without authorization, and was convicted under a California statute. He challenged his conviction before the Supreme Court *inter alia* on federal preemption grounds.[374] The Court eventually affirmed the conviction, stating:

> While the area in which Congress may act is broad, the enabling provision of Clause 8 does not require that Congress act in regard to all categories of materials which meet the constitutional definitions. Rather, whether any *specific category of 'Writings'* is to be brought within the purview of the federal statutory scheme is left to the *discretion of the Congress*. The history of federal copyright statutes indicates that the congressional determination to consider specific classes of writings is dependent, not only on the character of the writing, but also on the commercial importance of the product to the national economy.[375]

In short, Congress *may* act if the Copyright Clause's prerequisites are fulfilled. However, it *does not have a duty to protect* authors.

This interpretation of the Copyright Clause is in line with the general understanding of the U.S. Constitution "as charter of negative rather than positive liberties."[376] The Supreme Court has repeatedly denied the affirmative rights of the individual against

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369 *Id.* at 851. This argument can explain the reasoning of *Mazer v. Stein*, 347 U.S. 201 (1954). *See* Waldron, *supra* note 319, at 853. The same line of reasoning can be found in *Eldred v. Ashcroft*, 537 U.S. 186, 212 n.18 (emphasizing the relationship between rewards to authors and the "Progress" of Science).

370 *See generally* Sterk, *supra* note 357, at 1198-1204.

371 Act of October 1971, Pub. L. No. 92-140, 85 Stat. 391, § 5(n) (as codified in 17 U.S.C. § 102(a)(7) (2006)).

372 *See supra* note 18.

373 *See, e.g.*, CAL. PENAL CODE § 653h (West 1971).

374 Goldstein v. California, 412 U.S. 546 (1973).

375 *Id.* at 562 (emphasis added).

376 Jackson v. City of Joliet, 715 F.2d 1200, 1203 (7th Cir. 1983). *See generally* David P. Currie, *Positive and Negative Constitutional Rights*, 53 U. CHI. L. REV. 864, 872-86 (1986); Frank B. Gross, *The Error of Positive Rights*, 48 UCLA L. REV. 857 (2001).

the government, even when constitutionally granted life, liberty, or property interests were at risk.[377] This principle was applied to deny a state's duty to provide the individual with welfare benefits, decent housing,[378] public education[379] and medical aid.[380] *DeShaney* is perhaps the most striking example.[381] In *DeShaney*, the Court held that a state does not have a general constitutional duty to protect an individual's safety threatened by a non-state actor.[382] The Court rejected an application of the due process clause with the argument that nothing "requires the State to protect the life, liberty, and *property* of its citizens against invasion by private actors." The clause forbids the State itself to deprive individuals of life, liberty, or *property* without "due process of law," but its language cannot fairly be extended to impose an affirmative obligation on the State to ensure that those interests will not be harmed by other means.[383] An examination of German law will

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377 DeShaney v. Winnebago County Dep't of Soc. Servs., 489 U.S. 189 (1989).

378 *See* Lindsay v. Normet, 405 U.S. 56 (1972) (stating that there is no constitutional requirement to provide adequate housing).

379 *See* San Antonio Indep. Sch. Distr. v. Rodriguez, 411 U.S. 1, 30-36 (1973); Plyer v. Doe, 457 U.S. 202, 221 (1982) (holding that public education is neither a fundamental right granted by the Constitution, nor merely a governmental benefit); Papasan v. Allain, 478 U.S. 265, 285 (1986) (stating that the question whether education is a fundamental right has not been definitely settled). *See generally* Susan H. Bitensky, *Theoretical Foundations for a Right to Education Under the U.S. Constitution: A Beginning to the End of the National Education Crisis*, 86 NW. U. L. REV. 550, 563-73 (providing an overview of Supreme Court precedent), 574-630 (arguing that the Constitution provides a basis for the recognition of a right to public education).

380 Harris v. McRae, 448 U.S. 297, 318 (1980) ("Whether freedom of choice that is constitutionally protected warrants federal subsidization is a question for Congress to answer, not a matter of constitutional entitlement.").

381 *DeShaney*, 489 U.S. at 189 (1989). The facts of the case are "undeniably tragic." *Id.* at 191. Joshua DeShaney was a constant victim of his father's physical abuse. After the Department of Social Services became involved and started monitoring the case, the caseworker noticed clear signs of abuse, but did not act. In 1984, the father beat four year-old Joshua so severely that he suffered brain damage such that he has to spent the rest of his life in an institution for the profoundly retarded. *Id.* at 191-93.

382 *Id.* at 195. In this context, another line of cases concerning the state-action requirement are relevant. In *Shelley v. Kramer,* the court prohibited the state from enforcing a racially-restrictive covenant on equal protection grounds. 334 U.S. 1 (1948). In *Burton v. Wilmington Parking Authority*, the court held the state responsible for racial discrimination by a private restaurant that was located in a publicly-owned building. 365 U.S. 715 (1961). In *Reitman v. Mulkey,* the court struck down California's constitutional provision forbidding the enactment of fair housing laws. 387 U.S. 369 (1967). In a recent decision, U.S. v. Morrison, 529 U.S. 598, 621-22 (2000), the Court emphasized a narrow state-action requirement as set forth in the *Civil Rights Cases*, 109 U.S. 3 (1883). *See also* Susan Bandes, *The Negative Constitution: A Critique,* 88 MICH. L. REV. 2271, 2286-2308 (1990) (disputing the state-action requirement in *DeShaney*).

383 *DeShaney*, 489 U.S. at 195. For a critique of the Court's reasoning, see, e.g., Michael J. Gerhardt, *The Ripple Effects of Slaughter-House: A Critique of a Negative Rights View of the Constitution*, 43 VAND. L. REV. 409, 422-49 (1990) (tracing the reasoning in *DeShaney* back to the *Slaughter-House Cases* and arguing for a broad interpretation of the Fourteenth Amendment, that would emphasize the "privileges and immunities clause"). *See also* William J. Reich, *Taking "Privileges or Immunities" Seriously: A Call to Expand the Constitutional Canon,* 87 MINN. L. REV. 153, 210-20 (2002) (arguing that the "Privileges or Immunities" Clause should be considered a repository of positive rights in a limited sense).

show that it has a strikingly different view of the state's duty to protect its citizens and residents.[384]

### 2. Positive Fundamental Rights as Justification for Authors and Performers' Rights

#### a. Bob Dylan's Impact on German Constitutional Law

Bob Dylan and the German subsidiary of his record company, CBS Broadcasting Inc., filed suit against a German wholesale distributor who had made fixations of Bob Dylan's performances. Bob Dylan claimed that they were unauthorized fixations of his concert performances and the distributor countered that they were studio-takes. The performances took place in Italy, where the fixations and the copies, which were eventually distributed in Germany,[385] were made. The *Bundesgerichtshof (BGH)* (Federal Court of Justice) ultimately rejected Dylan's claim based on the Copyright Act.[386] Dylan could not claim national treatment for performers' protection against the *distribution* of unauthorized, *foreign*-made recordings.[387] Dylan then filed a complaint of unconstitutionality with the *Bundesverfassungsgericht (BVerfG)* (Federal Constitutional Court).[388] He argued that the decision of the Federal Court of Justice violated his fundamental rights of personality[389] and property.[390]

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384 *See* Currie, *supra* note 376, at 867-72 (discussing the German approach to protection of its citizens); Dieter Grimm, *The Protective Function of the State*, *in* EUROPEAN AND US CONSTITUTIONALISM 137 (George Nolte ed., 2005) (providing a comparative analysis of the U.S. and German approach).

385 *See* Bundesgerichtshof [BGH] (Federal Court of Justice), Nov. 14, 1985; 18 IIC 418 (1987) (*Bob Dylan*).

386 *Id.* at 421-23.

387 *Id.* at 421. One of the issues argued in *Bob Dylan* was the applicability of the Rome Convention. The fact that Bob Dylan is an American citizen and the United States is not a member of the Convention does not matter. If the Convention were applicable to fixations, Bob Dylan would be protected because the performance took place in Italy, a member state. *See* Rome Convention, *supra* note 26, at art. 4(a), and NORDEMANN, *supra* note 28. Thus, it would have been decisive to know when the performances took place because the Convention does not grant protection retroactively. *See supra* note 174 and accompanying text.

388 BVerfGE 81, 208. *See* Grundgesetz für die Bundesrepublik Deutshland (GG) [BASIC LAW], at art. 93(1), *translated in* AXEL TSCHENTSCHER, THE BASIC LAW (GRUNDGESETZ) 74 (July 18, 2003).

> The Federal Constitutional Court decides: (4b) on complaints of unconstitutionality, being filed by any person claiming that one of his basic rights or one of his rights under Article 20 IV or under Article 33, 38, 101, 103 or 104 has been violated by public authority.

*Id.* Tschentscher provides a complete translation of the Basic Law, the German Federal Constitution, *available at* http://www.oefre.unibe.ch/law/lit/the_basic_law.pdf (last visited Sept. 20, 2006).

389 *See* BASIC LAW, *supra* note 388, at art. 2(1). "Everyone has the right to free development of his personality insofar as he does not violate the rights of others or offend against the constitutional order or morality." TSCHENTSCHER, *supra* note 388, at 20 (trans.).

b. The Constitutional Duty to Protect

The Federal Court of Justice decides conflicts that arise between *private parties*. Granted, the enactment of civil law by the legislature and the exercise of jurisdiction is state action under German constitutional law.[391] Nonetheless, the court has applied the German Copyright Act, neither a criminal nor administrative but a *civil law,* in dealing with conflicts between *private parties*. If the Federal Constitutional Court has jurisdiction to hear arguments on a matter of private law, the Constitution ("Basic Law") must somehow be applicable against private individuals as well. How then does the Constitution become relevant in exclusively private conflicts?

The foundations for the constitutionalization of the adjudication of private legal conflicts were laid in *Lüth*.[392] Veit Harlan, a prominent movie director during the Nazi period, made a new movie that was released in the early 50's. Erich Lüth, chairman of the Hamburg Press club and committed to the German-Jewish reconciliation, issued a statement urging others to boycott "this unworthy representative of German film."[393] The movie's distributor successfully secured a temporary order against Lüth based on a provision in the Civil Code.[394] The Federal Constitutional Court held that the lower court's judgment restricted Lüth's fundamental right of free speech. The Court acknowledged that fundamental rights function primarily as negative rights, providing freedom from state interference.[395] However, the Court then took the decisive step.

> [The Basic Law] has also set up an *objective value system* in its section on fundamental rights . . . . Accordingly, it also influences the civil law: no provision of civil law may be in

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390 *See* BASIC LAW, *supra* note 388, at art. 14

> (1) Property and the right of inheritance are guaranteed. Their content and limits are determined by statute. (2) Property imposes duties. Its use should also serve the public weal. (3) Expropriation is only permissible for the public good. It may be imposed only by or pursuant to a statute regulating the nature and extent of compensation. Such compensation has to be determined by establishing an equitable balance between the public interest and the interests of those affected. Regarding disputes about the amount of compensation, recourse to the courts of ordinary jurisdiction is available.

TSCHENTSCHER, *supra* note 388, at 26 (trans.).

391 *See* BASIC LAW, *supra* note 388, at art. 1(3). "The following basic rights are binding on legislature, executive, and judiciary as directly valid law." TSCHENTSCHER, *supra* note 388, at 20 (trans.).

392 BVerfGE 7, 198 (*Lüth*).

393 *See id.*

394 *See* Bürgerliches Gesetzbuch [BGB] [Civil Code] § 826.

"Whoever causes damage to another person intentionally and in a manner offensive to good morals is obligated to compensate the other person for the damage." KOMMERS, *supra* note 316, at 362 (trans.).

395 BVerfGE 7, 198.

> contradiction with it; each one must be interpreted in its spirit . . . . [T]he judiciary has available . . . all the "general clauses" which refer to the assessment of human conduct to criteria outside the civil law, . . . such as "good morals."[396]
>
> The judge has to verify in the light of the constitutional precept whether the substantive provisions of civil law . . . are influenced by the fundamental rights in the manner described; if that is so, then in interpreting and applying the provisions, he has to take the resulting modification of private law into account. This is the meaning of the fact that the civil judge too is bound by the fundamental rights . . . The Constitutional Court has to check whether the ordinary court has rightly assessed the scope and effect of the fundamental rights in the sphere of civil law.[397]

*Lüth* established four fundamental legal principles: (1) fundamental rights not only entitle an individual to be free from government interference, but they also establish objective value principles or elements of objective order, (2) fundamental rights bind the legislature in enacting private law, (3) fundamental rights do not apply directly against private actors (*unmittelbare Drittwirkung)*, and (4) whenever possible, the judge has to interpret private law in order to accommodate the fundamental rights of the parties in a civil law suit (*mittelbare Drittwirkung*). These principles have become generally accepted not only in German constitutional doctrine,[398] but also with respect to the interpretation of the European Convention on Human Rights.[399]

This line of reasoning is the background on which Bob Dylan relied in making his constitutional complaint. However, Bob Dylan's argument was based on existing law. Another step was necessary to prove that the Constitution not only influences the interpretation of existing law, but also contains a positive right of

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396 *Id.* (emphasis added).

397 *Id.*

398 *See, e.g.*, 33 IIC 104 (2002) (holding that: (1) the fundamental right of personality extends to depictions of public figures made by third parties under certain circumstances; (2) the section of the Copyright Act of 1907 dealing with depictions of persons is a constitutionally valid limitation of this right; and (3) the ordinary courts erred in interpreting the influence of the fundamental right on the private law); Horst Dreier, *in* GRUNDGESETZ, KOMMENTAR, ¶¶ 55-61 (Horst Dreier ed., 1996); Ingo von Münch, *in* INGO VON MÜNCH & PHILIP KUNIG, GRUNDGESETZ-KOMMENTAR, ¶ 22, at arts. 1-19 (Philip Kunig ed., 2000); Christian Starck, i*n* VON MANGOLDT & KLEIN, DAS BONNER GRUNDGESETZ, ¶¶ 262-73, at art. 1(3) (Christian Starck ed., 1999); *but cf. id.* ¶ 159 (arguing that this interpretation cannot be based on text and history and does have a negative impact on the separation of powers doctrine). Starck's arguments reflect a central American criticism of the positive function of fundamental rights. *See* Gross, *supra* note 376, at 878-909.

399 *See generally* D.J. HARRIS ET AL., LAW OF THE EUROPEAN CONVENTION ON HUMAN RIGHTS 21-22 (1995); P. VAN DIJK & G.J.H. VAN HOOF, THEORY AND PRACTICE OF THE EUROPEAN CONVENTION ON HUMAN RIGHTS 22-26 (1998).

performers to be awarded protection. This step was proposed in the *First Abortion Decision*[400] some years later.[401]

In the *First Abortion Decision*, the German Constitutional Court held that the German constitution *required* the state to make abortion a criminal offense.[402] The result is particularly striking to an American observer. [403] In *Roe v. Wade* the "Supreme Court, at about the same time, had held the due process clause *forbade* the state generally to make abortion a crime.[404] The German court held that a similarly worded clause *required* it to do so."[405] The holding was fiercely criticized by the Constitutional Court's dissenters,[406] and was eventually overruled in the *Second Abortion Decision.*[407] The decision's significance for us, however, lies elsewhere. The Court held that from the fundamental right to life[408] and the dignity of man[409] "derive[s] the obligation of the state to protect all human life."[410] The duty to protect can be inferred from the nature of the fundamental right as an objective value principle.[411] Thus, the *First Abortion Decision* has established the concept of positive rights within German Constitutional law.[412] Fundamental rights as negative rights are designed to protect the individual from governmental interference in her individual freedom. As positive rights, they are designed to protect the individual against interference by private actors as long as their actions are controllable by the government.[413] The European Court of Human Rights has adopted this principle within its jurisdiction.[414] Now that the foundations of a general

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400 BVerfGE 39, 1; KOMMERS, *supra* note 316, at 336 (trans.).

401 *See* Grimm, *supra* note 384, at 7-8. Currie, *supra* note 376, at 869, does not discuss *Lüth* at all, which makes the interpretation of the *First Abortion Decision* quite difficult because the relevant precedent is missing.

402 BVerfGE 39, 1 (44-51).

403 Currie, *supra* note 376, at 869.

404 Roe v. Wade, 410 U.S. 113 (1973).

405 Currie, *supra* note 376, at 869.

406 BVerfGE 39, 1; KOMMERS, *supra* note 316, at 343 (trans.).

407 BVerfGE 88, 203.

408 BASIC LAW, *supra* note 388, at art. 2(2). "Everyone has the right to life and to physical integrity. The freedom of the person is inviolable. Intrusion on these rights may only be made pursuant to a statute." TSCHENTSCHER, *supra* note 388, at 20 (trans.).

409 BASIC LAW, *supra* note 388, at art. 1(1). "Human dignity is inviolable. To respect and protect it is the duty of all state authority." TSCHENTSCHER, *supra* note 388, at 20 (trans.).

410 BVerfGE 39, 1; KOMMERS, *supra* note 316, at 338 (trans).

411 BVerfGE 39, 1 (41-42) (citing *Lüth*, *supra* note 392).

412 *See generally* Horst Dreier, *supra* note 398, ¶¶ 62-65; Ingo von Münch, *supra* note 398, ¶ 22, at art. 1-19; Starck, *supra* note 398, ¶¶ 158, 275, at art. 1(3).

413 Grimm, *supra* note 384, at 9.

414 *See, e.g.*, Hannover v. Germany, App. No. 59320/00, Eur. Ct. H.R. (2004), *available at* http://cmiskp.echr.coe.int/tkp197/view.asp?item=2&portal=hbkm&action=html&highlight=59320/00&sessionid=8437792&skin=hudoc-en.

> The Court reiterates that although the object of [the fundamental right to privacy] is essentially that of protecting the individual against arbitrary

interpretation of fundamental rights have been laid, I will examine the specific provisions of personality, property, and their implications for performers in the jurisprudence of the Federal Constitutional Court.

### c. Constitutional Duty to Protect Performers

This section is focused on the fundamental right of property.[415] The interpretation of the property clause in the Basic Law[416] is formed by three basic principles. First, property is guaranteed both as a legal right and as a subjective right of the owner. The Court grounds the purpose of property protection in language familiar from Kant's and Hegel's philosophy:[417]

> To hold property is an elementary constitutional right which must be seen in close context with the protection of personal liberty. Within the general system of constitutional rights, its function is to secure its holder a sphere of liberty in the economic field and thereby enable him to lead a self-governing life. The protection of property as legal institution serves to secure this basic right.[418]

Second, "[t]he concept of property as guaranteed by the Constitution must be derived from the constitution itself . . . []not . . . from legal norm lower in rank than the Constitution, nor can the scope of the concrete property guarantee be—determined on the basis of private law regulations."[419] Third,

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> interference by the public authorities, it does not merely compel the State to abstain from such interference: in addition to this primarily negative undertaking, there may be positive obligations inherent in an effective respect for private or family life. These obligations may involve the adoption of measures designed to secure respect for private life even in the sphere of the relations of individuals between themselves. That also applies to the protection of a person's picture against abuse by others. The boundary between the State's positive and negative obligations under this provision does not lend itself to precise definition. The applicable principles are, nonetheless, similar.

*Id.* ¶ 57. The European Court of Human Rights (ECHR) had to decide on the same issue on which the German Federal Constitutional Court had ruled. *See* 33 IIC 104 (2002). Ironically, applying the same principles, the ECHR came to the opposite conclusion. *See Hannover supra* ¶¶ 76-80. *See generally* HARRIS ET AL., *supra* note 399, at 19-21; VAN DIJK & VAN HOOF, *supra* note 399, at 297-99 (discussing the concept of positive fundamental rights within the European Convention of Human Rights).

415 With regard to the personality right, the Court principally acknowledged a duty to protect against unauthorized performances. However, the constitution does not require the legislature to enact statutory copyright protection that applies regardless of where infringement occurs. *See* BVerfGE 81, 208 (222).

416 *See* BASIC LAW, *supra* note 388, at art. 14; *see also supra* note 390 for a translation of this article.

417 *See supra* note 321.

418 BVerfGE 24, 367; KOMMERS, *supra* note 394, at 250-51 (trans.).

419 BVerfGE 58, 300; KOMMERS, *supra* note 394, at 257-58 (trans.). The Court refers to a provision in the Civil Code § 903: "The owner of a thing may, to the extend that it is not contrary to law or the rights of third parties, deal with the thing as he pleases and exclude others from any interference." KOMMERS, *supra* note 394, at 258 (trans.).

> [t]he Basic Law assigns the legislature the task of defining property law in such a way as to protect the interests of the individual and the public. The legislator has a twofold responsibility: first, to make the rules of private law governing the [use] of property; and second, to safeguard public interests—in which every citizen has a stake. . . . When defining the content and its limits of property . . . the legislature must acknowledge the constitutional right of private ownership in accordance with Article 14(1) and the social duty attached to property under Article 14(2).[420]

Authors and performers' rights do not exist outside the law. They have to be created and designed by the legislature. "Bound by the Constitution, however, th*e legislature is not free to dispose* of these rights. In defining the entitlements and duties building up this right, the legislature must ensure that the essential core of the property guarantee is preserved and conforms to all other constitutional provisions."[421] The contrast with the Supreme Court in *Goldstein*[422] is striking, but not surprising. Both positions are within their constitutional framework; one denying any positive function of fundamental rights, and the other affirming a duty to protect.

Economic interests in the exploitation of works and performances are protected as the property[423] of their authors and performers, respectively.[424] The application of the first principle to authors and performers' rights does not cause any problems for the Court.[425] Because the Court's justification is a classical justification for awarding intellectual property rights, this hardly comes as a surprise. The second principle states that the definition of property cannot be derived from the Copyright Act itself and must be grounded in the Constitution. Starting with an analogy to real property,[426] the Court defines two essential

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420 KOMMERS, *supra* note 394, at 258-59 (trans.).

421 BVerfGE 31, 229 (240) (trans. by the author) (emphasis added).

422 *See* Goldstein v. California, 412 U.S. 546 (1973).

423 The constitutional term "property" does not imply an analogy to real property. Real property is but a subcategory of a broad conception of property. Such a conception includes even the right of a *tenant* to live in a *rented* apartment over the interest of the landlord in unjustifiably terminating the lease, *see* BVerfGE 89, 1. This conception of real property also encompasses entitlements from social security systems when they are based on an individual's traceable contributions, *see* BVerfGE 69, 272.

424 BVerfGE 31, 229; 3 IIC 394 (1972) (trans.); KOMMERS, *supra* note 394, at 262 (trans.) (holding that the economic elements of authors' rights are constitutionally protected as property); BVerfGE 81, 208 (holding that the economic elements of performers' rights are constitutionally protected as property).

425 BVerfGE 31, 229; KOMMERS, *supra* note 394, at 262 (trans.); BVerfGE 81, 208 (219).

426 *See supra* note 342. However, the Court makes it very clear that real property and intellectual property have to be examined under different standards. A legislative provision might be a taking of property with regard to real property, but with regard to intellectual property, it might be a legislative decision about the final allocation of the

elements of the institution: the right of the individual to use and dispose privately of his property.[427] Applied to the copyright field, the economic results of authors and performers' activity have to be attributed to them, as well as the freedom to dispose of their work, and performance, respectively.[428] With regard to the third principle, the Court finds that it is within the authority and duties of the legislature to determine the content of the copyright and related rights and to set adequate standards for the appropriate exploitation and utilization that correspond to the nature and social meaning of the right.[429] However, the attribution of economic rights to the author does not mean that every conceivable avenue of exploitation is constitutionally secured.[430] The legislature's design of the appropriate protection has to be guided by arguments supporting the common good, which provides both its purpose and limitation.[431]

I return now to the discussion of Bob Dylan and the allegedly unauthorized fixations of his performance. Although Dylan argued the Federal Court of Justice had violated the Constitution, the Court considered the duty to protect performers as well, and found his complaint without merit. As applied to his case, the Copyright Act deliberately did not grant performers an exclusive distribution right in their fixed performance.[432] This lack of protection did not violate the broad latitude the legislature had in designing the scope of protection.[433]

Of the reasons given by the Court, one is flawed, but the other is sound. The first was that the exercise of an exclusive distribution right might hurt authors' interests in the exploitation of their works.[434] I have already shown that the premise of this argument is unsustainable.[435] The second argument is more promising, however. Granting an exclusive right might not serve

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economic advantages of creative endeavors. *See* BVerfGE 79, 29 (holding that the constitution does not require authors to be compensated for the public performance of works in prisons).

427 BVerfGE 24, 367 (389).

428 *See* BVerfGE 31, 229; KOMMERS, *supra* note 394, at 263 (trans.); BVerfGE 81, 208 (219-20).

429 *See* BVerfGE 31, 229; KOMMERS, *supra* note 394, at 263 (trans.); BVerfGE 81, 208, (220).

430 *See* BVerfGE 31, 229; KOMMERS, *supra* note 394, at 263 (trans.); BVerfGE 81, 208, (220).

431 BVerfGE 81, 208 (220).

432 *See* Urheberrechtsgesetz [UrhG] [German Copyright Act of 1965], Sept. 9, 1965, BGBl. I at 1273, § 75. The distribution right for performers was introduced by Drittes Gesetz zur Änderung des Urheberrechtsgesetzes, June 23, 1995, BGBl. I at 842 (implementing Directive 92/100, art. 2, 1993, O.J. (L 356) (EC)). *See generally* Christof Krüger, *in* URHEBERRECHT § 75, ¶¶ 1, 12 (Gerhard Schricker ed., 1999).

433 BVerfGE 81, 220 (220-21).

434 *Id.* at 221.

435 *See supra* notes 39-50 and accompanying text.

the common good because, many people are dependent on the use of fixed performances. For instance, many people might be precluded from attending concerts due to their precarious financial situation, and thereby the exclusive right does not benefit those unable to afford tickets to the live performance.[436]

Although Dylan ultimately lost, he has left his mark on German constitutional law. There is now a constitutional duty to protect performers by granting them rights in their performances. This result raises the question of whether the law ought to be this way. In other words, what are the benefits in grounding the rights of performers and authors in the Constitution, thereby limiting the leeway of the legislature?

### C. *Advantages of the Constitutional Foundations of Performers' Rights Protection*

In my opinion, the constitutional foundation of intellectual property rights provides the basis to apply a sound methodological approach to deal with conflicts of interests between rightholders and the public and between rightholders themselves. While the first conflict has been focused on for some time now, the second has not gained the attention it deserves.[437] I briefly present the advantages of this approach with regard to the accommodation of public interests within a constitutional framework, and follow this with a description of the methodological tools necessary to balance competing interests. Finally, I discuss the question of how such an approach enables us to balance the conflicting interests of rightholders.

#### 1. Copyright and the Public Interest[438]

A legal system in which the existence of intellectual property laws are justified and required by its Constitution risks granting the rightholders strong protection at the cost of the public

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436 BVerfGE 81, 220 (221).

437 There is a notable exception. Germany amended the Copyright Act with the Gesetz zur Stärkung der vertraglichen Stellung von Urhebern und ausübenden Künstlern [Law on Strengthening the Contractual Position of Authors and Performers], Mar. 22, 2000, BGBl. I at 1155. The central objective of the amendment is establishing the author's and performer's right to claim equitable remuneration for the grant of exploitation rights if the contractually agreed remuneration is not equitable. *See* Alexander Peukert, *Protection of Authors and Performing Artists in International Law—Considering the Example of Claims for Equitable Remuneration Under German and Italian Copyright Law,* 35 IIC 900, 902-05 (2004); Adolf Dietz, *News from Germany, in* 198 REVUE INTERNATIONALE DU DROIT D'AUTEUR 146, 164-90 (2003). For a general introduction, see Adolf Dietz, *Amendment of German Copyright Law in Order to Strengthen the Contractual Position of Authors and Performers,* 33 IIC 828 (2002) (providing an English translation of the Amendment Law at 842).

438 *See* GILLIAN DAVIES, COPYRIGHT AND THE PUBLIC INTEREST (2002) (providing a comparative study on the concept of public interest in the copyright laws of the United Kingdom, United States, Germany, and France).

interest. There are two main categories of public interest: first, the public interest of easy and unrestricted access to the artist's work, and second, the public interest in the use of protected works and performances for one's own creative endeavor.

The German Federal Constitutional Court has repeatedly dealt with the first category of public interests. The above-mentioned third principle of the fundamental right of property has proven itself quite successful in balancing the public's interest to unrestricted access with the rightholders interest of economic exploitation of their work or performance. The constitutional protection of authors and performers' rights does not extend to all economic exploitations of the work and the performance.[439] In the landmark *Schoolbook* case, the Court held that "the legislator is not only obliged to safeguard the interests of the individual [author] but also to circumscribe individual rights to the extent necessary to secure the public good. It must strike a fair balance between the sphere of individual liberty and the interests of the public."[440] Thus, an author's exclusive right to reproduce and distribute can be limited with regard to works in collections which, by their nature, are intended exclusively for religious, school, or instructional use,[441] although not without compensation: the government could not successfully demonstrate a compelling public interest for free access to the book. [442] Such a compelling public interest was at issue in a case regarding the public performances and broadcastings of works in prisons, where the Court held that additional compensation is not constitutionally required.[443] The Court also determined that it was constitutional[444] to exempt the public performance of a work, without the author's consent or compensation, if performed at a nonprofit event where the public is not charged an entrance fee and the performers are not compensated.[445] Upon publication, the work leaves the individual sphere of the author and enters the social sphere. Consequently, the work can independently contribute to the cultural and intellectual scene of the time.[446] This social function justifies the limitation of authors' exclusive rights.[447] In contrast, denying compensation for religious non-commercial

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439 *See supra* notes 429-30 and accompanying text.

440 BVerfGE 31, 229; KOMMERS, *supra* note 394, at 264 (trans.); BVerfGE 49, 382 (1978).

441 *See* German Copyright Act of 1965, *supra* note 432, § 46.

442 BVerfGE 31, 229; KOMMERS, *supra* note 394, at 264 (trans.).

443 BVerfGE 79, 29 (emphasizing the rehabilitative aspect of imprisonment).

444 BVerfGE 49, 382.

445 *See* German Copyright Act of 1965, *supra* note 432, § 52.

446 BVerfGE 49, 382; *see also* BVerfGE 31, 229; KOMMERS, *supra* note 394, at 264 (trans.).

447 BVerfGE 49, 382; *see also* BVerfGE 31, 229; KOMMERS, *supra* note 394, at 264 (trans.).

performances was held unconstitutional. Constitutional protection is necessary despite the social function of such performances, because composers of sacral music would otherwise not receive sufficient income from their works, thus limiting their ability to compose music in the future.[448] On the other hand, school broadcasts may be reproduced on sound recordings for instructional purposes without the consent of authors.[449] Here, the limitation of authors' reproduction rights without compensation is justified because its purpose is to allow the intended audiences access at a time of their choice.[450] Since the original broadcast requires the author's consent, she must be aware that not all the schools will be able to make use of it at the very moment of the broadcasting. Thus, the reproduction is not really a further exploitation of her work, but serves a mere technical function.[451] Similarly, the Constitution does not require remunerating the author if a legally acquired copy of her work is lent out for non-commercial purposes.[452]

Perhaps the clearest example that a constitutional foundation of intellectual property rights does not lead to an ever increasing scope of protection is the *Recording Discs* case.[453] Before the Copyright Act of 1965 came into force, fixed performances were protected as adaptations and enjoyed copyright protection as works of authorship.[454] The Act switched from copyright protection to the concept of related rights, thus substantially curtailing the performer's protection. In response to criticism by performers, the Court held that the property guarantee does not prohibit the legislature from changing the doctrinal regime under which property is protected. The legislature may reshape existing rights when reforms prove necessary. Performers also unsuccessfully attacked the Act on the ground that the legislature violated the Constitution because it granted performers a right to remuneration only if a legal copy of a fixed performance is used, and it did not award performers an exclusive right. However, the Court held that the performer's expectation of being awarded an exclusive right in every conceivable use of her performance is not within the ambit of protection.[455] Finally, the substantial shortening of the rights' duration clause was held constitutional.

448 BVerfGE 49, 382; *see also* BVerfGE 31, 229; KOMMERS, *supra* note 394, at 264 (trans.).
449 *See* BVerfGE 31, 270.
450 *Id.*
451 *Id.*
452 *See* BVerfGE 31, 248.
453 BVerfGE 31, 275.
454 *See id.*
455 *Id.*

The Constitution does not prescribe a specific term. It only requires that the term guarantee the rightholder an adequate opportunity to exploit the rights economically.[456] A twenty-five year period[457] was held to be within these limits.[458]

The Federal Constitutional Court has had less opportunity to deal with the second important public interest, that of making use of protected works or performances for the purpose of individual creative endeavors. Parodies of copyright-protected works have dramatically shown the limits copyright law may impose on artistic expression[459] and post-modern art has especially been vulnerable to copyright infringement suits.[460] It has been argued that an increasing use of fundamental rights analysis within copyright law would supply arguments against an ever-expanding scope of copyright protection.[461] The importance of such arguments is that they are by nature arguments of principle and not of policy.

The Court's recent *Germania 3* decision illustrates that the special protection of art in the Basic Law[462] provides some safeguards for artists to use parts of copyright protected works without the consent of the copyright holder.[463] If an artist

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456 *Id.*

457 In the meantime the term has been extended substantially to fifty years. *See* German Copyright Act, *supra* note 432, at art. 82. *See also* Council Directive 93/98, 1993, O. J. (L. 290) 9 (EC), harmonizing the term of protection of copyright and certain related rights.

458 *Id.* The Court held that the application of the new law to *all* prior recordings was unconstitutional. *See* BVerfGE 31, 275.

459 In BGHZ 122, 53 (*Disney*), the Federal Court of Justice considered defendant's free speech defense, but held that the use of protected works or part of such works has to be made within the limits of the Copyright Act because of the variety of possible expressions that defendant had available to make his point. *See* GRUR 588 (1971). *Cf.* Walt Disney Prods. v. Air Pirates, 581 F.2d 751 (9th Cir. 1978) (holding that a parody of Mickey Mouse did not constitute fair use because defendants could have expressed their idea without copying protected expression), *but cf.* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (holding that a profane version of a popular song was parody and thus fair use). *See generally* Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539 (1985); Eldred v. Ashcroft, 537 U.S. 186, 219-20 (2003).

460 *See, e.g.*, Roger v. Koons, 960 F.2d 301 (2d Cir. 1992) (holding that artist Jeff Koons infringed a copyrighted photograph when he modeled a sculpture after it).

461 *See, e.g.*, Christophe Geiger, *Fundamental Rights, a Safeguard for the Coherence of Intellectual Property Law?*, 35 IIC 268 (2004); P. Bernt Hugenholtz, *Copyright and Freedom of Expression in Europe*, *in* EXPANDING THE BOUNDARIES OF INTELLECTUAL PROPERTY 345 (Diane Leenheer Zimmerman et al. eds., 2001) (arguing for limits to copyright protection based on free speech considerations).

462 BASIC LAW, *supra* note 388, at art. 5.

> (1) Everyone has the right to freely express and disseminate his opinion in speech, writing, and pictures and to freely inform himself from generally accessible sources. Freedom of the press and freedom of reporting by means of broadcasts and films are guaranteed. There may be no censorship. (2) These rights are subject to limitations in the provisions of general statutes, in statutory provisions for the protection of the youth, and in the right to personal honor. (3) *Art and science, research and teaching are free.* The freedom of teaching does not release from allegiance to the constitution.

TSCHENTSCHER, *supra* note 388 (trans.) (emphasis added).

463 *See* Decision of June, 29, 2000, BVerfG, GRUR 149 (2001).

reproduces such parts, the Court is constitutionally required to take into consideration not only their function as citation but also as a means of artistic expression and form.[464] Art's reference to and integration with society is reason for both its existence and justification for the acknowledgment that artists must accept some infringements by other artists.[465] Artistic works may enjoy somewhat greater freedom to make use of protected works than other non-artistic forms of expression.[466] The foundations of this jurisprudence, laid out in the *Lüth* decision,[467] require specific constitutional protections when interpreting provisions of civil law. The author's fundamental right to be protected against the unauthorized exploitation for commercial purposes of others competes with the fundamental right of artists to enter into an artistic dialogue and creative process without the danger of financial or content restrictions.[468]

2. The Proportionality Principle as Balancing Method

A resolution of the conflict between the competing interests requires balancing these interests. Aleinikoff has made a profound critique of balancing from both an internal and external point of view.[469] He argues that "[b]alancing is undermining our usual understanding of constitutional law as an interpretative enterprise. In doing so, it is transforming constitutional discourse into a general discussion of the reasonableness of governmental conduct."[470] Within our inquiry, balancing may well bring us back to Justice Breyer's unsuccessful line of argument in *Eldred*[471]; which was unsuccessful because it is the legislature and not the courts which have to accommodate conflicting interests.[472]

I argue that a balancing approach is not hostile to constitutional interpretation when it: (1) is administered by a methodological tool that is based on principle, (2) takes into consideration the legislature's solution of the competing rights and interests, and (3) takes fundamental rights seriously. This is the principle of proportionality.[473] The German Federal

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464 *Id.* at 151.
465 *Id.*
466 *Id.*
467 *See supra* note 392.
468 GRUR 149, 151 (2001).
469 T. Alexander Aleinikoff, *Constitutional Law in the Age of Balancing*, 96 YALE L.J. 943 (1987).
470 *Id.* at 987.
471 *See supra* notes 349-52 and accompanying text.
472 *See also* Aleinikoff, *supra* note 469, at 984 (noting that a common objection to judicial balancing is that it usurps a task designed for the legislature).
473 The principle of proportionality is itself a tool embedded in a two-step approach to fundamental rights issues. First, the judge has to inquire whether the relevant state-action

Constitutional Court has repeatedly applied this principle in its copyright decisions.[474] The proportionality principle plays a prominent role in several jurisdictions,[475] most notably in German[476] and Canadian[477] constitutional jurisprudence. Although the terminology differs in the German and Canadian approaches, they share a common conception with one notable exception.[478]

The first step in applying the proportionality principle requires an inquiry into the objective of the infringing state action. The action must be of "sufficient importance"[479] or have a "legitimate purpose."[480] The second step deals with proportionality itself and is divided into three subcategories. The first question is whether the means chosen in the law are suitable or rationally connected to the objective.[481] The answer is in the affirmative if the means are designed to achieve the desired

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infringed a fundamental right. She has to examine whether the individual and her behavior are within the scope of protection of the fundamental right, and if this right is affected by state-action. Second, she has to analyze whether the infringing state-action violates the fundamental right. A governmental act violates a fundamental right if the infringing action is either not based on a statute or if it is based on a statute, this statute does not comply with the specific limitation clause or a general limitation clause. Finally, the judge must consider whether the state-action adheres to the principle of proportionality.

474 *See* BVerfGE 49, 382 (noting that the principle of proportionality is invoked when weighing an author's interests against the public interests); BVerfGE 79, 29 (stating that the author's interest and the public interest have to be balanced pursuant to the principle of proportionality).

475 Within the United States constitutional context, a somewhat different principle of proportionality has been entertained by the Supreme Court in two different contexts. The first is the proportionality requirement in the Eight Amendment. *See, e.g.,* Ewing v. California, 538 U.S. 11, 20 (2003) (holding that the Eighth Amendment contains a narrow proportionality principle applicable to non-capital sentences). The second is the proportionality requirement in section 5 of the Fourteenth Amendment. *See, e.g.,* City of Boerne v. Flores, 521 U.S. 507, 519-20 (1997) (setting out the general test for determining whether Congress has enacted "appropriate" legislation pursuant to this section: "There must be a congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end."); Eldred v. Ashcroft, 537 U.S. 186, 218 (2003) (holding that the proportionality standard has never been applied outside of the Fourteenth Amendment context). *See generally* Vicki Jackson, *Ambivalent Resistance and Comparative Constitutionalism: Opening Up the Conversation on "Proportionality", Rights and Federalism*, 1 U. PA. J. CONST. L. 583 (1999) (providing a comparative analysis between the Canadian and the United States proportionality approach).

476 Although there is no landmark case establishing the proportionality principle, it is discussed in several court opinions. However, the *Cannabis* case provides an elaborate example of how the principle is understood in German constitutional law. *See* BVerfGE 90, 145 (172-73), *available at* http://www.iuscomp.org/gla/judgments/bverfg/v940309.htm (trans.) (2001). *See generally* KOMMERS, *supra* note 394, at 35; Starck, *supra* note 398, at art. 1, ¶¶ 242-50.

477 *See* R. v. Oakes [1986] 1 S.C.R. 103, 139-39 (Can.). *See generally* Jackson, *supra* note 475, at 606-11 (making a comparative analysis of the Canadian approach).

478 *See infra* notes 488-91 and accompanying text.

479 *Oakes*, 1 S.C.R. at 138-39. "Sufficient importance" is often interpreted as "pressing and substantial."

480 *See* BVerfGE 90, 172.

481 *Oakes*, 1 S.C.R. at 138-39; BVerfGE 90, 172.

result[482] without relying on unfair or irrational considerations.[483] Thus, only such means that are *effective* to achieve the purpose are suitable. The second inquiry is whether the law minimally impairs the fundamental right in question[484] or is necessary?[485] This step requires that the legislature could not have chosen a different, but equally effective means which would have infringed the fundamental right to a lesser extent.[486] Finally, there is the requirement of the "proportionality of the means"[487] or "proportionality in the narrow sense."[488] It is with respect to this third criterion where the two approaches differ considerably.

The Canadian approach balances the law's objective and subsequent benefits with its deleterious and salutary effects. The German understanding is quite different in that it looks at the *effects* of the measure on the fundamental right in question. "[T]he decisionmaker must take into account the limits of what can be demanded of the individuals to whom the prohibition is addressed."[489] Those individuals may not resort to a means that complies with all prior steps because the resulting infringement of the specific fundamental right outweighs the benefits of the act.[490] Unlike the Canadian approach, this inquiry is disconnected from the purpose of the act. The fundamental right itself plays the decisive role at this stage. The importance of the act must outweigh the loss of the range of the individual rights. The advantage of the German approach is the importance it gives to the fundamental right at issue. Even if the protective aim of an act is legitimate, it must be a secondary consideration under certain circumstances. Legitimate goals do not abridge fundamental rights if the effect would result in a loss of protection. The proportionality in the narrow sense is a further check on the constitutionality of an act.[491] German law takes such rights seriously.

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482 *Id.*

483 *Oakes*, 1 S.C.R. at 138-39.

484 *Id.*

485 BVerfGE 90, 172.

486 *Id. Cf.* R. v. Edward Books and Art, Ltd. [1986] 2 S.C.R. 713, 772 (characterizing the inquiry as whether the law impairs freedoms as little as possible).

487 *Oakes*, 1 S.C.R. at 139. Dagenais v. Canadian Broad. Corp. [1994] 3 S.C.R. 835, clarified that not only will the deleterious effects of a measure on an individual or a group be considered, but proportionality between the deleterious and salutary effects is required. *See id.*

488 BVerfGE 90, 173.

489 *Id.* at 172.

490 *Id.* at 185.

491 *See id.*

### 3. Performers v. Producers of Phonograms

Finally, I now readdress the rights of performers more specifically. In this section, I argue that the approach I have laid out in the previous sections will enable judges to decide conflicts of interests between performers and producers of phonograms. I have chosen a German example for several reasons. First, Germany adheres to the concept of related rights. Second, a performer's rights are protected under the German Federal Constitution, which requires that judges consider these rights when deciding conflicts between private parties. Third, the principle of proportionality is the standard method within this analysis. Finally, the recently amended German Copyright Act[492] has reshaped the rights of performers[493] and caused a new conflict between performers (*ausübender Künstler)* and producers of phonograms (*Hersteller von Tonträgern*).

Section 41 of the Copyright Act gives *authors* a right of revocation of the exclusive exploitation right granted, akin to an exclusive license,[494] if the holder of this right does not exercise it, thereby seriously injuring authors' legitimate interests.[495] Whether

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492 Gesetz zur Regelung des Urheberrechts in der Informationsgesellschaft [Act to Regulate Copyright Law in the Information Society], Sept. 10, 2003, BGBl. I, at 1774.

493 *See generally* Adolf Dietz, *Germany* § 9[1][a], *in* 2 INTERNATIONAL COPYRIGHT LAW AND PRACTICE (Paul Geller ed., 2004).

494 An exclusive license is a transfer of copyright ownership under U.S. copyright law. 17 U.S.C. § 101 (2006) ("A 'transfer of copyright ownership' is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license."). *See also* Gardner v. Nike, Inc., 279 F.3d 774, 778 (9th Cir. 2002) (questioning the distinction between assignment and exclusive license). *See generally* 3 NIMMER ON COPYRIGHT, *supra* note 115, § 10.02. Under the German Copyright Act, *supra* note 432, § 31(3), "an exclusive exploitation right shall entitle the right holder to use the work, to the exclusion of all other persons, in the manner permitted to him, and to grant non-exclusive exploitation rights." In general, German copyright law does not allow the transfer of an author's rights, either as a whole or in part. *See* German Copyright Act, *supra* note 432, § 29(1). The exclusive right of use is thus the strongest position a non-author can acquire. *See generally* Dietz, *supra* note 493, § 4 [2][a].

495 German Copyright Act, *supra* note 432, § 41, Right of Revocation for Non-exercise reads:

> (1) If the holder of an exclusive exploitation right does not exercise such right or exercises it insufficiently, and if thereby serious injury is caused to the author's legitimate interests, the latter may revoke the exploitation right. This shall not apply if non-exercise or insufficient exercise is mainly due to circumstances which the author can reasonably be expected to remedy.
>
> (2) The right of revocation may not be exercised before the expiration of two years from the grant or transfer of the exploitation right or if the work is supplied at a later date, from the date of delivery. In the case of a contribution to a newspaper, the period shall be three months, for a contribution to a periodical appearing at monthly intervals or less, it shall be six months, and for contributions to other periodicals, one year.The right of revocation may not be exercised before the expiration of two years from the grant or transfer of the exploitation right or if the work is supplied at a later date, from the date of delivery. In the case of a contribution to a newspaper, the period shall be three

the grantee was contractually obligated to exercise this right is irrelevant.[496] The main legal consequence of the successful exercise of revocation is both simple and far-reaching: "The exploitation right shall terminate when the revocation takes effect."[497] The publisher who was granted the exclusive right to reproduce[498] and distribute[499] a novel loses these rights with the effectuation of the revocation. If he continues such acts, he can be held liable for copyright infringement.[500] More importantly, the author can grant a third party the exclusive right in the work's exploitation without being held liable for copyright infringement of the first publisher's exclusive right or breaching the contract with her publisher. Thus, the author gets a chance to successfully exploit her work through a new intermediary. There are two intrinsically related rationales for this right:[501] (1) the non-exercise of the exclusive right by the intermediary impairs the author's economic interests because the possibility of gaining remunerations is withheld from her[502] and (2) the author's moral

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months, for a contribution to a periodical appearing at monthly intervals or less, it shall be six months, and for contributions to other periodicals, one year.

(3) The right of revocation may be exercised only after the author has afforded the holder of the exploitation right, upon notifying him of the proposed revocation, an additional period of time that is reasonable for sufficient exercise of the right. The author shall not be required to afford an additional period of time if it is impossible for the holder of the right to exercise it or if he refuses to exercise it or if the affording of an additional period of time would jeopardize predominant interests of the author.

(4) The right of revocation may not be waived in advance. Its exercise may not be precluded in advance for more than five years.

(5) The exploitation right shall terminate when the revocation takes effect.

(6) The author shall indemnify the person affected by the revocation if and to the extent required by equity.

(7) The rights and claims of the parties under other statutory provisions shall remain unaffected.

UNESCO, Germany, *in* 2 COPYRIGHT LAWS AND TREATIES OF THE WORLD 8 (2000) (trans.).

496 Dietz, *supra* note 493, § 4[3][c].

497 German Copyright Act, *supra* note 432, § 41(6).

498 *See id.* §§ 15(1), 16.

499 *See id.* §§ 15(1), 17.

500 *See* German Copyright Act, *supra* note 432, § 97.

501 *See* Gerhard Schricker, *in* URHEBERRECHT § 41, ¶ 4 (Gerhard Schricker ed., 1999). This is an example of the theory of "monism" underlying German copyright law. According to this theory, economic and moral rights are so thoroughly intertwined such that they cannot be dissociated from each other. Ulmer formulated the famous metaphor of the tree to express this concept: the economic and moral interests of the author are the different roots of a tree; the trunk symbolizes copyright. The rights that are granted to the author are the branches and twigs that draw their nourishment from one or the other root. *See* ULMER, *supra* note 325, at 116; Dietz, *supra* note 493, § 4[2][a].

502 The renewal provisions under the 1909 Copyright Act had a somewhat related rationale, allowing authors or their families a "second chance" to market their works after the first assignment of copyright in them. *See* Stewart v. Abend, 495 U.S. 207, 220 (1990). This may have worked in theory, but the Supreme Court's holding in *Fisher*, that assignments made prior to the beginning of the renewal term are valid if the author is still alive at the beginning of the second term, in practical terms deprived authors of this second chance. Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643 (1943). The termination provision in 17 U.S.C. § 203 (2006) shares the "second chance" rationale. *See*

interests are adversely affected.

With the recent amendment to the German Copyright Act, the right of revocation for non-exercise of an exclusive right has been extended by cross-reference to performers as well.[503] The legal consequence should be *mutatis mutandis* just as it is with authors. First, a performer's intermediary, usually a record company, is not allowed to reproduce the fixed performance because the exclusive right to do so has expired after successful revocation. Second, the performer can grant the same exclusive right in the same fixed performance to a third party, making use of her "second chance" of exploitation. This statement requires caution, though. As previously mentioned, Germany adheres to the concept of related rights and grants exclusive rights not only to performers,[504] but to producers of phonograms[505] as well. According to the fourth basic principle of this concept,[506] the rights granted to performers and producers are independent of each other. The phonogram on which the performance had originally been fixed is the subject matter of the exclusive rights of its producer. Hence, if the performer, after successful revoking the right she had granted the record company, reproduces the fixed performance, she would necessarily reproduce the phonogram as well. However, the performer does not have any rights in the phonogram as the rights to the phonogram belong exclusively to its producer. Because the performer acts without the producer's authorization, she or a third party whom she has authorized would be liable for infringement of the producer's exclusive right in the reproduction of the phonogram.[507]

The outcome of a successful revocation is that both the performer's and the producer's exclusive rights block each other. The law gives performers the right of revocation so that they can get a second chance. However, it denies them the use of this chance, holding them liable if they dare to exploit the phonogram with their fixed performance. It would be an understatement to say that the law is inconsistent. Yet how should a judge decide such a claim if it were brought to court?

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Mills Music, Inc. v. Snyder, 469 U.S. 153, 172-73 (1985) ("[T]he termination right was expressly intended to relieve authors of the consequences of ill-advised and unremunerative grants that had been made before the author had a fair opportunity to appreciate the true value of his work product.").

503 See German Copyright Act, *supra* note 432, § 79(2) (cross-referencing § 31 ¶¶ 1-3, 5 and §§ 32-43).

504 *See* German Copyright Act, *supra* note 432, §§ 73-83. *See generally* Dietz, *supra* note 493, § 9[1][a].

505 *See* German Copyright Act, *supra* note 432, §§ 86-87. *See generally* Dietz, *supra* note 493, § 9[1][b].

506 *See supra* notes 124-39 and accompanying text.

507 *See* German Copyright Act, *supra* note 432, § 85(1).

A judge has three choices. First, she might allow the performer to reproduce the phonogram insofar as it is necessary to exploit her performance fixed thereon. She could justify this outcome based on a theory that the statute implicitly grants the performer a license to reproduce the phonogram and distribute copies. An infringement claim by the right holder in the phonogram would have to be dismissed. Second, the judge can accept the outcome of application of the statutory regulation as I have just demonstrated. This would be a narrow interpretation of the statute, limiting it to its text and excluding the overall purpose of the act. Third, the judge can deny the performer the revocation right because to hold otherwise would be a violation of producer's property right.[508]

One might ask, could the provision be unconstitutional? The answer differs based on the system we choose to examine. Under United States constitutional law, one could argue that such a provision fails the rational basis test[509] because it does not provide incentives to disseminate creative works. But "[c]alibrating rational economic incentives . . . is a task primarily for Congress, not the courts."[510] The courts probably will not entertain the argument that such a provision threatens the ability of intermediaries to successfully market sound recordings because it is rational to grant performers[511] this right in order to give them a second chance to publicly disseminate fixations of their records.[512] Otherwise, a court would be required to engage in a policy discussion about the means of furthering innovation. Thus, a constitutional attack on such a provision would ultimately fail.

The outcome would be identical in a legal system in which intellectual property rights have a constitutional foundation. A producer's exclusive right to reproduce and distribute phonograms is constitutionally protected as property.[513] The main

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508 In Germany, unlike the United States, the judge of an ordinary court cannot decide on the constitutionality of a statute enacted by the federal legislature. If she is convinced that the statute is unconstitutional and if the constitutionality matters to decide the case at bar, the judge has to stay the proceedings and present the question to the Federal Constitutional Court. The Federal Constitutional Court has been granted exclusive judicial review of federal legislative acts. *See* BASIC LAW, *supra* note 388, at art. 100(1); TSCHENTSCHER, *supra* note 388 (trans.).

509 *See* Eldred v. Ashcroft, 537 U.S. 186, 204-05 (2003) (applying a rational basis test with considerable deference to Congress).

510 *Id.* at 204 n.15 (citations omitted).

511 Under United States copyright law, performers would have to be considered authors of the sound recording.

512 Most likely, courts would recur to the fact that the rationales for renewal and termination are somehow similar and show a consistent practice Congress has adhered to for centuries. *Cf. Eldred*, 537 U.S. at 201-04 (holding that congressional practice informs the Court's inquiry).

513 *See* BVerfGE 81, 12 (16).

purpose of property as a fundamental right is to protect assets which people have acquired through their own achievements against state[514] and non-state actor interference.[515] The phonogram, as the result of a producer's own technological, logistical, and financial investments, is such an asset.[516] The producer of phonograms has the right to dispose of this right.[517] The first question a judge under this system has to ask is whether the provision infringes producer's property rights in the phonogram. A successful exploitation of a phonogram containing the fixation of a performance requires the performer's consent. Statutes regulating the conditions under which consent may be established or withdrawn do not curtail a producer's property because he does not have a genuine property interest in the fixed performance. This belongs to the performer. Thus, the statutory provision does not even infringe producer's property right.

There is, however, an objection that can be asserted. The producer acquired from the performer an exclusive exploitation right in the fixed performance and he paid her for granting this right. This license has to be considered to be an asset of producer. If this were true, the provision would curtail a producer's property and infringe his fundamental right. However, the statute would not violate the right because it could be justified by applying the principle of proportionality.[518] The statute has to deal with a conflict of interests among private parties. On the one hand, producers want to exploit the phonogram and acquire the exclusive exploitation right in the fixed performance as a means to achieve that end. The revocation of the right makes this impossible. On the other hand, performers are interested in a continuing exploitation of their fixed performance and in the permanent visibility of their performances on the marketplace. The statute's purpose is to safeguard the economic interests of performers in their fixed performances and to protect their moral interest so that their performance might be brought to the public's attention.[519] Ultimately, the legislature decided to grant the revocation right if certain conditions to safeguard producer's rights are met. The balance achieved is constitutional if the

514 Insofar as we deal with the conception of fundamental rights as negative rights.

515 This is the doctrine of fundamental rights as positive rights.

516 BVerfGE 81, 16. Under German constitutional law, fundamental rights apply not only to individuals but to domestic corporations as well, to the extent that the nature of such rights permits. *See* BASIC LAW, *supra* note 388, at art. 19; TSCHENTSCHER, *supra* note 388 (trans.). The property right is the classic example of such a right, while the nature of the personality right prohibits its application to corporations.

517 *See* BASIC LAW, *supra* note 388, at art. 19; TSCHENTSCHER, *supra* note 388 (trans.).

518 *See supra* Part III.C.2.

519 *See supra* notes 501-02 and accompanying text.

statute's purpose is legitimate, if the means are suitable and necessary to achieve that end, and if it is proportional in the narrow sense.[520] Because the statutory purpose enjoys constitutional protection itself, the statute aims at a legitimate end. However, is the statute suitable to protect the property and moral interests of performers in the fixed performance? If the answer is yes, does the statute minimally impair producer's property rights?

Suitability requires that the means chosen effectively contribute to the achievement of the desired result.[521] The revocation right meets this criterion only if the right effectively allocates the decision for a second chance to the performers' hands. As I have demonstrated, the narrow reading of the revocation right affects only rights in the performance; the statute does not address the necessary question of whether the performer is allowed to reproduce the phonogram and distribute copies. If the performer is not so permitted, the revocation right would not contribute to enhance performers' legal rights against their intermediaries. However, the broad reading of the statute solves this problem. According to this interpretation, the revocation right by necessity implies a statutory license to reproduce and distribute the phonogram.

In determining which is the superior interpretation, each judge has to ask which reading best shows the political history surrounding the statute.[522] One important consideration in examining this political history is that the revocation right was finally awarded to performers after it had been granted solely to authors for quite some time. German copyright law has shown a recent trend toward treating authors and performers equally with respect to their intermediaries.[523] The legislative history of the recent amendment reaffirmed this development.[524] I believe that only the broad reading of the statute meets the requirements for sound statutory interpretation. In the best understanding of the revocation right, the statute implies the grant of a license in the performer's favor. Otherwise, the amendment would not make any sense and the legislature would contradict itself. This interpretation satisfies the suitability requirement of the proportionality test. It enables performers to have a fresh start, independent from authorization requirements from the producer,

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520 *See supra* Part III.C.2.
521 *See supra* notes 481-86 and accompanying text.
522 RONALD DWORKIN, LAW'S EMPIRE 311 (1986).
523 The trend began with the *Stärkungsgesetz*. *See supra* note 437.
524 *See* BTDrucks 15/38.

who, over the years, has demonstrated that he is not interested in exploiting the fixed performance.

The statute in its broad interpretation satisfies the second step of the proportionality test as well. It is necessary because there is no equally effective alternative available that would infringe upon producer's property rights to a lesser extent. Finally, the third requirement, the proportionality in the narrow sense prong, remains to be solved. Does a producer's fundamental right to property "suffer" too much under my interpretation? The property guarantee cannot protect every conceivable use.[525] The legislature's duty is to secure for the producer a fair exploitation possibility.[526] The statute achieves this goal by imposing two noticeable limitations. First, the revocation right cannot be exercised within the first two years after the performer has granted the license to exploit her performance to the producer. Furthermore, the parties are allowed to contractually exclude the revocation for up to five years after the initial grant. Within this time frame, it is solely within the discretion of the producer whether he chooses to exploit the license granted at all. Thus, the statute neither prescribes nor prevents the phonogram's economic exploitation in general. Only if the producer decides to limit the exploitation after the initial exclusionary period (and optional exclusionary period), will the performer's interests prevail. The statute's balancing of interests does not excessively restrict the scope of the producer's property right. The statute's important purpose outweighs the producer's lessened control of her property right. The statute in its broad interpretation does not violate producer's fundamental property rights in its phonogram.

## IV. CONCLUSION

The twentieth century has witnessed the birth and the upbringing of performers' rights. Although performances in general are interpretations of works of authorship, the international community has not followed national doctrines that provide performers with copyright protection. Performers, producers of phonograms, and broadcasting organizations have been granted "related" or "neighboring" rights instead. With regard to performers, this decision is but a political statement that their rights are perceived differently from an author's rights. There are considerable doubts as to whether this differential

525 *See supra* notes 428-30 and accompanying text.
526 BVerfGE 81, 12 (17).

treatment withstands scrutiny. Legal doctrines such as the United States Copyright Act provide sufficient evidence that the copyright field is well equipped to deal with performers' rights. The existing international treaties in this field, such as the *Rome Convention*, TRIPS, and the WPPT have cemented this approach and many legal systems have implemented it.

The Rome Convention, TRIPS and the WPPT have established an international framework for performers' protection built on four main principles: (1) copyright safeguard, (2) national treatment, (3) minimum protection, and, most notably, (4) mutual independence of the various related rights. The subject matter of a performer's protection is her performance. The treaties guarantee the performer economic rights in both the unfixed and the fixed performance. The scope of these rights is comparable to authors' rights protection with the addition of the important restriction regarding the secondary use of fixed performances. Performers were not awarded an exclusive right but a remuneration right instead. The WPPT has recently introduced protection for performers' moral rights of integrity and attribution with regard to a specific performance.

The impressive scope of protection on the international level does not determine its national level. Its existence does not itself justify why a state chooses to join international treaties. I have argued that only national law, specifically national constitutions, can furnish compelling legal—not political—reasons whether and to what extent to establish protection for performers. In particular, I have analyzed whether the national law requires protection of performers by giving them exclusive rights in their performances.

I have contended that the current interpretation of the Copyright Clause does not permit one to argue in a principled way the reasons authors and performers have to be protected. The United States Constitution does not provide an enforceable limit on Congress' legislative powers.[527] Even if the sole end of copyright protection is to promote progress[528] by providing incentives to authors to create, the means to achieve this goal are phrased as policy considerations. The second reason why the United States Constitution does not provide a compelling legal requirement to protect performers is because of its conventional understanding as a charter of negative rights. Congress may act

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[527] Petitioners in *Eldred* did not argue that the Copyright Clause is a substantive limit on the legislative power. *See* Eldred v. Ashcroft, 537 U.S. 186, 211 (2003) (quoting Eldred v. Reno, 239 F.3d 372, 378 (D.C. 2001)).

[528] That was petitioner's claim in *Eldred*. *See id.*

and grant protection, but it is by no means required to do so. The United States Constitution does not require a state to protect performers against exploitation of their performances by others.

As I have demonstrated, German constitutional law offers a strikingly different approach. Fundamental rights have been interpreted to incorporate both a negative and a positive function. The state has a duty to protect its citizen's fundamental rights against interference by non-state actors. This is the background for the principle that the rights of performers in their performance are constitutionally protected by the property clause in the Basic Law. This clause even requires such protection for performers. A constitutional foundation of performers' rights imposes a duty on the state to enact laws that secure the exploitation of a performance by its performer. Hence, law itself provides a principled reason for why performers have to be protected. The advantage of this approach is that when deciding cases on the scope of protection, courts do not have to engage in policy questions. As the majority in *Eldred* has emphasized repeatedly, the legislature, and not the courts, is the appropriate forum for this kind of debate.[529] I have claimed that a constitutional foundation of intellectual property rights enables critics to argue against an ever-increasing scope of protection. Thus, what at first sight appears to be another twist to fortify the stronghold of rightholders may well turn out to be the critics' Trojan horse in the industry's citadel.

Finally, I have proposed a method to balance the competing interests known as the proportionality principle. As applied to an example of statutory interpretation based on the recent amendment of the German Copyright Act, I have proven that a fundamental rights analysis applying the proportionality test is well-suited to decide conflicting interests. I am convinced that this line of reasoning deserves a closer look. It also shows the impact comparative analysis of the constitutional foundation of copyright law might have on developing better doctrines for one's own legal system.

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[529] *See supra* notes 353-56 and accompanying text.