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Re-imagining the Principle of National Treatment: Addressing Private International Law Issues in Copyright Infringement in the Internet Era

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A thesis submitted in partial fulfillment of the requirements for the degree in Master of Laws

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Re-imagining the Principle of National Treatment: Addressing Private International Law Issues in Copyright Infringement in the Internet Era

(Thesis format: Monograph)

by

Ragavi Ramesh

Graduate Program in Law

A thesis submitted in partial fulfillment of the requirements for the degree of Master of Laws (LL.M.)

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Abstract

This dissertation examines the principle of National Treatment enshrined in international copyright treaties to address private international law issues in copyright infringement occurring over the Internet. The thesis provides a brief overview of private international law and analyzed the principle of National Treatment as a private international law rule determining jurisdiction and applicable law. The primary case studies in the thesis include an analysis of the rules adopted in copyright disputes by courts in England, France, the United States and Canada in the pre- and post-Internet contexts, as well as a discussion of the European Union as an exception to these rules. The thesis concludes with the finding that the principle of National Treatment ensures that no conflict occurs in terms of either jurisdiction or applicable law, and courts need not develop private international law rules specifically to combat copyright infringement occurring over the Internet.

Keywords

International Copyright Law, National Treatment, Private International Law, Cross-border Copyright Infringement, Internet
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Chapter 1

1 Introduction to the Thesis

1.1 Introduction
1.2 Private International Law
1.3 International Public Law Developments toward Codification of Private International Law - and the “Public Policy Exception”
1.4 Copyright Law and its Substantive Elements
1.5 National Treatment in Copyright Law
1.6 Methodology
1.7 Organization of Thesis

1.1 Introduction

This thesis seeks to re-imagine the principle of “National Treatment” enshrined in international copyright treaties to address private international law issues in copyright infringement occurring over the Internet. This requires the understanding of a number of principles of copyright law and private international law. A core discussion in this thesis involves the Internet and whether it is a catalyst for the problems outlined in this chapter.

The Internet “exists”, notionally, in cyberspace. It has been described as a fascinating exercise in symbiotic anarchy. It is not contained by national boundaries. The Internet thus presents a particular challenge to national copyright laws, which are typically territorial in nature.¹

The Internet as it is known today is a system of interconnected networks across the world, providing a host of resources and services, the most accessible of which include the World Wide Web, electronic mail (e-mail) and peer-to-peer networks. The origin of the Internet can be traced back to 1969, with several computer networks across the world being added over the years, eventually growing into the global Internet used today. Currently, an estimated 3.6 billion people across the world now have access to the Internet, accounting for over 5 million terabytes of data at any given time. Access today is available in virtually every language and for a multitude of uses, from information searches, to e-commerce, banking, product purchases, entertainment, communication and education. The Internet has been developing on such an exponential scale that several international, regional and national legal instruments have been introduced to regulate activities conducted over the Internet. The Internet, and its ability to transmit information across the world, has brought issues of jurisdiction, sovereignty and territoriality to the forefront. Today, courts have begun to involve themselves in copyright disputes over the Internet, addressing questions concerning transmission of information over the Internet and how private international law principles will apply in cases of cross-border copyright infringement.

2 Emerging from the development of the Advanced Research Projects Agency Network (ARPANET) in 1969 in the United States.


4 Information Technology Outlook - ITCs and the Information Economy, ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) REPORT (2002), http://www.oecd.org/internet/ieconomy/37620159.pdf (last visited 10 July 2014); see also Peter Jenner, Copyright in the Digital Age: Benefitting Users and Creators?, REVIEW OF ECONOMIC RESEARCH ON COPYRIGHT ISSUES, VOL. 8, NO. 2, 55-64 (2011); See Tariff 22, supra note 1: [The Internet’s] phenomenal growth has been made possible by a number of developments. These include technology that allows the digital conversion and storage of mass amounts of data; the increasing capabilities of access devices to download large quantities of data; the development of higher bandwidth distribution systems; the development of sophisticated routers that transmit information; and the advent of user-friendly software allowing access to information stored on any connected computer.
1.2 Private International Law

Private international law deals with cases involving a “foreign element”. A foreign element generally refers to a point of “contact” with a system of law other than the domestic one. The foreign element, depending on the type of legal or judicial system under consideration, may refer to another country entirely, different states within the same country, different judicial systems or different legal systems. Each of these constitutes a specific element of conflict that the domestic court must resolve.

The elements of private international law comprise the application of the following rules:

(i) the law of the forum,
(ii) the law of the place of origin,
(iii) the law of the place of breach,
(iv) the law of the place of nationality of the defendant or claimant, and
(v) particular provisions of domestic law dictating rules for civil and commercial disputes regulating choice of forum and jurisdiction, applicable law, and recognition and enforcement of foreign judgments.

In the case of the law of the forum or lex fori, a domestic court would generally apply the law of the place where the plaintiff has brought the suit. The law of the place of origin is generally applied to apply the law of the place where a concerned property is situated. The place of breach refers to contracts between parties in which a forum has not been indicated for resolution of disputes arising from the contract. Lastly, the law of the place of nationality refers to the rights vested in a defendant or claimant by virtue of his status as a national of a foreign country.

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6 Dicey et al, *supra* note 5 at 3.
8 See Chapter 2 for detailed explanation of each.
As of today there exists no international set of rules detailing which of the above five rules would apply in a situation where private international laws issues arise. The only comprehensive supranational legislation effectively establishing private international law rules to direct courts that have jurisdiction in disputes of a civil or commercial nature has been adopted by the European Union.9 In the context of copyright law, this may be explained by the dependence of national laws on international instruments such as the Berne Convention and its numerous revisions over the years.10

In academic circles, scholars have discussed the trends in private international law approaches to copyright cases. Graeme B. Dinwoodie acknowledges that this decision to ignore private international law rules stems from the national character of copyright which, it had been widely assumed, would result in the application of domestic law to any suit brought before a court in any country.11 Further, the effects of extra-territorial application of copyright law (or any intellectual property law for that matter) would not be as controversial within the country where the protection is claimed, although it may affect trade relations between the countries concerned.12

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9Regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (22 December 2000) EU No 1215/2012 (entered into force 1 March 2002); See Treaty of Lisbon Amending the Treaty on European Union and the Treaty Establishing the European Community 2007/C 306/01 (entered into force 13 December 2007), art 5. The legal foundation for the European Union is based on several international treaties and agreements made by its Member States and implementation is ensured as these Member States have voluntarily transferred part of their sovereignty to the various institutions that make up the EU. Membership to the EU therefore involved surrendering sovereignty in limited fields. The federalist principle of “subsidiarity”, which was given formal recognition in this treaty under Article 5, ensures that the EU institutions do not engage in matters beyond their jurisdiction. It provides that decisions should be taken at the “most appropriate level”, urging the sharing of powers at the national and supranational levels; Karen Davies, Understanding EU Law (London, Cavendish, 2001) at 21; August Reinisch, Essential Questions in EU Law (New York, Cambridge University Press, 2009) at 13.

10See Chapter 3 on the analysis of the private international law rules embodied in the Berne Convention.


1.3 International Public Law Developments toward Codification of Private International Law - and the “Public Policy Exception”

Would creating a unified set of private international law rules that will apply to intellectual property disputes solve the legal dilemma of jurisdiction and applicable law? There is a tendency for the international community to seek codification of specific fields of law through international consensus. One such effort towards harmonization of private international law rules in specialized subjects was the Hague Conference on Private International Law (or the Hague Conference/Conférence de La Haye, henceforth known as “HCCH”). The various conflict conventions that the HCCH drafts are left up to the member countries to adopt. A key provision in each of these is the “public policy exception”. This exception exists in the HCCH’s conventions in order to assure member states that their adoption would not require an upheaval of their local policies, particularly those concerning public order and morality. The public policy exception, in some sense, allows the domestic forum to “sit in judgment over the wisdom and fairness of the foreign law”.

From a private international law perspective, therefore, the public policy exception refers to a situation where a foreign law that would generally be applicable by a domestic forum is not enforced because it would violate a public policy of the land. How “public policy” is defined will vary by jurisdiction or state. However, it may generally be defined as a contravention of an essential moral or social value of the forum or state in concern, and the forum will not enforce a foreign law that is directly or indirectly causes such

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16 Monrad G. Paulsen, Michael I. Sovern, “Public Policy” in the Conflict of Laws (1956) 56 Colum. L. Rev. 969 (this is of particular importance when the domestic forum must decide whether it should apply a foreign law).
contravention. In this context, one of the questions that this thesis seeks to address is whether it is necessary to develop an international convention or treaty creating a unified set of private international law rules to apply for copyright disputes. A treaty assigning private international law rules would ideally seek to achieve uniformity in the rules followed by states parties and prevent forum shopping by claimants. If international copyright conventions address either of these feats, would the development of a dedicated set of private international law rules for copyright disputes be useful at all?

1.4 Copyright Law and its Substantive Elements

Copyright is a property right where the subject of the property is intangible and the right holder derives the property in the work from the act of creation. The property is therefore an intellectual property due to its incorporeal nature, as it originates from the mind of a person, reduced to material form. A copyright is therefore recognition of the product of the right holder’s skill and labour in his or her property. The right to property in copyright is vested in the information contained in the work and its manner of expression, not the idea itself, thereby requiring fixation on a medium. For example, while the concept of a science-fiction novel is an idea, only upon its reduction into a material form such as a book will the copyright be vested in the novel. Further, the copyright is vested in the expression of the novel and not a single physical copy of the novel itself.

Copyright is also an exclusive right of a limited duration granted by the state. The exclusive right means that other than the right holder, no other person can copy the work, unless authorized by him or her. Further, this right lasts for a limited period of time. Both the exclusivity and duration of copyright is established by national copyright

17 Ibid.
18 Stewart, supra note 13 at 1.06.
19 Ibid.
20 Ibid at 1.08
21 Ibid.
22 Ibid at 1.07.
statutes, which are guided by various international copyright conventions. After the copyright expires, the work then falls into the public domain and persons other than the creator may copy or otherwise use the works without the authorization of the creator. Copyright is also a “bundle of rights”. A copyrighted work can be assigned, licensed, distributed, reproduced, displayed, performed, or used to create derivate works. National copyright statutes also specify these individual rights that comprise the “bundle”. Moreover, some uses of a copyright work are free, commonly referred to “fair dealing” or “fair use”. These exceptions and limitations to copyright may either be stated in the national statutes or domestic courts may develop tests to determine if the use of a work falls under a possible exception.

Copyright law as it exists today originated from international consensus through major copyright treaties – more specifically, the Berne Convention 1886, the Rome Convention 1961, the TRIPS Agreement 1994, and the WIPO Copyright Treaties 1996. These treaties embody several core principles of copyright law (as will be discussed in Chapter 3, with the principle of National Treatment being of prime importance to this thesis).

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23 This is different in droit d’auteur countries (following civil law) where instead of a “copyright” granted by the state, the right in the work comes from the act of personal creation, intrinsically linking the personality of the author to the work.
24 Stewart, supra note 13 at 1.07.
25 Ibid at 1.09.
26 Ibid.
27 Ibid at 1.11.
The term “copyright infringement” differs based on the national statutes in question. Generally speaking, if a person exercises the rights of a copyright owner without his or her due authorization, unless “fair use” or “fair dealing” provisions protect that use, such an act is considered an infringing act.\footnote{Stewart, \textit{supra} note 13 at 1.07.} Most national legislation includes both criminal sanctions and civil remedies for acts of copyright infringement.\footnote{\textit{Ibid.}} In the international copyright law context, no treaty specifically defines “copyright infringement”.\footnote{Note that the \textit{TRIPS Agreement} does include enforcement provisions to prevent copyright infringement.} It is therefore largely a definition included in national copyright laws and interpreted accordingly by courts. Copyright infringement disputes that involve foreign elements - such as a foreign party, a foreign law, or an instance of infringement occurring outside the jurisdiction of the approached domestic forum – invoke private international law principles.

\section*{1.5 National Treatment in Copyright Law}

Copyright infringement over the Internet often has an international angle. Notions of copyright infringement prior to the Internet involved assessing physical copies or adaptations or processes used to create physical objects, such as printing, photocopying or publication. By comparison, assessing copyright infringement over the Internet is more complex. For instance, concepts such as “territoriality” with regards to the work or the author are difficult to uniquely confine to a single jurisdiction. Consider that a file uploaded in one place is downloaded in another, with the information transmitted through servers located all over the world, and temporary or permanent copies being stored at every one of these points of transfer or receipt. In other words, there are multiple dimensions to the question of transmission itself that must be analyzed in the context of choosing in which jurisdictions a copyright dispute can be heard.

Developing a consistent international copyright environment through treaties and conventions appears to have helped address these problems to a certain extent. Many
countries have come together since the Berne Convention of 1886 to agree to certain principles of copyright that these countries then apply in their national legislation. International instruments such as the Berne Convention, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the World Intellectual Property Organisation (WIPO) Copyright Treaties appear to have made great strides to unify substantive and procedural aspects of copyright law. The Berne Convention was the first international instrument to implement minimum standards concerning economic and moral rights of authors, terms of protection, and exceptions to protection. TRIPS and the WIPO Copyright Treaties refer to the Berne Convention’s substantive provisions, add new types of works or clarify certain rights of authors and users, and further stress enforcement on the national level. The mandate for TRIPS varies greatly from the mandate for the Berne and Rome Conventions. Berne focussed on copyright specifically while TRIPS included several forms of intellectual and industrial property under its scope. Where Berne formed a “Union” of member states separate from the Convention, TRIPS relies on countries’ memberships in the World Trade Organization (WTO) and the fact that observance of intellectual property norms

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36 15 April 1994, 1869 UNTS 299; 33 ILM 1197 art 3 (entered into force 1 January 1996).
38 Moral rights were first introduced in an international document in the Rome Act of 1928 and subsequently added to the Berne Convention in the same year under Article 6bis.
39 Supra note 35, art 6bis, 8-18.
40 Ibid, art 7, 7bis.
41 Ibid, art 9.
42 WIPO Copyright Treaty, supra note 37, art 14; WIPO Performances and Phonograms Treaty, supra note 37, art 23.
are tied to countries’ WTO trade concessions to review and implement provisions and resolve disputes.\footnote{In this thesis, however, the TRIPS+ regime’s requirement of enforcement is not in consideration as the enforcement provisions are implemented by the WTO as part of the member states’ commitment to the international trade treaties. This is markedly different from the Berne Convention as all signatory countries are expected to include National Treatment and minimum rights in their national legislation by virtue of their international obligations to a treaty signed by them.}

One of the core principles of these international instruments on intellectual property is that of non-discrimination. Signatory countries are mandated to treat foreign rights holders in the same manner that they would treat domestic rights holders. This is commonly known as the “National Treatment” principle.\footnote{Berne Convention, supra note 35, art 5 (1); Anselm Kamperman Sanders, ed, The Principle of National Treatment in International Economic Law: Trade, Investment and Intellectual Property (Cheltenham, UK: Edward Elgar, 2014) (noting that the concept of National Treatment is prevalent in related fields such as international trade law, taxation and investment law).} The definition of National Treatment has evolved over the years in international texts to include newer forms of copyrightable works than the drafters of the Berne Convention could have anticipated. Article 5(1) of the Berne Convention, 1886, states:

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

The National Treatment principle requires the country signatory to the Convention employing the concept to treat all foreign works or works by foreign authors in the same manner as it would treat its own national authors and works. Article 2(1) of the Berne Convention elaborates on “literary and artistic works” and provides a non-exhaustive list of examples.\footnote{Berne Convention, supra note 35, art 2(1).} The term “author”, however, is not defined in Berne, although the rights of authors\footnote{Ibid, art 5, 6, 6bis, 8, 9, 11-15.} and the terms of protection of their work\footnote{Ibid, art 5, 6, 6bis, 8, 9, 11-15.} are specified. Therefore, both the
The concept of “work” and “author” are defined differently across various jurisdictions, depending on the way in each state has transformed its international obligations into domestic law.

The National Treatment principle has been treated differently in various texts. Some scholars consider it to be a territorial choice-of-law provision, stating that the applicable law in the case of multi-jurisdictional infringement actions must be the law of the country in which the infringing act occurred, not the law of the state in which the author is a national or the place of first publication of the work. Others consider it to merely be an international copyright norm recognized by signatory countries to restrict arbitrary treatment of foreign authors by a Contracting State.

Aside from these interpretations, National Treatment is an important principle of copyright law that all signatory countries of the *Berne Convention* are required to adopt into their national legislations.

Since multiple jurisdictions are involved in the context of the Internet, a copyright owner or rights holder may file a suit in any country where an infringing act may have occurred. Therefore, the protecting country and the country where the suit is filed may be different. By examining some of the leading cases involving copyright infringement over the Internet, this thesis ponders whether courts of different jurisdictions waver between implementing their obligations under international copyright instruments and applying their own private international law rules to determine jurisdiction and the applicable law.

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48 *Ibid*, art 7, 7bis.

49 The Canadian *Copyright Act*, RSC 1985, c C-42, s 1 defines different types of works, including “architectural work”, “artistic work”, “choreographic work”, “cinematographic work”, “collective work”, “dramatic work”, “literary work”, “musical work”, “work of sculpture”, or “work” in general which “includes the title thereof when such title is original and distinctive”.

50 See Chapter 3 for a literature analysis of the private international law rule embodied in the National Treatment principle.

51 *Berne Convention*, supra note 35, art 5; National treatment provisions of the *Berne Convention* have been included in the *TRIPS Agreement* under the compliance clause of art 9.1 as well.
The research question that this thesis puts forth is the following:

What is the extent to which the principle of “National Treatment” can be applied as a private international law or conflict of laws rule to resolve cross-border copyright infringement issues over the Internet?

The hypotheses put forth before embarking on my research were:

1. The application of the principle of National Treatment reflects a private international law rule applicable to cross-border copyright disputes.\(^{52}\)
2. Domestic courts need not adopt any private international law rule in addition to the principle of National Treatment in order to resolve cross-border copyright disputes.\(^{53}\)
3. The Internet has changed the circumstances of cross-border copyright infringement such that it can only be combated by the application of principles in addition to National Treatment and involving other private international law rules.\(^{54}\)

1.6 Methodology

Doctrinal legal research was followed as the preferred methodology. For the purpose of understanding the development of international copyright law and private international law rules, a doctrinal approach was taken, mapping out the evolution of National Treatment and the handling of private international law questions in cross-border

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\(^{52}\) As seen in Chapter 3, by mapping out the historical significant of the National Treatment principle and examining the opinions of various scholars in the area.

\(^{53}\) As seen in Chapters 4 and 5, my research supports this hypothesis. Further, as explored in Chapter 2, the treaties codifying private international law rules are not necessary in the context of copyright cases.

\(^{54}\) As discussed in Chapter 5, although the Internet has raised questions regarding jurisdiction and applicable law in copyright disputes, domestic courts have readily accepted a technical understanding of the Internet in order to address these questions. However, the principle of National Treatment effectively answers these issues irrespective of the role of the Internet in the infringing acts. Therefore my research only partly supports this hypothesis.
copyright infringement cases. Judgments of courts in cross-border copyright infringement cases in the United Kingdom, France, United States and Canada were analyzed and discussed for both pre- and post-Internet scenarios. 55

1.7 Organization of Thesis

This thesis comprises seven chapters in all. The current chapter, Chapter 1, introduced the research question, the core constructs in the question, the hypotheses, and the methodology employed to collect and assess relevant data. It also provides a basic understanding of the core concepts explored in later chapters.

Chapter 2 examines private international law in general, outlining the basic rules that courts follow to resolve jurisdictional, applicable law and choice of law issues before them. This chapter also outlines the sources of private international law and the questions involved in private international law disputes before courts. The chapter provides an overview of the current private international law rules in place in order to better appreciate the data in subsequent chapters. This chapter also examines the “public policy” exception in public international law treaties codifying private international law and whether such treaties have been successful.

Chapter 3 discusses the evolution of copyright law on the national and international stages and the principle of National Treatment. This chapter highlights the evolution of

55 Note that the first copyright statutes were adopted by England and France, with the United States adopting legislation much later and in a manner different from its colonizer England (detailed in Chapter 3). The international conversation on copyright law began through bilateral treaties in Europe while the United States remained intriguingly detached from committing to international conventions. This makes these countries and their domestic forums ideal case studies for the purpose of this thesis. Further note that private international law questions in copyright law arose in the 1950s, as evidenced in the case studies in Chapters 4 and 5. The objective of this thesis is to examine the role that the Internet plays in the application of these rules: to address whether it a factor in influencing private international law issues of jurisdiction and applicable law or whether it has merely exacerbated an already existing problem. An explanation for the prevalence of private international law questions for transactions occurring over the Internet may be the entry of the United States to the international copyright landscape and the treatment of copyright cases by its courts (also detailed in Chapter 4). As explored in Chapter 6, the example of a case before the Court of Justice of the European Union (CJEU) shows that the Internet may not be a direct factor, although an alternative method is required for assessing cases applying EU Directives.
national legislation in England, the United States and France, the emergence of bilateral treaties and the principles enshrined in them, as well as the evolution of the major international copyright treaties. The chapter then discusses scope of National Treatment in the *Berne Convention* of 1886, the Rome Convention of 1961, the *TRIPS Agreement* of 1994 and the *WIPO Copyright Treaties* of 1996. Lastly, a broad literature review is conducted regarding the status of the principle of National Treatment as a core international copyright norm and as a private international law rule.

Chapters 4, 5 and 6 analyze important cases concerning private international law rules applicable to cross-border copyright infringement disputes. Chapter 4 comprises cases in the pre-Internet context before courts in England, France and the United States between 1960 and 2011. Chapter 5 comprises cases from the United States, France and Canada between 2000 and 2011. Chapter 6 deals with an exception noted in the case of the European Union, where private international law rules are embodied in EU Directives. The objective of these chapters is to analyze each case on the basis of three questions:

i. Does the domestic forum have jurisdiction over the dispute?

ii. If yes to question (1), does the domestic forum apply the law of the forum or the foreign law to resolve the dispute?

iii. How does the domestic forum address the principle of National Treatment, a private international law rule, or both, in the question of applicable law in (2)?

Lastly, chapter 7 provides the conclusion to the thesis. It restates the research problem, summarizes the findings and addresses the hypotheses laid out in this Chapter. It also draws upon the conclusions of each chapter and discusses some further areas of research.
Chapter 2

2 General Principles of Private International Law and Efforts to create Public International Law Treaties about Private International Law

2.1 Introduction

2.2 Conceptualizing Private International Law

2.3 Why Would a Domestic Court Take Jurisdiction of a Case with a “Foreign Element”?

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2.1 Introduction

This chapter provides an overview of the general private international law principles that courts use to determine questions of jurisdiction and applicable law in disputes involving “foreign elements”. Private international law deals with cases involving a “foreign
element”.¹ A foreign element generally refers to a point of “contact” with a system of law other than the domestic one.² Such a contact may exist for many reasons – the defendant is present in a foreign place, property in question is situated in a foreign place, the contract was made or designates a foreign judicial system for remedies, or a tort may have been committed in the foreign place.³ The foreign element, depending on the type of legal or judicial system under consideration, may refer to another country entirely, different states or provinces within the same country, different judicial systems or different legal systems.⁴ Each of these constitutes a specific element of conflict that the domestic court must resolve. To that end, the term “foreign” for the purpose of private international law is entirely circumstantial and depends on the specific facts of the case.

This chapter will describe the framework of private international law in order to provide a background to the specific application of private international law by domestic forums described in this thesis in Chapters 3, 4, 5 and 6. To specify, Chapter 3 examines the private international law rule hidden in the National Treatment principle, Chapters 4 and 5 analyze pre-Internet and post-Internet case law applying private international law rules respectively, and Chapter 6 analyses an exception in the EU system.

The chapter begins by conceptualizing “private international law”, providing a general definition and discussing how adding a “foreign element” to a dispute will affect matters of jurisdiction and applicable law. The chapter then discusses why a domestic court would take jurisdiction of a case with a “foreign element” and which law would it apply if it does take jurisdiction.


² Dicey et al *supra* note 1 at 3; Pitel and Rafferty, *supra* note 1 at 1.


⁴ Briggs, *supra* note 1 at 2.
The chapter then briefly covers the sources of private international law. Lastly, this chapter also includes a description of public international law efforts – and “model” efforts to standardize and codify private international law precepts across nations. As will be discussed, in each of these attempts, the proposers have included a “public policy” exception. The relevance of this exception to this research will be introduced.

### 2.2 Conceptualizing Private International Law

In a world of increased globalization that relies heavily on cross-border transactions, private international law plays an important role in resolution of disputes arising from these transactions.\(^5\) Private international law aims to balance international consensus in specialized areas of law with domestic recognition and implementation in relation to actions of private persons.\(^6\) Private international law is also referred to as “body of conventions, model laws, national laws, legal guides, and other documents and instruments that regulate private relationships across national borders.”\(^7\)

Consider examples to highlight the usefulness of private international law: if there exists a contract between two Frenchmen for the performance of a contract in France, and a breach of said contract occurred within the borders of France, there is no foreign element in such a case. When brought before a court in France (or the court designated in the contract), the dispute resolution will involve French law and principles of remedies for breach of contract and the judgment thus rendered will be enforced in France against the party found to be liable. Additionally, if any properties of the parties are situated within

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\(^7\)*Ibid.*
France, the enforcement of the judgment against the property will be guided by French principles, as well.

Now consider adding “foreign elements” to the example. If the contract was made between an Englishman and a Frenchman in France, with the contract itself not specifying the law to be used in case of dispute, and the court that was approached was an English court, what would be the outcome? There are several points of “contact” in this example - as the English court would be the domestic court, and one party is English, the points of contact with a foreign element would include the contract itself being entered into in France and one of the parties being a Frenchman. In such a case, the English court would be required to approach the dispute from two angles. Firstly, whether the English court or the French court has jurisdiction over the matter. Secondly, if the English court does have jurisdiction, which law it should apply - English or French law.

Therefore, in any dispute involving the application of private international law rules, the relevant legal issues before a domestic forum would include:

(i) What is the legal issue before the forum?
(ii) To what category of law does this issue belong?
(iii) What is the “connecting factor” relevant to solve the conflict?  

For the first question, the court must decide how many issues are before the court, which ones involve a “foreign element” and what are the primary and incidental issues. For the second question, the field of law is relevant. In copyright disputes, for example, tort principles have been applied to cases of infringement and contract principles may be applied for breach of a contract between the plaintiff and defendant. For the third

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8 The Courts of the United Kingdom are separated into three separate jurisdictions, the Courts of England and Wales, Courts of Scotland and the Courts of Northern Ireland.


10 *Ibid* at 3.04.

11 Patrick Russell Goold, "Is Copyright Infringement a Strict Liability Tort?" (2015) Berkeley Tech L
question, the court must consider whether the factors surrounding the circumstances of the dispute and the cause of action are connected to the domestic legal system or a foreign one. Depending on its assessment of the three factors, the court must then decide which legal system or law to apply to resolve the dispute.12

It can therefore be noted that private international law rules are highly procedural in nature.13 Although the end outcome is to resolve a substantive question of law, the process of deciding which court has jurisdiction and which law will eventually be applicable to the dispute in a given court is covered by private international law.14 Determining the process of dispute resolution is hence the role of private international law. For that reason, private international law is tied to domestic civil procedure rules in many countries, either by way of legislation or through rules established by courts that have addressed conflict issues before.15
2.3 Why Would a Domestic Court Take Jurisdiction of a Case with a “Foreign Element”?

In the context of private international law, there can be two general instances in which a court takes jurisdiction of a dispute.\(^{16}\) Firstly, if the choice of forum is stated by agreement of the parties, either by a clause in a contract in dispute or by their submission to a particular forum, the court so approached will generally exercise jurisdiction over the dispute.\(^{17}\) The second and more complex question of jurisdiction arises when no such agreement has been established and the court must decide whether it is competent to decide a case and has the power to determine the outcome of the dispute.

Whether or not a court may take jurisdiction over a dispute therefore rests on the source of the private international law rule that determines jurisdiction. This may be either by common law rules established by courts or through domestic legislation indicating when jurisdiction is to be exercised.\(^{18}\) In the common law context, an example would be that of English courts (before the United Kingdom joined the European Union).\(^{19}\) Under traditional English common law rules of private international law, an English court could take jurisdiction of a case where: (i) the defendant is present within the jurisdiction of the court at the time of filing the claim, or (ii) the defendant has submitted itself, himself or

\(^{16}\) Ibid at 4.

\(^{17}\) Fawcett et al, supra note 1 at 3.01 (often, a particular jurisdiction gets popular among parties for obtaining a judgment favourable to them, also called “forum shopping”. Courts aim at preventing this phenomenon by generally requiring some connecting factor of inherent jurisdiction, and if that could be established, the court will apply the applicable law of the forum. Further, the forum can claim lack of jurisdiction or refuse to apply the local law by acknowledging that the foreign or public rights in concern are incompatible with or against the “public policy” of the of the domestic forum); Paul Goldstein, *International Copyright Principles, Law and Practice* (New York: Oxford University Press, 2001) at 99.

\(^{18}\) Ibid at 463, 464.

\(^{19}\) Karen Davies, *Understanding EU Law* (London, Cavendish, 2001) at 21: The European Union functions as a supranational organization and its basis is found in a series of international treaties and agreements made by its Member States. Membership in the EU requires surrendering a certain degree of sovereignty and adherence to the principle of subsidiarity, with potential sanctions in case of Member States failing to act in accordance with legislation; August Reinisch, *Essential Questions in EU Law* (New York, Cambridge University Press, 2009) at 13
herself to the jurisdiction of that court. A reason for the evolution of common law principles in conflict cases is the inherent role of the judiciary as an independent body free from the pressures of legislative or executive actions to conduct its responsibilities.

2.4 How Does a Court Decide What Law to Apply?

Why would a court be willing to resolve a dispute using foreign law at all? Courts generally apply the law of the land (also known as the law of the forum). The necessity of this aspect of private international law can be justified through a multifaceted answer.

The first part of the justification views private international law as the implementation of the "reasonable and legitimate expectations of the parties to a transaction or occurrence." Many scholars consider the term "private international law" to be a more accurate name than the other common term in the area, "conflict of laws," as the former label describes its role in a more effective manner – the law concerning actions arising from the actions of private persons that have a foreign element. "Private international law" distinguishes this area of law from "public international law." Public international law is defined as "that body of rules which is composed for its greater part of the principles and rules of conduct which states feel themselves bound to observe, and therefore, do commonly observe in their relations with each other." Private international law, on the other hand, is law that involves a given jurisdiction in disputes involving factual aspects occurring in other jurisdictions and the possible application of foreign law in a domestic forum.

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20 Ibid at 464;
21 Dicey et al, supra note 1 at 5.
23 Ivan Shearer, ed, Starke’s International Law, 11th ed (London: Butterworths, 1994) at 3 (Starke additionally defines “international law” as the “rules of law relating to the functioning of international institutions or organizations, their relations with each other, and their relations with states and individuals” and “certain rules of law relating to individuals and non-state entities so far as the rights and duties of such individuals and non-state entities are the concern of the international community”); John H. Currie, Craig Forcese, Joanna Harrington, Valerie Oosterveld, International Law: Doctrine, Practice, and Theory, 2nd ed (Toronto: Irwin Law, 2014) at 13, 14.
If the parties have clear expectations from their transactions regarding a unique choice of forum or unique choice of law applicable to them, then, as mentioned above, the courts may not be required to make decisions involving private international law principles at all.\textsuperscript{24} Private international law therefore generally only becomes relevant where the expectations of the parties are not mutual. The application of private international law rules, therefore, is to achieve a sense of “justice” by evaluating objectively the expectations of the parties in any given dispute.\textsuperscript{25}

A second relevant justification for the necessity of private international law rules is the principle of comity.\textsuperscript{26} Comity connotes reciprocity between states in the context of private international law rules. It refers to the “accepted rules of mutual conduct as between state and state which each state adopts in relation to other states and expects other states to adopt in relation to itself.”\textsuperscript{27} Comity can therefore either be respected as a form of courtesy or can be established through extensive agreements between the states concerned. The very objective of comity is therefore to respect the sovereignty of other states while expecting that those states do the same as well.\textsuperscript{28} Comity has been cited as the principle force that pushed the development of common law rules of private international law, evolving from English courts.\textsuperscript{29} The development of a system of common law rules governing private international law has ensured that comity no longer remains just a courtesy, but is an established principle of procedural law. Scholars have established the relationship between public international law and private international law. Professor Ellory C. Stowell recognises that private international law,
although administered by national courts, is as much a discharge of the obligations of an international function analogous to that fulfilled by the national courts.\textsuperscript{30} The obligation to apply a rule from a foreign jurisdiction is therefore an international law obligation that the state must fulfill.\textsuperscript{31} It is not clear, however, if that obligation rests upon the state, the courts or both. The role that the state and courts perform are inherently different: while the state can often direct courts how to proceed in conflict matters through legislation, such legislative rules cannot be expected to be comprehensive and cover all exigent circumstances.

A third potential justification for the prevalent use of private international law is that of vested rights.\textsuperscript{32} A foreign person who acts in a particular country generally acquires certain rights or liabilities under the law of that country.\textsuperscript{33} For example, if an Englishman enters into a contract in France, he would be vested with the same rights as any other person competent to enter into a contract in France.\textsuperscript{34} If the Englishman then decided to approach a court in England for remedies, but the court decided to apply English contract law principles rather than French law, the court would effectively be ignoring rights the Englishman would have acquired as a person who entered into a contract in France, to the extent that such rights were not reflected in the English law.

Although each of these justifications has its own flaws, it can be safely said that private international law gained prominence for an important reason: the acknowledgement that local or domestic law cannot govern every transaction and that domestic courts cannot ignore foreign elements that influence the issues in disputes before it.

\textsuperscript{30} Ellory C. Stowell, \textit{Intervention in International Law} (Washington, D.C.: J. Byrne, 1921) at 299.
\textsuperscript{31} Ibid.
\textsuperscript{32} Pitel and Rafferty, \textit{supra} note 1 at 207.
\textsuperscript{33} Ibid.
\textsuperscript{34} Ibid.
2.5 Questions in Copyright Disputes Which Involve Private International Law

In any issue involving private international law, the domestic court will follow a series of steps to resolve the procedural aspects of the dispute in terms of factual foreign elements:

(i) The court will decide whether it has jurisdiction over the matter.
(ii) If the court decides to take jurisdiction, it will then turn to the law it will apply.
(iii) A court may decide to apply its domestic law to some issues in dispute and apply foreign law to others.
(iv) If it does decide to apply different laws to different aspects of the dispute, it will proceed to characterize the issues so as to identify separate issues within the dispute, and then decide the law applicable to each.35

“Characterization” of an issue or “issue spotting” before the court refers to the legal treatment of the issue prior to the application of a specific law or assumption of jurisdiction by that court.36 Defining an issue and locating the connecting and contributory factors is called the characterization.37 Characterization is the process by which a conflict issue is isolated from the myriad of primary and secondary issues in any given case with a foreign element. Characterization is a often a problem in traditional common law systems of private international law rules due to the fact that these common law systems develop conflict rules as judicial concepts and principles.38 Such a system is markedly different from a civil law system where statutes detail rules that would apply to general or specific conflict issues.39 Characterization is particularly important in cases

35 An additional step to this process would be the enforcement of the judgment, if procured from a foreign court.
36 Robert A. Pascal, “Characterization as an Approach to the Conflict of Laws” (1940) 2 La L Rev 717; Ernest Lorenzen, “Qualification, Classification, or Characterization Problem in the Conflict of Laws” (1940) 50 Yale LJ 743.
37 Ibid at 743 – 745.
38 Dicey et al., supra note 1 at 37.
39 Ibid.
where courts attempt to localize or connect factors surrounding an action such that the court may take jurisdiction over the dispute.

When determining jurisdiction and applicable law, courts look at the following essential principles:

### 2.5.1 Lex fori

Under this rule, the issues identified by the domestic court are to be resolved using the law of the land or the domestic law of the forum. The simplest justification for this rule is that if foreign law is considered in all cases involving a foreign element, the domestic court will cease to be a master of the conflict rules of the land. Further, the domestic forum would be required to either be well versed in the laws of the foreign land or seek the opinion of experts in the foreign law. If two legal systems are in conflict and the domestic forum has found it can exercise jurisdiction over the dispute, it would ideally favour that law that it knows best: the law of the forum.

### 2.5.2 Lex originis

Under this rule, place of the origin of the act or cause of the dispute will be the applicable law in the dispute. A primary argument for the use of this rule is that “every legal rule takes its classification from the legal system to which it belongs”. Therefore, when a domestic court accepts that a foreign law is relevant but refuses to apply it, the process of identifying the laws in conflict would become a redundant exercise. This rule is not as widely adopted as lex fori by courts, unless the issue before it has been a conflict between two foreign systems not connected to the domestic forum at all (often seen when parties approach a forum designated by contract or mutual agreement).

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40 Dicey et al., supra note 1 at 39.
41 Ibid.
42 Ibid at 40.
44 Dicey et al., supra note 1 at 40.
2.5.3 Law of the Place of Breach or Harm

The private international law rule of *lex loci delicti* would apply to tort actions, that is, where the tortious act or harm occurred. Certain concepts of tort law such as contributory acts, joint liability, aider and abettor liability, and liability for permitting or directing the conduct of another occurring in other jurisdictions are often considered by domestic forums. Under this rule, a domestic court would first determine whether the tort occurred in a place over which the court has jurisdiction and then determine the applicable law (generally the law of the place where the tort occurred). However, certain jurisdictions have developed other tests to determine whether the domestic forum has jurisdiction over the dispute or not. One of these is the “most significant relationship” rule. Under this rule, the most significant factors that determine jurisdiction include where the tort has occurred and the place of residence or domicile of the parties. The court must first determine which place has the most significant relationship with respect to the tort issues in dispute. Factors that determine a significant relationship include: the place of harm, the place where parties conduct caused the harm, place of residence, domicile or nationality of the parties, and place of interaction between the parties, if any. If the place that has the most significant relationship with the tort is within its jurisdiction, the court may then move to the question of the applicable law.

2.5.4 Place Where the Defendant Resides

As noted earlier in the Chapter, traditional common law rules have established that a domestic court may take jurisdiction of a case if the place where a defendant resides is within its jurisdiction or if he or she submits himself before that court. National

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45 Adams, *supra* note 11 at 636.
46 *Ibid* at 1892.
47 *Ibid* at 1893.
legislation may also specify that the place of residence or domicile of the defendant will give the court of that place the jurisdiction to decide the outcome.

2.5.5 Law relating to Contractual Provisions

Questions regarding jurisdiction would be irrelevant in a case where an existing contract between the parties prescribes the applicable law.\(^4^9\) As long the contract is valid and enforceable according the laws of the country in which the protection is claimed, the clauses of the contract will be read to determine the applicable law. However, this approach may not be universal.\(^5^0\) Even though a valid contract may exist that designates the applicable law, the law of the contract may conflict with the law that would apply within that jurisdiction in the absence of the contract.\(^5^1\) For example, under French copyright law, any agreement to waive the moral rights of an author would be held unenforceable in a court of law.\(^5^2\) Under American law, moral rights of attribution and integrity may be transferred or waived if the author expressly agrees to it by way of a written instrument.\(^5^3\) If the contract designates American contract law to apply to disputes, but either the place of infringement is within the borders of France or the filing of the suit takes place in a French court, an initial conflict issue will arise to determine whether the American law is incompatible with the French law and therefore cannot be applied. Such a conflict issue is fundamentally distinct from the issues that concern ownership and infringement in a scenario where no contract exists - in the latter, two laws are in conflict, while in the former, two legal systems are in conflict.\(^5^4\)

\(^4^9\) Fawcett et al, *supra* note 1 at 3.01; Goldstein, *supra* note 17 at 99.

\(^5^0\) Goldstein, *supra* note 17 at 108.

\(^5^1\) *Ibid* at 99, 115.

\(^5^2\) *Code de la Propriété Intellectuelle*, Act No. 92-597 (1 July 1992), art. L121-1.

\(^5^3\) U.S. Copyright Act, 17 U.S.C. Section 106A(a).

\(^5^4\) Goldstein, *supra* note 17 at 115, 116.
2.5.6 Recognition and Enforcement of Foreign Judgments

The recognition and subsequent enforcement of a foreign judgment are integral aspects of private international law and embody the concept of *res judicata*, the principle that a foreign judgment is conclusive on its merits. Recognition of a foreign judgment is a requirement before a court can enforce the judgment. Recognition is therefore a precursor to enforcement itself, although in common practice, the use of both terms has been blended. Enforcement is when a party that has procured a judgment from another court of competent jurisdiction and wishes to collect on that judgment in another place, generally where the property of the defendant is situated. Recognition, however, does not necessarily lead to enforcement under all circumstances. For example, if the party that has procured a judgment from a foreign court finds itself being involved in litigation on the same facts and issues in question, the party can seek its domestic forum to only recognize the judgment and not enforce it. In both recognition and enforcement, the domestic forum makes a separate judicial pronouncement effecting the recognition or enforcement of the foreign judgment.

There are some defenses that defendants may use to prevent a foreign judgment from being enforced, including the defenses of fraud, failure to apply principles of natural justice, judgment being rendered by an incompetent court, and the judgment offending the public policy of the local state. Some scholars have suggested that these defenses, particularly the public policy exception, should be available on a large scale to ensure

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56 Ibid at 156.

57 For example, the Uniform Foreign Money-Judgments Recognition Act, Uniform Law Commission (1962) in the United States is an agreement between party states of the United States of America, where §4(b) notes the following instances as exceptions to enforcement: (1) lack of subject-matter jurisdiction by the rending court; (2) inadequate notice to defendant; (3) fraud; (4) violation of the public policy of the recognizing court; (5) conflict with another final judgment entitled to recognition; and (6) inconsistency of the foreign proceedings with the parties’ forum selection agreement.
appropriate protection to defendants.\textsuperscript{58} Some have suggested that the exceptions should be read within narrow parameters, in the interest of international comity and reciprocity.\textsuperscript{59} Still others have recommended that the public policy exception be removed entirely from the text of relevant international conventions, particularly if the scope of the convention is restricted to judgments in civil and commercial matters.\textsuperscript{60} In reality, the extent of interpretation of any exceptions to enforcement would be dependent on the facts and circumstances of that specific case. There is thus a burden upon the domestic forum to balance comity with the public policy of the state.

### 2.6 Sources of Conflict of Law

As discussed earlier in this Chapter, courts may take jurisdiction of a case involving a foreign element for any one or more of a number of reasons. In doing so, courts regularly evidence their appreciation of comity and acknowledge the rights vested in parties by their actions in other jurisdictions.\textsuperscript{61}

Historically, legislative intervention in private international law was sparse.\textsuperscript{62} In England, for example, statutes aiming at fixing jurisdictional or choice of law issues were only passed for glaring anomalies in the law.\textsuperscript{63} To illustrate, the 1861 \textit{Wills Act} was passed to ensure that in the case of a will made by a British subject, all British courts would apply the law of the place where the testator was domiciled at the time of making the will.\textsuperscript{64} It

\textsuperscript{58} Karen E. Minehan, “The Public Policy Exception to the Enforcement of Foreign Judgments: Necessary or Nemesis” (1996) 18 Loy LA Int'l & Comp L Rev 795; See Chapter 7 of this thesis analyzing why the “public policy” exception model that international conventions regarding conflict rules utilize is irrelevant in the context of cross-border copyright cases due to the principle of National Treatment.

\textsuperscript{59} Minehan, \textit{supra} note 58 at 799.

\textsuperscript{60} Peter Kaye, \textit{Civil Jurisdiction And Enforcement Of Foreign Judgments, 1987} (Ammanford, UK: Butterworths) at 1437.

\textsuperscript{61} Dicey et al, \textit{supra} note 1 at 5.

\textsuperscript{62} \textit{Ibid} at 10.

\textsuperscript{63} \textit{Ibid}.

\textsuperscript{64} \textit{Wills Act}, 1861, 24 & 25 Vict. c. 114.
has been largely established in literature that statutory provisions that deal with private international law rules may be divided into six categories:

(i) Statutes that lay down a substantive or domestic rule without indicating its application in any specific circumstance.

(ii) Statutes that lay down a private international law rule that indicates when a substantive or domestic law is applicable.

(iii) Statutes that lay down a general private international law rule to govern a given question of law.

(iv) Statutes that contain a limitation that restricts the application of a rule to certain factual circumstances or given question of law.

(v) Statutes detailing rules that apply to special circumstances dictated in the statute and would not generally be applicable as a normal private international law rule.

(vi) Statutes detailing rules that do not apply to special circumstances even though they would be otherwise generally be applicable as a private international law rule.\(^65\)

Despite this sparsity of government intervention in private international law, attempts have been made to enshrine public international law convention deliberately intended to codify private international law rules for ease of adoption by governments. For states where there is not separation of the judiciary from the legislative arm of government, if nation states want to formalize their relationships with other states in terms of private international law, they can enter into formal agreements in that respect. For other states, where the judiciary is separate, it will be difficult, if not impossible, for states to comply with such international obligations. Recognizing this problem, these public international law instruments have been drafted to try to counteract that constitutional difficulty, as will be discussed further below, with an appropriate “public policy” exception.\(^66\)

Nonetheless, these public international law attempts have not been widely successful.

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\(^65\) Dicey et al., *supra* note 1 at 19.

\(^66\) See this Chapter at 2.7.
The only recent example of a successful international treaty codifying conflict rules have arisen from the historic and ongoing Hague Conferences on Private International Law. The Hague Conference on Private International Law (or the Hague Conference/Conférence de La Haye, henceforth known as “HCCH”) was one such effort towards the unification of private international law rules. The Hague Conference has 80 member countries including the European Union as a single member, was formed in 1893 to work for the “progressive unification of the rules of private international law” in the area of contracts, wills, domestic relations, and commercial transactions via international agreements. These conferences originate in an international organisation established in 1893 that has developed rules relating to family law, international commercial law, and international legal cooperation and litigation. It must be noted, however, and further discussed below, that these treaties and conventions have found their only

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67 However, they have not been signed or ratified by most states. For instance, as of this paper, only five states have signed on to the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters, and only three have ratified it. Statute of the Hague Conference on Private International Law, 220 UNTS 121, 15 UST 2228, 60 AJIL 461 (signed on 31 Oct 1951, entered into force on 15 July 1955). Ibid, art 1 (the statutory mission of the Conference is to work for the "progressive unification" of private international law rules by finding mutually-agreed approaches to issues such as jurisdiction of the courts, applicable law, and the recognition and enforcement of foreign judgments); Stewart, supra note 9 at 3.09.

70 See Convention of 12 June 1902 relating to the settlement of the conflict of the laws concerning marriage; Convention of 17 July 1905 relating to conflicts of laws with regard to the effects of marriage on the rights and duties of the spouses in their personal relationship and with regard to their estates; Convention of 12 June 1902 relating to the settlement of the conflict of laws and jurisdictions as regards to divorce and separation; Convention of 12 June 1902 relating to the settlement of guardianship of minors; Convention of 1 June 1970 on the Recognition of Divorces and Legal Separations.


stronghold in the European Community – and this has been through supranational legislation and directives.  

2.7 Public International Law Treaties and Texts about Private International Law - and the “Public Policy” Exception

As noted in a previous section of this chapter, international treaties and conventions can be a source of private international law principles. A treaty dictating private international law rules could ideally seek to achieve uniformity in the rules followed by states parties and thereby prevent “forum shopping” by claimants. As these treaties are international law instruments, it is signatory states that play a central role in their development. Participants ensure that an international consensus is reached as to the text of the provisions in the treaties and also bring to the discussion the various constitutional constraints states may face in their abilities to adopt and implement the treaties as part of their national laws.

The International Institute for the Unification of Private Law (henceforth known and UNIDROIT), an international organization, has also been active in seeking to promote international public law ways to harmonize private international law principles in contracts for the international sale of goods, business and wills.

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75 Ibid.

It is important at this stage to distinguish between the role of a public international law convention about private international law that is agreed in the context of the European Union and “model” text adopted by international conferences such as the HCCH. The ideas put forward by the HCCH are simply suggestions which states may choose to adopt as treaty language for implementation between themselves and others when an actual public international law treaty is agreed. Agreements made in the context of the EU, on the other hand, are law for the Member States and Member States must follow them.

A key provision in the HCCH “model” conventions is the “public policy exception” or exception for “ordre public.” This exception exists in the HCCH’s conventions in order to assure states that their adoption of the text would not require an upheaval of their local policies, particularly those concerning public order and morality. The public policy exception, in some sense, would allow a domestic forum to “sit in judgment over the wisdom and fairness of the foreign law.” For instance, in the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters, recognition or enforcement of a decision may be refused if the “recognition or enforcement of the decision is manifestly incompatible with the public policy of the State addressed.” In the Hague Principles on Choice of Law in International Commercial Contracts, Article 11(3) states: “A court may exclude application of a provision of the law chosen by the parties only if and to the extent that the result of such application would be manifestly incompatible with fundamental notions of public policy (ordre public) of the forum.” Article 11(4) goes on to state: “The law of the forum determines when a court may or must apply or take into account the public policy (ordre public) of a State the law of which would be applicable in the absence of a choice of law.”

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77 An analysis of the unique nature of the EU Directives governing private international law in civil and commercial disputes can be noted in the introduction to Chapter 6.
78 Davies, supra note 19 at 969.
79 1 February 1971 (entered into force 20 August 1979), art 5(1).
81 Ibid.
HCCH commentary on Article 11 requires that the forum state must sufficiently justify the fundamental notion of public policy in question, find that the chosen law to be applied is inconsistent with that policy, and prove that the incompatibility arises in the application of the chosen law to the dispute before the forum.

In the Convention on the Choice of Court Agreements, two distinct provisions refer to the public policy exception. Article 6(3) requires that a “court of a Contracting State other than that of the chosen court shall suspend or dismiss proceedings to which an exclusive choice of court agreement applies” unless “giving effect to the agreement would lead to a manifest injustice or would be manifestly contrary to the public policy of the State of the court seized”. In addition to this, Article 9 states that recognition and enforcement of a foreign judgment may be refused if the recognition or judgment “would be manifestly incompatible with the public policy of the requested State, including situations where the specific proceedings leading to the judgment were incompatible with fundamental principles of procedural fairness of that State.”

Under the UNIDROIT Principles of Transnational Civil Procedure, a final judgment awarded in another forum in a proceeding substantially compatible with these Principles must be recognized and enforced unless substantive public policy requires otherwise. Under the UNIDROIT Principles of International Commercial Contracts, the Principles do not apply to invalidity arising from “immorality or illegality.” Commentary for this provision states that the reason for the exclusion of invalidity arising from immorality or illegality in “inherent complexity of questions of status and of public policy and the

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83 UNIDROIT Principles of Transnational Civil Procedure, Principle 30.
84 UNIDROIT Principles of International Commercial Contracts, 3.10.
extremely diverse manner in which they are treated in domestic law.” Therefore, such matters are to be governed by the applicable law identified by the forum.

From a private international law perspective, therefore, the public policy exception refers to a situation where a foreign law that would generally be applicable to a domestic forum will not be enforced under the treaty because its enactment by the state would violate a public policy of that land. How “public policy” is defined is left open by these texts and will presumably vary by jurisdiction or state. The concept of “public policy” or “ordre public” is generally defined as a contravention of some essential moral or social value of the forum or state concerned, and the forum will not enforce a foreign law that is directly causing or indirectly causes such contravention. Public policy is also intrinsically attached to principles of natural justice followed by common law countries. Natural justice is concerned with the “fairness of procedure by which a foreign judgment was obtained”, while public policy relates to “the substantive character of the foreign law”. Under the public policy exception, a court may refuse to enforce a foreign judgment, despite a treaty that has been implemented into the law of the court’s nation, because enforcement would violate a public policy of that jurisdiction in the eyes of the court.


87 Monrad G. Paulsen, Michael I. Sovern, “Public Policy in the Conflict of Laws” (1956) 56 Colum L Rev 969 (this is of particular importance when the domestic forum must decide whether it should apply a foreign law).


89 Ibid at 70.

90 Ibid.
The purpose of the public policy exception is therefore to facilitate party (national) autonomy and protect those policies that are fundamentally important to states.\textsuperscript{91} It is a common element in public international law treaties affecting civil and commercial disputes.\textsuperscript{92} Why, though, is the public policy exception such an important part of these treaties? This question may be partially answered by the concept of independence of the judiciary and its separation from the legislative and executive branches of the state. The operation of any private international law rules can be suspended when a claim before a domestic forum invokes foreign or public rights that are incompatible with those of the domestic forum.\textsuperscript{93} This is a well-established principle in penal and foreign tax laws, and the much broader area of “other public laws”.\textsuperscript{94} Further, even though public international law treaties about private international law refer to courts, the treaties are to be ratified by the state government.\textsuperscript{95} In practice, courts prefer to apply the principles they know, and their expertise lies in the law of the forum.\textsuperscript{96} The public policy exception allows domestic forums to apply \textit{lex fori} instead of the foreign law and is therefore a type of “shield” against application of the foreign law.

The public policy exception is important in terms of a domestic forum’s exercise of jurisdiction over disputes that it considers incompatible with the laws applicable within its forum. This makes the public policy exception an important element of private

\begin{itemize}
\item \textsuperscript{91} \textit{Ibid.}
\item \textsuperscript{92} \textit{Ibid.}
\item \textsuperscript{93} Rafferty, \textit{supra} note 1 at 61.
\item \textsuperscript{94} \textit{Ibid.}
\item \textsuperscript{95} \textit{The Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters}, 1 February 1971 (entered into force 20 August 1979), art 1 (this provision states that the \textit{Convention} shall apply to decisions rendered in civil or commercial matters by the courts of Contracting States and subsequent provisions provide for the recognition and enforcement of judgments rendered by courts of Contracting States. Only a court can recognize and enforce the judgment of any other court and the state or government is not involved in the process or recognition and enforcement. This \textit{Convention} therefore directs courts of Contracting States to recognize and enforce valid judgments from any other Contracting State, and the state must ratify it as well.).
\item \textsuperscript{96} Stephen M Stewart, \textit{International Copyright and Neighbouring Rights} (London: Butterworths, 1983) at 38.
\end{itemize}
international law that a treaty codifying private international law rules must include in order to assure states parties that the inherent powers of their courts are not stripped from them.
Chapter 3

3 International Copyright Law and the National Treatment Principle

3.1 Introduction

This chapter discusses the evolution of copyright law on national and international stages and considers, in this connection, the principle of National Treatment.

The chapter begins by providing a historical overview of copyright law, its development from England (and subsequent exportation to the United States) and in France – and then
throughout the global landscape through to the formation of the Berne Union. This chapter highlights the evolution of national legislation in England, the United States and France precisely because, as will be demonstrated, they are the key jurisdictions involved in the history of copyright.¹

As the chapter will demonstrate, throughout the eighteenth century, copyright law was restricted to national legislation with little development on an international scale.² The development of copyright law was predominantly through statutes – the laws were territorial and remedies were largely available only to local authors for acts described specifically by the national statutes.³ As will be discussed further in this chapter, copyright law is still enforced through national legislation and is grounded in territoriality. Authors have thus faced unique challenges with respect to how their works get treated in foreign countries.

The chapter will continue by describing the emergence of bilateral treaties and the principles enshrined in them, followed by the evolution of the major international copyright treaties. Continuing to investigate further the challenges authors faced when their works were distributed beyond their nations’ borders, this part of the chapter will

¹ It is this dominance in the history of copyright that justifies the focus on these three jurisdictions in the exploration of decisions in the following chapters. The United Kingdom and France were the first and and most active jurisdictions involved in the drafting and adoption of the Berne Convention. On the other side of the spectrum, the United States refused to engage in global copyright developments till 1988. With the U.K. and France on one side and the U.S. on the other, copyright principle developed differently on each side, and for the purpose of this thesis, it is important to investigate both. The fourth jurisdiction included in the study is Canada (notes in Chapter 5) and this inclusion is because Canada’s Supreme Court is one of the few highest courts to tackle head on the problem around which this thesis is centred.


³ Deazley, supra note 2 at 35 (in prominent cases such as Donaldson v Beckett (1774) 2 Bro.P.C. 129, English courts held no copyright existed under common law principles and that if statutes did not express provide for a specific right, the same cannot be claimed under common law principles).
provide a historical background to the principle of “National Treatment” – a core concept of copyright treaties that has facilitated the dissemination of information in protected works while also ensuring economic and moral rights to authors irrespective of their nationality. This part of the chapter will also chart the evolution of the principle of National Treatment in Europe and its relevance to the copyright treaties and conventions in force today.

It is important to note at this juncture that it is through the early evolution of the multi-lateral public international law Berne Convention that the principle requiring no formalities in the copyright law of any member nation arose.\(^4\) That principle means that copyright has come to be different from all other industrial property (principally trademark law and patent law) in that there is no mandatory requirement for registration.\(^5\) Thus, while plaintiffs in a dispute involving industrial property infringement will have to provide proof of registration in the country where the domestic forum is situated, the same is not true for copyright infringement. In a cross-border copyright dispute, the domestic forum is instead faced with the problem of “characterization” or “issue spotting”.\(^6\) The problem of “characterization” arises both in terms of asking the question “who owns the work at issue” and in asking “whether there has been an infringement”.\(^7\) For copyrighted works that are distributed over several jurisdictions, establishing the chain of events for accurate characterization is not an easy pursuit despite the accepted

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\(^5\) It must be noted as a caveat to this statement, in regard to trademark law, that in common law countries the tort of passing off continues to perform a function in trademark law, which also involves no formalities (no registration) and creates what is frequently termed “the common law mark.” However, passing off is a tort and does not involve the infringement action, which is characteristic of the registered industrial property under discussion here and is also the private law action in copyright.


\(^7\) *Ibid* at 318, 319.
legal premises that (1) national copyright legislation establishes the ownership and (2) all other jurisdictions are expected to respect the same, and (3) the root cause of action in any copyright dispute is infringement.8

The chapter will focus upon the development of the principle of National Treatment as a key element of copyright law as it spread globally – and its acceptance in key international agreements through to the present, from the original Berne Convention of 18869 through to later international agreements (specifically the Rome Convention of 1961,10 the TRIPS Agreement of 199411 and the WIPO Copyright Treaties of 1996).12

Finally, before concluding, the chapter will turn to a consideration of the question of the identity of the principle of National Treatment in copyright as an example of a Private International Law rule and the opinions of legal scholars on this point.

3.2 Evolution of Copyright Law

Before copyright legislation was discussed and coordinated at an international level, several states had begun introducing privileges to publishers and authors of books, gradually evolving into copyright statutes. Major developments in national copyright law occurred in England, the United States and France.

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8 Note that challenging registration is also a cause of action, although not the focus of this thesis.
3.2.1 England

The introduction of the printing press in England in the 15th century and its subsequent popularity spurred Parliament to control the publication of books by granting publishers the sole right of publication. England followed a system of granting privileges or monopolies for certain goods by the monarch, with this power being relegated to the Worshipful Company of Stationers in 1557, established by a royal charter. In 1662, the Licensing Act established this monopoly. However, increased interference by the Parliament in censorship of books led to 1695 reforms to reduce censorship. This, in turn, led, in 1710, to the first modern copyright legislation, namely the Statute of Anne. The Statute of Anne helped consolidate the law relating to “copying”. The Statute aimed at the “encouragement of learning by vesting the copies of printed books in the authors or purchasers of such copies.” It was originally applicable only to books and recognised “authors” to be the legal owners of books written by them. It granted authors of books monopoly protection, from the date on which the Statute came into force, for a period of fourteen years. If this fourteen-year period expired before the author’s death, the copyright protection could be renewed for another fourteen years, after which the book would enter the public domain.

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15 Ibid. at 24.


17 *An Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors or Purchasers of such Copies, During the Times therein mentioned, 1710, 8 Anne, c. 19; Copyright Act 1709 8 Anne c. 21; See John Feather, The Book Trade in Politics: The Making of the Copyright Act of 1710, "Publishing History", 19(8), 1980, p. 39 (note 3); See Catherine Seville, The Internationalization of Copyright Law* (New York: Cambridge University Press, 2006) at 22.

18 *Supra* note 17, preamble.

19 “Whereas Printers, Booksellers, and other Persons, have of late frequently taken the Liberty of Printing, Reprinting, and Publishing, or causing to be Printed, Reprinted, and Published Books, and other Writings, without the Consent of the Authors or Proprietors of such Books and Writings, to their very great Detriment, and too often to the Ruin of them and their Families.”
While the Statute explicitly referred to publishers and authors and recognised the economic repercussions of printing, republishing and selling without their consent, it failed to define either “publisher” or “author” definitively.\(^\text{20}\) Therefore, while the Statute was the first in the world to recognise the rights of authors, these rights were a consequence of the Statute’s primary goal of “encouragement of learning”.\(^\text{21}\) The Statute of Anne created a “public domain” for books and literary works by limiting the period of monopoly that copyright owners enjoyed and also ensuring that physical copies of a work, once purchased, would lie within the purchaser’s control, thus preventing the copyright owners from exercising control over uses of the physical books.

### 3.2.2 United States

In 1710, the United States was not an active participant in the conversation involving the adoption of national copyright laws: it did not exist. The English Statute of Anne did not apply to the American colonies yet 12 out of the 13 original States that eventually founded the United States had passed laws relating to copyright protection before that founding.\(^\text{22}\) The American Constitution declares “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.”\(^\text{23}\) Under this power, Congress passed the Copyright Act of 1790 which required registration of works, gave authors an initial protection period of 14 years and gave authors the sole right and liberty to print and publish their works. The Act also specifically noted under Section 5 that none of the provisions of the Act would extend to works that are “written,

\(^{20}\) Deazley, *supra* note 2 at 35.

\(^{21}\) *Supra* note 17, preamble.


\(^{23}\) *United States Constitution*, art. I, s. 8, clause 8.
printed or published by foreigners in places outside the United States”.\footnote{Sterling, \textit{supra} note 22 at 13; See Stephen P. Ladas, \textit{The International Protection of Literary and Artistic Property} (New York: Macmillan, 1938) at 328.} This restrictive American policy would continue well into the nineteenth century and would only be relaxed upon the U.S. signing the \textit{Universal Copyright Convention} in 1955, and eventually the \textit{Berne Convention} in 1988.\footnote{Sterling, \textit{supra} note 22 at 13 (the United States would only go on to ratify the \textit{Berne Convention} from 1 March 1989 by the passing of the \textit{Berne Convention} Implementation Act of 1988).}

### 3.2.3 France

The French copyright regime (“\textit{droit d’auteur}”), like England’s, evolved from royal privileges that were granted to authors, publishers and heirs of authors.\footnote{\textit{Ibid} at 2.09; Oren Bracha, “The Adventures of the Statute of Anne in the Land of Unlimited Possibilities: The Life of a Legal Transplant” (2010) 25 Berkeley Tech LJ 1427 at 1428, 1440.} The first royal privileges were granted in 1498 and included protection for new books, maps, artwork and certain designs, and those seeking royal privileges were required to pay fees to the monarch.\footnote{Deazley, \textit{supra} note 2 at 44.} Protection was usually granted for six years and renewal was left up to the monarch. The royal privileges were treated as property and could hence be licensed by the author.\footnote{Deazley, \textit{supra} note 2 at 45.} An evident drawback of this system was that parties were favoured for privileges at the whim of the monarch and not all authors would be treated in the same manner, with the works of many authors plagued by state censorship as well.\footnote{Censorship laws and administrative hurdles also plagued the royal privileges regime.} Small publishers and authors who could not afford the privileges were refused protection.

In 1777, the duration of royal privilege was set at a minimum of 10 years or the lifetime of the author, whichever period was longer, without renewals.\footnote{Stewart, \textit{supra} note 13 at 2.09 (Louis XVI issued six decrees in 1777, of which the \textit{Arret sur les privileges} established two privileges: first for the authors by recognizing their exclusive right over the creation of their work, and the second for publishers to recoup their investments in publication of the works; Deazley, \textit{supra} note 2 at 45.} Authors also enjoyed certain minimum rights: the right to publish and sell their own works, the right of heirs to
enjoy the privilege, and the right to transfer or sell the privilege. Between 1791 and 1793, this system was overhauled several times and would eventually come to recognise two categories of rights for authors, performers, composers, painters and engravers: economic rights and moral rights. Economic rights are those rights that allow commercial exploitation of an authors’ work. Moral rights are those that are intrinsically associated with an author’s personality, ensuring maintenance and integrity of her or his work. The development of economic and moral rights in French copyright law enabled French courts to develop the droit d’auteur without the need for legislative intervention till the Copyright Act of 1957 was adopted, which contained detailed provisions in accordance with the Berne Convention. The current French copyright statute is the Code de la propriété intellectuelle, which incorporates the provisions of the European Union Directive on copyright law.

3.3 Emergence of Bilateral Copyright Agreements

Foreign reproductions of literary works were passing through borders that were becoming harder to control. States were finding it difficult to guarantee rights to authors in a uniform fashion, causing foreign authors to be alienated from domestic copyright law. The British book trade of the early 1800s, for example, suffered major losses due to the reprinting of copyrighted works by French, German and American publishers, yet Great Britain could not prevent such activities since they were occurring outside its own

31 Stewart, supra note 13 at 2.09.
32 Ibid at 2.10; Sterling, supra note 22 at 14 (the English copyright regime only recognized statutory economic rights at this time).
33 Stewart, supra note 13 at 4.17, 14.23 (known as droits patrimoniaux).
34 Ibid at 4.39, 14.22 (known as droits moraux).
36 Le code de la propriété intellectuelle est un document du droit français, créé par la loi no 92-597 du 1er juillet 1992.
borders. Britain attempted to strengthened its customs rules and watch its borders very closely, but the much cheaper foreign reprints often found their way into the country despite these efforts. These developments urged nation states to enter into bilateral agreements protecting national interests in intellectual and industrial property.

By 1880, European countries were entering into bilateral agreements offering reciprocal protection for certain intellectual and industrial property, with copyright protection leading the discussions. One of the more pressing issues included the treatment of foreign authors under domestic copyright laws. To deal with this issue, countries would include in the provisions of their bilateral agreements that each country would grant the same protection to citizens of the other country as it granted to its own citizens. States were beginning to realize that copyright depends on authorship, and authorship should be interpreted in the same way on a global scale.

One of the drawbacks of a given state entering into several bilateral treaties, however, was the failure to establish a uniform and non-discriminatory set of rules that would ensure that all foreign authors were treated in the same manner. Firstly, each treaty could contain different copyright term. The assessment of the legal status of a book written by a national of country A, which was published in country B, where unauthorised copies were being made in country C, for example, would be an extremely complex dispute to resolve, depending on which country’s courts were approached for resolution. Moreover,

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38 Seville, supra note 17 at 22, 23.
39 Ibid at 3, 41 (Seville details the difficulties that states faced with respect to the treatment of foreign reprints of copyrighted material).
40 For example, France had signed thirteen bilateral treaties, Belgium has signed nine and England and Germany has signed five each; See Sam Ricketson, Jane C. Ginsburg, International Copyright and Neighbouring Rights: The Berne Convention and Beyond (New York: Oxford University Press, 2005) at 1.29; Sterling, supra note 22 at 15.
41 Sterling, supra note 22 at 15, 16.
42 Ibid. at 15.
43 This conversation would eventually leak, in the twentieth century, into the area of international trade as well; See this chapter in “TRIPS Agreement”.
44 Sterling, supra note 22 at 16.
each treaty could contain different provisions about key substantial elements of copyright, including the duration of protection and the requirement for registration of the work.

The several bilateral treaties that were concluded before the advent of the 1886 *Berne Convention* created a network of reciprocal rights throughout Europe. Each of these treaties differed in the texts and the rights offered to authors. The need for multilateral consensus only grew because these treaties were not particularly effective in battling the movement of unauthorized copies. Moreover, bilateral treaties restricted authorship rights within the mould of trade relations between the party states, thereby preventing authorship from being recognized as a global right that binds authors to their works. It was becoming evident that copyright law was gaining an international angle and domestic law could not extend its hand far enough to address the issue.

### 3.4 First Intellectual Property Treaties and the Principle of National Treatment

Through the development of the bilateral treaties described above, two concepts arose as early international copyright law norms. The first was the concept of “National Treatment”: the principle that nationals and foreigners were to be treated equally. The second was the idea of certain “minimum standards of protection” extended to both nationals and foreigners equally by following the National Treatment rule. National Treatment therefore embodies two important justifications for the use of private international law rules: comity and the recognition of vested rights for an individual by reason of the individual’s actions in another state. Much later, as contemporary international law blossomed, these two principles were embodied in other contexts, in important international instruments. The *Universal Declaration of Human Rights*, for example, under Article 27(2) states: “Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of

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45 *Ibid* at 16.

46 See Chapter 2.
which he is the author." This language borrows directly from the nineteenth century, multilateral Berne Convention (discussed below) which aimed to establish an effective connection between an author and his work and supplement it with economic rights.

3.4.1 Paris Convention, 1883 (On Patent)

The Paris Convention of 1883 included three main categories of substantive provisions: National Treatment, rights of priority, and a set of common rules that all signatory states were to incorporate in their domestic law. The Paris Convention included patents, trademarks, industrial designs and utility models, but excluded copyright from its scope. However, the Convention constituted a “Union” of member states committed to the protection of industrial property and, as noted below, this structure was also implemented in the Berne Convention. Article 2 of the Paris Convention contained the provision assuring National Treatment, stating that the “[N]ationals of a any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals.” The provision also stated that nationals of other countries of the Union “shall have the same protection … and the same legal remedy against any

51 Ibid, art 1(2) (“The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition”); 1(3) (“Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour”).
52 Ibid, art 1(1).
infringement of their rights, provided that the conditions and formalities imposed upon
nationals are complied with.”\textsuperscript{53}

3.4.2 \textit{Berne Convention}, 1886

Emulating the efforts of the conference leading up to the Paris Convention, the concerns of the international community regarding harmonizing copyright law were addressed in the \textit{Berne} conferences of the 1880s, and culminated in the signing of the \textit{Berne Convention} in 1886.\textsuperscript{54} The very first draft convention resulting from the \textit{Berne} Conference of September 1883 included, in its ten preliminary articles, the requirement of National Treatment, formality requirements, and the scope of protection of authors who qualify for that protection.\textsuperscript{55} However, the National Treatment provision was based on the place of publication (or the place of origin) of the work and not on the nationality of the author. Further, the draft lacked specific definitions with regard to “infringement” and “adaptation”. A subsequent conference in September 1884 saw participating countries juggling with whether or not the convention should be based on the principle of National Treatment. By the end of this conference, participating states came to the conclusion that the principle of National Treatment was integral to the convention and should be preserved. Instead of removing the concept of National Treatment, delegates instead added provisions relating to duration of protection so that foreign authors would all be entitled to the same minimum duration of protection across contracting states. However, countries that opposed provisions relating to the very first “fair use” principles did not receive this draft of the convention as warmly as the first draft.\textsuperscript{56}

The September 1885 conference proceedings were similar to those of the 1884 conference. The inclusion of National Treatment was not contested, however the extent to which it would apply was questioned. The conference had to choose between establishing

\textsuperscript{53}This is different from the \textit{Berne Convention} where there is no requirement of formality, rendering copyright as a global right of the author.

\textsuperscript{54}Primarily signed by European countries, requiring decades for the rest of the world to sign and ratify it.

\textsuperscript{55}Ricketson & Ginsburg, \textit{supra} note 40 at 6.73.

\textsuperscript{56}Including restriction of copyright by the state for educational or scientific purposes.
a strict convention that would invariable exclude countries that had not yet developed an effective domestic copyright regime, or adopt a lenient approach that would include more countries as signatories. The conference opted for the latter, ensuring that National Treatment would be afforded to all authors from signatory countries. This measure was necessary to ensure that states would sign on to the *Berne Convention*, with the ultimate goal being harmonization of copyright laws. To that end, the conference discussed the need to establish certain minimum rights and the period for these minimum rights to be in force. The discussions of the 1885 conference paved the way for the final draft of the convention to be circulated and finally adopted in 1886 as the *Berne Convention*, creating a “Union” for the protection of the rights of authors over their literary and artistic works. The *Berne Union*, as distinct from the *Berne Convention* that founds it, is the community of signatory nations that governs the Convention and its text. With the adoption of the Convention by the United States in 1988 – and its incorporation in TRIPS, it has now been signed onto by virtually all jurisdictions, remains in force today, and provides the basis for both international public copyright law and international trade law encompassing intellectual property law.

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57 *Berne Convention*, *supra* note 9, art 1 (“The countries to which this Convention applies constitute a Union for the protection of the rights of authors in their literary and artistic works.”).

58 *Ibid*, art 6(1) (“Where any country outside the Union fails to protect in an adequate manner the works of authors who are nationals of one of the countries of the Union, the latter country may restrict the protection given to the works of authors who are, at the date of the first publication thereof, nationals of the other country and are not habitually resident in one of the countries of the Union. If the country of first publication avails itself of this right, the other countries of the Union shall not be required to grant to works thus subjected to special treatment a wider protection than that granted to them in the country of first publication.”) (in the *TRIPS*+ regime, the “Union” is read differently: allowing for differentiation of treatment between nationals of signatory and non-signatory countries in a way that encourages non-signatory countries to accord adequate protection to nationals of the Union).

3.5 Scope of “National Treatment” under International Copyright Conventions

The principle of National Treatment described above forms an essential part of the five major international copyright treaties and conventions adopted by the international community so far: the Berne Convention of 1886, the Rome Convention of 1961, the TRIPS Agreement of 1994 and the WIPO Copyright Treaties of 1996.

In the earliest of the five, the Berne Convention, National Treatment is first referred to in Article 5(1), referring to rights guaranteed outside the “country of origin”:

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

To remove any ambiguities regarding definition, the Convention states that the “country of origin” shall be considered to be:

(a) The country in which the work was first published, and the country of first publication is a Union member.
(b) The country of which the author is a national, if the work was first published in a country that is not a member of the Union.

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64 See Appendix I.
(c) In the case of simultaneous publication of a work in a country that is a member of the *Berne* and another country that is not, the former will be considered the country of origin.

(d) In the case of unpublished works or works first published in a country that is not a member of the Union, then the country of which the author is a national will be considered the country of origin.  

Article 5(2) further specifies that the enjoyment and exercise of these rights are not to be subjected to any “formality” and such enjoyment is to remain independent of the existence of any protections in the country of origin of the work. This provision stresses that the laws of the country in which protection is sought shall govern the extent of protection and the remedies available to the foreign author. Not to leave out the obligations of the country of origin, Article 5(3) states domestic law will govern that protection in that instance. Where an author is not a national of the country of origin, however, he would still enjoy the same rights as a national author of that country. The criteria for eligibility for protection are also elaborated under Article 3, with Article 2 listing “works” that are protected under the Convention. The Convention therefore includes both protected works and protected authors, both of which are granted said protection without discrimination under Article 5(1).

The simple conclusion that the principle of National Treatment means that under a nation’s laws, a foreigner enjoys no lesser rights and benefits than a citizen of that nation receives. Under Article 5(1), there is an obligation to grant to nationals of countries of the *Berne* Union National Treatment in respect of the rights specifically covered by the Convention. The country where the copyright is claimed governs questions as to whether a work is copyrightable, the term of duration of the copyright, and exceptions and limitations to protection.

Therefore, National Treatment is a rule of non-discrimination that promises foreign authors (from countries that are members of the Union) that they will enjoy the same

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65 *Berne Convention, supra* note 60, art 5(4); see Appendix I.
protection of their works in the protecting country that the nationals of the protecting country would enjoy. It means, for example, that a Canadian work for which copyright enforcement is sought in the United States would be treated under American law exactly as if it were an American work that was registered in the U.S., and all the remedies available to an American author would be available to the Canadian author as well.

Currently, 168 states are party to the Berne Convention, making it one of the most signed and ratified international conventions. The minimum standards specified in Berne have therefore been adopted by an overwhelming majority of states across the world. Berne is also referred to by all the copyright conventions following it, making it relevant in all copyright contexts today. For this reason, the principles embodied in Berne have become internationally accepted norms, inseparable from the very concept of copyright.

### 3.5.1 Rome Convention, 1961

The Rome Convention affords protection for performances to performers, for phonograms to producers of phonograms and for broadcasts to broadcasting organizations. It was the first copyright treaty post-Berne and governs “neighbouring rights” in copyright, a direct cause of the technology boom after Berne was adopted. Under Article 2, the Rome Convention expressly lists the parameters for the application of the National Treatment principle. The text of Article 2 states that “National Treatment shall mean the treatment accorded by the domestic law of the Contracting State in which protection is claimed”.

The provision refers to performers, producers of phonograms and broadcasting organizations as special classes of persons to whom the National Treatment principle is to be extended. It may be noted that the criteria for National Treatment in the Rome Convention extends beyond nationality of the creators of the works. Article 2(2) states

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67 Stewart, *supra* note 13 at 8.04 (neighbouring rights are those rights related to copyright that protect intermediary persons who add substantive creative or technical skill in the production, recording or broadcasting of a work).

68 See Appendix II.
that National Treatment “shall be subject to the protection specifically guaranteed, and the limitations specifically provided for, in this Convention.” The principle of National Treatment enshrined in Article 2(1) will therefore not affect the protection and limitations granted in the *Rome Convention*. This means that, for instance, under Article 16, country X could deny producers and performers from country Y the right to equitable remuneration because its own nationals do not enjoy that right in the country Y. However, country X could still provide these rights to its own nationals without violating the *Convention*. Therefore, unlike the *Berne Convention*, the *Rome Convention* contains the principle of reciprocity in respect of certain rights as decided by the member states. Where the *Rome Convention* protects authors and publishers, the *Berne Convention* protects works.

The effect of the *Rome Convention* on the international community was not as phenomenal as the effect of *Berne*, and the *Rome Convention* was only signed by a fraction of the states that were party to *Berne*. Neighbouring rights have received better protection under later *TRIPS* and the *WIPO Treaties*, the latter of which have been particularly effective since the rapid growth of the Internet. However, the unique interpretation of National Treatment and the drafting of specific definitions for the types of works protected under the *Rome Convention* did bring neighbouring rights to the spotlight, allowing future treaties to be more inclusive of them.

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69 Stewart, *supra* note 13 at 8.07.
70 Ibid.
72 Which will be discussed in the following sections.
73 Pamela Samuelson, “The U.S. Digital Agenda at WIPO” (1997) 37 Va J Int’l L 369 (discussing the *TRIPS Agreement*’s lack of attention towards digital copyrighted works and the drafting of the *WIPO Copyright Treaties*).
3.5.2 **TRIPS Agreement, 1994**\(^{74}\)

The mandate for TRIPS is very different from the mandates for the *Berne* and *Rome Conventions*. The two earlier public law treaties were focussed specifically on copyright matters: *TRIPS* includes several forms of intellectual and industrial property under its scope, including copyright and related rights,\(^{75}\) trademarks,\(^{76}\) geographical indications,\(^{77}\) industrial designs,\(^{78}\) patents,\(^{79}\) integrated circuit designs,\(^{80}\) trade secrets and confidential information.\(^{81}\) Where *Berne* itself formed a “Union” of member states to govern the Convention, *TRIPS* relies on countries’ memberships in the World Trade Organization (WTO). Indeed TRIPS is a part of the comprehensive WTO Agreement.\(^{82}\) And, also, TRIPS implementation and dispute resolution mechanisms are drawn from the body of the main WTO Agreement.\(^{83}\) The *TRIPS Agreement*, in respect of copyright, is built around incorporation by reference of the text of *Berne* (Articles 1-21)\(^{84}\) In addition to adopting the principles of the *Berne Convention*, *TRIPS* also includes, for copyright, additional administrative and enforcement provisions relating to minimum remedies, enforcement procedures and the process of dispute resolution, none of which are part of

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\(^{74}\) *Agreement on Trade-Related Aspects of Intellectual Property Rights*, 15 April 1994, 1869 UNTS 299; 33 ILM 1197 art 3 (entered into force 1 January 1996) (hereinafter “*TRIPS*”).

\(^{75}\) *Ibid*, art 1.

\(^{76}\) *Ibid*, art 2.

\(^{77}\) *Ibid*, art 3; See Appendix 3.

\(^{78}\) *Ibid*, art 4; See Appendix 3.

\(^{79}\) *Ibid*, art 5; See Appendix 3.

\(^{80}\) *Ibid*, art 6; See Appendix 3.

\(^{81}\) *Ibid*, art 7.


\(^{83}\) In this thesis, however, the *TRIPS* regime’s requirement of enforcement is not in consideration as the enforcement provisions are implemented by the WTO as part of the member states’ commitment to the international trade treaties. This is markedly different from the *Berne Convention* as all signatory countries are expected to include National Treatment and minimum rights in their national legislation by virtue of their international obligations to a treaty signed by them.

\(^{84}\) *TRIPS Agreement*, supra note 74, art 9.
Berne.\textsuperscript{85} Most importantly, in terms of this discussion, in \textit{TRIPS}, National Treatment is not the stand-alone provision for non-discrimination.\textsuperscript{86} The “most-favoured nation” principle is a central principle of the WTO agreements, found in the General Agreement on Tariffs and Trade (GATT) and the General Agreement on Trade in Services (GATS) as well.\textsuperscript{87} \textit{TRIPS} is therefore one part of a larger trade agreement establishing the WTO as it stands today and, in this context, \textit{TRIPS} unites its members towards a common goal of developing and harmonizing intellectual property law and enforcement.

Article 3(1) of the \textit{TRIPS Agreement} has a two-fold agenda: National Treatment and the obligation to protect intellectual property.\textsuperscript{88} Article 3(1) mandates that all foreign rights-holders should be treated in a manner “no less favourable” than the domestic rights-holders of that country. The provision prevents member states from adopting discriminatory measures for imported goods and eliminates any domestic barriers to trade among the members of the WTO community. The core interest is to successfully maintain a competitive multi-lateral trading system, which was made evident when the WTO refused to grant a transition period for member states to adopt Articles 3, 4 and 5 of \textit{TRIPS}.\textsuperscript{89}

A striking difference can be noted between the National Treatment principle embodied in \textit{Berne} and the one in \textit{TRIPS}. \textit{Berne} grants, without prejudice, equal treatment to domestic and foreign authors. \textit{TRIPS}, however, mandates the treatment of foreign authors being “no less favourable than” domestic authors.

\textsuperscript{85} \textit{Ibid}, art 41 – 61.

\textsuperscript{86} \textit{General Agreement on Tariffs and Trade}, 15 April 1994, 1867 UNTS 187; 33 ILM 1153 (entered into force 1 January 1995) (hereinafter referred to as “GATT”), art 3; \textit{General Agreement on Trade in Services}, 15 April 1994, 1869 UNTS 183; 33 ILM 1167 (entered into force 1 January 1995) (hereinafter referred to as “GATS”), art 7; \textit{TRIPS Agreement, supra} note 74, at art 3.

\textsuperscript{87} \textit{GATT, supra} note 86, art 1; \textit{GATS, supra} note 86, art 2; \textit{TRIPS, supra} note 74, art 4.

\textsuperscript{88} \textit{TRIPS Agreement, supra} note 74, art 1(2) (defining “intellectual property” as “all categories of intellectual property that are subject of Sections I to 7 or Part II”).

\textsuperscript{89} Adoption by 1 January 1996.
Can it be said then that TRIPS focuses on the rights of foreign authors entirely, while leaving the rights of domestic authors up to the individual national legislators? Or is the TRIPS provision aimed at broadening the scope of National Treatment beyond what Berne intends under Article 5? In practice, the difference in these provisions will not affect the rights of foreign authors unless the domestic authors’ rights have been changed in the national legislation. There may also be situations where the rights of only domestic authors are affected, resulting in a scenario where foreign authors are granted certain rights that domestic authors may not be granted. In such a case, neither the domestic author nor the foreign author would find that the member state was in violation of either Berne or TRIPS.

Another core differentiation between Berne and TRIPS is the lack of flexibility that TRIPS offers to member states. Berne requires member states to adopt certain minimum standards of protection, but leaves it up to the concerned Union members to decide how to implement or enforce them. As described above, Berne has been amended multiple times since it was first signed into force while members of the WTO have struggled, and failed, to introduce any amendments to TRIPS over the last two decades – which probably reflects the flexibility of the former and rigidity of the latter.

3.5.3 WIPO Copyright Treaties, 1996

TRIPS notably failed to address the “digital agenda” which has proven, in the eyes of some, at least, to be a major drawback as it has been said to ignore the rising potential of the Internet as a hotbed of copyright infringement. As mentioned above, further changes to TRIPS have proven elusive. Those seeking such changes focused their attention back on the public international law environment of WIPO. The result was the WIPO Treaties of 1996, which were adopted to add additional protection in copyright for

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91 Samuelson, supra note 73 at 370.
activities affected by advancements in technology not covered by TRIPS. To this end, one of the WIPO Treaties, the WIPO Copyright Treaty (WCT) gave the status of “literary works” to computer programs, affording protection to databases, gave authors rental and distribution rights, and contained provisions against circumvention of technological protection measures and modification of rights management information. The other of the WIPO Copyright Treaties, the WIPO Performances and Phonograms Treaty (WPPT) granted performers and producers of phonograms rights additional to those contained in the Rome Convention, and included provisions similar to Articles 11 and 12 of the WCT.

Both WIPO Treaties refer to the National Treatment principle directly, much like the conventions before them. Article 1 of the WCT seeks to adopt the Berne Convention’s established principles by stating that “nothing in this Treaty shall derogate from existing obligations that Contracting Parties have to each other under the Berne Convention for the Protection of Literary and Artistic Works.” It further commits to the National Treatment principle in Article 3 by recognizing and encouraging the implementation of Articles 2 to 5 of the Berne Convention with respect to protection provided for copyrighted works. The scope of national principle under this Treaty can therefore be directly connected to that in the Berne Convention. Articles 3 and 4 of the WPPT, the other of the WIPO Treaties, refers to the National Treatment principle as the obligation of a contracting party to provide to nationals of other contracting parties the same “treatment it accords to its own nationals with regard to the exclusive rights specifically granted in this Treaty, and to the right to equitable remuneration provided for in Article 15...”, and refers to the definition of national principle in Article 3(2). The Article limits the principle to only performers or producers of phonograms who would meet the criteria

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92 WCT, supra note 90, art 4.
93 Ibid, art 5.
94 Ibid, art 6, 7, 8.
95 Ibid, art 11, 12.
96 WPPT, supra note 90, art 18, 19 (referring to obligations concerning technological protection measures and rights information management).
of eligibility as under the *Rome Convention*. In this respect, the WPPT also calls forward principles already enshrined in the *Rome Convention*, which in turn refers to the same principles noted in the *Berne Convention*.

### 3.6 National Treatment as a Private International Law Rule in Copyright

The question of whether the principle of National Treatment is to be interpreted as a definitive international norm or as a choice-of-law rule has troubled legal luminaries since its introduction in the *Berne Convention*. The National Treatment rule and *Berne’s* subsequently adopted requirement that no formalities be a necessary part of copyright protection implicate the rule of territoriality: they do so in a complementary fashion. National Treatment under Article 5(1) ensures that foreign authors are not discriminated against when they seek remedies in another country, while the “informality” provision under Article 5(2) ensures that there are no administrative hurdles in implementing National Treatment effectively.

At the time of drafting the *Berne Convention* in 1883, National Treatment was a simple and effective way of addressing the global angle to copyright authorship and ownership, without engaging in a tangled web of private international law rules.\(^97\) The National Treatment principle ensures that foreign copyright owners are on an equal footing with nationals of a member country, thus accepting, broadly speaking, the private international law rule of *lex fori*.\(^98\) Article 5 of the *Berne Convention*, however, refers to both the National Treatment principle\(^99\) and the country of origin of a work. If a court refers to the country of origin of a work, the *lex loci or lex originis* principle comes into the picture. Therefore, both these principles must be assessed. Moreover, private international law rules in intellectual property have expanded to adopt the rule of *lex loci protectionis* or the law of the country where protection is claimed. To determine whether the National Treatment principle applies, the court must consider the country of origin of the work. If the court refers to the country of the author, the *lex fori* or *lex authoris* principle applies instead.

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\(^{97}\) Stewart, *supra* note 13 at 3.16.

\(^{98}\) *Ibid* at 3.15.

\(^{99}\) *Berne Convention, supra* note 60, art. 5(1), 5(3)
Treatment principle should be read differently from these rules or whether the principle encompasses these rules is the objective of the literature reviewed in this part of the chapter.

### 3.6.1 National Treatment and Reciprocity

The principle of National Treatment can be limited by the rule of reciprocity.\(^{100}\) Scholars in the area have noted that the principle of non-discrimination embodied in National Treatment is to be applied without the condition of reciprocity, making it a fundamental principle of international copyright law instead of setting up parallel systems where states offer each other’s authors some mutual protections.\(^ {101}\) When the relationship between two countries is based on reciprocity, one state grants certain rights or favours to the other in exchange for rights or favours from the other state. The principle of National Treatment would not require reciprocity, as it is an international copyright norm enshrined in a convention. However, exceptions to National Treatment by way of reciprocity between states was allowed under the *Berne Convention*, to preserve the sovereign powers of member states to enter into bilateral and multilateral trade agreements.\(^ {102}\) Further, it must be noted that Article 5(1) of *Berne* in no way signifies that National Treatment requires the enjoyment of all national rights by a foreigner without limitation. National Treatment remains conditional and the extent to which it applies to an author can vary if the states in question have undertaken bilateral treaties or signed onto any regional instruments.

Another benefit to the adoption of the National Treatment principle was that the courts of member countries to the *Berne* Union were now united, by the domestic legislations in their respective jurisdictions, in a common approach to cross-border infringement issues. Courts are skilled at applying their own domestic law – it is the law with which they are

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100 Stewart, *supra* note 13 at 3.20.
102 Explored in the analysis of National Treatment under the *TRIPS Agreement*. 
intrinsically familiar -- which National Treatment recognizes. For this reason, the principle has been praised for its administrative convenience, since its application in domestic copyright law allows a member country and its courts to apply its own laws to foreign authors claiming remedies in these domestic courts.\(^{103}\)

Private international law addresses issues that arise in disputes with a “foreign element” where there is conflict in the application of the laws of two or more legal systems.\(^{104}\) The question of whether or not a court has the jurisdiction to apply its domestic law in a dispute reflects the territorial nature of legal systems.

### 3.6.2 Exploring the Private International Law Rule Embedded in the National Treatment Principle

The *Berne Convention* under Article 5(3) clearly specifies the domestic law that governs protection of a copyrighted work in the country of origin of the work. However, the same degree of clarity is not seen in Article 5(1) providing for National Treatment.

Scholars have argued that a defining feature of *Berne* is that it does not tell member states which law is to be applied for the purpose of resolving a copyright dispute. Others have promoted the view that the National Treatment principle is a conflict rule. The foremost advocate for the use of the National Treatment principle as a private international law rule is Melville Nimmer.\(^{105}\) Nimmer relies on the *Berne Convention* and the *Universal Copyright Convention*\(^ {106}\) to assert that “an author who is a national of one of the member states of either *Berne* or the U.C.C., or one who first publishes his work in any such member state, is entitled to the same copyright protection in each other member state as

\(^{103}\) *Ibid.*


such other state accords to its own nationals.”

Nimmer believes that the extension of the National Treatment principle has ensured that private international law issues “have rarely proved troublesome in the law of copyright”. To quote the specific rule in the National Treatment principle: “the applicable law is the copyright law of the state in which the infringement occurred, not that of the state of which the author is a national, or in which the work is first published.”

Nimmer asserts that the codification of National Treatment in copyright treaties indicates a territorial private international law provision, which implies that the law applicable to copyright infringement is the law of the country in which the infringing activity occurred. Nimmer therefore advocates a lex fori approach to the principle of National Treatment.

Upon the first reading of Article 5(1) of the Berne Convention, Nimmer’s interpretation might seem obvious. Nimmer himself approaches this question about the principle with the same apparent attitude of its obviousness and provides no actual explanation about his interpretation. Paul Edward Geller, on the other hand, examines the principle more closely.

Geller connects the treaty principles that have been established in Berne with the current trend of conflict rules that courts have established. He uses an example: if it is assumed that a work qualifies for protection under the Berne Convention, the work either has an author who is a national of a signatory country to the Convention, or the work satisfies some criteria of eligibility such as registration or first publication in a signatory country. Under the principle of National Treatment, any signatory country (the

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107 Nimmer, supra note 105.
108 Ibid at 17.05.
109 Ibid.
110 Ibid.
112 Ibid.
protecting country, here) must treat the copyright claims of the foreign author as if he were one of its own nationals.\footnote{Ibid.} Simply put, domestic law or \textit{lex fori} would govern the copyright claims for infringement occurring in that country. The principle of National Treatment therefore “constrains the choice of copyright laws applicable to these claims.”\footnote{Ibid at 329.} A private international law rule performs the same function – it determines which law is applicable to a given dispute, whether domestic or foreign. By assuring that national and foreign authors are treated equally, the court applies the \textit{lex fori}, which is both the law of the forum and the law of the protecting country because copyright laws are territorial in nature.

Geller also analyzes whether, by removing the principle of National Treatment from the context of the \textit{Berne} or \textit{TRIPS} regimes, the treaties would still effect the application of \textit{lex fori}.\footnote{Ibid.} He asserts, however, that looking at copyright law only from this second angle misses the overall objective of National Treatment entirely – National Treatment will always remain a core part of copyright law, both international and domestic,\footnote{Ibid.} because it compels states and courts of signatory countries to claim not just the rights available to them under domestic copyright law but also the exceptions and limitations. Thus, to quote Geller: “the reliability of the \textit{Berne}/TRIPs regime, as well as the global balance that it maintains between copyright laws, precludes picking and choosing more or less favourable national laws on this or that issue or in this or that case.” National Treatment thereby also prevents parties from approaching a forum in a country with lower protection standards (although still complying with minimum standards) and seeking the application of copyright laws of a country with higher protections.\footnote{Ibid.} If such an option were available to foreign authors, they would seek the court to apply the laws most
beneficial to them, which generally translates to the place that would guarantee the highest compensation.

Geller reads into the objectives of the *Berne Convention* to further support his position.\(^\text{118}\) The *Berne* regime aims at enhancing international standards for protection and exploitation of copyright works and providing a base for national laws to build upon.\(^\text{119}\) National Treatment’s role in this objective is to provide a mechanism to address the difficulties that various national policies of the signatory countries have.\(^\text{120}\) National Treatment therefore “assures stability among decisions in that it requires the law of any one protecting country to apply to domestic and foreign authors’ claims alike, subject to the same defenses.”\(^\text{121}\) The national copyright law of each country will govern infringements taking place in that country. The National Treatment principle, along with minimum rights, therefore “tend to make results more uniform among countries, thus mooting conflicts of laws.”\(^\text{122}\) Application of private international law rules to copyright infringement disputes only serves to complicate a relative simple principle: the applicable law for infringement of copyright is that of the protecting country.

Stephen M. Stewart also agrees with Nimmer’s assessment of National Treatment and adds to the discussion.\(^\text{123}\) He begins his analysis by separating the two possible interpretations that he identifies private international law can provide for copyright disputes: *lex fori* or *lex originis* (he refers to this as *lex loci* as well).\(^\text{124}\) Under *lex fori*, the National Treatment principle would be evoked, thereby applying the law of the state

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\(^\text{118}\) *Ibid* at 331.


\(^\text{120}\) *Ibid*.

\(^\text{121}\) *Ibid*.

\(^\text{122}\) *Ibid* at 330.

\(^\text{123}\) *Stewart, supra* note 13 at 3.16; *Goldstein, supra* note 101 at 89 (Goldstein makes an identical analysis of National Treatment).

\(^\text{124}\) *Ibid*.
where the author seeks protection. Under *lex originis*, the nationality of the author becomes relevant as the work is treated as “acquiring” a nationality as well. The advantage of applying *lex originis* is that the work will be treated the same way in all countries signatory to the *Berne Convention*, irrespective of which forum is approached by the author. The clear disadvantage to this, however, is that courts will have to consistently seek application of the law of the place of origin, requiring expertise in the various national copyright laws and the interpretation of those laws in their respective local courts. For the *lex fori* principle, courts will apply the law they know best: their own, with the disadvantage being that the same work will get different degrees of protection in different countries. However, since the adoption of the *Berne Convention* requires that signatory countries also adopt certain minimum standards of protection, these minimum rights will be guaranteed to all authors irrespective of nationality. The extension of minimum rights to this discussion, Stewart asserts, is essential to National Treatment as, without the minimum rights, National Treatment would produce a serious imbalance among the signatory states.

Stewart therefore considers the National Treatment principle a viable private international law rule that tells courts the law of the forum must be applied. To quote: “The general application of the principle of National Treatment is international copyright means that the major problem arising in almost all other areas of private international law: ‘which law is a court to apply in a situation with foreign elements?’ hardly ever arises in copyright law.” Any rights owner who is a national of a signatory country to the *Berne

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125 Note that this assessment is similar to *lex loci protectionis*, which was a principle developed specifically for intellectual property disputes.

126 Stewart, supra note 13 at 3.16 (this would include the place of first publication (if published) or the place of creation (if unpublished)).


129 *Ibid* at 3.18 (the *Berne Convention* drafted at a time “when the level of protection granted authors still varied greatly from country to country”).

130 *Ibid* at 3.17.
Convention would therefore be entitled in every other signatory state to the same protection as the nationals of that state.

James Fawcett and Paul Torremans agree with the analysis of Nimmer and Stewart, but disagree on the point that the National Treatment principle implicates the rule of lex fori. They state that all the provisions of Berne must be interpreted as adhering to the rule of territoriality that is enshrined in National Treatment, which states that the law of the protecting country is the applicable law to a copyright dispute. They characterize National Treatment as specifically being lex loci protectionis, a special rule meant for intellectual property disputes, thereby excluding lex fori and lex originis.

Among more recent literature, Sierd J. Schaafsma is of the opinion that the view that disregarding National Treatment as a private international law rule symbolizes a failure in understanding how private international laws came to be codified in international and national instruments. He argues that private international law rules evolved from statutes, which created certain boundaries for the application of a law. These statutes would elaborate on how a specific law would apply to those people within the boundaries of the country. When a question is eventually raised about a foreigner claiming protection under that law, there would be no law to protect him, for the law would only be applicable to nationals of that country. The legal vacuum that was created required a rule or principle to either extend the law to protect the foreigner or deny him protection.

The principle of National Treatment states that the foreigner should be treated in the same

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132 Ibid.
133 Ibid; Phillip Johnson, “Which Law Applies: A Reply to Professor Torremans”, (2005) 1 J Intell Prop L & P 71 at 72 (disagreeing with Torremans; the National Treatment principle does not contain a private international law rule, but instead implies that if a private international law rule does apply it would do so equally to foreigners and nationals).
135 Ibid at 304.
way that the national author would be treated. If the foreigner appears before a court in that country, the court would have to decide whether or not to apply the domestic copyright law. If the foreigner seeks remedies that come within the ambit of those which the domestic author would receive, the court would be bound to grant the same rights and remedies to the foreigner as well. There is, however, no requirement upon the court to grant rights and remedies that the national author would not receive under the domestic law. Schaafsma therefore promotes a connection between the principle of National Treatment in the *Berne Convention* and the private international law rule of *lex loci protectionis*.

Graeme B. Dinwoodie also believes that the National Treatment principle, as contained in the text of the *Berne Convention*, refers to a private international law rule. He states that while Article 5(1) upon bare reading does not signify any such rule, Article 5(2) does contain a private international law rule. A convincing argument from this position can be made that the principle of National Treatment is, in itself, not a complete private international law rule since it does not address which law is the applicable one in the case of a dispute. To Dinwoodie, the language of the Article 5(2) resembles a private international law rule, asserting that “it provides that the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.” This provision therefore subscribes to the *lex loci protectionis* rule. However, Dinwoodie does not entirely rule out the possibility of a private international law rule in the National Treatment principle. He does not provide reasoning for this (other than citing Fawcett and Torremans), but does agree that “if the general principle of national treatment did impose

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136 Ibid, at 305.
138 Raquel Xalabarder, “Copyright: Choice of Law and Jurisdiction in the Digital Age” (2002) 8:1 Annual Survey of Int’l & Comp L 80 at 82 (making a similar assessment of Article 5(2)).
139 Ibid.
a particular choice-of-law rule, this could be of broad significance.”\textsuperscript{140} Since the National Treatment principle was affirmed in the \textit{TRIPS Agreement} as well, the objective of the provision may be to restrict the private international law rules that domestic forums apply to copyright disputes.\textsuperscript{141} Dinwoodie acknowledges this, but does not accept it entirely.

3.6.3 Against the Application of National Treatment as a Private International Law Rule

Sam Ricketson and Jane Ginsburg view the National Treatment principle solely as an international norm that designates how foreign rights holders are to be treated before domestic forums.\textsuperscript{142} To quote: “the principle of national treatment is really not a conflicts rule at all; it does not direct application of the law of any country. It simply requires that the country in which protection is claimed must treat foreign and domestic authors alike.”\textsuperscript{143} Ricketson and Ginsburg assert that the minimum standards in the \textit{Berne Convention} do not directly address or affect questions of private international law as both National Treatment and minimum rights only affirm the principle of territoriality as a substantive aspect of copyright law.\textsuperscript{144} That National Treatment and minimum rights are both important international copyright norms is not contested; but National Treatment specifically does not constitute a private international law rule. To justify this, Ricketson and Ginsburg state that the \textit{Berne Convention} provides that the law of the country where the protection is claimed will define “the rights that are protected, the scope of protection, and the available remedies” and therefore the Convention does not provide a choice-of-law rule for determining authorship.\textsuperscript{145} They therefore argue that the National Treatment

\textsuperscript{140} \textit{Ibid} at 717.
\textsuperscript{141} \textit{Ibid}.
\textsuperscript{143} \textit{Ibid}.
\textsuperscript{144} \textit{Ibid}.
principle is merely a tool for foreigners to use, and does not embody the principle of territoriality.

The views of Ginsburg and Ricketson, however, do not consider the fact that, apart from the treaty regime governing copyright law, there is no other mechanism for interpreting choice-of-law rules in a uniform way. Under the Berne Convention, any foreign author would enjoy the same rights as a national would under domestic law. This means they will be entitled to minimum rights under the domestic law, should they choose to seek remedies in a local forum. This forms the basis of a time-tested conflict rule used in tort law, that is, the forum will apply the law of the place of the infringing acts.

Mireille van Eechoud has a similar approach to that of Ricketson and Ginsburg on the question of the relationship between the principle of National Treatment and private international law rules.\textsuperscript{146} While she agrees with Goldstein and Stewart’s understanding of National Treatment as a rule that requires a country to apply the same law to works of foreign origin as it does to its nationals, she notes that this would not make National Treatment a private international law rule.\textsuperscript{147} Instead, she sees National Treatment as “a mere non-discrimination rule, belonging to the law of aliens, not choice of law.”\textsuperscript{148} She credits this to the birth of the Berne Convention, as the Convention was drafted at a time when private international law was not a direct concern for drafters.\textsuperscript{149} The problem with this assessment is that it ignores the international climate surrounding the drafting of the Berne Convention: the need to codify certain principles that would ensure that authorship

\begin{itemize}
  \item \textsuperscript{146} Mireille M.M. van Eechoud, \textit{Choice of Law in Copyright and Related Rights} (The Hague, Netherlands: Kluwer Law, 2003) at 106.
  \item \textsuperscript{147} \textit{Ibid} at 107.
  \item \textsuperscript{148} \textit{Ibid}.
  \item \textsuperscript{149} \textit{Ibid} at 92.
\end{itemize}
and authors’ rights were globally recognized and uniformly adopted.\textsuperscript{150} The \textit{Berne Convention} exists purely due to this vacuum that states noted in the 19\textsuperscript{th} century and discrediting the influence of National Treatment on the \textit{Berne Convention} drafters does disservice to a core international copyright norm.

It is also noted that other authors do not have a definite stance on the question of whether the principle of National Treatment is a private international law rule or merely a copyright norm. Richard Fentiman argues that, on close inspection, the principle of National Treatment has no impact on choice-of-law at all.\textsuperscript{151} He notes that the function of National Treatment is to determine the “scope of domestic law of copyright and related rights of the protecting country, however that country may be located in choice-of-law terms.”\textsuperscript{152} He goes on to say that the principle of National Treatment limits the scope of domestic law by “ensuring that the law of the protecting country applies as much to foreign right-holders as to nationals, implicitly excluding a role for \textit{lex originis}.”\textsuperscript{153} He uses an example to highlight this point: if a copyright owner from country X approaches a forum in country Y for infringement occurring within the borders of that country, the national copyright law of country Y would apply to the dispute and not country X, from where either the work originated or where the copyright owner is a national.

However, Fentiman also expresses doubt as to whether the principle of National Treatment is entirely ambivalent as to matters of private international law. Although National Treatment advocates the application of \textit{lex fori} and excludes the use of \textit{lex originis}, it does not elaborate on the application of \textit{lex loci delicti}.\textsuperscript{154} Further, since the \textit{Berne Convention} does not expressly state that National Treatment is a private international law rule, national laws have incorporated the principle without reference to

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\textsuperscript{150} \textit{Berne Convention}, \textit{supra} note 106, preamble.
\textsuperscript{152} \textit{Ibid.}
\textsuperscript{153} \textit{Ibid.}
\textsuperscript{154} \textit{Ibid.}
\end{flushleft}
the private international law angle. Therefore, Fentiman recognizes the National Treatment principle as being negative in nature – it explicitly refutes the application of *lex originis* but does not elaborate on the application of any other specific rule. He does, however, acknowledge that the *lex fori* rule would be the most appropriate one. In doing so, he rejects the idea that *lex loci protectionis* would apply because the territorial character of copyright requires that the forum that is approached would apply the law that it knows best: *lex fori*.

### 3.6.4 Resolving the Debate about National Treatment as a Private International Law Rule

An analysis of the prevalent literature earlier in the chapter points towards the conclusion that the National Treatment principle is an example of the *lex fori* principle enshrined in an international public law convention and thus in the domestic legislation of every signatory. A bare reading of Article 5(1) of the *Berne Convention* shows that:

1. Authors shall enjoy rights granted by this *Convention*,
2. Authors shall enjoy these rights in respect of works which are protected by this *Convention*,
3. In consideration of countries other than the country of origin of the work,
4. The same rights in a country as the nationals of that country would enjoy.
5. “Countries” here referring to signatory countries of the *Convention*.

Considering the three private international law rules discussed earlier – *lex fori*, *lex originis* and *lex loci protectionis* – the text of the *Berne Convention* clearly points to *lex fori*. As noted earlier, the *lex loci protectionis* principle is enshrined in Article 5(2), which states that copyright protection “shall be governed exclusively by the laws of the country where protection is claimed.” *Lex originis* is specifically excluded from Article 5(1) in its text, but is embodied in Article 5(3) instead, stating “protection in the country of origin is governed by domestic law.” Article 5(1), however, points to the law of the

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155 *Ibid* at 135.
156 *Ibid* at 146.
forum as the applicable law in a copyright dispute. As copyright laws are governed by national statutes and are required to abide by Article 5, these statutes have incorporated the principle of National Treatment and the private international law rules that it contains as well. Therefore, in deciding which law to apply to cross-border copyright disputes, domestic courts need not look beyond their own national legislation enshrining Article 5(1) of the Berne Convention.

3.7 Conclusion

This chapter began with the intent of mapping out the evolution of copyright law, both national and international, describing how the principle of National Treatment was developed, and analyzing how the major copyright treaties have dealt with the principle. Further, the chapter aimed at reviewing relevant literature to determine whether the principle of National Treatment can be considered to embody a private international law rule.

The chapter therefore provided an overview of the development of national copyright laws in England, the United States and France, proving that the concept of territoriality is elemental to copyright law. As copyright law evolved from national concepts of authorship and protection, the conversation before the 19th century in each of these countries was limited to how the national laws interpreted authors’ rights. For that matter, authors’ rights did not even develop in jurisdictions such as England until the 1800s, while in France an author’s work was considered an extension of his personality. The conversation about copyright in the U.S. during its early history as a nation was not stagnant, but American copyright failed to develop through the kind of trade interactions that pushed European countries into accepting that authorship may be a global right, therefore paving the way for bi-lateral treaties.

As bi-lateral treaties in copyright law developed, the conversation in the late 19th century moved into the multilateral space as authors began to face unique challenges with respect to how their works were treated in other jurisdictions. As noted in the chapter, countries
began to include in their bilateral agreements provisions that each country would grant the same protection to citizens of the other country as it granted to its own citizens.\textsuperscript{157}

The recognition that authorship was a global right gave impetus to the first multilateral intellectual property treaty (\textit{Berne}), and eventually all the other major copyright treaties.

The major copyright treaties, and in particular the \textit{Berne Convention} under Article 5(1), developed around the principle of National Treatment, which protects the economic and moral rights of authors in all signatory countries irrespective of their nationalities. This definition was prescribed in \textit{Berne}, and over time, the \textit{Rome Convention}, \textit{TRIPS} and the \textit{WIPO Copyright Treaties} built upon this principle by adding further minimum rights, enforcement mechanisms, and adapting the concept to new media such as the Internet. National Treatment is therefore the core copyright norm that governs the major copyright treaties and forms an essential part of national copyright statutes as well.

Finally, the chapter considered the question of the relationship, if any, between private international law rule and the National Treatment principle. While older literature looks at the National Treatment principle as the private international law rule of \textit{lex fori}, more recent works have either denounced this entirely or attempted to add other private international law rules to the discussion, such as \textit{lex loci protectionis} or even \textit{lex loci delicti}. Those who advocate the \textit{lex loci} principle have relied largely on the historical circumstances that influenced the \textit{Berne Convention} and focused on interpreting the text of Article 5(1) as it stands. This assessment is necessary; the major concern of drafters at the time was to develop a codified set of provisions for copyright law that protected all authors irrespective of their nationality. However, the drafters did seem to acknowledge that this could only be done if signatory countries committed to applying their national laws to foreign authors as they would to their nationals. Article 5(1) therefore instructs domestic forums to (1) take jurisdiction of copyright disputes where infringement occurs within their jurisdiction, and (2) apply the law of the forum to such instances of infringement, without prejudice. The text of the \textit{Convention} and the literature therefore

\textsuperscript{157} \textit{Ibid.} at 15.
both point towards the incorporation of the *lex fori* rule into the principle of National Treatment.
Chapter 4

4 Private International Law in Cross-Border Copyright Disputes: Pre-Internet Era

4.1 Introduction

4.1.1 Societe Le Chant du Monde v. Societe Fox Europe and Societe Fox Americaine Twentieth Century (1953)

4.1.1.1 Paris Court of First Instance

4.1.1.2 Paris Cours d’appeal

4.2 The United Kingdom

4.2.1 Deff Lep Music and others v Stuart-Brown and others (1986)

4.2.2 Lucasfilm Limited and others v Ainsworth and another (2011)

4.2.2.1 England and Wales High Court (Chancery Division)

4.2.2.2 High Court Court of Appeal (Civil)

4.2.2.3 United Kingdom Supreme Court

4.3 France

4.3.1 Jean Lamore v Universal City Studios and others (2007)

4.3.1.1 Paris Court of First Instance

4.3.1.2 Paris Cours d’appeal

4.3.1.3 Cour de Cassation, Civil Division

4.4 United States

4.4.1 Subafilms, Ltd. v MGM-Pathe Communications Co. (1994)

4.4.1.1 Special Master

4.4.1.2 United States District Court for the Central District of California

4.4.1.3 United States Court of Appeals for the Ninth Circuit

4.4.2 Itar-Tass Russian News Agency v Russian Kurier, Inc. (1998)

4.4.2.1 District Court for the Southern District of New York

4.4.2.2 United States Court of Appeals for the Second Circuit

4.4.3 L.A. News Service v Reuters Television Int’l, Ltd. (1998)

4.4.3.1 United States District Court for the Central District of California

4.4.3.2 United States Court of Appeal for the Ninth Circuit
4.5 Analyzing the Pre-Internet Cases

4.6 Conclusion

4.1 Introduction

This chapter describes case law in three jurisdictions – the United Kingdom, France and the United States. As discussed in Chapter 3, the development of copyright law in these three countries is key to understanding the effect and implications of the principle of National Treatment as the first instances of copyright legislation evolved from these countries. The cases in this chapter reflect the pre-Internet context of copyright infringement cases in the sense that it contains the cases of cross-border copyright infringement reported in these jurisdictions that answered infringement with principles of private international law. It is key to note that no such cases were discovered before 1953 and, with the exception of the 1953 case, all have occurred since 1986. As described immediate below, the 1953 case cannot form any part of the core of this analysis because it involved a non-Berne party and therefore the principle of National Treatment was not available to the courts involved. It is thus key to note these cases all contain facts that concern cross-border copyright infringement without the involvement of the Internet.

The findings in each case will reflect three core questions, which are:

(1) Whether the domestic court took jurisdiction of the case,
(2) Whether the court applied domestic or foreign law, and
(3) Whether the court uses a private international law rule or refers to the principle of National Treatment, or both, when deciding the applicable law.

This chapter will conclude by consolidating the findings and assessing the general private international law rules that were developed in these cases.
4.1.1  Societe Le Chant du Monde v. Societe Fox Europe and Societe Fox Americaine Twentieth Century\(^1\) (France, 1953)

In this case, the plaintiffs were four Russian music composers. The key to understanding and analysing this case in the context of this thesis is to remember that, in 1953, Russia was not a Berne country. Russia joined Berne in March, 1995. The defendants, on the other hand, were French production studios who used the plaintiffs’ musical compositions in an anti-communist film created and distributed in France called ‘Le Rideau de Fer’.\(^2\) Under Russian copyright law at the time, musical compositions were not protected and such works were part of the public domain.\(^3\) The plaintiffs were not compensated monetarily but were credited in the film as being the original composers. The plaintiffs therefore sued for infringement of their moral rights as composers of the musical work because they were Communists and the film had an anti-Communist agenda.\(^4\)

The dispute proceeded through two levels of the French courts.

4.1.1.1  Paris Court of First Instance\(^5\)

The issues before the lower court were two-fold: whether the French court could take jurisdiction in the case and whether the French law regarding moral rights should be applied to the dispute.\(^6\) The lower court took jurisdiction of the dispute on the ground that the plaintiffs approached the forum for an alleged act of infringement occurring in France and the parties therefore should be heard. On the question of moral rights, the lower court found that Russian law would apply. The lower court therefore held that since Russian

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\(^2\) Ibid. at 121.
\(^3\) Ibid.
\(^4\) Ibid.
\(^5\) Note that an English-translated copy of this judgment is unavailable. However, the judgment at the Court of Appeal level discusses the lower court’s decision.
\(^6\) Societe Le Chant du Monde v. Societe Fox Europe and Societe Fox Americaine Twentieth Century, supra note 68 at 121.
law did not recognize musical works as protected under copyright law, no rights of the plaintiffs were violated, thereby rejecting their claim. As per the plaintiffs’ complaint, French police seized all copies of the film running in French theatres. The private international law rule applied by the Court was therefore *lex originis*.

### 4.1.1.2 Paris Cours d’appeal

On appeal, the Court of Appeal considered the same questions as the lower court had: whether the lower court aptly took jurisdiction of the case and whether French law would apply to resolve the issue of moral rights.\(^7\) The Court affirmed that French courts would have jurisdiction over disputes where the alleged infringement occurred in France.\(^8\) It held that that the plaintiffs were entitled to sue in France for copyright infringement since a Russian rights holder would receive the same protection in France as a Frenchman.\(^9\) This meant that they had the right to appear before a French Court for claims of copyright infringement.

On the question of applicable law, the Court reversed the decision of the lower court.\(^10\) It held that since the Russian plaintiffs were to be treated as if they were Frenchmen, they would be entitled to the same protections under French law that any other Frenchman received.\(^11\) This would mean that while a Russian right holder would be entitled to remedies as laid out under French law and not under Russian law. Therefore, even though the musical compositions had entered the public domain in Russia, this fact was irrelevant, as Russian law would not influence the application of French law for infringement occurring within France. Lastly, the Court also noted that French courts could only refrain from extending this right to the Russian plaintiffs if the French

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\(^7\) *Ibid* at 122.

\(^8\) *Ibid*.

\(^9\) *Ibid* at 122, 123.

\(^10\) *Ibid* at 123.

\(^11\) *Ibid*. 
copyright code “explicitly excluded them from protection”, and it did not.\textsuperscript{12} The Court of Appeals therefore applied French law on moral rights, holding that the right of integrity in his or her work should allow the creator to prevent the use of the work in a manner that would change the meaning of the work or harm the creator’s reputation – in this case, the use of the work “implied that the plaintiffs were disloyal to their government.”\textsuperscript{13} The Court granted an injunction preventing the defendant from further use of the plaintiffs’ musical works in the film.

The question before the Court therefore was whether it could apply the law of the country of origin (Russian law) to this instance, while applying the law of the forum (French law) to only enforcement of the rights that are granted by the country of origin.\textsuperscript{14} Because Russia was not a member of Berne, the Court of Appeal, applied lex fori. The fact that Russia was not a signatory to the Berne Convention in 1953 differentiates this case from all the others in this chapter.

\section*{4.2 The United Kingdom}

\subsection*{4.2.1 Deff Lep Music and others v Stuart-Brown and others\textsuperscript{15} (1986)}

In this case, the plaintiffs were members of the English rock group Def Leppard and their associates, claiming that a tape recording of their musical works was copied and distributed by the defendants in Luxembourg and Holland.\textsuperscript{16} One of the defendants

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\textsuperscript{12} \textit{Ibid.}
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\textsuperscript{15} [1986] R.P.C. 273 (Ch.) (U.K.)
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\textsuperscript{16} \textit{Ibid} at 273.
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imported unauthorized copies of the recordings to the United Kingdom from the other defendants and subsequently sold them in the U.K. The other defendants who conducted their infringing activities outside the U.K. argued “acts done by them outside the U.K. could not constitute breaches of the U.K. copyright in the tape recording”. The plaintiffs, however, argued that the acts are actionable in the U.K. since “since the manufacture and sale of the records, if done in England, would have constituted infringements of U.K. copyright and under the laws of Luxembourg and Holland such manufacture and sale constituted legal wrongs.”

The question brought before the High Court of Justice (Chancery Division) was regarding an application by those defendants conducting their activities outside the U.K. The questions before the Court were:

(1) To determine whether the defendants or which defendants could be brought under the jurisdiction of the Court, and
(2) Whether U.K. copyright law would apply to those defendants who conducted the infringing activities outside the U.K.

With regards to jurisdiction, the plaintiff claimed that the defendants who committed acts of infringement outside the U.K. should be brought before this Court because copyright infringement is actionable in the same manner as a tort under common law. The Court did not accept this reasoning, holding that among all the defendants, only those claims of infringement of copyright by acts performed in England are justiciable. Specifically, the Court noted:

It is clear that copyright under the English Act is strictly defined in

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17 Ibid.
18 Ibid at 273, 274.
19 Decided by a single-judge bench constituted by Sir Nicholas Browne-Wilkinson VC.
20 Ibid at 276.
21 Ibid at 275.
terms of territory. The intangible right which is copyright is merely a right to do certain acts exclusively in the United Kingdom: only acts done in the United Kingdom constitute infringement either direct or indirect of such right.\textsuperscript{22}

And,

If under English law the plaintiffs right is to complain of acts done in England alone (the place of the doing of the act being of the very essence of the claim) it could not be right for the judge to proceed on the footing that acts in fact done abroad were done in the United Kingdom. In other words, although for the purpose of establishing what is the appropriate law the acts may have to be deemed to have been done in England, on the trial of the substantive case the court must be bound to have regard to the actual facts not to any deemed facts.\textsuperscript{23}

Hence, the Court held that due to the territorial nature of copyright law, the court only has jurisdiction over the dispute in relation to acts of infringement occurring within the U.K.\textsuperscript{24} Further, any claim against the defendants who did not conduct activities in the U.K. based on breach of the plaintiffs’ U.K. copyright is bound to fail.\textsuperscript{25} Further, the Court noted that copyright law confers statutory rights to parties and is not a common law tort.\textsuperscript{26} Therefore, no common law rule based on tort can grant a party rights under a statutory provision.

\textsuperscript{22}\textit{Ibid.}
\textsuperscript{23}\textit{Ibid} at 276.
\textsuperscript{24}\textit{Ibid} at 275.
\textsuperscript{25}\textit{Ibid} at 277 (Browne-Wilkinson VC refers to Dicey’s text on private international law to make this assertion).
\textsuperscript{26}\textit{Ibid} at 275.
Once the question of jurisdiction was answered, the Court found that the applicable law would therefore be the U.K. Copyright Act, but would only apply to those defendants that committed infringing acts in the U.K.\textsuperscript{27} However, as the application before it did not include these defendants, the Court did not elaborate further on the issue. The Court dismissed the case as against the defendants from outside the U.K.

The High Court in this case had the question of jurisdiction before it and answered the same by abiding by the territoriality principle that forms the basis of copyright law. The Court did not make any references to the principle of National Treatment, but the express references to territoriality signify the intention of the Court to commit to the same. More importantly, the Court refused to accept that common law principles of tort may be applied to copyright disputes. As noted in Chapter 3, some cases in the United States have interpreted common law principles of tort in the case of copyright issues, developing the rule of \textit{lex loci delicti} for application in copyright disputes. The Court in this case found that tort law could not be extended to develop private international law rules that will dictate the application of copyright laws. The Court therefore acknowledged in addressing issues of jurisdiction and applicable law in copyright disputes, it need not look beyond the territoriality principle (which, in this analysis, would include National Treatment).\textsuperscript{28}

\textbf{4.2.2 \textit{Lucasfilm Limited and others v Ainsworth and another}}\textsuperscript{29} (2011)

In this case, the plaintiffs were American production studios, collectively referred to as “LucasFilm”, which produced the \textit{Star Wars} franchise and created the character and designs of “Imperial Stormtroopers”.\textsuperscript{30} The defendant, a British national, had been hired by the plaintiffs to design helmets as part of the costume for the character, based on a

\begin{itemize}
\item \textsuperscript{27} \textit{Ibid} at 276.
\item \textsuperscript{28} See Chapter 3.
\item \textsuperscript{29} [2011] UKSC 39; [2012] 1 AC 208.
\item \textsuperscript{30} \textit{Lucasfilm Limited & others v Ainsworth & another} [2008] EWHC 1878 (Ch) at para 1.
\end{itemize}
model created earlier by the plaintiffs.\textsuperscript{31} The defendant retained the model and produced copies of the helmets and sold the same in the U.K.\textsuperscript{32} The plaintiffs’ production houses claimed copyright in the model provided to the defendant Ainsworth, and brought two separate suits for infringement against him: one before the District Court in California in the U.S. where the plaintiffs were granted monetary relief, and the other, this one, in the U.K. for establishing infringement and additionally the recognition and enforcement of the American decree.\textsuperscript{33} It is relevant to note that the defendant in this case had admitted infringement of U.S. copyright law, but did not submit himself to the jurisdiction of the American courts, refusing to appear before the District Court in California.

The cases proceeded through three levels of court in the U.K. to the Supreme Court.

4.2.2.1 England and Wales High Court (Chancery Division)\textsuperscript{34}

The plaintiffs approached the High Court on the issue of copyright infringement, claiming the following:

(1) That the reproduction of the helmets constituted an act of copyright infringement under the \textit{U.K. Copyright, Designs and Patents Act}, claiming that the helmet was a “sculpture”,\textsuperscript{35}

(2) That the U.K. Court should enforce the American monetary judgment.\textsuperscript{36}

(3) Should the American judgment not be enforced, American law should be applied to determine the rights of the plaintiffs in the U.K.\textsuperscript{37}

\begin{footnotes}
\item[31] \textit{Ibid} at para 2.
\item[32] \textit{Ibid}.
\item[33] \textit{Ibid}.
\item[34] \textit{Lucasfilm, supra} note 30 (decided by a single-judge bench constituted by Justice Mann).
\item[35] \textit{Supra} note 30; See \textit{Copyright, Designs and Patents Act}, 1988 c. 48, section 4(1) (“"artistic work" means, (a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality, (b) a work of architecture being a building or a model for a building, or (c) a work of artistic craftsmanship.”); \textit{Ibid} at para 8; See \textit{Lucasfilm Limited & ors v Ainsworth & anr} [2009] EWCA Civ 1328, [2010] Ch 503.
\item[36] \textit{Lucasfilm, supra} note 30.
\end{footnotes}
The defendant in turn argued that:

(1) That “helmets” were not “sculptures” under the *U.K. Copyright, Designs and Patents Act* and manufacturing of the helmets did not did not take place in the U.K., and therefore, the suit was not maintainable before this Court.

(2) That the defendant did not submit himself to the jurisdiction of the American court and therefore the foreign judgment could not be enforced in the U.K.

(3) A counter-claim against the plaintiffs to enforce his own copyright in the helmet should be upheld.\(^ {38}\)

The Court framed these two issues from the angles of jurisdiction and applicable law. The Court held that there was no reason to suggest that the defendant had submitted himself to the jurisdiction of the American court, and hence the monetary judgment would not be enforceable in the U.K. With respect to whether the American plaintiffs could approach the Court for relief, the Court held that it had the jurisdiction to preside over the dispute and that English courts in general could hear the claims of foreign plaintiffs.\(^ {39}\) To quote Justice Mann: “I am therefore prepared to conclude that an English court can, and in an appropriate case should, determine at least questions of infringement of foreign copyright cases.”\(^ {40}\) This holding was based on a similar private international law principle called the *Moçambique* rule, which applied to property or land situated outside the jurisdiction of a domestic forum.\(^ {41}\) The *Moçambique* rule states: “An English court has no jurisdiction to entertain an action for the determination of the title to, or the

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\(^ {38}\) *Ibid* at para 88.

\(^ {40}\) *Ibid* at 266.

\(^ {41}\) See *British South Africa Co v Companhia de Moçambique* [1893] AC 602.
right to possession of, foreign land, or the recovery of damages for trespass to such land, was an example of a general principle which applied not only to foreign land.”

However, the Court held, a more flexible approach should be preferred in copyright cases. The difference between a question of title in property (as in the \textit{Moçambique} case) and copyright in this specific case was that in this case, without the jurisdiction of an English court, the defendant could never be sued for his acts of infringement, especially since he did not even submit himself to the jurisdiction of the California court. Further, the Court found it more appropriate that the defendant be sued in the U.K. than in the U.S., and that the defendant cannot escape being sued entirely by claiming that the U.K. courts did not have jurisdiction and that the American judgment was not enforceable. The Court did not see why the defendant “should be able to assert that as a reason for not being sued here while at the same time saying that he cannot be effectively sued there.” The Court concluded its reasoning by stating:

Logically this approach means that, at least so far as copyright is concerned, the whole of a foreign copyright claim, no matter how fundamental the points, might be capable of being litigated here. While I do not think I would shrink from that conclusion if it was necessary to reach it, I do not believe I have to go that far. What I need to consider is whether, in the light of my conclusions (which I reach) that infringement issues are certainly justiciable here in an appropriate case, and that at least other incidental issues are as

\begin{quote}
\footnotesize
\hspace{1cm} 42 \textit{Lucasfilm Limited \\& others v Ainsworth \\& another} [2011] UKSC 39 at para 52. \\
43 \textit{Lucasfilm}, \textit{supra} note 30 at para 270. \\
44 \textit{Ibid}. \\
45 \textit{Ibid} at para 271.
\end{quote}
well, the actual claims that are made can be brought here and, if so, whether they are made out.\textsuperscript{46}

The Court thereby found it had jurisdiction over the claims made by the American plaintiffs and suggested that the parties apply for trial again in the U.K. In addition, the Court also looked into the \textit{Brussels I Regulation}, holding that it did not expressly bar English courts from exercising jurisdiction under the \textit{Brussels I Regulation} for non-EU parties (unless the question before it concerned registration of validity of the intellectual property in dispute).\textsuperscript{47} This point, however, was not elaborated further.

On the question of the American judgment, the Court held that since it was a summary judgment and the defendant did not submit himself to the California court,\textsuperscript{48} therefore, the American monetary decree could not be enforced in the U.K. After this declaration (as it was obiter), quite unusually, the Court then decided to consider whether it could apply American copyright law in this dispute.\textsuperscript{49} The Court held that American law could be applied in this case because the infringing acts occurred in the U.S. and the helmets in question were recognized as creative works under American copyright law.\textsuperscript{50} However, the Court did not speculate on the actual application of American law beyond this.

Lastly, the Court considered the counter-claim of the defendant, holding that the helmets were not “sculptures” under U.K. copyright law, as they were created for a functional purpose and not for artistic purposes.\textsuperscript{51} As they did not fall under the category of “work” under the \textit{Act} and there was no instance of “artistic craftsmanship”, no copyright subsisted over them and the plaintiffs could not make a claim for copyright infringement

\textsuperscript{46} \textit{Ibid.}
\textsuperscript{47} \textit{Ibid} at paras 107 – 109.
\textsuperscript{48} \textit{Ibid} at paras 211, 212.
\textsuperscript{49} \textit{Ibid} at para 232.
\textsuperscript{50} \textit{Ibid}.
\textsuperscript{51} \textit{Copyright, Designs and Patents Act, supra} note 20, s. 4(1)(2)(b) (“‘sculpture’ includes a cast or model made for purposes of sculpture”); \textit{Ibid} at 131 – 134, 141.
before this Court. However, the Court did hold that the defendant would have been contractually obligated to assign the copyright in the work to the plaintiff, but since no copyright subsisted in the helmets at all, this question was moot to the issue at hand.\textsuperscript{52}

4.2.2.2 High Court Court of Appeal (Civil)\textsuperscript{53}

The Court of Appeal considered on appeal the same questions before the High Court:

(1) Whether the claims before the Court were justiciable,
(2) Whether the Court should enforce American copyright law against the defendant,
(3) Whether the works in question were “sculptures” under the \textit{U.K. Copyright, Designs and Patents Act},\textsuperscript{54}
(4) Whether the American monetary judgment could be enforced in the U.K.

The Court of Appeal held that the claims could not be brought under the jurisdiction of the Court, reversing the lower court’s decision. Further, it disagreed with the lower court and held that American copyright law could not be enforced against the defendant. The Court of Appeal also held, like the lower court, that the American judgment could not be enforced in the U.K. Lastly, on the counter-claim, the Court upheld the decision of the lower court that the helmets were not “sculptures” under the Act and were therefore not entitled to copyright protection.

For the first question, the Court examined leading authorities in English law, referring to private international law principles developed by various courts and scholars, and eventually holding that there is “no binding authority” that reflects the questions specific to intellectual property.\textsuperscript{55} The Court of Appeal hence agreed on the High Court’s finding that English courts did not have jurisdiction over such claims. The Court of Appeal found

\textsuperscript{52} \textit{Lucasfilm, supra} note 30 at para 181.

\textsuperscript{53} \textit{Lucasfilm Limited \& others v Ainsworth \& another [2009] EWCA Civ 1328} (before Lords Justice Rix, Patten and Jacob, with Justice Jacob delivering the judgment).

\textsuperscript{54} \textit{Ibid} at para 16.

\textsuperscript{55} \textit{Ibid} at para 174.
that English courts may take jurisdiction of a copyright dispute in the following manner: (1) under *in personam* jurisdiction, or (2) under subject matter jurisdiction.\(^{56}\) Under *in personam* jurisdiction, an English court would ideally have jurisdiction over the present dispute.\(^{57}\) However, under this, an English court could not hear claims beyond its competency.\(^{58}\) Under subject matter jurisdiction, specifically bestowed upon English courts under Article 22 of the *Brussels I Regulation*, the scope of jurisdiction is much higher.\(^{59}\) However, since this case includes a non-EU party, the question of subject matter jurisdiction is moot.\(^{60}\) *In personam* jurisdiction in the U.K., the Court held, is to be determined under the ambit of the *Mocambique* principle, and would therefore be confined to only property disputes. The determining factor of justiciability as per the *Mocambique* rule was that is a matter is “local” to a foreign court, then English courts cannot take jurisdiction over those disputes.\(^{61}\) The Court of Appeal therefore extended this principle to claims of infringement for copyright disputes. The Court asserted that, “infringement of an IP right (especially copyright) is essentially a local matter involving local policies and local public interest. It is a matter for local judges.”\(^{62}\)

While discussing jurisdiction, the Court of Appeal also analyzed Article 5 of the *Berne Convention* that contains the principle of National Treatment. It held that while Article 5 does state that copyright disputes “shall be governed exclusively by the laws of the country where protection is claimed”, this principle is not clear enough to determine which law to apply. The Court found that “*Berne* is neutral as to questions of jurisdiction over foreign infringements of copyrights”\(^{63}\) and that “those concerned with international

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\(^{56}\) *Ibid* at paras 99, 107.

\(^{57}\) *Ibid* at paras 99, 105.

\(^{58}\) *Ibid*.

\(^{59}\) *Ibid* at para 107.

\(^{60}\) *Ibid* at paras 107, 109, 110.

\(^{61}\) *Lucasfilm, supra* note 30 at para 248.

\(^{62}\) *Lucasfilm, supra* note 53 at para 179.

\(^{63}\) *Ibid* at para 153.
agreements about copyright have refrained from putting in place a regime for the international litigation of copyrights by the courts of a single state”.

The Court, in summarizing the issue of jurisdiction, therefore noted the following relevant points:

Firstly we think that the two-fold rule in Moçambique applies to such claims. Moçambique is not limited to claims about land, nor to claims about title or validity of the foreign right relied upon. Infringement of an IP right (especially copyright, which is largely unharmonised) is essentially a local matter involving local policies and local public interest. It is a matter for local judges.

Secondly enforcement may involve a clash of the IP policies of different countries. This case is a good example. The effect of the injunction granted by Mann J is that the defendant is restrained from doing acts in this country which by the laws of this country are lawful. This is because American law says they are not lawful.

Thirdly, extra-territorial jurisdiction will involve (and does here) a restraint on actions in another country – an interference which prima facie a foreign judge should avoid. True it is that in this particular case the defendant has no intention of actually going to the US and doing acts there, but if the jurisdiction exists one could easily imagine such a case.

Fourthly if national courts of different countries all assume jurisdiction there is far too much room for forum-shopping, applications for stays on forum non conveniens grounds, applications for anti-suit injunctions and applications for declarations of non-infringement.

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64 Ibid at paras 167, 179.
Fifthly it is quite clear that those concerned with international agreements about copyright have refrained from putting in place a regime for the international litigation of copyrights by the courts of a single state. As we have said we do not consider whether Art 5(2) of Berne precludes it. A system of mutual recognition of copyright jurisdiction and of copyright judgments could have been created but it has not.\textsuperscript{65}

On the issue of the counter-claim of the defendant, the Court held that the defendant had not committed copyright infringement, agreeing with the lower court’s assessment. The Court of Appeal noted that a work could not be a “sculpture if it has some function, despite being visually striking and created as part of a fictional or fantasy work.\textsuperscript{66} Under the Act, only if the “sculpture” is an artistic work can it attract copyright protection in favour of the plaintiffs.\textsuperscript{67} The Court noted that in the fantasy world created by the films made by the plaintiff, the purpose of the helmets was in fact functional and utilitarian.\textsuperscript{68} Therefore, they are not “sculptures” and would not receive copyright protection.

Lastly, the Court agreed with the lower court that the American judgment is unenforceable in the U.K.\textsuperscript{69} The Court of Appeals held that it was under no obligation to recognize and enforce the U.S. court’s decree and that copyright law was territorial in the sense that the infringement, should it have occurred in the U.K., would be determined by the law in the U.K. only.\textsuperscript{70}

\textsuperscript{65} Ibid at paras 174 – 179.
\textsuperscript{66} Ibid at paras 72 – 80.
\textsuperscript{67} Ibid at paras 73 – 75.
\textsuperscript{68} Ibid at para 80.
\textsuperscript{69} Ibid at paras 187 – 194.
\textsuperscript{70} Ibid at para 191.
4.2.2.3 United Kingdom Supreme Court\textsuperscript{71}

There were three issues before the U.K. Supreme Court in this case, at the final stage of appeal:

(1) Whether an English court can exercise jurisdiction over a claim of infringement committed in the U.S.,

(2) If yes to (1), whether American copyright law can be applied against a person domiciled in the U.K., and

(3) Whether Copyright, Designs and Patents Act 1988 would be applied to determine if the helmet was a “sculpture” and thus an artistic work under the Act.

On the first issue, the Supreme Court held that English courts could hear claims for breach of foreign copyrights against defendants domiciled in the U.K. On the second issues, U.K. law would be applied to determine whether infringement has occurred. On the third and final issue, the Court held that helmets were not “sculptures” under the Copyright, Designs and Patents Act 1988 and therefore the defendant was not liable for copyright infringement.

Elaborating on the first issue, the SC reversed the opinion of the HC Court of Appeal, ruling that the claim for infringement of an American copyright is a claim over which an English court can accept jurisdiction as long as the defendant is domiciled in the U.K.\textsuperscript{72} The majority reversed the Court of Appeal’s finding that the private international law principle used in the \textit{Mocambique} case would apply, holding that the principle cannot be applied to copyright cases.\textsuperscript{73} To quote the Supreme Court:

\begin{flushright}
\textsuperscript{71} \textit{Lucasfilm Limited and others v Ainsworth and another} [2011] UKSC 39 (before a five-judge bench, majority opinion by Lord Walker and Lord Collins with Lord Phillips and Lord Hale agreeing, minority opinion by Lord Mance).
\textsuperscript{72} \textit{Ibid} at para 51 (majority opinion), para 116 (Lord Mance in agreement with this opinion)
\textsuperscript{73} \textit{Ibid} at para 102.
\end{flushright}
Mr Ainsworth argued that the principle behind the Moçambique rule still subsists and applies to claims for infringement of all foreign intellectual property rights, including copyright, because such claims are essentially “local” and must be brought in the place where the rights have been created, irrespective as to whether there is any claim to title. But to describe the claims as “local” is simply to beg the question whether as a matter of law they must be brought in the place where the rights originate and are effective. We have come to the firm conclusion that, in the case of a claim for infringement of copyright of the present kind, the claim is one over which the English court has jurisdiction, provided that there is a basis for in personam jurisdiction over the defendant, or, to put it differently, the claim is justiciable.\(^\text{74}\)

In essence, the Supreme Court held that the copyright claim in this case could be brought before an English court by accepting in personam jurisdiction over defendants that reside in the U.K. The Court also noted that this is the only manner in which the Court could take jurisdiction of the dispute as there is “no international regime for the mutual recognition of copyright jurisdiction and of copyright judgments”.\(^\text{75}\) Further, the claim that an international regime does not currently exist could not be a reason for an English court to refuse to take jurisdiction over an English defendant.\(^\text{76}\) The Court therefore found that there was no barrier, either in international or national copyright law, for English courts to take jurisdiction of a copyright dispute as long as the defendant was domiciled in the U.K.

The Supreme Court also cited two recent developments in U.K. law that would rendered the decision of the Court of Appeals inapplicable. Firstly, the adoption of the Brussels I

\(^{74}\) Ibid at para 106.

\(^{75}\) Ibid at para 110.

\(^{76}\) Ibid.
Regulation has changed the way U.K. courts apply conflict rules.\textsuperscript{77} Article 22(4) specifically provides for courts to be able to exercise exclusive jurisdiction in cases concerning intellectual property, irrespective of where the defendant is domiciled.\textsuperscript{78} Secondly, the Rome II Regulations on the law applicable to non-contractual obligations direct that an action may be brought in Member States for harm or tort committed anywhere in the world.\textsuperscript{79} The Supreme Court thereby assumed jurisdiction over the appeal. Therefore, the defendant’s claim that the jurisdiction of the U.K. courts could not be extended for infringement committed abroad was struck down.

Simultaneously, the Supreme Court decided the issue of whether a “sculpture” from a fictional world (not being an artistic expression) could be protected under U.K. copyright law. The court unanimously agreed that the visual models of the helmet did not fit into the definition of “sculpture”.\textsuperscript{80} Moreover, it was held that reproduction of the helmets itself would be an exception to infringement under Sections 51 and 52.\textsuperscript{81}

The Supreme Court in this case is therefore advocating the application of \textit{lex loci protectionis} or the law of the place where the protection is claimed.\textsuperscript{82} Since the place where the protection was claimed was the U.K., where registration was not mandatory, the applicable law would be the copyright law of the U.K. and not the U.S. The precedent set in \textit{Lucasfilm} is ensures that adoption of \textit{lex loci protectionis} results in the inapplicability of the law of the country where the infringement occurred (\textit{lex loci delicti}) or the work originated from (\textit{lex originis}).

\textsuperscript{77} Ibid at paras 88, 89.
\textsuperscript{78} Ibid at para 88.
\textsuperscript{79} Ibid at para 91.
\textsuperscript{80} Ibid. at para 9.
\textsuperscript{81} Ibid. at paras 10 - 13.
\textsuperscript{82} Regulation (EC) No 864/2007, art 8(1); Note that this was \textit{obiter} and the primary argument of the court was regarding \textit{in personam} jurisdiction over defendants that were domiciled in the U.K.
4.3 France

4.3.1 Jean Lamore v Universal City Studios and others\(^{83}\) (2007)

In this case, the plaintiff was an author of a novel named ‘Tideworks’ and was an American national. The novel was first published in the U.S and no publication or authorization of publication was given for distribution in France.\(^{84}\) The defendants distributed a film titled ‘Waterworld’ in France based on the novel (at the time unpublished in France).\(^{85}\)

Three levels of French courts considered this case.

4.3.1.1 Paris Court of First Instance

The plaintiff contended that the publication of an unauthorized copy of his book and the release of the movie based on that book, both of which were first created and published in the U.S., infringe his rights as an author in France. The plaintiff further contended that even though there was no subsequent publication in France, his rights as the author in the U.S. would grant him the status of an author in France as well.\(^{86}\) As per the plaintiff, since the infringing act of distribution of the movie occurred in France, the domestic forum must apply French law to that specific instance of infringement occurring within its borders. There was no question of jurisdiction before the court as the defendants had submitted themselves to the jurisdiction of the Court.\(^{87}\)

The issue of applicable law was resolved by looking towards the Berne Convention. The Court analyzed Article 5 to come to the conclusion that French law should be applied to determine copyright infringement. To quote: “the protection due to the author of any Unionist country is exclusively vested in the legislation of the country where it is


\(^{84}\) Ibid at 262.

\(^{85}\) Ibid.

\(^{86}\) Ibid at 264, 265.

\(^{87}\) Ibid.
claimed, it means the law of the State on whose territory the products are criminal acts, not the country where the damage was suffered”. The relative short judgment of the Court did not elaborate on this finding, however.

### 4.3.1.2 Paris Cours d’appeal

The Court of Appeal took agreed that the lower court had jurisdiction, but disagreed on the application of French law, opting to apply American law instead. As per the Court, Article 5 of the Berne Convention stated, “the protection due to the author of any Union country is exclusively vested in the legislation of the country where it is claimed”, and that this referred to “where it the criminal acts about which the author claims the protection of his work” had occurred. The infringement action sought by the distribution and publishing of the works in the France, as per the Court, should be subject to American law as “it was originally produced, adapted in the United States.”

As per the U.S. law therefore, the applicant for infringement was required to demonstrate that the alleged infringer could reasonably have has access to the previous work before creating his own, and that the similarities between them are assessed on the basis of their original expression. With that finding, the Court held that the plaintiffs were liable for infringement under American law. The Court of Appeal therefore held that the law of the origin of the work (lex originis) would be the law applicable to the dispute.

### 4.3.1.3 Cour de Cassation, Civil Division

The issue before the Cour de cassation was whether to apply American or French copyright law to this dispute. The private international law issue on applicable law was therefore whether the law of the place of origin is to be considered or the law of the place

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88 Ibid at 265.
89 Ibid at 267.
90 Ibid.
91 Ibid.
92 Ibid. at 269 (Before Mr. Ancel, presiding over proceedings and delivering judgment, and Mr. Gridel, advisor rapporteur).
where the infringement occurred and the protection is claimed. The former would apply \textit{lex originis} and the latter \textit{lex loci protectionis}.

The Court of Cassation overturned the Court of Appeal’s ruling, holding that in this case, all the infringing activities took place in the U.S., including where the movie was scripted, filmed and released.\textsuperscript{93} The Court further added that the infringement occurring in France was merely a consequence of the infringing activity that occurred in the U.S.\textsuperscript{94} To explain this position further, the Court looked towards Article 5 of the \textit{Berne Convention}, interpreting the provision as a private international law rule indicating the applicable law was the place where the infringement or wrongdoing occurred and not the place where the effects of infringement or harm was suffered.\textsuperscript{95} In assessing copyright infringement, the Court considered it appropriate to refer to the law of the country in whose territory the infringing acts occurred because the nature of infringement can only be understood under the scope of the law of that country. In essence, the court held that if an infringing activity occurred in the U.S., American Law would govern any further infringing activity occurring in France as well. It may be noted that this approach is similar to that of courts in tort disputes, where the court relies on the place of origin of the fact (\textit{lex loci delicti}) and not the place where the protection is sought.

\section*{4.4 United States}

\subsection*{4.4.1 \textit{Subafilms, Ltd. v MGM-Pathe Communications Co. (1994)}\textsuperscript{96}}

\textit{Subafilms} was one of the first American cases to consider the implications of communication and dissemination of creative works across borders. It was decided by the United States Court of Appeals for the Ninth Circuit.\textsuperscript{97} The plaintiffs in this case were the

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\textsuperscript{93} \textit{Ibid.} at 270.

\textsuperscript{94} \textit{Ibid.}

\textsuperscript{95} \textit{Ibid.} at 272.

\textsuperscript{96} 24 F.3d 1088 (9th Cir. 1994).

U.K. musical group The Beatles and the production house Subafilms. In 1966, the plaintiffs entered into a joint venture to produce an animated motion picture titled “Yellow Submarine”\(^9\). In 1967, the Hearst Corporation, on behalf of the producers, entered into a licensing agreement with United Artists Corporation for distribution of the film, both on television and in theatres. In the 1980s, United Artists planned to enter the home video market and produce videocassettes of the film. United Artists’ licensing agreement with Hearst, however, did not expressly include clauses dealing with production of videocassettes due to none of the parties anticipating the meteoric rise of home video market. Both Hearst and Subafilms denied United Artists licensing and distribution rights for production of videocassettes. In 1987, United Artists and the American company MGM were involved in a merger, resulting in MGM/UA (the defendants), which gave the green light for videocassette production of “Yellow Submarine” by domestic third parties and subsidiaries. Further, defendants entered into an agreement with Warner Brothers for distribution of “Yellow Submarine” videocassettes abroad as well. Since the parties of the joint ventures did not provide for video distribution rights, the ownership of these rights was unclear. Despite this, the defendants authorized third parties for distribution of the videocassettes.

The case was heard before three levels of American courts.

### 4.4.1.1 Special Master\(^9\)

The plaintiffs brought a suite before the Special Master claiming ownership over the film and to retain the exclusive right to distribute the videocassettes. The Special Master investigated the content of the agreements between the parties and heard witnesses for

\(^9\) *Ibid* at para 2.

\(^9\) Unpublished decision by retired California Superior Court Judge Lester E. Olson, discussed in the District Court and 9th Circuit Court decisions. Note that the Special Master’s findings are not appealed to the District Court, but are reviewed on the ground of error in law. A Special Master is considered an adjunct to a federal court who conducts enquiries and decides questions in civil disputes; See *Federal Rules of Civil Procedure for the United States District Court*, U.S.C. Title VI, s. 53.
both sides explaining the terms.\textsuperscript{100} The Special Master did not determine questions of jurisdiction pertaining to the case and instead focussed on the applicable law to the dispute. The Special Master held that American copyright law would be applicable in this case, reasoning that since the acts of infringement occurred within the U.S., that is, the act of illegal authorization by the defendant.\textsuperscript{101} Since the defendant was a “direct infringer” under the \textit{U.S. Copyright Act}, the same would apply to it. The Special Master therefore award damages to the plaintiffs.\textsuperscript{102}

4.4.1.2 United States District Court for the Central District of California\textsuperscript{103}

The District Court found that it had jurisdiction of the dispute under American law and it applied American law to affirm the finding of copyright infringement by the Special Master.\textsuperscript{104} Regarding jurisdiction, the Court held that “Section 106 of the Copyright Act gives the copyright owner the exclusive rights "to do and to authorize" the reproduction, preparation of derivative works, distribution, performance and display of the copyrighted work.”\textsuperscript{105} The Court also added that any act of infringement that occurs outside the jurisdiction of the U.S. is not actionable under the Act.\textsuperscript{106}

The District Court therefore found defendants liable for copyright infringement and awarded the plaintiffs compensation of $2.2 million, accounting for both the production of the videotapes and for the distribution of the film abroad.\textsuperscript{107} The defendant was hence

\textsuperscript{100} \textit{Subafilms, Ltd. v MGM-Pathe Communications Co.}, supra note 96 at para 4.
\textsuperscript{101} \textit{Ibid.}
\textsuperscript{102} \textit{Ibid.}
\textsuperscript{104} \textit{Ibid} at 2.
\textsuperscript{105} \textit{Ibid} at para 33.
\textsuperscript{107} \textit{Ibid} at para 37.
made liable for revenue made by the third parties and subsidiaries that distributed “Yellow Submarine” both in the U.S. and abroad.

4.4.1.3 United States Court of Appeals for the Ninth Circuit

The decision of the 9th Circuit Court was delivered in two parts: the first was an unpublished opinion delivered in 1993 that affirmed the District Court's decision on the ground that both the domestic and foreign distribution of the Picture constituted infringement under the Copyright Act. The second was the judgment released in 1994 that reversed the District Court ruling in favour of the defendants.

The Court took jurisdiction of the dispute as the parties claimed that the alleged infringement occurred in the U.S. However, on the question of applicable law, the Court was clear that “wholly extraterritorial acts of infringement cannot support a claim under the Copyright Act”. Extra-territorial reach of the U.S. copyright law was denied in this case, affirming that if part of the copyright infringing activity takes place in the U.S., the copyright law will apply to that part only. The Court also noted that the Copyright Act does not in any way mention whether the Act applies extra-territorially. This is keeping in line with the concept of territoriality contained in the principle of National Treatment. To quote:

> It is commonly acknowledged that the National treatment principle implicates a rule of territoriality [...] Indeed, a recognition of this principle appears implicit in Congress's statements in acceding to the Berne Convention that "the primary mechanism for discouraging

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108 24 F.3d 1088 (9th Cir. 1994).
109 Subafilms, Ltd. v MGM-Pathe Communications Co., supra note 95 at para 16.
110 Ibid at para 25.
111 Ibid at para 9.
112 Ibid at paras 36, 37.
discriminatory treatment of foreign copyright claimants is the principle of national treatment," and that adherence to the Berne Convention will require "careful due regard for the values" of other nations.\textsuperscript{113}

The Court in this case hence confirmed National Treatment as the rule that it affirms whether or not the Copyright Act applies to a copyright infringement dispute. It also noted that the National Treatment principle is extended to the Copyright Act, stating that "it is a long-standing principle of American law that legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States."\textsuperscript{114} By reconciling both the international and national implications of the Berne Convention, the Court acknowledged that the principle of comity also plays an important role in the discussion. The Court of Appeals thereby held that it was the intent of the legislature for American copyright law to not have extra-territorial effect, unless the infringing act occurred within the U.S. The Court therefore did not apply any foreign law.\textsuperscript{115}

The Court therefore ruled that the reach of the American law could not be extended for copyright violations that occurred outside the U.S. The Court of Appeals cited Melville Nimmer, stating that U.S. copyright law cannot does not have extraterritorial application and a primary activity occurring outside U.S. borders cannot be held to be a violation of the U.S. Copyright Act.\textsuperscript{116} To quote Nimmer: “Given the undisputed axiom that United States copyright law has no extraterritorial application, it would seem to necessarily follow that a primary activity outside the boundaries of the United States, not constituting an infringement under the Copyright Act, cannot serve as the basis for holding liable under the Copyright Act one who is merely related to that activity within the United

\textsuperscript{113} Ibid at para 45.
\textsuperscript{114} Ibid at para 41.
\textsuperscript{115} Ibid at para 45.
\textsuperscript{116} Ibid. quoting Nimmer, supra note 105 at 12.04[A][3][b].
Further, if the Court had found the defendants liable on the basis of authorization of the acts, it would imply that extra-territoriality forms part of the legislative intent behind the Copyright Act. The Court therefore reasoned that if the defendants’ liability was based solely on the act of authorizing the infringing acts, it would “produce the untenable anomaly, inconsistent with the general principles of third party liability, that a party could be held liable as an infringer for violating the 'authorization' right when the party that it authorized could not be considered an infringer under the Copyright Act.”

On the question of infringement, it was held that the defendant was liable for contributory infringement is a common law doctrine imposing liability and has developed from the tort and contract implications of copyright law. MGM, in the rehearing, cited Lewis Galoov Toys, Inc. v Nintendo of America, Inc., which held that since if the authorizing party does not directly engage in an infringing act, the mere act of authorizing would not violate the Copyright Act. The decision in Galoob Toys did not consider extra-territorial copyright infringement, however the Court of Appeals in Subafilms considered it relevant for discussion. Therefore, for the defendant to be made liable for contributory infringement and for the U.S. copyright law to be applied to it, some act of direct infringement must have occurred within U.S. boundaries. Since the defendant’s actions were limited to authorizing domestic and foreign distributors, the mere authorization cannot form the basis for direct infringement. Therefore, the defendant could only be held liable as a contributory infringer.

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117 Ibid at 12.04[A][3][b]); Subafilms, Ltd. v MGM-Pathe Communications Co., supra note 96 at para 31.
118 Ibid at para 41.
119 Ibid at para 35.
120 Ibid. at 1090, citing Lewis Galoov Toys, Inc. v Nintendo of America, Inc, 964 F.2d 965 (9th Cir. 1992).
121 Lewis Galoob, supra note 120 at 970.
122 Subafilms, Ltd. v MGM-Pathe Communications Co., supra note 96 at paras 23, 24.
Additionally, the Court of Appeals suggested that the application of Article 5(1) of the *Berne Convention* – the principle of National Treatment – refers to a choice-of-law rule. In the words of the Court, “although the treaties do not expressly discuss choice-of-law issues, it is commonly acknowledged that the National Treatment principle implicates a rule of territoriality.” Such an approach acknowledges that the National Treatment principle suggests a choice-of-law rule for courts, with the relevant law to be applied being the *lex fori*.

4.4.2  *Itar-Tass Russian News Agency v Russian Kurier, Inc.* (1998)\(^{123}\)

The plaintiffs in this case, collectively represented by the Itar-Tass Russian News Agency, included several Russian parties – newspapers, magazines, wire service and a union for writers.\(^{124}\) Russian Kurier, the defendant, was a New York City-based newspaper published in the Russian language that had published written and photographic work originally published by the plaintiffs in Russia. The plaintiffs sued the defendant in the U.S., and the defendant conceded that unauthorized copying of over five hundred articles had taken place. The defendants did not dispute the mode of copying either, which involved physically cutting out the concerned articles and photos and pasting them on layout sheets, which were then sent to the printing house.\(^{125}\)

This case was heard by two levels of the American courts.

\(^{123}\) 153 F.3d 82 (2d Cir. 1998).

\(^{124}\)  *Ibid* at para 2.

\(^{125}\)  *Ibid* at para 4.
4.4.2.1 District Court for the Southern District of New York\textsuperscript{126}

The plaintiff claimed before the District Court that they owned the copyright in the copied works and pictures, and that the District Court should apply Russian law to resolve the dispute.\textsuperscript{127} The defendants conceded that the articles and photographs were used without authorization from the plaintiffs, and also claimed that Russian law should be applied to Russian plaintiffs. However, under the relevant Russian law, the defendant claimed that only individual authors could claim copyright infringement and not organizations or corporations (as the plaintiff is a news organization).\textsuperscript{128}

The primary issues before the District Court thus was not jurisdiction, but the applicable law – would Russian law or American law apply to the dispute? Further, if Russian law did apply to the dispute, how can the Court rationalize the application of substantive provisions of a foreign law within the U.S.?\textsuperscript{129} The Court decided that Russian law must be applied to resolve the dispute, as the work originated from Russia and the nature of the works is to be determined as per Russian law.\textsuperscript{130} The Court noted that the U.S., under its obligations towards \textit{Berne}, recognized that works that were not registered in the U.S. would be considered “\textit{Berne Convention} works”, and the Court should therefore apply Russian law to determine the nature of the copyright as well as the remedies for copyright infringement (\textit{lex originis}).\textsuperscript{131} In order to apply the relevant Russian law, the Court


\textsuperscript{128} \textit{Itar-Tass Russian News Agency v Russian Kurier, Inc}, supra note 126 at 1122 (note that the parties cite the same provisions under the Russian law, which had entered into force one year prior to this decision and its provisions had not been extensively reviewed by Russian courts to provide a definitive answer to the issue).

\textsuperscript{129} \textit{Ibid}.

\textsuperscript{130} \textit{Ibid} at 1126.

\textsuperscript{131} \textit{Ibid} at 1127.
appointed two experts in Russian law to assist the Court.\textsuperscript{132} With the opinions of the experts, the Court came to the conclusion that “the plaintiffs have shown a likelihood of success on their claim that they possess a copyright interest under Russian law that has been violated by the defendants.”\textsuperscript{133} With this finding, the Court applied the \textit{Russian Federation Law on Copyright and Neighbouring Rights}, coming to the conclusion that although on registration of the work was done, there was copyright vested in the works, and thereby ordered preliminary injunction and damages in favour of the plaintiffs.\textsuperscript{134}

\subsection*{4.4.2.2 United States Court of Appeals for the Second Circuit\textsuperscript{135}}

The Court of Appeals considered the same issue that was before the District Court: whether American or Russian law is to be applied in the dispute. However, it split the issues into two parts, so as to discuss ownership and infringement separately.\textsuperscript{136} On the issue of applicable law, the Court decided that Russian law determines “ownership and the essential nature of the copyrights alleged to have been infringed” and the American law determines “whether those copyrights have been infringed in the United States, and, if so, what remedies are available.”\textsuperscript{137} The Court hence held that since Russian law explicitly excludes news organizations from retaining copyright in the works of journalists who work for them (“work-for-hire doctrine”), the journalists retain the right to sue and not the news organizations that compile their writing.\textsuperscript{138} Therefore the Court

\begin{footnotesize}
\begin{itemize}
  \item \textsuperscript{132} \textit{Ibid} at 1126, 1127 (Professor Vratislav Pechota for the plaintiffs and Professor Peter B. Maggs for the defendant).
  \item \textsuperscript{133} \textit{Ibid}.
  \item \textsuperscript{134} \textit{Russian Federation Law on Copyright and Neighbouring Rights, supra} note 127, art 9(1): “A scientific, literary or artistic work is eligible for copyright by virtue of the mere fact of its creation. The origin and exercise of copyright shall not require either registration of the work or the performance of any other act or formality”).
  \item \textsuperscript{135} \textit{Itar-Tass Russian News Agency v Russian Kurier, Inc.} 153 F.3d 82 (2d Cir. 1998).
  \item \textsuperscript{136} \textit{Ibid} at para 2.
  \item \textsuperscript{137} \textit{Ibid}.
  \item \textsuperscript{138} \textit{Ibid}.
\end{itemize}
\end{footnotesize}
reversed the decision of the District Court to the extent that it granted the defendants relief for copying the articles and photographs.

In its analysis of the remedies available to the plaintiff, the Court of Appeals extensively discussed the *Berne Convention* and its effect on the *U.S. Copyright Act*, while simultaneously distinguishing between private international law rules and the situations they apply in. As per the Court of Appeals, since international norms such as National Treatment only ensure that the domestic copyright laws are applied without discrimination to foreigners in the same manner as they are applied to nationals, it does not reflect on who owns the work.\(^{139}\) Further, as there currently exists no extensive set of rules either in the *Copyright Act* or other federal statutes regarding application of conflict rules by courts, the Court must apply principles already established in jurisprudence, selected by the judges as they are appropriate “to effectuate the policy of the governing Act.”\(^{140}\)

The application of traditional private international law rules, therefore, would lead to two outcomes. Firstly, the ownership of the work would be determined by the law of the place of origin of the work, generally referred to at *lex originis*. Secondly, the issue of infringement would be addressed through American law, as the actual infringement took place within U.S. borders, commonly referred to as *lex loci delicti* or where the harm took place. To explain this reasoning, the Court divided copyrighted works into two groups: (1) works as under the *Berne Convention*, and (2) works registered under the *U.S. Copyright Act*.\(^{141}\) For cases concerning the latter, the only law applicable would be American Law. For the former, however, protection of the works in Russia would entitle those works to protection under American Law as well. As per the Russian law, interpreted with the assistance of experts in Russian law, ownership of newspaper articles is vested in the Russian writers and the Russian publishers have ownership interest in

\(^{139}\) *Ibid* at para 90.


compilation of the works in the newspaper. The Court of Appeals therefore agreed to the treatment of the Russian works in its decision and provided additional reasoning for the choice of Russian law as the applicable law, stressing that the ownership and nature of works are to be derived from the relevant Russian law.

The Court therefore held that the principle of National Treatment is a non-discrimination device that prevents a Berne signatory country from treating foreign rights holders differently from national rights holders.\(^{142}\) The decision of the Court of Appeals additionally determined that the applicable law to the dispute could be the foreign country in question, if that country has a significant relationship to the parties or the work. Further, the Court of Appeals specifically rejected Melville Nimmer’s position on National Treatment (that the principle contains the private international law rule *lex fori* to be applied if the infringing activity occurred in that jurisdiction), holding that foreign law may be applied if a significant relationship can be established.\(^{143}\) Therefore, unlike the *Subafilms* decision, the decision in identified the National Treatment principle as relevant to the discussion at hand, but expressly rejected its potential as a private international law rule, opting for a tort-related rule instead (*lex loci delecti*). By the application of this rule, the Court effectively denied to Russian creators the right to sue in the U.S. for infringement occurring in the U.S. and also ignored the effect of the National Treatment principle in light of the Court’s treatment of the foreign creators.

### 4.4.3 *L.A. News Service v Reuters Television International, Ltd.* (1998)\(^{144}\)

The plaintiff in this case, the Los Angeles News Service (LANS), was an independent American news organization that had entered into licensing agreements with certain news and media outlets for use of its news reports, pictures and other media.\(^{145}\) In 1992, the

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\(^{142}\) *Ibid* at para 30, 33.

\(^{143}\) *Ibid* at para 30.

\(^{144}\) 149 F.3d 987 (9th Cir. 1998).

\(^{145}\) *Ibid* at para 5.
plaintiff covered the Los Angeles riots in detail, with several of its news reports having an effect on the media and consumers. The plaintiff produced two videotapes with content covering the riots and licensed them to certain television and broadcasting companies in the U.S. The defendant, Reuters Television International, obtained the plaintiff’s footage by recording the broadcasted video reports that were licensed by the plaintiff and transmitted them to several affiliates, including the New York office of the European Broadcasting Union, which in turn transmitted it to London and eventually televising the footage for a European audience.\footnote{\textit{Ibid} at para 6 – 9.}

The plaintiff brought a suit for copyright infringement against the defendants and moved the District Court for summary judgment on several grounds.\footnote{\textit{Ibid} at para 8} The defendants claimed the following:

(1) Extraterritorial infringement does not violate American copyright law,
(2) The plaintiff had no evidence of damage occurring within the U.S., and
(3) The fair use doctrine precludes finding of infringement.\footnote{\textit{Ibid}.}

The case was brought before two levels of the American courts.

\subsection*{4.4.3.1 United States District Court for the Central District of California\footnote{942 F.Supp. 1265 (C.D. Cal. 1996) (decision rendered by presiding District Judge Kim McLane Wardlaw).}}

The District Court held that the American copyright law does not apply extra-territorially, even if the extra-territorial infringement arose because of a domestic infringement. Further, it held that the doctrine of fair use does not preclude the liability of the defendant
for domestic copyright infringement. To come to this ruling, the District Court identified the following questions relevant to disputes:

(1) Whether the infringement occurred outside the U.S.,
(2) If the infringement occurred outside the U.S., would the U.S. Copyright apply, and
(3) What would be the findings of the Court on the claim of “fair use”.150

The District Court noted that the infringement did occur outside the U.S., and granted the defendant’s motion regarding extra-territorial application of the Copyright Act.151 By doing so, the Court also held that the dispute would come under its jurisdiction. The Court referred to the decision in the Subafilms case to come to this conclusion, holding that “United States copyright laws do not have extraterritorial effect, so infringing actions that occur entirely outside the United States are not actionable under the Copyright Act”.152 The Court found that since the defendant’s subscribers (and therefore the audience of their broadcasts) were in Europe, the infringement clearly occurred outside the U.S.153 The Court quoted Melville Nimmer, as Subafilms had done as well, finding that “copyright laws do not have any extraterritorial operation, there [can be] no cause of action and hence no right to a recovery of damages under the Copyright Act for infringements occurring outside of the United States.”154 Domestic copyright law therefore could therefore not be applied to acts of infringement that occurred outside the U.S.

However, the Court noted that it could not completely rely on the Subafilms decision as the dispute before it had a different circumstance to consider: “whether copyright holders

150 Ibid at 1265.
151 Ibid at 1269.
152 Ibid.
153 Ibid at 1270.
154 Ibid.
are entitled to damages under the Copyright Act when they arise extraterritorially as the result of a domestic infringement”. In Subafilms the issue was regarding an extraterritorial infringement caused by foreign parties, whereas in the dispute before this District Court, the ancillary question was whether an act of infringement occurring abroad that was effected by an act of infringement occurring within the U.S. could be brought under the jurisdiction of this Court. The Court held that under the U.S. Copyright Act, the defendants could only be held liable for infringement under two provisions: (1) recording the works on videotape, and (2) public performance. While the plaintiffs had provided evidence before the Court that the defendants had recorded the copyrighted videos, there was no adequate proof to conclude that the public performance of the transmitted works had taken place in the U.S. Therefore, the Court ruled out infringement on that claim. With respect to the videotapes, the Court applied the fair use doctrine, finding that the defendants could not seek protection under the doctrine. The Court found that the defendants did not satisfy the burden of proof upon regarding the innocent use of the copyrighted work, and thus were not entitled to the reduction in statutory damages under s. 504(c)(2). To that end, the Court ordered statutory damages based on the infringing actions of the defendant in the U.S. only.

Therefore, the Court acknowledged that it had jurisdiction over the case only for acts of infringement occurring within the U.S., and the applicable law would be American law.

155 Ibid.
156 Ibid.
157 Ibid at 1272 – 1275 (applying U.S. Copyright Act, 17 U.S.C., s. 101).
158 Ibid at 1272.
159 U.S. Copyright Act, supra note 157, s.107; This sections sets out factors that must be considered in determining whether a use is “fair”: (1) The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes; (2) The nature of the copyrighted work; (3) The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) The effect of the use upon the potential market for or value of the copyrighted work.
4.4.3.2 United States Court of Appeal for the Ninth Circuit\textsuperscript{160}

The appeal before this Court was allowed to address two questions:

(1) Whether the defendant’s acts of infringement occurring outside the U.S. could be brought under the ambit of the \textit{U.S. Copyright Act} by applying it extra-territorially, and

(2) Whether the domestic acts of infringement would be covered under the fair use doctrine.\textsuperscript{161}

The Court of Appeal reversed the ruling that the \textit{U.S. Copyright Act} cannot be applied extra-territorially and affirmed the District Court’s ruling that the acts of infringement by the defendant were not protected under fair use provisions.\textsuperscript{162} On the first issue, the Court of Appeal rejected the ratio in \textit{Subafilms} that the District Court had applied, holding that such a decision would assume that the copying of the videotapes (which occurred in the U.S.) were not contributory acts of infringement that caused the foreign infringement to occur.\textsuperscript{163} The Court of Appeals reasoned that since the contributory acts of infringement occurred in the U.S., the \textit{U.S. Copyright Act} would find extra-territorial application. To quote the judgment, “While the extraterritorial damages resulted from Reuters's overseas dissemination of the works received by satellite transmissions [from the plaintiffs], those transmissions were made possible by the infringing acts of copying in New York [the videotapes]. The satellite transmissions, thus, were merely a means of shipping the unlicensed footage abroad for further dissemination.”\textsuperscript{164}

The Court of Appeals therefore disagreed with the \textit{Subafilms} and the District Court decisions on two grounds: (1) that the \textit{Subafilms} decision ensures that American law

\textsuperscript{160} 149 F.3d 987 (9th Cir. 1998)(Before Judges Schwarzer, Canby and Kleinfeld, unanimously decided).

\textsuperscript{161} \textit{Ibid} at para 6.

\textsuperscript{162} \textit{Ibid} at para 7.

\textsuperscript{163} \textit{Ibid} at para 12.

\textsuperscript{164} \textit{Ibid} at para 16.
could never be applied for acts of infringement taking place abroad, even if they are connected to the U.S. or relate to the interests of American rights holders, and (2) that an American rights holder has no other means to entitle extra-territorial damages if an infringing act occurred outside the U.S.  

The thrust of the argument of the Court was regarding the interests of American rights holders, finding that the literature that the Subafilms decision cited (the work of Melville Nimmer) failed to incorporate situations where an act of infringement occurring within the U.S. initiates further acts of infringement outside the U.S., causing American rights holders to be left without recourse. With this reasoning, the Court held that the plaintiff was entitled to recover damages arising from the exploitation of copyright works abroad that were caused by the domestic acts of infringement by the defendants.

### 4.5 Analyzing the Pre-Internet Cases

Upon looking back at each of the cases studied in this chapter, the following finding is noted: four out of the six cases where Berne was in force for the countries of all nationals involved (i.e. not the case of Fox-Europa), the courts took jurisdiction of cross-border copyright infringement and applied their national law extra-territorially, whereas in two cases, the courts only took jurisdiction over infringement occurring within their national boundaries.

The first U.K. case of Deff Lep Music v Stuart-Brown, the court did not take jurisdiction over disputes since the infringement did not occur in the U.K., considering the principle territoriality an integral aspect of copyright. In Lucasfilm Limited v Ainsworth, however, the Supreme Court took jurisdiction of a dispute involving foreign infringement, holding that the fact that the defendant was domiciled in the U.K. was enough to determine the same and U.K. law would be applied to the dispute. In the Deff Lep case, the application

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165 *Ibid* at para 17.
166 *Ibid*.
167 In the cases of (1) LucasFilm, (2) Jean Lamore, (3) Itar-Tass, and (4) L.A. News.
168 In the cases of (1) Deff Lep, and (2) Subafilms.
of *lex fori* was the only logical one to the court as the infringement did not take place in England with respect to six out of the eight defendants, and therefore U.K. copyright law would not apply to them. In the latter, the court moved closer to the interpretation of a private international law rule that established jurisdiction based on the place of domicile of the defendant and the applicable law based on the law of the place where the protection was sought (*lex loci protectionis*). The principle regarding domicile of the defendant would later apply in the case of the *Brussels I Regulation* after the U.K. adopted the same.

Like the U.K. courts in the cases above, decisions of the French courts also come to no consensus on their approach to cross-border copyright infringement. In *Societe Fox-Europa v Societe Le Chant du Monde*, the Court of Appeal applied the law of the forum (*lex fori*) to the dispute by recognizing that the infringement occurred in France and the plaintiffs were seeking remedies under French law only for the specific instance of infringement occurring within France. The short judgement does not detail how it came to this conclusion, however, it must be noted that the case involved Russian parties, and Russia was not a member of *Berne* at this time. Therefore, the court in this case found that no law (either in international conventions or national law) expressly barred the application of French law to the dispute, and therefore applied the same. In *Jean Lamore v Universal City Studios, Inc*, the court determined that the rights of the plaintiff would be determined by the place of origin of the work (*lex originis*) and not necessarily where the infringement occurred, thereby applying American law instead of French law. This opinion overlooks the very basis of Article 5 of the *Berne Convention*: the requirement that the law applied to foreign rights holders must be the place where they seek protection – the French law in this case. If the plaintiff seeking remedies has established that the infringement took place within the borders of France, as per the *Berne Convention*, French courts cannot discriminate against the foreign rights holders and must apply the local copyright law to them in the same manner as it would be applied to domestic rights holders. The movement of French courts from applying the law of the forum to applying foreign law for infringing acts occurring within France is a troubling development.
Lastly, there is no consensus in the reasoning of the courts in the U.S. cases as well. In *Subafilms, Ltd. v MGM-Pathe Comm Co.*, relevant concern of the Court of Appeals at the time was the potential implications of a decision that held that contributory infringement had occurred, and its effects on international copyright relations.\(^{169}\) Prominent scholars such as Nimmer were considered, with the Court holding that it could not consider liability in cases where the actual infringement occurs outside American borders.\(^{170}\) This decision comes the closest towards interpretation of the *Berne Convention* and establishing that national copyright laws should abide by the principle of territoriality. In *Itar-Tass Russian News Agency v Russian Kurier, Inc.*, the court separated the issues of ownership and infringement to determine which law should be applied to the dispute. An inherent problem with this differentiation is that it attributes “ownership” a status that the *Berne Convention* does not provide for at all. *Berne* does not define “authors” within the confines of a particular country’s jurisdiction because as per National Treatment, the aim of *Berne* is to move towards a system of global authorship. When the question before the Court of Appeal in *Itar-Tass* was to determine whether an infringing activity in the U.S. for a work owned by a Russian would invoke American Law, Article 5 clearly points to the place where the infringing activity takes place as the law to be applied. The assessment of infringement would therefore also require the Court to establish that the plaintiffs would be recognized as authors within the scope of American law and not Russian law. The Court’s treatment of the issues in this manner was therefore a puzzling one. In *L.A. News Serv. v Reuters Television Int’l, Ltd*, the lower court agreed with the decision in *Subafilms*, with the Court of Appeals overturning the finding. The Court of Appeals took an approach similar to the Supreme Court in *Lucasfilms v Ainsworth*,

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\(^{170}\) Nimmer, *supra* note 105 at s. 12.04[A][3][b] (note that Nimmer does concede that where the authorization or any other contributory activity takes place abroad but the act of direct infringement takes place in the U.S., it would amount to a violation of the *Copyright Act*. However, in the case of Subafilms, no such activity contributing to infringement was noted).
holding that the American copyright law would apply on an extra-territorial basis to acts of infringement occurring abroad.

The varying opinions of the courts in copyright disputes have shown that courts have deviated from considering only the private international law rule (*lex fori*), which can be interpreted as embodied in the National Treatment principle. 171

It is also important at this stage to refer to the comments of the various authors discussed in Chapter 3. Of these authors, only three have discussed the cases outlined in this chapter. Indeed, even these three discussed only the American cases.

Paul Edward Geller has discussed all three American cases. In his opinion, he found that the *Subafilms* decision’s express reference to the *Berne Convention* is an indicator that the Court of Appeals wishes to “defer to the treaty regime in considering whether to apply U.S. copyright law or foreign copyright laws to cross-border cases.” 172 He notes that this analysis is important because the decision recognized that the *Berne Convention* aimed at implementing “effective and harmonious copyright laws among all nations”, with the intention of creating a “stable intellectual property regime” and ensuring that states uphold the *Berne* principles to “avoid difficult choice-of-law problems”. 173 He further noted that the *Subafilms* decision was clearly misinterpreted in the *Itar-Tass* case, where the Court of Appeals rejected *Subafilms* and decided to draw a distinction within the National Treatment principle for ownership and infringement issues. 174 Geller finds this distinction “misleading” because by declaring that Russian law determines the essential nature of the copyrights alleged to have been infringe, the Court of Appeals effectively refused to apply American law to fulfil the obvious treaty goals of the *Berne* Convention.

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171 See Chapter 3 for analysis of the private international law rule embodied in the principle of National Treatment.


173 Ibid.

174 Ibid at 335, 359.
Convention, which aims at applying the local law if the infringement within the local jurisdiction.\textsuperscript{175} Lastly, Geller finds the L.A. News case to be a victim of its own circumstances – since the parties did not provide evidence of the infringing activities occurring in the U.S., the Court of Appeals could not apply American copyright law to the dispute.\textsuperscript{176} However, it found that the ruling on the videotapes would be correct as that infringement was localized to within the U.S. only.\textsuperscript{177}

Graeme B. Dinwoodie agrees with the decisions of the Courts of Appeal in Subafilms.\textsuperscript{178} The Subafilms decision, as per Dinwoodie, accurately predicted that by extending the U.S. Copyright Act to foreign infringements, the U.S. would be in contravention of its obligations towards international copyright treaties (specifically Berne and TRIPS).\textsuperscript{179} Further, he notes that the Subafilms decision successfully limits international copyright litigation from reading American courts by ruling that the Act only applies to infringement occurring within the U.S.\textsuperscript{180} Dinwoodie states that if the Court of Appeals recognized “the deleterious effect of applying U.S. copyright law to domestic authorization of allegedly unauthorized acts abroad in light of Berne accession and TRIPS negotiations.”\textsuperscript{181} Dinwoodie is more ambivalent on the decision in Itar-Tass, finding that the decision allows U.S. to apply a foreign law to determine the nature of the copyright and apply American law to address infringement.\textsuperscript{182} While he does not outright disagree with this decision, he does note that the Court of Appeals opted to apply a

\textsuperscript{175} Ibid at 359, 360; Geller does indicate that this confusion in the decision might be due to the lack of a definition for the term “author” in the Berne Convention, and the Court of Appeals instead embarked upon determining “ownership” first.
\textsuperscript{176} Ibid at 334.
\textsuperscript{177} Ibid at 335.
\textsuperscript{179} Ibid at 787.
\textsuperscript{180} Ibid.
\textsuperscript{181} Ibid.
copyright private international law rules for both issues of ownership and infringement, finding that such a position could complicate later decisions. Dinwoodie also states that since the Court of Appeals in *Itar-Tass* did not specify the rule it was using to determine infringement, it could be interpreted as either *lex loci delicti* or the application of the law with the most significant relationship to the infringement.

Jane Ginsburg discusses *Subafilms* as well, noting the reluctance of the Court of Appeals in extra-territorial application of the American copyright law. She notes that the *Subafilms* decision, though not necessarily inconsistent with the prevalent international treaties in copyright law, did not consider the “economic reality” of copyright dispute. Ginsburg asserts that Article 5 of the *Berne Convention* directs application of the law of the country “where the protection is claimed” and this could be read as the forum country applying its laws to any instance of infringement that can be connected to the forum. Further, she noted, under general American private international law principles, the place of domicile of the defendant is important to disputes because the place of domicile is “likely to be the same as the place from which defendant planned a series of unauthorized acts, many of them culminating abroad.” She therefore argues that the application of American copyright law to foreign instances of infringement is acceptable, as the domestic forum “has a strong interest in regulating the activities of the domiciliaries.”

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187 *Ibid* at 172.
189 *Ibid;* See Graeme W. Austin, “Domestic Laws and Foreign Rights: Choice of Law in Transnational Copyright Infringement Litigation” (1999) 23 Colum-VLA J L & Arts 1 at 27 (agreeing with Ginsburg’s analysis); See Anita B. Frohlich, “Copyright Infringement in the Internet Age - Primetime for Harmonized Conflict of laws Rules?” (2009) 24 Berkeley Tech L J 851 at 872: Frohlich agreed with Ginsburg on her assessment of *Subafilms*, further asserting that although there the Court of Appeals explained the principle of National Treatment correctly, it was eventually applied to the wrong issue. Frohlich states that conflict cases require a two-step analysis of both jurisdiction and the applicable law. Even if a court has
Ginsburg therefore finds that *Subafilms* did not approach the question of extra-territorial application of American copyright law in the correct manner.

## 4.6 Conclusion

This Chapter began with the intention of exploring three different jurisdictions – the United Kingdom, France and the United States – to see whether private international law rules have been used in non-Internet settings. Finding that they have, the Chapter went on to analyze the development of private international law rules relating to cross-border copyright infringement in the pre-Internet context. This analysis yielded some interesting results with respect to how different courts view the *Berne Convention* and the principle of National Treatment, and how their opinions have drastically changed, both with time and at the different levels of courts in each jurisdiction.

In summary, the following rules of private international law were identified in the cases studied above:  

\[ \text{i. } \textit{Lex fori} \]

Translated to mean “law of the forum”, *lex fori* embodies the very territorial nature of copyright law. It postulates that the law to be applied at the time of deciding infringement is the law of the forum. In essence, the court would apply its own law to the case at hand. The National Treatment principle, it has been posited, directs Member states to apply *lex fori* in the case of a conflict situation. To understand whether *lex fori* will apply, however, difference between jurisdiction and applicable law must be expressed, as

\[ \text{jurisdiction, it may not necessarily apply the domestic law to decide the subject matter at hand ("ownership" or "infringement"). This criticism does highlight that the reasoning in the case may be flawed in its lack of characterization of the issues. Without characterization, the position of the Court would be that for both jurisdiction and subject-matter conflicts, the *lex fori* will be applied).} \]

\[ \text{190 See Table 1 for consolidated table on the decisions in the pre-Internet case studies in this Chapter.} \]

\[ \text{191 Black's Law Dictionary, 10}^{\text{th}} \text{ ed. (Eagan, Minnesota: West Publishing, 2005).} \]
private international law involves a two-step approach. Firstly, the court must declare that it has jurisdiction over the suit, and then decide the law to be applied. Moreover, just because a court has jurisdiction, an assumption cannot be made that the law of the forum will apply.

ii. *Lex loci protectionis*

*Lex loci protectionis* refers to the law of the country in which protection is sought and has been known to “mirror” the territoriality principle covered under Article 5 of *Berne*.  

The country in which the work is being exploited without the author’s or owner’s authorization has been accepted as the dominant judicial choice of law in order to respect the work of the author and the rights attached to his work. *Lex loci protectionis* has the effect of allowing each creative work to receive independent protection in the every country that protects it.  

iii. *Lex originis*

On the other side of the spectrum, the *lex originis* rule embodies a “universality” principle, requiring that the law of the country in which the first publication takes place to be applied to the dispute.  

*Lex loci protectionis* and *lex originis* face difficulties in application when the question of “initial ownership” arises, where either rule may be applied.

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192 *Ibid* at 99.
194 *Ibid* at 3; Fawcett, *supra* note 85 at 100.
iv. *Lex loci delicti*

Certain conflict principles have been borrowed from common law jurisprudence in other fields of law. The common law concept of *lex loci delicti* has its roots in tort law and refers to the application of the law of the place where the “harm” has occurred or is expected to occur.196 “Harm” may include the place of performance, the place where the copyright owner is domiciled or the place where the infringer is domiciled.197 In order for the “harm” to be construed as a complementary tort arising from infringement, the infringement itself is necessary, although the infringement need not occur in the place of harm.198 Tort-related causes of action may include unfair competition, breach of confidence, defamation and passing-off.199 In cases where the parties agree to file lawsuits in certain identified jurisdictions, the *lex loci delicti* method would not apply.

v. Law of the place of domicile of the defendant

A defendant may be sued in the court of the place where the defendant is domiciled. This principle draws from the *in personam* jurisdiction that the court enjoys over the defendant or, as noted in the case of the European Union, if the local law or civil code specifies that the court has jurisdiction.

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196 Fawcett, *supra* note 85 at 449.
197 *Ibid* at 450.
198 *Ibid* at 449.
Table 1: Consolidating the Decisions in the Pre-Internet Case Studies

Private international law rules of domestic courts applicable to copyright infringement

<table>
<thead>
<tr>
<th>Case Studied</th>
<th>Did the court take jurisdiction?</th>
<th>Application of PIL rule?</th>
<th>Application of National Treatment?</th>
<th>Law applicable to Infringement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Societe Fox-Europa (France, 1953)</td>
<td></td>
<td></td>
<td></td>
<td>Russian law (<em>lex originis</em>)</td>
</tr>
<tr>
<td>- Court of First Instance</td>
<td>Yes</td>
<td>Yes</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>- Court of Appeal</td>
<td>Yes</td>
<td>Yes</td>
<td>N/A</td>
<td>French law (<em>lex fori</em>)</td>
</tr>
<tr>
<td>Deff Lep (U.K., 1986)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- High Court (Ch.)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>U.K. law (<em>lex fori</em>)</td>
</tr>
<tr>
<td>Lucasfilm (U.K., 2011)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- High Court (Ch.)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>U.K. law (<em>lex fori</em>)</td>
</tr>
<tr>
<td>- HC, Appeal Court</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>U.K. law (<em>lex fori</em>)</td>
</tr>
<tr>
<td>- Supreme Court</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>U.K. law (<em>lex loci delicti</em>)</td>
</tr>
<tr>
<td>Jean Lamore (France, 2007)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Court of First Instance</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>French law (<em>lex loci protectionis</em>)</td>
</tr>
<tr>
<td>- Court of Appeal</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>American law (<em>lex originis</em>)</td>
</tr>
<tr>
<td>- Supreme Court</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>American law (<em>lex originis</em>)</td>
</tr>
<tr>
<td>Subafilms (U.S., 1994)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Before Special Master</td>
<td>Yes*</td>
<td>No</td>
<td>Yes</td>
<td>American law (<em>lex fori</em>)</td>
</tr>
<tr>
<td>- District Court</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>American law (<em>lex loci delicti</em>)</td>
</tr>
<tr>
<td>- Court of Appeals</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>American law (<em>lex fori</em>)</td>
</tr>
</tbody>
</table>

* Taking jurisdiction but not elaborating on the fact.
<table>
<thead>
<tr>
<th>Case Studied</th>
<th>Did the court take jurisdiction?</th>
<th>Application of PIL rule?</th>
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<th>Law applicable to Infringement</th>
</tr>
</thead>
<tbody>
<tr>
<td>- District Court</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Russian law <em>(lex originis)</em></td>
</tr>
<tr>
<td>- Court of Appeals</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Russian law for ownership issues <em>(lex originis)</em>; American law for infringement issues <em>(lex loci delicti)</em></td>
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<tr>
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<td>No</td>
<td>Yes</td>
<td>American law only for acts of infringement occurring in the U.S. <em>(lex fori)</em></td>
</tr>
<tr>
<td>- Court of Appeals</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>American law for foreign acts of infringement caused by contributory domestic acts <em>(lex fori)</em></td>
</tr>
</tbody>
</table>
Chapter 5

5 Private International Law in Cross-Border Copyright Disputes: Post-Internet Era

5.1 Introduction

New media such as the Internet can be thought to expand the concept of territoriality to a breaking point as the parties can distribute and disseminate works across national borders in an almost instantaneous manner.\(^1\) In telecommunication, interactions occur at multiple points over the Internet, causing a “fluid situation” that requires a court to localize infringing transactions to within its jurisdiction before settling on the applicable law.\(^2\) To

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2 Ibid at 350.
that end, this chapter examines three leading cases decided by various levels of courts in Canada, the United States and France that have addressed the influence of the Internet in cross-border copyright infringement disputes and have involved, at least at one level, explicit consideration of private international law principles.

The chapter looks at the decisions in each case at every judicial level and assesses how each court applies either a private international law rule or the National Treatment principle (or both) to take jurisdiction of the dispute and decide the applicable law to resolve the dispute.³ Lastly, in this chapter, the findings of the case analysis will be compared with the findings from Chapter 4, and will discuss whether the Internet has played the pivotal role in how courts have addressed cross-border copyright infringement.


The party before the forum in this case was the Society of Composers, Author and Music Publishers of Canada (hereafter referred to as “SOCAN”). SOCAN was a collective copyright society recognized under Section 2 of the Copyright Act, representing Canadian composers, authors and publishers of musical works, and administering performing rights in their musical works.⁵ SOCAN was also affiliated with societies representing foreign composers and authors, whose interests are protected through reciprocal agreements between copyright societies in Canada and other countries.⁶ In 1995, under Section 67 of the Copyright Act, SOCAN applied to the Copyright Board of Canada for the approval of “Tariff 22” – a scheme of proposed royalties to be implemented from 1996 to 1998 for

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³ See Chapter 2 discussing the general rules of private international law, and Chapter 3 discussing National Treatment and the private international rule embodied in National Treatment.


⁵ Ibid at para 11.

⁶ Ibid at para 11.
the “public performance” and “communication to the public by telecommunication” of musical or dramatico-musical works in Canada.\(^7\)

Tariff 22 referred to the “transmission of musical works to subscribers via a telecommunications service not covered under Tariffs No. 16 or 17”.\(^8\) Tariff 22 required that royalties must be paid for “the communication of musical works by means of computers or other devices connected to a telecommunications network where the transmission of those works can be accessed by a person independently of any other person.”\(^9\) The term “telecommunications service” is defined as including “operations that provide for or authorize the digital encoding, random access and/or storage of musical works for transmission via a telecommunications network, or that provide access to such a network”.\(^10\) The Board received the proposed tariffs and published the same in the *Canada Gazette* in 1995, calling for any objections against the Tariffs to be filed to the Board.\(^11\)

SOCAN appeared before the Copyright Board to seek royalties from Internet Service Providers (ISPs),\(^12\) contending that they are “not entitled to rely on the exemption set out in section 2.4(1)(b) of the *Copyright Act*.\(^13\) Section 2.4(1)(b) is an exception to the rights

\(^7\) [1999] C.B.D. No. 5, 1 C.P.R. (4th) 417, at para 1. Publication in the *Canada Gazette* is a requirement under the *Copyright Act*. Further, s. 70.16 requires the Board to “notify persons affected by a proposed tariff, by (a) distributing or publishing a notice, or (b) directing another person or body to distribute or publish a notice.”

\(^8\) *Ibid* at para 2.

\(^9\) *Ibid*.

\(^10\) *Ibid* at para 2.

\(^11\) *Ibid* at para 11.

\(^12\) *Ibid* at para 30. ISP is defined as “an entity that provides any Internet communication service, including connectivity to subscribers”; See Annexure 6 for detailed explanation.

\(^13\) *Ibid* at para 13; *Copyright Act*, R.S.C., 1985, c. C-42, s 2.4(1)(b): For the purposes of communication to the public by telecommunication … a person whose only act in respect of the communication of a work or other subject-matter to the public consists of providing the means of telecommunication necessary for another person to so communicate the work or other subject-matter does not communicate that work or other subject-matter to the public … transmits by telecommunication a work or other subject-matter that is
of a copyright owner enumerated in section 3(1)(f).\textsuperscript{14} SOCAN contended that since Tariff 22 applied to all telecommunications services, that any computer network could be brought under the ambit of Tariff 22, and that the exception under section 2.4(1)(b) would cease to apply to ISPs. SOCAN contended that “virtually everyone involved in the Internet transmission chain is liable [to pay royalties] for the communication, including those who provide transmission services, operate equipment or software sued for transmissions, provide connectivity, provide hosting services or post content.”\textsuperscript{15} As per SOCAN, a public communication occurs when the end user can access a musical work from a computer that is connected to that network, and that anyone involved in the Internet transmission chain should be liable for the communication. This would include the ISPs as well since they provide transmission services, handle equipment, host websites and cache content.\textsuperscript{16} In other words, SOCAN contended that no one is entitled to rely on the exemption set out in Section 2.4(1)(b) of the Copyright Act. Therefore, SOCAN stressed that they are entitled to the royalties payable by the ISPs for musical works transmitted by them or passing through their servers.

The Canadian Association of Internet Providers (CAIP), along with other Canadian and foreign objectors in the case, opposed Tariff 22 and filed a complaint before the

\begin{footnotesize}
\begin{itemize}
\item s. 3(1)(f): “For the purposes of this Act, “\textit{copyright}”, in relation to a work, means the sole right to produce or reproduce the work or any substantial part thereof in any material form whatever, to perform the work or any substantial part thereof in public or, if the work is unpublished, to publish the work or any substantial part thereof, and includes the sole right … in the case of any literary, dramatic, musical or artistic work, to communicate the work to the public by telecommunication.”
\item \textit{Tariff 22, supra} note 4 at para 13.
\item \textit{Ibid.}
\end{itemize}
\end{footnotesize}
Copyright Board.\textsuperscript{17} CAIP claimed that as ISPs were only intermediaries, they would not be held liable under the Canadian Copyright law and should be exempt from Tariff 22.\textsuperscript{18} CAIP contended that an Internet transmission involves reproduction of data and not a communication.\textsuperscript{19} Further, since the transmissions occur on an “on-demand” basis and are not simultaneous, they cannot be classified as communications made to the public.\textsuperscript{20} CAIP also argued that since transmission over the Internet occurs in “packets” of data and not entire files, the transmission does not represent a substantial part of the work in a manner that would result in communication. With these arguments, CAIP stressed that liability should not be imposed on ISPs and intermediaries by virtue of the exemption under Section 2.4(1)(b) of the Act.

This matter was first decided by a quasi-judicial tribunal and then reviewed by two levels of Canadian courts – the first being the Federal Court of Appeal and the second being the Supreme Court.

5.2.1 Copyright Board\textsuperscript{21}

The Copyright Board took jurisdiction of this dispute as part of its statutory function as it is a quasi-judicial tribunal.\textsuperscript{22} As the parties appeared before this statutory tribunal, the Board has the final authority to render a decision on the factual circumstances in

\textsuperscript{17} The objectors included the Canadian Motion Picture Distributors Association (CMPDA), the Canadian Recording Industry Association (CRIA), the Canadian Cable Television Association (CCTA), AT&T Canada, MCI Communications Corporation, ExpressVu, the Canadian Association of Broadcasters (CAB), Time Warner, Stentor Telecom Policy Inc. (STP) and the Canadian Broadcasting Corporation (CBC). CMPSA and CRIA supported the tariff while the rest opposed it.

\textsuperscript{18} Copyright Act, supra note 13, s 2.4(1)(b).

\textsuperscript{19} Tariff 22, supra note 4 at para 14.

\textsuperscript{20} Ibid.


\textsuperscript{22} Copyright Act, supra note 13, s. 66 – 78 (Part VII: “Copyright Board and Collective Administration of Copyright”).
accordance with the Canadian Copyright Act.\(^{23}\) In its application of the law to these facts, the Board applied the Canadian Copyright Act to only those communications by telecommunication originating from Canada. The Board noted that it may be that a communication originating in Canada that is received elsewhere may constitute an infringement of the communication right in that other country. However, Canadian copyright law does not recognize this as infringement and therefore an infringing act originating outside Canada cannot be brought under the ambit of the Canadian Copyright Act. Therefore, the Board may be said to have relied on the principle of National Treatment to localize infringement, although it did not use this term or refer to the Berne Convention.\(^{24}\)

The relevant issues before the Copyright Board in this case included:\(^{25}\)

(a) Whether there is a communication by telecommunication to the public when a musical work is electronically transmitted, made available, uploaded, downloaded or browsed.

(b) If there is a communication, who effects it, who is liable for it and whether anyone can claim the exemption in subsection 2.4(1)(b) of the Act.

(c) The circumstances in which a communication occurs in Canada.

(d) Whether the Board may approve a tariff applicable to persons located outside of Canada.\(^{26}\)

The Copyright Board declined to approve Tariff 22 on the ground that Section 2.4(1)(b) of the Copyright Act protects intermediaries in Canada from copyright liability, and imposing royalties on ISPs would be contrary to this protection offered by Canadian copyright law. To elaborate on this point, the Board discussed the process of transfer of

\(^{23}\) Ibid.


\(^{25}\) Tariff 22, supra note 21 at para 4.

\(^{26}\) Ibid at para 29.
information over the Internet. For a transmission to occur, the Board found that the following steps are required:

i. The file is incorporated into an internet-accessible server;

ii. A request is made by the recipient for the file to be broken down into packets.

iii. The file is transmitted in packets from the host server to the recipient's server through one or more routers.

iv. The recipient computer receives the packets, reconstitutes them into a file and stores for usage.27

The Board found that a work is communicated not when it is made available, but when it is transmitted. The Board stated three reasons for this:

1. Given that the performance occurs at the time of transmission, it is easy to conclude by analogy that the communication of a work over the Internet occurs at the same time. As a result, a communication to the public occurs each time that any member of the public uses a browser to access the work from the source computer.

2. A work is communicated to the public even if it is transmitted only once, as long as it is made available on a site that is accessible to a segment of the public. As was stated earlier, a communication is to the public if its intended target is a public. The degree to which the person wishing to communicate the work succeeds in doing so is irrelevant.

3. The communication occurs at the time the work is transmitted whether or not it is played or viewed upon receipt, is stored for use at a later date or is never used at all. A communication by facsimile is no less a communication if the message is

27 Ibid at para 82; See Appendix 6.
stored in computer memory for later retrieval rather than immediately printed to paper.\textsuperscript{28}

The Board found that since any Internet communication travels in this form, it could only be said that a communication occurs in Canada if it originates from a server in Canada.\textsuperscript{29} To quote the Board:

When a work is transmitted, it is the person who posted it who communicates it. The person who posts a work (usually the content provider) does so for the sole purpose that it be accessed by others. Since Internet transmissions are communications, one should look at the source of the transmission to find out who is responsible for it. Any communication of a work occurs because a person has taken all the required steps to make the work available for communication. The fact that this is achieved at the request of the recipient or through an agent neither adds to, nor detracts from the fact that the content provider effects the communication.\textsuperscript{30}

The Board therefore held that any other factors such as “the place of origin of the request, the location of the person posting the content and the location of the original Website” are irrelevant in the consideration of the issue of communication.\textsuperscript{31}

Note that only ISPs and persons in charge of operating a server in Canada are not liable under Section 2.4(1)(b) of the \textit{Act} (as they are intermediaries under the \textit{Act}). The Copyright Board held that a musical work is not communicated when it is made available on a server in Canada but only when it is transmitted or originates in Canada.\textsuperscript{32} To quote

\textsuperscript{28} \textit{Ibid} at paras 119, 120, 121.
\textsuperscript{29} \textit{Ibid} at paras 122 156.
\textsuperscript{30} \textit{Ibid}.
\textsuperscript{31} \textit{Ibid} at para 156.
\textsuperscript{32} \textit{Ibid} at paras 122 - 124.
the Board:

Persons who can avail themselves of paragraph 2.4(1)(b) of the Act with respect to a given communication of a work do not communicate the work. Generally speaking, this includes all entities acting as Internet intermediaries such as the ISP of the person who makes the work available, persons whose servers acts as a cache or mirror, the recipient's ISP and those who operate routers used in the transmission.\(^{33}\)

In addition to this, the Board also held that the transmission of music from a cache or mirror site does not amount to a communication, and neither does hosting a website for an end-user.\(^{34}\) Regarding the question of “authorization”, the Board found that mere knowledge by the ISP that its facilities may be used for infringing purposes is not enough to incur liability.\(^{35}\) To authorize is to “sanction, approve and countenance.”\(^{36}\) To quote the Board:

The person who makes a musical work available on an Internet-accessible site authorizes its communication. The work is posted for the sole purpose of being communicated and with full knowledge and intention that such a communication would occur. The person who makes the work available does more than merely provide the means to communicate the work; he/she either controls or purports to control the right to communicate it.\(^{37}\)

\(^{33}\) *Ibid* at para 124.
\(^{34}\) *Ibid* at para 157.
\(^{35}\) *Ibid* at para 143.
\(^{36}\) *Ibid* at para 144.
However, the Board did note that ISPs could not claim this defense at all times.\textsuperscript{38} The Board stated that the liability of an entity participating in any Internet transmission “must be assessed as a function of the role the entity plays in that transmission, and not as a function of what it generally does over the Internet”. When an ISP posts content, offers content, embeds links, and performs other such actions beyond the scope of its role as an intermediary, it would be considered a “communication” and the ISP cannot claim the defense under Section 2.4(1)(b).\textsuperscript{39}

It can be seen, therefore, that the Copyright Board applied the National Treatment principle, although it did not directly refer to it. The principle of National Treatment presupposes an act of infringement to have occurred within the borders of a country for a foreigner to seek relief before a domestic court. The decision of the Copyright Board takes this stance as well – if an infringing act does not occur within the domestic boundaries of the country, then the plaintiff cannot invoke the provisions of the domestic copyright law. When the Copyright Board extended this reasoning to the Internet, it was faced with the challenge of localizing infringement to Canada in a medium that does not have boundaries similar to the physical world.\textsuperscript{40}

\textsuperscript{38} Ibid at para 134.

\textsuperscript{39} Ibid at paras 156 - 160.

5.2.2 Federal Court of Appeal

Upon application for judicial review, the decision of the Copyright Board was reversed on the ground that the Board had erred in law. This was a split decision. The majority decision (by Evans J.A., with Linden J.A. concurring) applied a private international law rule. The minority opinion (by Sharlow J.A, dissenting in part) agreed with the application of a private international law but disagreed with the opinion of Evans J.A. (thereby agreeing with the Copyright Board) characterizing caching as “an activity that is ancillary to Internet communication, and concluded that an Internet intermediary whose only activity is to provide caching is entitled to the protection of paragraph 2.4(1)(b)”.

Before the Federal Court of Appeal, SOCAN challenged the Board's conclusion that “the typical activities of operators of host servers and Internet access providers do not constitute communication by telecommunication as defined in the Copyright Act” and therefore do not give rise to liability to pay a royalty. SOCAN contended that the services provided by the ISPs that enable subscribers to access copyrighted musical works would not ensure the ISPs immunity under s. 2.4(1)(b). It contested the Board’s opinion that Internet intermediaries do not communicate by telecommunication as “their only act in respect of a communication consists of providing the means of telecommunication necessary to enable another person to so communicate it.”

Internet and the s.2 exceptions, there has been no focus on the private international law angle adopted by the Copyright Board. The use of the National Treatment principle in this decision is not referenced either, and neither is the same referenced in discussions of the Supreme Court of Canada decision.

42 This was not an appeal as the Copyright Board is not a court but a quadi-judicial tribunal and its “decisions” are reviewable under s. 18.1(3)(b) of the Federal Court Act, R.S.C. 1985, c F-7. Reversal of the Board’s “decisions” cannot be on the finding of facts. An error of law based on the standard review of “correctness” must be found for a reversal under s. 18.1(4)(c) of the Act; Ibid at 36.
43 Tariff 22, supra note 41 at para 196.
44 Ibid at para 28.
45 Ibid.
also submitted that the Board’s decision to exclude ISPs from liability would make it
difficult for SOCAN to effectively “protect its members' copyright from infringing
Internet communications in Canada, because it limits to content providers and their
collaborators the range of Internet actors who can be required to pay a royalty.” 46

The majority opinion held that the Copyright Board erred by ignoring the connecting
factors that would result in the localization of the infringing activity in Canada, therefore
attracting liability. 47 The majority held that a communication by telecommunication
would be said to have occurred if the communication had a “real and substantial
connection” with Canada. 48 To arrive at this conclusion, the Court agreed with the
Board’s assessment of the Internet 49 but disagreed on the finding that an Internet
communication occurs in Canada if it originates from a server in Canada. 50 As per the
Board, the content provider is subject to a royalty approved by the Board “if, but only if,
the content is posted on a server located in Canada.” 51 Further, according to the Board,
this would mean that the ISPs would require licenses for SOCAN for authorizing the
communication of a musical work “when they post it on a host server in Canada, but not
otherwise”. The Federal Court of Appeal found that this analysis by the Board was
erroneous – in ruling that a communication by telecommunication occurs at the place
from which the transmission originates, the Board had determined a question of law that
did not apply to the facts of the case as it ignored the connecting factors. 52 The Federal
Court of Appeal noted that communication of any form requires “a communicator and an
intended recipient”. 53 However, the Court felt that due to the absence of any defining

46 Ibid at para 30.
48 Ibid at para 186.
49 Ibid at para 166.
50 Ibid at para 165.
51 Ibid.
52 Ibid at para 170.
53 Ibid at para 174.
authority, either in Canadian law or international instruments, that lays out how courts must view communication in such disputes, the Court in this case must apply a relevant private international law principle to resolve the dispute.\footnote{Ibid at para 184.} To quote the majority:

The principal infringing activity in this case is communication by the content provider, copyright material is not communicated until it is received on the end user's computer, and the location of the host server cannot alone determine where the communication occurs. The question remains: what test for locating the communications under consideration here would be most consistent with the policy of the Copyright Act and other legal principles?\footnote{Ibid at para 185.}

The “real and substantial connection” test, the Court noted, should be used to determine if a transaction falls within Canada's territorial jurisdiction.\footnote{Ibid at para 190.} The connecting factors to the case (other than the location of the host server to identify communications occurring in Canada) include the “location of the content provider, the end user and the intermediaries, in particular the host server”.\footnote{Ibid at para 191 (also known as the “host server test”).} The Court also added important factors that the court must consider for this test include the location of the end-user, the communication from caches and hyperlinks, and the location of a cache or a linked site from which material is transmitted.\footnote{Ibid at para 192.} In the Court’s view, therefore, the Board’s decision to not recognize the connecting factors would result in a potential loss of music sales in the Canadian market. To counter this, the ISPs should be made liable to pay royalties to SOCAN.

Lastly, to determine whether the s. 2.4(1)(b) exception applies to ISPs in this case, the following must have occurred: “the intermediary's activities must amount to the provision
of “the means of telecommunication”; second, these means must be “necessary” for enabling another person to communicate a work to the public; and third, the activities in question must constitute the intermediary's “only act” with respect to the communication.\footnote{Ibid at para 111.} The Court found that all three conditions were satisfied and that ISPs could therefore not use this exception to oppose payment of Tariff 22. The majority decision also held that an ISP would not be liable for infringement only if the copyrighted information passed through their servers temporarily and no exception would be granted for caching of information.\footnote{Ibid at para 196.}

5.2.3 Supreme Court of Canada\footnote{2004 SCC 45; [2004] 2 S.C.R. 427.}

SOCAN appealed to the Supreme Court, which delivered a decision in which the majority judgment, delivered by Binnie J. (with McLachlin C.J.C., Iacobucci, Major, Bastarache, Arbour, Deschamps and Fish JJ. concurring), accepted the Federal Court of Appeal’s holding that the private international law rule of establishing a “real and substantial” connection to Canada would be sufficient to determine if a communication by telecommunication occurred in Canada under the Copyright Act.

Further, the majority held that in the application of the real and substantial connection test, for determining if a communication originated in Canada, many factors are relevant, including the situs of the content provider, the host server, the intermediary, and the end user.

The minority judgment was delivered by LeBel J., who concurred in the result, but dissented in part (and specifically in relevance to this thesis). He stressed that the “host server test” is a preferred to one looking at many factors. His test complies with the territoriality requirement of international copyright law and the National Treatment principle, and harmonizes Canadian copyright law with its international treaty

\footnote{Ibid at para 111.}
obligations. As discussed further below, the majority reasoning, on the other hand, cannot comply with the principle of National Treatment.

The majority held that ISPs are required to pay the royalty amount to SOCAN.

Agreeing with the Federal Court of Appeal, the majority in the SCC appeal held that a communication (and therefore a royalty) may arise in respect of “any telecommunication that has a real and substantial connection with Canada.”\(^6^2\) The SCC agreed that the Board erred in holding that the only relevant connection between the communication and Canada would be the location of the host server. The SCC held that “as a matter of international law and practice, as well as the legislative reach of our Parliament, Canada's jurisdiction is not so limited”.\(^6^3\)

The SCC looked into the provisions of the *Copyright Act* to fully determine this issue. It held that the *Copyright Act* does not elaborate on the extraterritorial application of its provisions, and that it respects the territoriality principle “reflecting the implementation of a “web of interlinking international treaties” based on the principle of National Treatment”.\(^6^4\) However, it also viewed a telecommunication from a foreign state to Canada, or a telecommunication from Canada to a foreign state, as being “both here and there.”\(^6^5\) Since Canada has a “significant interest” in the flow of information in and out of the country, this fact is important to the issues at hand.\(^6^6\) The SCC therefore held that the “real and substantial connection” test is consistent with international copyright practice.\(^6^7\)

\(^6^2\) *Ibid* at para 36.

\(^6^3\) *Ibid* at para 52.

\(^6^4\) *Ibid* at para 56.

\(^6^5\) *Ibid* at para 59.

\(^6^6\) *Ibid* at para 62.

\(^6^7\) *Ibid* at para 63.
In essence, the majority ruled that communication by telecommunication over the Internet is so multifaceted that it can occur simultaneously in any jurisdiction, and employing a private international law to resolve such issues is the way to proceed. The SCC therefore disagreed with the Copyright Board and agreed with the Federal Court of Appeal’s findings.

It is important to note here that when the SCC discussed the extraterritorial application of the Copyright Act, it overlooked the Board’s opinion that the very essence of the territoriality principle enshrined in the Canadian Copyright Act is in fact drawn from international copyright treaties. The principle of National Treatment embodies territoriality and limits the application of national copyright laws to infringing acts occurring within the borders of the respective countries. Despite the majority stating that the Parliament “has the legislative competence to enact laws having extraterritorial effect,” it agreed that the Copyright Act is not to be applied extraterritorially, thereby respecting the principle of international comity. The SCC then goes on to say that the only way to “prevent the outreaching [of the Copyright Act] and to restrict the exercise of jurisdiction over extraterritorial and transnational transactions” is to apply the real and substantial connection test. Further, applying the test upholds the principles of “order and fairness ... that ensure security of cross-border transactions with justice.” To quote the majority:

The test reflects the underlying reality of the territorial limits of law under the international legal order and respect for the legitimate actions of other states inherent in the principle of international comity. A real and substantial connection to Canada is sufficient to support the application of our Copyright Act to international Internet transmissions in a way that will

68 Ibid at para 54.
69 Ibid at para 55.
70 Ibid at para 60.
71 Ibid at para 59.
accord with international comity and be consistent with the objectives of order and fairness. […] In terms of the Internet, relevant connecting factors would include the situs of the content provider, the host server, the intermediaries and the end user. The weight to be given to any particular factor will vary with the circumstances and the nature of the dispute.  

It can therefore be seen that the SCC applied a private international law principle to determine the outcome of the dispute while simultaneously asserting the National Treatment principle.

In contrast, the minority disagreed with the application of the private international law rule and advocated the “host server test” instead. This accepts the Board’s argument of geographical limitation, asserting that “for copyright purposes there is no communication in Canada unless a communication originates from a host server located in Canada.” Therefore, any participant in an Internet communication who is not a “conduit” for the transmission would be exempt from liability under Canadian copyright law, unless the host server is also located in Canada. Quoting the Board, the minority agreed that “each transmission must be looked at individually to determine whether in that case, an intermediary merely acts as a conduit for communications by other persons, or whether it is acting as something more. Generally speaking, however, it is safe to conclude that with respect to most transmissions, only the person who posts a musical work communicates it.” To further quote LeBel J.:

The location of the content provider – the person who uploads content onto a host server -- is irrelevant. The location of the end user -- the person

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72 Ibid at paras 60, 61.
73 Ibid at para 106.
74 Ibid at para 107.
75 Ibid.
76 Ibid at para 111 (quoting the Copyright Board decision at page 453).
making the request -- is also irrelevant. The Board held it is only when the copyrighted work is posted on a Canadian host server that the rights to authorize or communicate must be obtained from the person administering those rights in Canada.\(^\text{77}\)

And:

However, where the host server is located outside of Canada but the content provider specifically targets Canadian recipients, the Board held that it remains an open question whether this constitutes a communication within Canada. In other words, specifically targeting a Canadian audience may well constitute a communication within Canada under the Act. Such a determination will depend on the facts of a given case, and is not foreclosed by the decision of the Board.\(^\text{78}\)

The minority’s approach covers the possibility that an ISP may specifically target Canadian audiences, stating that the Board did not answer this question as it did not pertain to the questions before it. Application of the “host server” test would comply with both the territoriality requirement of international copyright law and the National Treatment principle, and harmonizes Canadian copyright law with its international treaty obligations. If the majority’s opinion (agreeing with the Copyright Board) to be considered correct, then in disputes concerning cross-border copyright infringement occurring over the Internet, a Canadian court can take jurisdiction and apply the relevant provision under the Canadian Copyright Act. If the minority’s opinion is taken to be correct, then Canadian courts cannot take jurisdiction over such disputes at all, unless the host server is located in Canada or the transmission originated in Canada. It must be

\(^{77}\) Ibid at para 137.

\(^{78}\) Ibid at para 139.
noted then that the Copyright Board therefore applied National Treatment in a pure fashion, while the SCC did not.79

5.3 Twentieth Century Fox Film Corp. et al v iCraveTV et al80 (United States, 2000)

As noted above in the 2002 judgment of the Federal Court of Appeal and the 2004 judgment of the Supreme Court of Canada in Tariff 22, the Canadian courts accepted the rule of “real and substantial connection” (a private international law rule) as a helpful tool to determine jurisdiction and applicable law for transactions occurring over the Internet. Only a few years earlier, a District Court in the U.S. made a similar decision, elaborating on jurisdiction in particular.81

The plaintiffs in the U.S. case were corporations engaged in the televised airing of public performances such as live professional sports and copyrighted television shows, framed with advertisements.82 All the plaintiffs in the case were based in the U.S. and conducted their activities within the U.S. with respect to the circumstances surrounding this dispute. The defendant iCraveTV was a private Canadian company with its principal place of business in Toronto. The defendant operated a website (icravetv.com) that converted broadcast signals of American television channels into a format capable of being streamed over the Internet such that content broadcasted in the U.S. could be watched live through the website in Canada.83

79 Note that while the decisions of the Copyright Board and Supreme Court do not affect the outcome of the dispute, the judgments do declare the rights of the parties in the dispute, which differ when a private international law rule is applied and when National Treatment is applied.

80 2000 WL 255989 (W.D.Pa.) (Western District Court of Pennsylvania) (hereinafter referred to as “iCrave”).

81 Note that the Canadian courts did not cite this case.

82 iCrave, supra note 80 at para 1.

83 Ibid.
The plaintiffs appeared before the Western District Court of Pennsylvania alleging that “the defendants have captured United States programming from television stations in Buffalo, New York and elsewhere, converted these television signals into computerized data and streamed them over the Internet from a website.”\textsuperscript{84} As per the plaintiffs, any Internet user around the world can access icravetv.com by entering any Canadian area code and that the website did not verify the location of users before allowing access to the content.\textsuperscript{85} The plaintiffs were seeking a civil action for money damages and equitable relief in this regard.\textsuperscript{86}

Defendant iCraveTV contended that although original copyrighted works were streamed on the website, the website itself was not intended for an American or even worldwide audience.\textsuperscript{87} Further, since the website required a Canadian area code to be supplied to allow access, if any American residents did view the content, it was due to acts of circumvention on their part. iCrave also stated that the transmission itself began in Canada and the end-user happened to be U.S. residents – a fact that iCrave had no control over.\textsuperscript{88} Due to this fact, the defendant contended that it did not commit any act of infringement as under American copyright law and that the “alleged improper acts are limited to Canada”. The defendant therefore claimed that the Court did not have jurisdiction over the dispute. However, if the Court did take jurisdiction, the defendant argued, it should apply Canadian law (where the transmission originated). The relevant Canadian law provides an exception for rebroadcasts of local or distant television and radio signals, resulting in no liability for the defendants.\textsuperscript{89}

\begin{itemize}
  \item \textsuperscript{84} \textit{Ibid} at para 3.
  \item \textsuperscript{85} \textit{Ibid}.
  \item \textsuperscript{86} This case involved a question of infringement, unlike in \textit{Tariff 22} which involved a judicial review of the decision of the Copyright Board.
  \item \textsuperscript{87} \textit{Ibid} at para 6.
  \item \textsuperscript{88} \textit{Ibid}.
  \item \textsuperscript{89} \textit{Copyright Act}, R.S.C., 1985, c. C-42, s. 31(2)(a): It is not an infringement of copyright for a retransmitter to communicate to the public by telecommunication any literary, dramatic, musical or artistic work […] if the communication is a retransmission of a local or distant signal.
\end{itemize}
The Court laid out the issues to be discussed in this dispute in the following order:

(1) Whether the Court has jurisdiction in a dispute involving non-resident defendants?
   a. Regarding subject matter jurisdiction.
   b. Regarding personal jurisdiction.

(2) Whether American copyright law can be applied to this case to determine infringement and the necessary remedies?

For the first question, it was decided that under American law the District Court had original (and subject matter) jurisdiction over any civil action relating to copyright and trademark disputes.90 The Court went on to specify that although trademark disputes often have an international character and therefore extraterritorial application in some cases,91 there can be no extraterritorial application for copyright law.92 The Court further noted, “when an allegedly infringing act occurring without the United States is publicly performed within the United States, the Copyright Act is implicated and a district court possesses jurisdiction.”93 Further, even though the streaming of the plaintiffs’ programming originated in Canada, the transmissions were received in the U.S., constituting a public performance under the Act.94 The Court therefore took jurisdiction in this particular case on the basis of the territorial nature of copyright laws, a key feature of any national law based on the major copyright treaties. Note that the Court did not discuss the principle of National Treatment in its decision but nonetheless applied the rule of territoriality to determine jurisdiction.

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91 *Lanham Act* 15 U.S.C. s.1051, s. 45. The *Lanham Act* applies to trademark disputes in the U.S. This section has been interpreted as having extraterritorial application in several American cases, the first being *Steele v Bulova Watch Co*, (1952) 344 U.S. 280.
92 *iCrave, supra* note 80 at para 5.
94 *The U.S. Copyright Act*, 17 U.S.C., s.101.
It was with respect to establishing personal jurisdiction over the defendants that the Court applied a private international law principle. The Court held that it could exercise jurisdiction over the dispute “regardless of whether the subject matter of the cause of action has any connection to the forum.” As long as the non-resident’s contact with the place is “continuous and substantial”, general personal jurisdiction can be established. To quote the decision: “the amount and kind of activities which must be carried on by the foreign corporation in the forum state so as to make it reasonable and just to subject the company to the jurisdiction of that forum.” The factual findings before the Court were the defendants, through their agents, have transacted in Pennsylvania on an ongoing basis. The Court therefore found that the transactions over the Internet did require localization within the U.S., and that by connecting the non-resident defendants to U.S., the Court can exercise jurisdiction over the case. This private international law rule, as per the Court’s assessment above, can be applied simultaneously with the determinations of subject matter jurisdiction of the forum. Therefore, the Court has gone beyond the scope of the Copyright Act and the principle of territoriality to establish a separate private international law rule that prescribes personal jurisdiction of the forum.

Regarding the second question on applicable, the Court held that American copyright law would apply to the dispute and not Canadian law. Since the plaintiffs were seeking relief under the American copyright law and not Canadian law, the Court decided there was no need for the Court to consider Canadian law at all, despite the defendants’ claim that Canadian law should be applied. The Court thereby found that the defendant’s actions were material in the causing of infringement, finding sufficient points of

95 iCrave, supra note 80 at para 11.
96 Ibid at 12.
97 Ibid.
98 Ibid at 24.
99 Ibid. The Court referred to cases noted in Chapter 4: Subafilms, Ltd. v. MGM-Pathe Communications Co. (1994) 24 F.3d 1088 (9th Cir.) and Itar-Tass Russian News Agency v Russian Kurier, Inc. (1998) 153 F.3d 82 (2d Cir.).
attachment with the U.S. to justify the application of American copyright law. The place of reception of the transmission and subsequent viewing by U.S. residents was found to be the point of localization of infringement, without consideration to the place of transmission. This was because under American law, the receipt of transmission was considered a “public performance” and the defendant further gained commercial benefit from the “public performance” of the work. The defendant was thereby ordered to stop retransmitting the works in the U.S.

The study of this case finds that by accepting the territorial limits of the U.S. Copyright Act, the Court recognized the international copyright principles by which the U.S. is bound. The principle of National Treatment embodies the very essence of territoriality and the Court’s acknowledgement of this principle (without direct reference to it) signified its importance. However, the Court also went on to establish personal jurisdiction by using a private international law rule, despite having already established subject matter jurisdiction. A national copyright statute has the effect of applying to the entire country and the National Treatment principle ensures that if the act of infringement occurred within the country, then the local forums would have jurisdiction over the dispute. Establishing personal jurisdiction, therefore, is a matter of interpreting a civil code provision that determines whether that specific local forum has jurisdiction among all the others in the state. It is important to make this distinction because the application of this private international law rule does not negate the effect of National Treatment. In the United States (or any federation state), private international law rules

\[100\] Ibid at 19, 25.
\[101\] Ibid at 8, 22.
\[102\] Jane Ginsburg, “Private International Law Aspects of the Protection of Works and Objects of Related Rights Transmitted through Digital Networks (2000 Update)”, (2001) WIPO Forum on Private International Law and Intellectual Property, WIPO/PIL/01/2 at 10 (Ginsburg agrees with the finding of the court but suggests that such a strictly territorial approach towards the application of national copyright laws could encumber Internet commerce); Jonathan Zittrain, “Be Careful What You Ask For: Reconciling a Global Internet and Local Law” (2003) The Berkman Center for Internet & Society Research Publication Series, Research Publication No. 2003-03 at 6 (looks at the issue differently: that establishing personal jurisdiction is apt but the court cannot ask a foreign firm to cease its activities if they are not infringing activities in the foreign country in which they operate).
may be relevant when deciding which state’s forum has jurisdiction over a dispute as well. Therefore, even though the Court in this case applied a private international law rule to determine personal jurisdiction, the fact that it acknowledged the territorial limitations of the American copyright statute is of utmost importance. The determination of subject matter jurisdiction using the principle of territoriality and the localization of infringement to within the U.S. ensures that the National Treatment principle can be applied to determine both jurisdiction and the applicable law (American law in this case).

5.4  La Société des Auteurs des arts visuels et de L’image Fixe SAIF) v Google France, S.A.R.L., and Google Inc.\textsuperscript{103} (France, 2011)

A few years after Tariff 22 and iCraveTV, the conversation regarding cross-border copyright infringement over the Internet and the influence of the Berne Convention was initiated in the French courts. Generally, copyright-related disputes in France that involved the EU Member States found that the relevant EU Directive decided matters of jurisdiction and applicable law.\textsuperscript{104} The case of SAIF v Google, however, involved French copyright owners as plaintiffs and the defendants were corporations based in the U.S, which required French courts to assess the role of the Berne Convention in resolving copyright disputes with a foreign element.

The plaintiff in this case was La Société des Auteurs des arts visuels et de L’image Fixe (SAIF), a copyright collective representing the interests of over 9,000 visual artists of both French and other nationalities.\textsuperscript{105} The defendants, Google France and Google, Inc., ran search engine websites (google.fr and google.com respectively), which included an

\textsuperscript{103} Cour d’appel Paris, L.E.Ch. (26 Jan 2011) (hereinafter referred to as “SAIF v Google”).
\textsuperscript{104} See Chapter 6 for full analysis of the EU exception to private international law rules applicable in cross-border copyright infringement.
\textsuperscript{105} SAIF v Google, supra note 103 at 2
image search feature that depicted certain copyrighted works of French artists as “thumbnails” for ease of search by users.106

5.4.1 Paris Civil Court of First Instance107

The plaintiff alleged that the reproduction of copyrighted artworks through thumbnails amounts to copyright infringement.108 Further, the plaintiff sought an injunction from the Court of First Instance to stop the websites from displaying the art works, as well as penalties for each instance of infringement and damages.109 The defendant submitted itself to the jurisdiction of the Court, but plead that American copyright law would apply to the dispute.110 The defendant argued that the Court should follow the private international law rule indicated in Article 5 of the Berne Convention, contending that “the law applicable to the lawsuit is that of the country in which protection is claimed” would be applicable.111 If the Court applied French law to this case, it would be applying the law of “the country where the proximate cause” and not the law of the country where “the damage was produced”.112 The application of American law, however, would invoke “fair use” provisions under the U.S. Copyright Act, and the activities of the defendants would not amount to infringement. The plaintiff in turn claimed that the law of the place where the damage is caused is more relevant in terms of proximity to the dispute and in

106 Ibid.
108 Ibid at 2.
109 Ibid at 3.
110 The U.S. Copyright Act, 17 U.S.C, s. 106.
111 SAIF v Google, supra note 107 at 7.
consideration of the rights of the authors. The plaintiff therefore contended that French law would apply.

The Court therefore found two questions to answer in this case:

1. Whether the Court had jurisdiction over the dispute.
2. Whether French or American law should apply, if the Court does have jurisdiction.

The defendants did not contest the jurisdiction of the French Court. Instead they solicited the application of American law to decide infringement. Therefore, the Court decided to take jurisdiction, as neither party contested it.

The second question on applicable law required the Court to decide between the application of French and American law. The Court accepted the arguments of the defendant, agreeing that the Berne Convention did incorporate a choice of law rule, nothing that the Jean Lamore case saw the “application of the law of the place where the harm was produced”. The Court reasoned that since the alleged harm was effected by the search facility run by the defendant, headquartered in California in the U.S., the location of production of the harm was the U.S. and therefore American law would apply. The court reasoned that since the servers that enabled access to the website in question (www.google.fr) were located in California, American copyright law should be applied to address infringement. Since the act causing damage did not originate in France, French law could not be applied to the dispute. By the application of the

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113 Ibid at 2.
114 Ibid at 7.
115 Ibid.
116 Ibid at 8.
provisions of the U.S. *Copyright Act*, the Court reviewed the four “fair use” criteria to find that the defendant would not be liable under the Act.  

### 5.4.2 Paris Court of Appeal

Upon appeal, the Paris Court of Appeal reversed this decision. Firstly, the Court asserted that it had jurisdiction over the matter as under the provisions of the *Berne Convention*. The Court of Appeal accepted the lower court’s reasoning that the provisions of the *Berne Convention* would the forum. By doing so, the Court affirmed the private international law rule that is prevalent in Article 5. The Court, however, did not agree on the application of the U.S. *Copyright Act* on the simple reasoning that the harm did not occur in the U.S. at all but instead occurred in France. Under the *Berne Convention*, the applicable law may either be the place of the wrongful act or the place where the damage is felt, and to rectify this ambiguity, the one with the closest link to the case should be applied. The Paris Court of Appeal reversed the lower court’s decision, holding that the *Berne Convention* points towards the application of the law of the place where the harm was sustained and not from where the act causing harm originated. The Court reasoned that the factual circumstances of the case point to the sustenance of harm in France as French users were able to access the Google search engines through the websites google.fr and images.google.fr. Therefore the applicable law to the dispute would be French law. Under French law, however, the Paris Court of Appeal still

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117 *Ibid* at 8 - 12.
118 *SAIF v Google*, *supra* note 103 (Judges Didier Pimoulle, Brigitte Chokron and Anne-Marie Gaber in a unanimous decision)
120 *Ibid* at 6.
121 *Ibid* at 6.
122 *Ibid* at 7.
123 *Ibid*. 
rejected the plaintiff’s claims, finding the search engines to be intermediaries causing “transient reproduction”, thereby not resulting in infringement.  

The decisions of the two levels of courts in this case see a reversal of positions from the Canadian Federal Court of Appeal and Supreme Court majority decisions in the Tariff 22 case. While the outcome of both the Court of First Instance and the Court of Appeal in SAIF v Google was the same, the manner in which the Courts affirmed the application of the National Treatment principle as a private international law rule is relevant. Neither court was ambiguous as to the application of National Treatment; they only differed in their interpretation of it. This case therefore saw a pure application of the National Treatment principle to determine jurisdiction and the applicable law in a cross-border copyright dispute occurring over the Internet. If the Court of Appeal had not connected the damage caused (by infringement) with the National Treatment principle, the outcome would have been similar to that in the pre-Internet French decision in the Jean Lamore case, seeing the application of the foreign law.

5.5 Analyzing the Post-Internet Cases

Upon closer analysis of each of these cases, it can be noted that there is no uniform approach to the conflict rules that courts in Canada, France and the U.S. are using to
determine the law applicable to copyright infringement cases over the Internet. However, all three cases, at some level, do discuss the principle of National Treatment, albeit without direct reference to it. This pattern is similar to the cases analyzed in Chapter 4 in the same jurisdictions, and the courts of each jurisdiction have referred to these earlier cases (excluding the *Tariff 22* case)\(^{127}\) in their opinions as well. Each court (in all jurisdictions discussed here, including Canada) has gone to great lengths to stress on the need for a nuanced understanding on how transmission of information takes place over the Internet.

The Canadian decisions in *Tariff 22* begin with a discussion of what appears to be the principle of National Treatment at the Copyright Board level and moves into a private international law discussion at the Supreme Court level. The SCC refers to the principle in its judgment briefly but moves on to assessing the applicability of the *Copyright Act* to “communications that have international participants”. The SCC states that the Act’s application will depend on “whether there is a sufficient connection between this country and the communication in question for Canada to apply its law consistent with the principles of order and fairness that ensure security of cross-border transactions with justice.”\(^{128}\) The SCC compares the “sufficient connection” concept to previous Canadian cases largely involving investment and corporate law to verify this point.\(^{129}\) This analysis, however, is flawed due to the overreaching act of establishing a “sufficient connection” in international transactions involving copyright infringement as the concept of infringement can only apply to an act committed within the territorial boundaries that a national copyright statute covers. However, the SCC also acknowledges that the very basis of copyright law is grounded in territoriality and, as the SCC observed as well, this concept emerges from the principle of National Treatment. Therefore, the SCC referenced the National Treatment principle but did not apply it in a pure form. Instead it opted to connect infringement with a prevalent private international law rule already in

\(^{127}\) The exclusion of the *Tariff 22* case is not surprising because it is a Canadian case and no case law in Chapter 4 arises from Canada.

\(^{128}\) *Tariff 22, supra* note 61 at paras 56, 57.

\(^{129}\) *Ibid* at para 60.
use in Canada.

It is also intriguing to note that all three levels of the judiciary – the Copyright Board, the Federal Court of Appeal, and the Supreme Court of Canada – agreed to the technical process of information transmission over the Internet. To reiterate, each court agreed that for a transmission to occur, (i) the file must be incorporated into an internet-accessible server; (ii) a request must be by the recipient for the file to be broken down into packets; (iii) the file must be transmitted in packets from the host server to the recipient's server through one or more routers; and (iv) the recipient computer must receive the packets, reconstitutes them into a file and stores for usage. Therefore, the difference in opinion between the Copyright Board and the SCC is on the basis of the extent to which Canada’s national copyright statute can be applied to a transmission that is known to have not originated from a server in Canada, leading to the extra-territorial application of provisions regarding infringement. The discussion of whether the Internet influences how National Treatment is applied may not be necessary at all; the Internet adds an additional question of jurisdiction but does not cause courts to waver from the application of National Treatment.

To quote LeBel J. in the dissenting opinion of the SCC decision, the host server test “clearly complies with the territoriality requirements of international copyright law, and harmonizes Canadian copyright law with international treaty principles” while also functioning in tandem with the meaning and purpose of the Copyright Act. This approach acknowledges that while an infringing act may have occurred across a number of jurisdictions, the only infringing act of concern to Canadian courts should be whether the host server is located in Canada, thereby localizing the infringing act within Canada (as laid out in the relevant provisions of the Copyright Act). According to the Copyright Board, SOCAN’s request to impose Tariff 22 on any ISP in whose servers the musical works are contained will result in the extra-territorial application of the Copyright Act.

130 Tariff 22, supra note 21 at para 82; Tariff 22, supra note 41 at para 16; Tariff 22, supra note 61 at para 10.

131 Tariff 22, supra note 61 at paras 145 – 148.
The decisions of the Federal Court of Appeal and the Supreme Court therefore conflict with the territoriality concepts inherent in the various copyright treaties in forces since the Berne Convention.

The decisions of the Federal Court of Appeal and the Supreme Court additionally subject ISPs to conflicting copyright regimes. While most national copyright statutes adhere to certain minimum standards of protection, the same is not true for acts of infringement over new media such as the Internet. Acts that are non-infringing in one country may be infringing in another. If domestic courts across the world began applying conflict rules similar to the “real and substantial connection” test, ISPs would be exposed to plaintiffs seeking relief in jurisdictions that have narrowly interpreted “infringement” over the Internet. An ISP may thus have to pay royalties in each of these jurisdictions, therefore being charged multiple tariffs for a single transmission, with each tariff imposed by the jurisdiction in which the servers used for the purpose of that transmission are present.

In the American iCrave decision, the test of “continuous and systematic contact” was established, with the Western District Court of Pennsylvania holding that the U.S. Copyright Act would apply to any infringing act that had sufficient points of contact with the U.S. Since the American law stated that the receipt of transmissions was a violation of the Copyright Act, the court’s attempt to localize harm only within the U.S. was an obvious route for the court to take. If the decision in Itar-Tass and subsequent cases had been followed in this case as well, the decision would have been starkly different. Firstly, the extra-territorial approach in Itar-Tass would have required the court to consider the application of Canadian law to the case. This approach would have been tedious, expensive and would require experts in Canadian copyright and cyber law to testify in court for an act of infringement that did not even occur in Canada. Further, such a decision would imply that if the transmission had taken place in more than one country,

132 Richard P. Rozek, “Protection of Intellectual Property Rights: Research and Development Decisions and Economic Growth” in 5:3 Contemporary Economic Policy (Oxford: Blackwell Publishing, 1987) at 54 (In certain countries like the U.S., the national copyright statute provides wide and extensive protection in the interest of authors, while in countries like India and China, strict standards of copyright protection and access over the Internet are considered to be detrimental to the purpose of dissemination of information).
then the court would be required to apply the copyright law of each of those countries, causing localization to vary based on each individual act of transmission in each place of transmission. Such a nuanced understanding of “transmission” by the court in this case was similar to the one purported by the Copyright Board in the *Tariff 22* case.

Lastly, in the *SAIF* decision, the Paris Court of Appeal expressly addressed the *Berne Convention*, stating that Article 5 refers to the law of the country where the protection is claimed. However, it went beyond the scope of *Berne*, seeking to rectify any ambiguity that courts before it may have faced in this regard. The decision ensures that even if damage occurs in more than one place (with either forum having jurisdiction over the dispute), the court that is approached by the parties can only consider acts of infringement that can be directly linked within the jurisdiction of that court. In this case, the French court refused to apply the law of the place from which the infringing work was transmitted (the U.S.) and only concerned itself with the point of reception of the infringing work (France). In making this distinction, the French court ensured that future disputes concerning infringement would only apply French law if the harm could be directly connected to France. This case therefore saw a pure application of the National Treatment principle to determine jurisdiction and the applicable law in a cross-border copyright disputes occurring over the Internet.

In each of these cases, a different interpretation of copyright infringement taking place over multiple jurisdictions. Some courts can be seen referring to the principle of National Treatment expressly in their decisions while others establishing conflict rules similar to those seen in the pre-Internet cases. However, when the principle of National Treatment is referred to, it seems that courts are able assess the Internet in a manner that establishes “borders” for the purpose of determining jurisdiction and the applicable law. With the current technical understanding of the Internet, this approach not only makes it easier for courts to abide by their obligations towards international copyright conventions, but also secures the conflict rule embodied in these conventions.
5.6 Conclusion

The chapter covered three cases (in Canada, the United States and France respectively) that have examined how transactions over the Internet have influenced how private international law rules addressing copyright infringement have been applied. In each case, an analysis was done on the basis of three core issues:

1. Whether the court took jurisdiction and which private international law rule dictated the same;
2. Whether the court applied national or foreign law; and
3. Whether the court determined the applicable law by using a private international law rule or the principle of National Treatment.

By assessing the decisions at every level of court, it can be seen that these issues have not been addressed in a uniform manner. While courts have developed or extended private international law rules dictating that the law of country of origin (lex originis) or the protecting country should apply (lex loci protectionis), others affirmed the territoriality principle inherent in National Treatment and applied the law of the forum (lex fori). This pattern is similar to the approach of courts in the pre-Internet cases examined in Chapter 4. This affirms that, despite the introduction of the Internet, the same issues of jurisdiction and applicable law plague courts in the post-Internet era as they in the late 20th century. Furthermore, each of the courts developed a similar understanding of how copyrighted works are transmitted over the Internet and the technical aspect of this transmission was not at stake in any of the cases.

The conclusion that can be drawn from this analysis (and the findings of Chapter 4) is that the Internet as a medium of dissemination of information does not have the effect of colouring how private international law issues are being framed in courts. In fact, while the issues highlighted in each case may require the analysis of transmission over the Internet, the courts used these analyses only to clarify technical questions as to how courts should look at jurisdiction on the Internet generally and these technical questions did not appear to specifically affect treatment of copyright issues in these courts.

The evidence therefore does not prove that applying the principle of National Treatment
would answer the problems that courts are facing regarding cross-border copyright disputes because they are occurring over the Internet. It does, however, support the evidence noted in Chapter 4: that the principle of National Treatment already provides the answers to issues of jurisdiction and applicable law and that developing a range of additional private international law rules is unnecessary.
Table 2: Consolidating the Decisions in the Post-Internet Case Studies

Private international law rules of domestic courts applicable to copyright infringement

<table>
<thead>
<tr>
<th>Case Studied</th>
<th>Did the court take jurisdiction?</th>
<th>Application of PIL rule?</th>
<th>Application of National Treatment?</th>
<th>Law applicable to infringement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff 22 (Canada, 2004)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Copyright Board of Canada</td>
<td>-</td>
<td>No</td>
<td>Yes</td>
<td>Canadian law (lex fori)</td>
</tr>
<tr>
<td>- Federal Court of Appeal</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Canadian law (“real and substantial connection”)</td>
</tr>
<tr>
<td>- Supreme Court</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Canadian law (“real and substantial connection”)</td>
</tr>
<tr>
<td>iCrave TV (US, 2000)</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>- West. Dist. Court of Pennsylvania</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>American law (“continuous and systematic contacts”)</td>
</tr>
<tr>
<td>SAIF v. Google (France, 2011)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Court of First Instance</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>American law (lex originis)</td>
</tr>
<tr>
<td>- Court of Appeal</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>French law (lex fori)</td>
</tr>
</tbody>
</table>
Chapter 6

6 Private International Law in Copyright Disputes in the European Context

6.1 Introduction

6.2 *Peter Pinckney v KDG Mediatech AG* (Europe, 2013)

6.2.1 Tribunal de grande instance de Toulouse

6.2.2 Cour d’appel de Toulouse

6.2.3 Cour de cassation

6.2.4 Court of Justice of the European Union

6.3 The European Union as an Outlier to this Study

6.1 Introduction

The European Union (EU) functions on two principles: “federalism” and “subsidiarity”.¹ Federalism, although not defined in any EU treaties or legislation, is essentially the concept of “dispersal of power between different levels of government.”² Since it is not defined, some specialists in EU law prefer to use the term “inter-governmentalism”, denoting a power sharing agreement between the EU institutions and the Member States that promotes collaboration and cooperation.³ The subsidiarity principle, which was

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² Davies, *supra* note 1 at 21.

³ *Ibid* at 22.
formally recognized by the EU Member States in Article 5 of the *Treaty Establishing the European Community*, requires that decisions should be taken “at the most appropriate level, as close to the citizen as possible, demonstrating that power is intended to be shared between the supranational institutions, national (Member State) and sub-national (regional) levels.”

Due to these core principles, the EU functions as a supranational organization, the basis for which is found in a series of international agreements, treaties and regulations that are negotiated and adopted by its Member States. Membership in the EU therefore requires relinquishment of sovereignty in a limited fashion, with the likelihood of sanctions being imposed on Member States that refuse to do so.

To that end, within the EU issues of jurisdiction in disputes of a civil or commercial nature, including matters relating to national intellectual property rights, are subject to the *Brussels I Regulations*. In these Regulations, the ones relevant to intellectual property disputes (as of the amendments that came into force in 2012) are:

(i) Article 4 (formerly Article 2), stating that a defendant domiciled in a Member State, irrespective of his nationality, is to be sued in the country of his domicile.

(ii) Article 7(2) (formerly Article 5(3)), stating that for matters relating to tort, delict or quasi-delict, the place where the harmful event occurred would be the basis for establishing jurisdiction, including the place where a casual act causing the harm has occurred.

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5 *Ibid*.

6 *Ibid* at 22.

(iii) Article 8 (formerly Article 6), stating that co-defendants in other Member States may be joined to the action under certain circumstances.

(iv) Article 24(4) (formerly Article 22(4)), referring to the place of registration of an IP as the basis for establishing jurisdiction.

To specify, the Regulation determines jurisdiction for disputes between states in the EU. Further, a judgment given by a court in a EU Member State is to be recognized in all other Member States. Within the EU, the general rule regarding applicable law for non-contractual disputes is the “law of the country for which the protection is claimed.” If any court approached by the parties in the Member States takes jurisdiction of a copyright dispute in pursuance to the provisions of the Regulations, the applicable law would be the law of that forum since the each Member State has national IP statutes containing substantive provisions. The Regulation’s provisions on jurisdiction are based on the principle that jurisdiction is to be exercised by the EU Member State in which the defendant is domiciled, irrespective of the nationality of the defendant. Domicile is determined by application of the domestic law of EU Member State if the suit is brought before a forum in that State. The Regulations therefore do not apply if one of the parties is domiciled outside the EU.

With this understanding of the Regulation in mind, analysis of relevant case law discussed during this research – and, indeed, there is only one case referring to Internet facts. This case involved three levels of the French court system before reaching the European Court of Justice.

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8 Regulation (EC) No 846/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II) O.J. L 199 (entered into force on 31 July 2007), art 8(1): The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed.

9 Ibid.

10 Regulation, supra note 7, art 4.

11 Note that the cases discussed in Chapter 4 involving European parties are excluded from this discussion. The Def Lepp case (1986) predated the European Union Regulation. The Lucasfilms and Jean Lamore cases involve non-European parties, to which the Regulation will not apply.
6.2 Peter Pinckney v KDG Mediatech AG\textsuperscript{12} (Europe, 2013)

This case, as mentioned, brought before the Court of Justice of the European Union (CJEU) involved a question of interpretation of Article 5(3) of the \textit{Regulation}.\textsuperscript{13} The plaintiff in this case was a French national living in Toulouse who claimed authorship over musical works produced by him in 1970.\textsuperscript{14} The plaintiff discovered that his musical works had been reproduced without his authorization on compact discs that were burned in Austria by the defendant Mediatech, and subsequently marketed by two U.K. companies, Elegy and Crusoe.\textsuperscript{15} All these states – France, Austria and the U.K. – are Member States of the EU.

6.2.1 Tribunal de grande instance de Toulouse

The plaintiff brought the suit before of the French Court of First Instance at Toulouse seeking compensation for damage sustained on account of the infringement of his copyrighted works.\textsuperscript{16} Before the Court, the plaintiff claimed that: (i) the defendant copied his musical works on a compact disc in Austria, and (ii) the two U.K. companies were involved in the marketing and selling of the discs through websites accessible by the plaintiff in France. The defendant challenged the suit on the ground that the court did not have jurisdiction over the dispute. Rejecting the defendant’s claims, the French Court took jurisdiction of the case, holding that the plaintiff was able to access the website at his residence in France and this fact was “sufficient to establish a substantial connection

\textsuperscript{12} [2013] EUECJ C-170/12.

\textsuperscript{13} Note that the 2001 \textit{Regulation} was in question in this case as the events occurred prior to the adoption of the 2012 amendments.

\textsuperscript{14} Pinckney, supra note 11 at para 9.

\textsuperscript{15} Ibid at para 9.

\textsuperscript{16} Ibid at para 10. Please note that a translated copy of the decision (in English) of the Tribunal de grande instance de Toulouse is unavailable. However, the decisions of the Cour d’appel de Toulouse and the CJEU (which are available in English) refer to the decision of the Tribunal.
between the facts and the alleged damage.”\textsuperscript{17} The Court then applied French law to the case, finding that the defendant was liable for infringement.

6.2.2 Cour d’appel de Toulouse

The defendants appealed against the decision of the lower court, arguing that the CDs had been prepared in Austria and the same were marketed in the U.K. Therefore, only the courts in Austria (place of domicile of the defendant) or the U.K. (where the alleged acts of infringement occurred) would have jurisdiction over the case. The French Court of Appeal accepted the defendant’s claim and overturned the decision of the Regional Court, stating that the “damage likely occurred outside the borders of France”.\textsuperscript{18} The Court also held that, due to the circumstances being such that the damage occurred outside France, the Court could not investigate the possibility of any collusion between the defendant and the U.K. companies that were involved in the marketing and selling of the discs through their websites.\textsuperscript{19} The French Court of Appeal therefore refused to take jurisdiction of the dispute.

This view was inconsistent with the \textit{Regulation} provision that “a person domiciled in a Member State may, in another Member State, be sued … in matters relating to tort, delict or quasi-delict, in the courts of the place where the harmful event occurred or may occur.”\textsuperscript{20}

\begin{footnotes}
\textsuperscript{17} Ibid at para 10.
\textsuperscript{18} Ibid at para 12.
\textsuperscript{19} Ibid at 6.
\textsuperscript{20} Regulation, supra note 7, art 5(3).
\end{footnotes}
6.2.3 Cour de cassation

The Court of Cassation stayed the proceedings of the appeal from the French Court of Appeal.\(^{21}\) The Court then referred the matter to the CJEU for a preliminary ruling on the following questions:

1. Is Article 5(3) of the Regulation to be interpreted as meaning that, in the event of an alleged infringement of copyright committed by means of content placed online on a website,
   a. The person who considers that his rights have been infringed has the option of bringing an action to establish liability before the courts of each Member State in the territory of which content placed online is or has been accessible, in order to obtain compensation solely in respect of the damage suffered on the territory of the Member State of the court before which the action is brought, or
   b. Does that content also have to be, or to have been, directed at the public located in the territory of that Member State, or must some other clear connecting factor be present?

2. Is the answer to Question 1 the same if the alleged infringement of copyright results, not from the placing of de-materialized content online, but, as in the present case, from the online sale of a material carrier medium, which reproduces that content?\(^{22}\)

6.2.4 Court of Justice of the European Union

Before issuing a “clarification” on the questions posed by the French Court of Cassation, the CJEU reformulated the questions.\(^{23}\) The new question before the CJEU was hence:

\(^{21}\) No judgment was rendered; therefore no citation is provided.
\(^{22}\) *Ibid* at para 15.
\(^{23}\) Bench comprising of L. Bay Larsen, J. Malenovský, U. Lõhmus, M. Safjan (Rapporteur) and A. Preehal (unanimously deciding).
Whether Article 5(3) of the Brussels I Regulation must be interpreted as meaning that where is an alleged infringement of a copyright which is protected by the Member State of the court seized, that court has jurisdiction to hear an action to establish liability brought by the author of a work against a company established in another Member State, which has in the latter State reproduced that work on a material support which is subsequently marketed by companies established in a third Member State through an internet site which is also accessible in the Member State of the court seized?²⁴

Based on this question, the CJEU then clarified the meaning of the “place where the harmful event occurred or may occur” under Article 5(3) of the Regulation.²⁵ The CJEU held that this provision covers both the place where the damage occurred and the place where the event causing the damage took place – meaning that the defendant can be brought before a court at either places.²⁶ This also signifies that the EU has given a choice to European plaintiffs about which place he/she/it wishes to file the suit. To quote the CJEU:

In the light of all of the foregoing, the answer to the questions referred is that Article 5(3) of the Regulation must be interpreted as meaning that, in the event of alleged infringement of copyrights protected by the Member State of the court seized, the latter has jurisdiction to hear an action to establish liability brought by the author of a work against a company established in another Member State and which has, in the latter State, reproduced that work on a material support which is subsequently sold by companies established in a third Member State through an internet site also accessible with the jurisdiction of the court seized. That court has

²⁴ Pinckney, supra note 11 at para 22.
²⁵ Ibid at para 25.
²⁶ Ibid at para 26.
jurisdiction only to determine the damage caused in the Member State within which it is situated.\textsuperscript{27}

The CJEU therefore held that courts of Member States where the harm occurred and where the works are protected would be competent to determine infringement and order compensation. In essence, the place of harm or the likelihood of occurrence of harm would determine which law is to be applied in a cross-border copyright infringement case. The CJEU rationalized this view by stating that if a work is accessible online, irrespective of the medium of sale, there is likelihood of harm occurring.\textsuperscript{28} Further, the CJEU approached the provision under the \textit{Regulation} as a “rule of special jurisdiction” that directed courts in deciding which country’s law would apply.\textsuperscript{29} This marks the difference between the common law approach to private international law rules in copyright cases and the more comprehensive regulated European approach. Under the \textit{Regulation}, the general rule regarding jurisdiction is that the suit can be entertained in the place of domicile or residence of the defendant.\textsuperscript{30} The Article 5(3) rule, however, grants “special jurisdiction” that should be wielded by courts in a selective manner. This is because the provision expressly refers to the place where the harmful event “occurred or may occur,” hence including the place of harm, the place of likelihood of harm and the place where the act causing harm occurred. The provision therefore embodies the application of \textit{lex loci delicti} in pursuance of prevalent tort principles in Europe.\textsuperscript{31} This is notably different from the \textit{lex fori} rule contained in the principle of National Treatment in \textit{Berne}. Note that the CJEU decision does not refer to the \textit{Berne Convention} or any other international copyright treaty in any capacity. It does, however refer to the principle of territoriality, dismissing it in favour of the \textit{Regulation}. To quote:

\begin{quote}
\textsuperscript{27} \textit{Ibid} at para 47.
\textsuperscript{28} \textit{Ibid} at para 36, 44, 47.
\textsuperscript{29} \textit{Ibid} at para 27.
\textsuperscript{30} \textit{Regulation, supra} note 7, art 2(1).
\textsuperscript{31} \textit{eDate Advertising v X (Area of Freedom, Security and Justice)} [2011] EUECJ C-509/09 (25 October 2011); \textit{Wintersteiger AG v Products 4U Sondermaschinenbau GmbH} [2012] WLR (D) 117, Case C-523/10).
\end{quote}
First of all, it is true that copyright, like the rights attaching to a national trademark, is subject to the principle of territoriality. However, copyrights must be automatically protected, in particular by virtue of Directive 2001/29, in all Member States, so that they may be infringed in each one in accordance with the applicable substantive law.

In that connection, it must be stated from the outset that the issue as to whether the conditions under which a right protected in the Member State in which the court seized is situated may be regarded as having been infringed and whether that infringement may be attributed to the defendant falls within the scope of the examination of the substance of the action by the court having jurisdiction.\textsuperscript{32}

As the CJEU explains, the \textit{Regulation} should be mandatorily followed by the Member States to establish jurisdiction, so that they can give effect to copyright protections under the respective substantive law efficiently. The effect of the international copyright treaties and the principle of National Treatment are therefore quashed by the effect of the \textit{Regulation}.

Further note that the ratio of the CJEU in \textit{Pinckney} did not consider the added factual element of the Internet (as a medium of distribution of copied works) as essential to its discussion. The presumption that harm has occurred or will occur, without the requirement of targeting consumers in a particular jurisdiction, ensures that infringement can be localized and the relevant national laws can be applied to resolve the dispute regardless of where the actual infringement takes place.

\textsuperscript{32} \textit{Pinckney}, supra note 11 at para 39, 40.
6.3 The European Union as an Outlier to this Study

Note that while the factual circumstances of the case involve the Internet, the process of transmission over the Internet does not form the core analysis of this case, differentiating it from the post-Internet cases dealt with in Chapter 5. This case is in terms of this thesis an exception to the application of the principle of National Treatment and, indeed, also to the application of private international law rules because the CJEU interpreted only the EU’s internal supranational Regulation for the purpose of determining jurisdiction and applicable law. This case analysis provided by the CJEU therefore appears to assume copyright disputes within the European Union are to be handled in a manner differently from those in other jurisdictions. It should be noted that the author’s analysis of this case questions whether the Regulation as applied in Pinckney to copyright is in line with the obligations of the Member States of the EU as signatories of the Berne Convention.

The case of Pinckney highlights why EU disputes brought before the CJEU or other European courts, and decided exclusively on the basis of the Regulation, cannot form a part of this study.\textsuperscript{33} The EU system of implementing Directives that guide the courts of Member States (through the guidance of the supranational CJEU) on the application of private international law rules is starkly different from the manner in which other nations are subject to such supranational Directives conduct themselves and apparently even lead the EU to ignore the Berne Convention and, presumably, its successor copyright treaties. In the Berne context, the requirement of territoriality was developed based on copyright-specific national laws from the 19\textsuperscript{th} century with the intent of legitimizing the concept of global authorship.\textsuperscript{34} Therefore, the National Treatment principle was based on the understanding that copyright is best protected through national laws, but an additional requirement of non-discrimination, informality, and minimum rights will only make this

\textsuperscript{33} Trevor Cook, "Exceptions and Limitations in European Union Copyright Law" (2012) 17(3) J. of Int'l. Prop. Rights 17(3) 243 at 243, 244 (examining a gap in the application of copyright limitations and exceptions between the United States and the EU, questioning whether the EU is a problem in this regard).

\textsuperscript{34} See Chapter 3 discussing the evolution of copyright law in national legislation, moving into the international sphere.
system stronger on a global scale. In the EU context, the existence of a mandatory Directive prescribing private international law rules negates the effect of the Berne Convention and the principle of National Treatment. Additionally, even if a court in a Member State decided to apply the National Treatment principle to a cross-border copyright dispute before it, it appears it can only do so as long as its interpretation fits within the boundaries of the Regulation. However, as seen in Pinckney, this cannot be achieved. Article 5 of the Regulation specifies a rule for determining jurisdiction that goes beyond the lex fori rule that National Treatment encapsulates. Therefore, there is no option for reconciliation between the private international law rules prescribed in the Regulation and the Berne Convention.

In conclusion, while the conversation in the EU context is an exception to the questions put forth in this thesis, the area does present scope for further research in understanding how the Berne requirements (and provisions of subsequent copyright treaties) can be interpreted in the context of EU Directives that prescribe private international law rules.

35 Considering the private international law rule of lex fori contained in the National Treatment principle, the Regulation therefore is in contravention of the Berne Convention. However, this discussion does not pertain to the overall objective of the thesis, and may be investigated through further research in the area.
Chapter 7

7 Conclusions

This final chapter restates the research problem set out in Chapter 1, summarizes the findings of the research, addresses the hypotheses laid out in Chapter 1, and demonstrates the answer to the research question that this thesis establishes. The chapter also includes some proposals for further areas of research.

In the first chapter the following research question was set out:

What is the extent to which the principle of “National Treatment” can be applied as a private international law or conflict of laws rule to resolve cross-border copyright infringement issues over the Internet?

The key concepts involved in the Research Question are the following:

(1) The Principle of National Treatment (as it pertains to copyright);
(2) Copyright infringement;
(3) Cross-border flows (of works and other subject matter governed by copyright law); and
(4) The advent of the Internet.

The “principle of National Treatment”, discussed extensively in Chapter 3, is a principle of non-discrimination that promises foreign authors (from countries that are members of the Union) that they will enjoy the same protection of their works in the protecting country that the nationals of the country of the domestic forum would enjoy. It is contained in the core international copyright law treaties - the Berne Convention 1886,¹

the Rome Convention 1961, the TRIPS Agreement 1994, and the WIPO Copyright Treaties 1996. National Treatment, embodied in text for the first time in Article 5 of the Berne Convention, was found to be a core concept of copyright treaties that facilitated the dissemination of information in protected works while also ensuring economic and moral rights to authors irrespective of their nationality.

In Chapter 3, the evolution of copyright law in the national and international spheres were studied, historically mapping its development in England, the United States and France, and then moving into the global landscape. The Chapter demonstrated that throughout the eighteenth century, copyright law was restricted to national legislation – the national laws were territorial and remedies were largely only available to the local authors. Authors therefore faced several challenges with respect to how their works were treated in foreign jurisdictions. The chapter also studied the emergence of bilateral treaties in Europe, followed by the evolution of the major copyright treaties – the Berne Convention 1886, the Rome Convention 1961, the TRIPS Agreement 1994, and the WIPO Copyright Treaties 1996. Through these treaties, the principle of “National Treatment” was studied. National Treatment, embodied in Article 5 of the Berne Convention, was found to be a core concept of copyright treaties that facilitated the dissemination of information in protected works while also ensuring economic and moral rights to authors irrespective of their nationality.

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5 Berne Convention, supra note 1.
6 Rome Convention, supra note 2.
7 TRIPS Agreement, supra note 3.
8 WCT, supra note 4; WPPT, supra note 4.
“Copyright infringement” is an essential matter of substantive copyright law: it the statutory action for enforcement of private rights in copyright, as described above in Chapter 1.

Decisions by courts about whether to entertain “Cross-border” disputes involving law in general, as observed in Chapter 2, involves the application of traditional private international law principles. In this thesis, those private international law rules were considered in terms of their possible application to copyright law.

The “Internet” as a concept in this thesis was studied in two parts: it was conceptualized in two phases as the law involving fact patterns consistent with pre-Internet conditions and the law involving facts patterns that can only exist post-Internet. The question that the thesis posed in terms of copyright infringement over the Internet was to assess whether courts had changed their approaches to post-Internet cases in ways that were unique to the post-Internet environment and did not occur for any pre-Internet cases.

The hypotheses put forth before embarking on this research were:

1. The application of the principle of National Treatment reflects a private international law rule applicable to cross-border copyright disputes.
2. Domestic courts need not adopt any private international law rule in addition to the principle of National Treatment in order to resolve cross-border copyright disputes.
3. The Internet has changed the circumstances of cross-border copyright infringement such that it can only be combated by the application of principles in addition to National Treatment and involving other private international law rules.

With respect to Hypothesis 1, the hypothesis was supported by this research. In particular, in Chapter 3, it was demonstrated by this author, based on analysis of the opinions of legal scholars on the question of the nature of the principle of National
Treatment, that the principle of National Treatment is best considered as included within the private international law rule of *lex fori*.

By conducting an extensive literature review, it was found that various scholars opted to describe the National Treatment principle in different ways. Some scholars looked at the National Treatment principle as the private international law rule of *lex fori* or the application of the law of the forum.9 Others entirely rejected the possibility of any private international law rule embracing the principle National Treatment.10 A few others not only embraced National Treatment as part of international recognized international private law rule, but also argued that it was embraced in *lex fori*. They also sought to include it within other private international law principles, such as *lex originis*, 11 *lex loci protectionis* 12 and *lex loci delicti*.13

Among these arguments, authors who proposed exclusively the rule of *lex fori* not only considered the bare text of Article 5, but also assessed the historical climate of the nineteenth century in the copyright context. More importantly, it was noted that National Treatment was a principle contained within *lex fori*, as *lex fori* itself was applicable to a range of private international law issues, (including procedural matters, tax law and criminal law). As the aim of the Berne Convention was to push the world towards global authorship rights and equal treatment of all authors, the principle of National Treatment would ensure that courts in signatory countries would look to applying the national copyright law to foreign authors. Essentially, the National Treatment principle dictated that the domestic courts would have jurisdiction over cases if infringement occurred in

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9 The works of Melville Nimmer, Stephen M. Stewart and Paul Edward Gellar, discussed in Chapter 3.

10 The works of Sam Ricketson, Jane Ginsburg and Mireille van Eechoud, discussed in Chapter 3.

11 Stephen M. Stewart agrees that *lex originis* could be a possibility, but rejects it on the point that it would force courts to apply the law of the origin of the work to every copyright dispute before it, and such a position would lead to discrimination of foreign authors – which National Treatment specifically forbids.

12 The works of James Fawcett and Paul Torremans, and Sierd J. Schaafsma, discussed in Chapter 3.

13 Richard Fen timan rejects the rules of *lex fori*, *lex originis* and *lex loci protectionis*, but considers whether *lex loci delicti* would apply, although the language of Article 5 of the Berne Convention suggest that it does not, discussed in Chapter 3.
that country, and that the law applicable to the dispute would be the national copyright law. With this understanding of National Treatment, especially looking at the principle in its historical setting, the evidence points to the inclusion of the principle of National Treatment in the private international law rule of \textit{lex fori}.

The first hypothesis therefore, being whether the application of the principle of National Treatment reflects a private international law rule applicable to cross-border copyright disputes, is proven. National treatment has been expressed by various scholars as being part of \textit{lex fori} (noted in Chapter 3.6). In a cross-border copyright situation, copyright infringement is governed by National Treatment, which is a unique principle of copyright law that is a recognizable application of the general private international law rule of \textit{lex fori}. National Treatment is therefore uniquely located within substantive national copyright statutes but is applicable in the private international law scenarios brought in front of courts through cross-border disputes.

This research focused on seeking out cross-border copyright cases involving explicit judicial discussion of the principles of private international law arising in the three jurisdictions historically linked with the origins of copyright law: Britain (whose eighteenth century copyright law was carried into the law of the United States when it achieved independence by the end of that same century); the United States, whose adherence to its original conception of copyright law persisted long after the progenitor of that law, Britain, had moved to a changed conception because of its international multilateral commitments beginning with the late nineteenth century \textit{Berne Convention}; and France, whose copyright law emerged as least as early as the British and who, with Britain, instigated the original \textit{Berne Convention}. The law of a fourth jurisdiction, Canada, is also examined – as a jurisdiction brought into \textit{Berne} on its inception whose Supreme Court has grappled explicitly with the implications of the Internet on the concepts underpinning this thesis.

It was found that although, for about a century after the \textit{Berne Convention}, cross-border copyright infringement cases observed involving pre-Internet fact patterns did not involve judicial discussion of private international law rules, some courts began to contemplate
the application of private international law rules to such pre-Internet scenarios after 1990. In *Lucasfilm Limited and others v Ainsworth and another*[^14] (U.K., 2011), the different levels of the English courts struggled with understanding whether English courts had jurisdiction over the case and how the extra-territorial application of the U.K. copyright law could be interpreted, arriving at the conclusion that U.K. would apply based on the principle that the law where the protection is claimed should apply. In *Jean Lamore v Universal City Studios and others*[^15] (French, 2007), it was held that by the final French appeal court that the law of the origin of the work is relevant to a copyright dispute, and law of the place where the protection is claimed could not be applied in consideration of the foreign parties’ interests. In the American case of *Itar-Tass Russian News Agency v Russian Kurier, Inc.*[^16] (U.S., 1998), both levels of courts applied the law of the origin of the work as well, with the appeal court additionally splitting “ownership” and “infringement” (applying the law of the place of harm to infringement). In *L.A. News Serv. v Reuters Television Int’l, Ltd.*[^17] (1998), foreign acts of infringement were found to be justiciable in the U.S., with American law applying to the dispute.

The data therefore showed that, from 1990 onwards, courts in each of the UK, US and France moved away from the strict territorial application of their national copyright laws and resorted to the exploration and application of private international law principles instead. Analysis of these cases, however, illustrates that at every level of court, there were discrepancies about which private international law rule to choose to apply—*lex fori, lex originis, lex loci protectionis, lex loci delicti* or the law of the place where the defendant is domiciled (see again Table 1).

Further analysis in this thesis of each of these cases in Chapter 4 showed that upon the application of National Treatment as the sole private international law rule the disputes in issue could have been resolved in a much easier manner. In each case, the National

[^16]: 153 F.3d 82 (2nd Cir. 1998).
[^17]: 149 F.3d 987 (9th Cir. 1998).
Treatment rule would find that as long as the infringement occurred within the borders of the country, the domestic law would apply indiscriminately for claims by both national and foreign rights holders. For any acts of infringement occurring outside the borders of the country, the domestic courts could not take jurisdiction of such disputes and the domestic law would not apply to these instances of infringement. Indeed, in all cases found before 1990, *lex fori* was the only principle used to settle the cases, which inadvertently applied the National Treatment principle, regardless of whether the courts in those cases directly referred to the *Berne Convention* or not. This finding supports Hypothesis 2, demonstrating that domestic courts do not need to adopt any private international law rule in addition the principle of National Treatment (whether or not it is embedded within an existing rule of private international law, though the finding of this research in respect of Hypothesis 1 demonstrates that it is best conceived as part of the law of *lex fori*).

In the post-Internet analysis, it was found that the issues of jurisdiction and applicable law involved assessment of the transmission of information over the Internet in each of these cases, and the courts had discussed the influence of the Internet at every level. Some levels of courts attempted to answer cross-border copyright infringement over the Internet by using connecting factors to localize infringement to within the state’s borders. Others acknowledged that if an act of infringement by transmission does not originate in the country, the national copyright law would not apply to that dispute. In the Canadian case of *Society of Composers, Authors and Music Publishers of Canada v Canadian Association of Internet Providers (Tariff 22)*,\(^\text{18}\) two diverging opinions of the Copyright Board and the Supreme Court of Canada are noted. While the Copyright Board established that the national copyright law would only apply on a territorial basis, the Supreme Court adjudged that infringement actions that occurred abroad may be localized to Canada by the use of the private international law rule that mandates a “real and substantial connection” to Canada. In the American case of *Twentieth Century Fox Film

*Corp. et al v iCraveTV et al*,\(^{19}\) it was found that Western District Court of Pennsylvania applied a private international law rule to localize infringement (“continuous and systematic contacts”) but that rule in no way negates the effect of the principle of National Treatment. In fact, although Court adopted a private international law rule to establish personal jurisdiction over the dispute, the application of National Treatment would have resulted in the same effect. This was therefore a curious case where the Court applied a private international law rule, but within the confines of the principle of National Treatment. Lastly, the case of *La Société des Auteurs des arts visuels et de L’image Fixe (SAIF) v Google France, S.A.R.L., and Google Inc.*\(^{20}\) saw a role reversal from the *Tariff 22* case. In this case, the Court of Appeal expressly referred to the *Berne Convention*, holding that Article 5 refers to the law of the country where the protection is claimed. Further, it upheld the territoriality rule contained in National Treatment, ruling that even if damage occurs in more than one place (with either forum having jurisdiction over the dispute), the court that is approached by the parties can only consider acts of infringement that can be directly linked within the jurisdiction of that court. By applying the law of the forum to the dispute, the Court asserted a pure application of the National Treatment principle to determine jurisdiction and the applicable law in a cross-border copyright dispute occurring over the Internet. As noted in the cases studied in Chapter 4, the application of the principle of National Treatment as a private international law, similar to the *SAIF v Google* decision in France, as long as an act of infringement occurred within the domestic borders of the country - a fact that could be established through a technical understanding of transmission of information over the Internet, as described in the *Tariff 22* case – the domestic court can take jurisdiction of the dispute and apply the relevant domestic law. This would result in a more efficient process of combating cross-border copyright infringement.

With this analysis, the second hypothesis is proven. With the use of the National Treatment principle, courts need not look into the application of any additional private

\(^{19}\) 2000 WL 255989 (W.D.Pa.) (Western District Court of Pennsylvania).

\(^{20}\) Cour d’appel Paris, L.E.Ch. (26 Jan 2011) [hereinafter referred to as “SAIF v Google”].
international law rule. As noted in each of the cases studied, the application of National Treatment would assist the courts in only taking jurisdiction of copyright disputes that arose due to an actual instance of infringement in within that jurisdiction. Further, once the court does take jurisdiction of the dispute, the National Treatment principle would point towards the application of the domestic copyright law (lex fori).

The third hypothesis, of this research, however, was not proven on the data uncovered. The evidence does not support the proposition that the Internet as a medium of information dissemination caused changes in the circumstances of cross-border copyright disputes such that principles of private international law were required in addition to the principle of National Treatment.

The third hypothesis failed to support in the data in two ways. First, as mentioned above, Chapter 4 demonstrates that courts began to explore use of principle of private international law after 1990 on facts that did not involve the Internet (these courts were still grappling with issues involving physical copies of works travelling across borders) – so the advent of the Internet could not be the precipitating factor in this change. Second, as discussed in Chapter 5, even where the facts do include the Internet, the principle of National Treatment still effectively answers these issues irrespective of the role of the Internet in the infringing acts. This research has demonstrated, in fact, that analysis of post-Internet factual realities by domestic courts has shown them to readily demonstrate a technical understanding of the Internet in order to address the questions before them but then, taken together, analysis of these courts indicates that the Internet is not a core factor in why some courts have changed their tune with respect to applying National Treatment as a private international law rule. It is analyzed, in this thesis, of the jurisprudence in Chapters 4 and 5, taken together with exploration of authors writing on these questions (in Chapter 3), that demonstrates conclusively that the application of the National Treatment principle to cross-border copyright disputes (whether involving the Internet or not) is more effective than the application of any other private international law rule.

Nevertheless, this researcher anticipated finding a change in the way private international law rules were applied in copyright disputes that would be observable only in cases
involving post-Internet facts. However, the findings in Chapters 4 and 5 show that the trend of applying private international law rules to cross-border copyright disputes by courts was not in any way exacerbated by the introduction of the Internet. The advent of the Internet has been shown to have merely continued a trend that was already in existence in non-Internet cases decided post-1990.

Further consideration of the fact that the positions of some courts with respect to cross-border copyright infringement disputes changed after 1990 to include principles of private international law beyond that of National Treatment begs further research.

Since the United States remained outside the Berne Union until 1989, and therefore would not have used the principle of National Treatment from the Berne Convention in its court decisions made before that time, it provides reason to speculate whether the entry of the United States into the Berne regime and the subsequent decisions of American courts, canvassing both the Berne Convention and the wider principles of private international law (see both Chapters 4 and 5), have affected the views of the courts in the United Kingdom and France, as well as the American courts. This change in the international copyright position of the United States (and not the advent of the Internet) may provide the explanation for the change away from exclusive reference to the principle of National Treatment by Berne Union members up until the 1990s. This thesis cannot establish such a causal connection but it could be an area for future research.

This thesis establishes that, contrary to the expectations of Hypothesis 3, there is no factual situation in which it can be demonstrated that the application of the principle of National Treatment is not equal to the task before court of fairly deciding cases involving cross-border disputes, given the fact that virtually all the countries of the world are now part of the Berne Union as a result of widespread membership in the World Trade Organization.

Given this finding, it is important to reflect upon the study provided in this thesis of the state of public international treaties and other texts that attempt to codify private international law rules and provide agreements for their global application. Chapter 2
provided an understanding of the status of these treaties, and also examined public international law efforts – and “model” efforts to standardize and codify private international law precepts across nations. It was noted that a common provision that each of these treaty attempts was the “public policy” exception. The “public policy” exception in each such document was shown to be available for member nations to use in a situation where a foreign law that would generally be applicable to a domestic forum cannot be enforced in domestic law pursuant to the treaty because its enactment by the state would violate a public policy of that land. Despite the inclusion of the “public policy” exception, this research describes the fact that these treaties have not been particularly successful: very few countries have signed and ratified them.21

As a consequence of the analysis of the third hypothesis in this research (which was not supported), this thesis has demonstrated that “National Treatment” embedded in the substantive text of the Berne Convention and all subsequent international copyright treaties is a more effective way of resolving private international law issues in copyright infringement disputes than the development and enforcement of treaties containing similar provisions in a comprehensive international “procedural treaty” governing private international law matters, even if the “public policy” exception is included in the drafting of such public international law instruments. The Berne principles have excelled in application to cross-border copyright disputes, as evidenced by the complete lack of reference to principles of private international law principles in cross-border disputes in copyright right up until the 1990s. The longevity of Berne and the National Treatment principle embedded within it demonstrates that National Principle is the necessary private international law rule that courts need to apply to cross-border copyright disputes and that is acceptable to states around the globe. Additionally, this research has shown that if such

21 Note that very few of these treaties are in force. Only those relating to family matters have shown any sign of success. Among the family law treaties, the Hague Convention on parental responsibility and protection of children (entered into force 1 January 2002) has 41 ratifications and is currently in force. No such treaty involving any other area of law has come into force. For instance, as of this thesis, only five states have signed on to the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters, and only three have ratified it. It is currently in force (as it requires two ratifications to do so) but the signatures and ratifications it has received are no a significant number to deem it successful, or at least, as successful as the treaties in the family law areas.
public international law treaties do continue to become effective to regulate states’ laws regarding appropriate application of principles of private international law to disputes, in the case of copyright law, their existence and their application by states, except in cases where the principle of National Treatment would effectively be the exclusive private international law principles allowed, would put member states in violation of the Berne principles. In this thesis, this very scenario is raised in Chapter 6 in terms of the supranational law of the Brussels I Regulation, which appears to bring the states of the European Union into possible violation of their international copyright commitments. Therefore, the evidence of this thesis study demonstrates that such treaties should expressly exclude copyright law from their ambit.

This thesis has proven that the principle of National Treatment is just as relevant today in the context of the Internet as it has been since its inception into international law in the nineteenth century. Its relevance as a private international law principle for cross-border copyright infringement occurring over the Internet has been studied in this thesis through a historical assessment of both National Treatment and the private international law principles that courts across key copyright jurisdictions have developed. Despite how different private international law rules would treat multi-national copyright infringement issues, this thesis has demonstrated that the text of the major copyright treaties can ensure that the pure use of National Treatment is sufficient to protect foreign authors, with the caveat that all the nations involved must also have the same responsibilities and follow the same principles as apply to nationals of the forum country.

The very nature of information on the Internet, as elaborated in the Tariff 22 case, is such that its transmission can be traced. There is a point of transmission, a point of reception and several points of hosting and storage along the way, each server generally in a different country. Often, temporary copies or caches are made on various servers for the purpose of efficiency in retrieving information. The way the Internet operates will not change in the near future and although courts have begun to understand the legal implications of such technology, they have attempted to address its legal issues by applying private international law principles that were developed for the movement of physical copies of information across real borders. Therefore, while such an approach is
in line with traditional approaches to private international law rules for other cross-border matters, it creates ambiguities to apply the same rules to copyright in the Internet context.

Copyright is concerned with the protection of information, making it a valuable commodity in international transactions. The private international law rules that govern jurisdiction and the procedural and substantive law applicable to copyright cross-border infringement issues cannot be left in the uncertain state that it currently occupies, as demonstrated in analysis of the post-Internet fact patterns dealt with by courts described in Chapter 5, with different jurisdictions, and different courts even within a given jurisdiction, seeking to apply various principles to the disputes. Although this thesis has demonstrated at a theoretical level that the scope of the principle of National Treatment falls within the private international law rule of *lex fori*, the implication of the rule of National Treatment is that it makes the functioning of courts much easier. National laws need not be amended to address issues arising in either new or old fact situations as the principle of National Treatment is a core concept of global copyright law, prescribed by international treaties and encompassed in national statutes. The private international law embodied in the principle of National Treatment ensures that courts can take jurisdiction of disputes where the infringement occurs within that territory and the law applicable to the dispute would be the local copyright law. In the context of the Internet, strict adherence to the principle of National Treatment will help reduce the burdens of the courts by determining jurisdiction and applicable law. It is therefore important to acknowledge that, for copyright disputes, the law had already adapted itself appropriately for the Internet back when the principle of National Treatment was embedded in the nineteenth century *Berne Convention*. 
Bibliography

Legislation


*An Act for Preventing Abuses in Printing Seditious, Treasonable, and Unlicensed Books and Pamphlets, and for Regulating of Printing and Printing Presses (the Licensing Act)* (1662) 13 & 14 Car.II, c.33.

*An Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors or Purchasers of such Copies, During the Times therein mentioned*, 1710, 8 Anne, c. 19.


*Loi 2004-575 du 21 juin 2004 pour la confiance dans l’économie numérique* [Law 2004-
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Secondary Materials: Monographs


**Secondary Materials: Articles**


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Appendices

Appendix 1: Relevant Provisions of the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention, 1886)

Article 5.

Rights Guaranteed: 1. and 2. Outside the country of origin; 3. In the country of origin; 4. “Country of origin”

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

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

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

(4) The country of origin shall be considered to be:

(a) in the case of works first published in a country of the Union, that country; in the case of works published simultaneously in several countries of the Union which grant different terms of protection, the country whose legislation grants the shortest term of protection;
(b) in the case of works published simultaneously in a country outside the Union and in a country of the Union, the latter country;

(c) in the case of unpublished works or of works first published in a country outside the Union, without simultaneous publication in a country of the Union, the country of the Union of which the author is a national, provided that:

(i) when these are cinematographic works the maker of which has his headquarters or his habitual residence in a country of the Union, the country of origin shall be that country, and

(ii) when these are works of architecture erected in a country of the Union or other artistic works incorporated in a building or other structure located in a country of the Union, the country of origin shall be that country.

Article 2.

Protection given by the Convention

Definition of National Treatment

1. For the purposes of this Convention, national treatment shall mean the treatment accorded by the domestic law of the Contracting State in which protection is claimed:

   (a) to performers who are its nationals, as regards performances taking place, broadcast, or first fixed, on its territory;

   (b) to producers of phonograms who are its nationals, as regards phonograms first fixed or first published on its territory;

   (c) to broadcasting organisations which have their headquarters on its territory, as regards broadcasts transmitted from transmitters situated on its territory.

2. National treatment shall be subject to the protection specifically guaranteed, and the limitations specifically provided for, in this Convention.

Article 3.

National Treatment

1. Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

2. Members may avail themselves of the exceptions permitted under paragraph 1 in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Member, only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.

Article 4.

Most-Favoured-Nation Treatment

With regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members. Exempted from this obligation are any advantage, favour, privilege or immunity accorded by a Member:
(a) deriving from international agreements on judicial assistance or law enforcement of a general nature and not particularly confined to the protection of intellectual property;

(b) granted in accordance with the provisions of the Berne Convention (1971) or the Rome Convention authorizing that the treatment accorded be a function not of national treatment but of the treatment accorded in another country;

(c) in respect of the rights of performers, producers of phonograms and broadcasting organizations not provided under this Agreement;

(d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members.

Article 5.

Multilateral Agreements on Acquisition or Maintenance of Protection

The obligations under Articles 3 and 4 do not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

Article 6.

Exhaustion

For the purposes of dispute settlement under this Agreement, subject to the provisions of Articles 3 and 4 nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.
Appendix 4: Relevant Provisions of the *WIPO Copyright Treaty*, 1996

**Article 1.**

*Relation to the Berne Convention*

(1) This Treaty is a special agreement within the meaning of Article 20 of the *Berne Convention* for the Protection of Literary and Artistic Works, as regards Contracting Parties that are countries of the Union established by that Convention. This Treaty shall not have any connection with treaties other than the *Berne Convention*, nor shall it prejudice any rights and obligations under any other treaties.

(2) Nothing in this Treaty shall derogate from existing obligations that Contracting Parties have to each other under the *Berne Convention* for the Protection of Literary and Artistic Works.


(4) Contracting Parties shall comply with Articles 1 to 21 and the Appendix of the *Berne Convention*.

**Article 3.**

*Application of Articles 2 to 6 of the Berne Convention*

Contracting Parties shall apply mutatis mutandis the provisions of Articles 2 to 6 of the *Berne Convention* in respect of the protection provided for in this Treaty.
Appendix 5: Relevant Provisions of the *WIPO Performances and Phonograms Treatry*, 1996

**Article 1.**

**Relation to Other Conventions**

(1) Nothing in this Treaty shall derogate from existing obligations that Contracting Parties have to each other under the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations done in Rome, October 26, 1961 (hereinafter the “Rome Convention”).

(2) Protection granted under this Treaty shall leave intact and shall in no way affect the protection of copyright in literary and artistic works. Consequently, no provision of this Treaty may be interpreted as prejudicing such protection. ¹

(3) This Treaty shall not have any connection with, nor shall it prejudice any rights and obligations under, any other treaties.

**Article 4.**

**National Treatment**

(1) Each Contracting Party shall accord to nationals of other Contracting Parties, as defined in Article 3(2), the treatment it accords to its own nationals with regard to the exclusive rights specifically granted in this Treaty, and to the right to equitable remuneration provided for in Article 15 of this Treaty.

(2) The obligation provided for in paragraph (1) does not apply to the extent that another Contracting Party makes use of the reservations permitted by Article 15(3) of this Treaty.

**Cache (Paras 42 and 43)**

An ISP may use caching to improve the efficiency and response time of transmissions. Specifically, when an ISP's end user requests information from a server that may be in a remote location, a temporary copy of the information may be retained on the ISP's local server (usually called a "proxy server"). This means that when another customer of that ISP requests the same information, it may be retrieved from the local server. Caching reduces the cost for the delivery of data by allowing the use of lower bandwidth than would otherwise be necessary.

A cache may be deployed at any point in the Internet (e.g., at a point where an undersea link is made to optimize transoceanic data transfers). The operator of the original server on which a site is located may prevent caching. The operator of a proxy server may also configure it to limit the time that information is retained (i.e., before a request goes back to the original server).

**Hyperlink (Para 67)**

Hyperlinks can be automatic links or user-activated. A link is automatic when a code is embedded in the Web page which instructs the browser, upon obtaining access to the first site, to automatically download a file from the second site. The information from the second site is pulled without the need for further action on the part of the user. A link is user-activated when the user must click the mouse button over the hyperlink in order to obtain access to the information from the second site. If the linked files are located on another server, the user's browser makes a direct connection to the second server. The user-activated hyperlink may be made to the home page or a subpage located on the
second site, in which case, the end user may have to take further action to access a particular file at that site. The link may also be made directly to a specific file, in which case the user will receive the content represented by that file without the need for further action.

**Internet (Para 7 and 8)**

The Internet is a worldwide network of interconnected computers. It evolved from a network originally designed to connect various computers operated by the military, defense contractors and universities conducting military-related research, and provided for redundant connections to allow communications to continue even if a part of the network was damaged in military action.

The Internet has developed into a mass communications system available to users located throughout the world, provided that they have a personal computer or other access device, the appropriate software and the ability to gain access to the system (sometimes referred to as "obtaining connectivity"). Its phenomenal growth has been made possible by a number of developments. These include technology that allows the digital conversion and storage of mass amounts of data; the increasing capabilities of access devices to download large quantities of data; the development of higher bandwidth distribution systems; the development of sophisticated routers that transmit information; and the advent of user-friendly software allowing access to information stored on any connected computer.

**Internet Protocol Address (Para 26)**

Each end node connected to the Internet is assigned a unique Internet Protocol or IP address, made up of integers. Users do not use addresses of this form when they invoke

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1 Footnote 3 in the text of the Copyright Board decision, which distinguishes between static and dynamic IPAs, is omitted.
services. Instead, they use names (called domain names) that are a little more user-friendly, composed of characters. These names are translated back to their associated IP addresses by the Domain Name System (DNS) which all IAPs [Internet Access Providers] operate for the use of their subscribers. The domain names together constitute the Internet's addressing structure.

**Internet Service Provider (Para 30)**

In this decision, ISP (Internet Service Provider) refers to an entity that provides any Internet communication service, including connectivity to subscribers. This is further divided into IAP (Internet Access Provider) for entities that provide connectivity to subscribers, and BSP (Backbone Service Provider) for entities that operate infrastructure components of the Internet.

**Means (Para 129)**

“Means” has a broader meaning than "facilities". The "means" that are necessary to effect an Internet transmission and to which paragraph 2.4(1)(b) [Copyright Act, R.S.C. 1985, c. C-42] refers are not limited to routers and other hardware. They include all software connection equipment, connectivity services, hosting and other facilities and services without which such communications would not occur, just as much as the switching equipment, software and other facilities that are used as part of the infrastructure of a common carrier for the transmission of voice, data or other information.

**Mirror Site (Paras 76 and 77)**

A "mirror site" involves an arrangement in which the owner of a Web site allows another entity to copy the content of that site onto another server. That server will be closer to a segment of users, who may obtain access to the materials without going back to the
original site.

Mirroring arrangements are of two kinds. The first involves the owner of a Web site entering into a separate agreement to make a copy of the site available on a further server. The second occurs when the site owner grants a second party the right to operate a mirror site in its own name.

Protocols (Paras 38 – 40)

The Internet functions by means of conventions and standards (called "protocols") that are implemented in the software and other products used in the operation of the Internet and that define how information is to be processed.

The Transmission Control Protocol (TCP) is implemented in software running in the end nodes. It opens and closes the connections necessary to allow the exchange of information; its function is to ensure that any message is sent, not to interpret the message. TCP software does this by numbering the packets being sent, keeping track of them as they arrive at the destination, demanding retransmission until all packets get through, and giving them to the user in the proper order upon receipt. TCP software at the source computer will continue to send any packet until the destination computer sends an acknowledgment of receipt. TCP software will also adapt to the speed with which data is being transmitted according to the amount of congestion on the network.

Another protocol on the Internet is Real Time Protocol (RTP). It is used to support streaming or transmissions that simulate real-time communications. RTP can skip packets while allowing subsequent ones to be transmitted so that the work as a whole continues to be received.

Internet Transmission (Para 82)

Internet transmissions are communications by telecommunication. A musical work is not communicated when it is made available on a server, only when it is transmitted. A
transmission requires: (1) a file incorporated into an internet-accessible server; (2) a request at a time chosen by the recipient for the file to be broken down into packets to allow the recipient to hear, see or copy the work, and transmitted from the host server to the recipient's server through one or more routers; and (3) a recipient usually using a computer to reconstitute and open the file upon receipt or to save it to open later. Either action in (3) involves a reproduction of the file.
Curriculum Vitae

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Post-secondary Education and Degrees:

Christ University, School of Law
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2009 – 2014 B.A., LL.B. (Honours)

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Teaching and Research Assistant
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