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FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS
(BERNE UNION)

ASSEMBLY

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QUESTIONS CONCERNING A
POSSIBLE PROTOCOL
TO THE BERNE CONVENTION

Memorandum by the Director General

1. The current program (covering the years 1992 and 1993) provides that the International Bureau will prepare, convene and service the Committee of Experts on a Protocol to the Berne Convention (hereinafter referred to as "the Committee of Experts"). As to the contents of the possible Protocol, the same program distinguishes between the rights of authors and the rights of producers of sound recordings. In respect of the rights of authors, the program provides that "the Protocol is mainly destined to clarify the existing, or establish new, international norms where, under the present text of the Berne Convention, doubts may exist as to the extent to which [the Berne] Convention applies" (document AB/XXII/2, item 03(2)). In respect of the rights of producers of phonograms, the program provides that "the desirability of covering in the protocol the rights of producers of sound recordings in sound recordings produced by them will be examined" (ibidem).

2. This program was adopted by the Assembly and the Conference of Representatives of the Berne Union on October 2, 1991 (see document AB/XXII/22, paragraph 197). A similar decision was made two years earlier by the same bodies for the program of the 1990-91 biennium (see documents AB/XX/2, item PRG.02(2) and AB/XX/20, paragraphs 152 and 199).

3. So far, the Committee of Experts has met twice, both times at the headquarters of WIPO. The first session was held in 1991 (November 4 to 8), and the second in 1992 (February 10 to 17).

4. The discussions were based on working papers prepared by the International Bureau (documents BCP/CE/I/2 and 3). They contained draft provisions (that is, texts in "treaty language") for the possible Protocol and explanations of the draft provisions.
5. Each session was fairly well attended (56 and 46 States, and 46 and 43 organizations, respectively). With the exception of one question (collective administration of rights), all the (some 20) topics covered by the working documents were considered. The discussions showed great differences of opinion on most questions.
6. This is why the Committee of Experts, at the end of the deliberations of the second session, agreed to three procedural proposals of the Director General.
7. The first proposal agreed upon was that "the International Bureau would, in the near future, write to the invited governments and organizations requesting each to make, if it so desired, written proposals to the International Bureau concerning the provisions of a possible protocol" (document BCP/CE/II/1, paragraph 162(i)). This was done in a circular dated March 2, 1992, which emphasized that since the draft provisions of the International Bureau were in treaty language, the proposals for changing them should also be in treaty language. The circular was sent to 128 Governments and 114 Organizations.
8. Five Governments (in chronological order: Hungary, Morocco, China, Sweden and Australia), the Commission of the European Communities, Unesco and 15 non-governmental organizations replied. Two of the five replies from Governments (all members of the Berne Union) contain proposals in treaty language. One may wonder, therefore, whether the time is ripe for contemplating the conclusion of a Treaty, be it a Protocol or other.
9. The replies of the Governments, the Commission of the European Communities and Unesco are reproduced in the Annex of the present memorandum.
10. The second proposal of the Director General agreed upon by the participants in the second session of the Committee of Experts was that "the International Bureau would, after consultations with the Chairman [of the Committee of Experts, Mr. Jukka Liedes from Finland] and outside consultants, further study the questions raised in the memorandum [that is, the two preparatory working papers mentioned above] and in the first two sessions of the Committee [see documents BCP/CE/I/4 and BCP/CE/II/1] as well as any proposal it would receive in response to the invitation mentioned above; such study would particularly concentrate on the most controversial questions" (document BCP/CE/II/1, paragraph 162(ii)).
11. The said consultations took place on four occasions in the months of May and June 1992. In chronological order, they were consultations with the representatives of the (i) Commission of the European Communities and several European States, (ii) Japan, (iii) the United States of America and (iv) several developing countries.
12. The consultations did not achieve anything that would permit the hope that a viable protocol could be concluded. What is meant by "viable" is that the protocol--even if one were adopted by a diplomatic conference--would be ratified or adhered to by a number of countries that would make the protocol significant.

13. It would be a step backward (instead of being one forward) if the conclusion of a protocol were to be forced and lead to the same situation as did, for example, the conclusion of the Treaty on Intellectual Property in Respect of Integrated Circuits. That Treaty was adopted with a substantial majority, but was ratified only by one country (Egypt). The reason for this situation seems to be that the interested circles of those countries which produce the greatest number of microchips seem to be against the ratification of or accession to the Treaty by any country, and most of the other countries believe that, without those countries, the Treaty will have very limited practical value. The situation is somewhat similar, at least up to now, as far as the Treaty on the International Registration of Audiovisual Works is concerned.
14. It seems therefore that the time is not ripe for the conclusion of a protocol and that one should wait, at least until the next biennium (1994-95) of WIPO's program, for possible continuation of the work on a protocol. The matter could be decided in the September 1993 sessions of the Governing Bodies of WIPO, particularly of the Berne Union.
15. Further "studies" or symposium-like discussions (even if they take place in a committee of experts) are not recommended since most of the issues are extremely well-known, having been discussed--also in WIPO-organized committees of experts and other meetings--in the 1980s. The aim of the present exercise is (or at least seemed to be) an internationally binding multilateral instrument--a treaty (whether a protocol or other)--and not mere exchanges of views and experiences, the more so as, as already indicated, the issues are pretty clear to practically everyone.
16. The third proposal of the Director General agreed upon by the participants in the second session (February 1992) of the Committee of Experts was that "taking into account such study [that is, the study carried out on the basis of the consultations mentioned above] the International Bureau would issue a working document, probably in September 1992, for the preparation of the next session [then scheduled for November/December 1992] of the Committee" (document BCP/CE/II/1, paragraph 162(iii)).
17. As already indicated, the consultations did not yield sufficient results to allow the International Bureau to make a new working document that would advance the work towards the conclusion of a protocol, the more so as some of the consultations showed that there was also an opinion according to which the consideration of a draft protocol was premature and all that WIPO should do for the time being is to study and discuss the issues in terms other than a draft treaty.
18. Under the circumstances, the planned November/December 1992 session (which would have been the third session) of the Committee of Experts was not convened by the Director General who, before any further activity in this field, would await the instructions of the Assembly and the Conference of Representatives of the Berne Union in respect of the matters under consideration. It is proposed that the member States accord themselves at least one year for reflection, and that the matter be considered at the September 1993 sessions of the Governing Bodies.

19. The Assembly and the Conference of Representatives of the Berne Union are invited to make a decision on the proposal contained in the preceding paragraph.

ANNEX

Replies of Governments,
the Commission of the European Communities and
Unesco

Australia (June 16, 1992)

I refer to the memorandum dated 2 March 1992 from the International Bureau of WIPO formally inviting written submissions concerning the provisions of a possible Protocol to the Berne Convention. These submissions were to be sent to the International Bureau by 15 June 1992. I advise that the Australian government wishes to make a submission concerning the possible Protocol and expects to send a copy of that submission to the International Bureau within the next week. [The International Bureau has not yet received such a submission.]

China (June 9, 1992)

It is a pleasure to have received your letter dated March 2, 1992, inviting written proposals on the provisions of a Possible Protocol to the Berne Convention. Generally, the National Copyright Administration of China (NCAC) supports the drafting of a Possible Protocol to the Berne Convention, as it is useful for harmonizing efforts to meet the problems raised by the development of new technology.

The following are detailed points of our proposal:

The Possible Protocol to the Berne Convention should take into account the current situation of developing countries, and maintain a good balance between the interests of copyright owners and the need for economic and cultural development.

Being a document attached to the Berne Convention, the Possible Protocol is better not to cover the issue of protection of sound recordings, which is still largely dealt with as a subject matter of neighboring rights, although its surrounding problems need prompt solution too.

In respect of paragraph 75*, we think that the second alternative would be good, i.e., any storage of a work by any method now known or later developed in an artificial memory from which the work cannot be directly perceived by seeing or hearing but, with the aid of a machine or other device, can be so perceived and, if so desired, further reproduced or communicated, is to be considered reproduction within the sense of Article 9 of the Berne Convention.

Regarding private reproduction for personal use by devices, we think that it would be practically difficult to implement the provision of paragraph 102(a) which sets the requirement that "The private reproduction of books (in their entirety), computer programs, electronic data bases or sheet music by mechanical or electronic devices, and the private serial digital reproduction of any works or sound recordings, shall not be permitted without the authorization of the author of the work or the producer of the sound

* References to paragraphs are references to paragraphs of document BCP/CE/I/3.

recording concerned, even if such reproduction is for personal purposes." We suggest that all types of private reproduction be permitted under the condition that due remuneration should be paid to the authors. The said payment should be made the responsibility of those who manufacture reproducing equipments or materials (excluding goods made for exportation) or import such equipments or materials into the country (except where the importation is by a private person for his personal use), being done through collective administration of copyright.

Regarding the right of public display, may we suggest that the proposed paragraph 116 be changed to read as "authors of works of fine art and photographic works shall enjoy the right of direct display with the right to exhibit the original copy of a work of fine art or a photographic work going with the owner of such original copy."

Regarding the rental right and public lending right, we suggest that public lending right be removed from the proposed paragraph 129.

In respect of the term of protection, we consider that the term of protection provided by the Berne Convention for all types of works, except the one for photographic work, is suitable. We suggest that the proposed paragraph 161 be changed to give photographic works a term of protection of 50 years from the making of a photographic work.

Hungary (May 5, 1992)

Before taking a final position by WIPO concerning the introduction of a new right to authorize importation, it seems to be advisable to reconsider the pros and cons relating to the issue more in depth.

I think, we all agree as to the objective of the proposal. It is aiming at the strengthening of the author's right to control the distribution of reproduced copies of works, and to avoid parallel distribution in a country of copies of the same work, produced in different States.

But let us consider some possible implications of recognizing such a new type of right.

First question: Does distribution, from the authors' point of view, essentially consist of importation of his work, or does it rather mean dissemination from the place of its reproduction, including exportation of copies by their producer?

Secondly: A new authors' right to authorize the importation of reproduced copies would have two unintended consequences:

(i) It would involve its exercise country by country and by authorizing separately as many importers as are interested in buying copies from abroad. This could even overcomplicate and hamper efficient distribution.

(ii) The right of importation would, internationally, separate the right of distribution from the right of reproduction. Other persons would be authorized to import copies than the person who reproduced them. By definition, the producer cannot be granted a right of importation concerning the copies produced by it.

Thirdly: As regards the prevention of the importation of unauthorized copies of a work, Article 16 of the Berne Convention already provides for seizure of infringing copies coming from abroad.

Fourth consideration: Consequently, the right of importation seems to be rather a trade-related concept. It would mean the introduction of a new type of right of authorization which could not be simply derived, by interpretation, from existing provisions of the Berne Convention. This would also mean that those countries of the Berne Union which would not become parties to the proposed Protocol (or other related treaty) could easily say that the right of importation is not consistent with the Berne Convention and should not be recognized by them.

On the other hand, however, effective territorial control of the dissemination of reproduced copies can be derived from existing provisions of the Berne Convention by taking another approach. This can be done by explicitly recognizing the exclusive right of authorizing the distribution of copies of the reproduced work, which right already follows implicitly from certain articles of the said Convention.

Moreover, it should be observed in this context that it had never been contested that the authorization of the normal exploitation of reproduced copies of the work can be limited by contract as to both duration and territory.

In order to expressly recognize a right of distribution as a right implicitly following from the Berne Convention, at least three provisions of that convention may be invoked:

(i) Article 9(2) as to normal exploitation of the work as regards reproduced copies;

(ii) Article 3(3) the definition of published works, with reference to making available sufficient number of copies to the public.

(iii) Article 14(1): already explicitly providing for the right of authorizing the distribution of the work reproduced cinematographically.

Consequently, our goal appears to be more appropriately achieved by deriving from these provisions the explicit recognition of a right to authorize the distribution of copies of works reproduced. Thus, the proposed Protocol could provide, e.g., that

"In the case of publication, in the sense of Article 3(3) of the Berne Convention, of works reproduced under Article 9 of the Convention, the dissemination of the reproduced work is subject to the exclusive right of the author to authorize the distribution of the copies of the work, as regards first sale, rental or public lending thereof, subject to possible limitations of that authorization concerning its duration and territory, as well as to relevant exceptions provided for in the Berne Convention or in this Protocol."

It seems that by such a solution the development of authors' rights could be better rooted in the Berne Convention, to which the Protocol is proposed to be related.

Hungary (along with the representatives of the International Literary and Artistic Association (ALAI) and the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP))
(February 13, 1992)

It is proposed that the possible protocol provide:

(i) that the person who performs an act of use of a literary or artistic work which is subject to authorization by the author shall acquire only such rights which are necessary to properly exploit the work as specified in the contract for its use (as regards both the manner of making it available to the public and the territory where this can be done); failing such specification, the scope of the rights acquired shall correspond to the purpose of the contract as it follows from its content;

(ii) that, if the authorized person does not exploit the work in a manner following from his contract with the author or ceases to do so, the latter shall set him a reasonable time limit to comply with the relevant stipulations; if no appropriate use is made of the work within that time limit, the author shall have the right to terminate the contract and to revoke the rights conferred by it;

(iii) that the remuneration of the author is due to him as a function of the authorized person's returns from the use of the work, except for special cases where national law may allow outright remuneration with regard to particular circumstances and under specific conditions. (When acquiring exclusive rights, the authorized person shall pay to the author an unrefundable advance sum accountable against royalties according to the actual use of the work);

(iv) that options to acquire rights in future works of the author which have not yet been commissioned are null and void unless limited in time or as to the number and kind of the future works concerned, and unless the intended manner of use of such works be determined by the parties.

Morocco (May 27, 1992)

Following your circular letter, I have the honor to inform you that the Moroccan Office of Authors' Rights has taken note of the different proposals made by various non-governmental organizations concerning a possible protocol to the Berne Convention for the Protection of Literary and Artistic Works.

This Office wishes to express its full readiness to work for the interests of developing countries so that their rights can be preserved by the possible protocol.

Sweden (June 12, 1992)

In reply to your note of March 2, 1992, in which you request views on the future work on the Protocol, I would, on behalf of the Swedish Government, like to state the following.

In our view, it is essential for the successful completion of the work in a reasonable time that the number of questions which are dealt with is kept limited. At the two sessions of the Committee of Experts already held, our delegation has acted with a view to get the work in the Committee to concentrate on a few, important subjects. We are happy to see that the

Committee has decided to take certain questions off its agenda, but--as our delegation has stated more specifically in plenary--we are of the opinion that there are still subjects on the agenda that ought not to be dealt with.

From what was just said, it is evident that the Swedish Government cannot lend its support to any attempts to enter new items into the discussions. We believe that too heavy a workload for the Committee can jeopardize the whole project.

When it comes to drafting treaty provisions, we think it is premature at this stage for the delegations to engage in such drafting activities. Regarding a number of items, it has been decided that the International Bureau shall conduct further studies and present new solutions. In our view, it is important that the general ideas behind--and the basis for--the different treaty provisions are discussed thoroughly before embarking upon the problems of drafting, since these problems necessarily involve details at a stage when these details should not be under discussion.

These are our general views regarding the present state of the work. Our positions as to the specific questions under debate have been presented in plenary and with one exception they shall not be repeated here. The exception is the question of protection of sound recordings.

We believe that producers of sound recordings should be granted a stronger international protection but that the work in this respect should include not only those producers but also, for the sake of balance, performing artists and broadcasting organizations. The work should in our view not be conducted in the framework of the on-going discussions but instead in a new, separate WIPO project; for the time being the form of this project (a protocol to the Rome Convention or other solutions) is left aside.

Commission of the European Communities (June 4, 1992)

I thank you for your letter of March 2, 1992, by which you invited our Commission, as any other delegations, to send you, before June 15, 1992, proposals concerning the provisions of the possible Protocol to the Berne Convention.

In this context, the Commission thanks you for this invitation. Unfortunately, it is not in the position to submit proposals by the said date. It may, however, be able to submit proposals later and reserves the possibility to contact you on this subject.

In this spirit, I wish to underline the importance the Commission attaches to a successful outcome of the work on the Protocol. The Commission will work in this direction because it is convinced of the need for a multilateral solution to the challenges of new technological developments.

In the debate that took place during the second session of the Committee of Experts and at the official consultations on May 5, 1992, it was felt that further reflection was needed concerning certain aspects that might be dealt with in a possible Protocol. Various experts underlined that studies to be undertaken by the International Bureau might facilitate further work to a considerable extent. It seems, for example, that the right of public display and the right of importation or the right of distribution are subjects that would deserve more detailed preparation and in respect of which the Commission

would like to have disposal of more in-depth study to be undertaken by the International Bureau of WIPO. This would make it possible to have a more detailed discussion on those rights during the meeting of the Committee of Experts at the beginning of December in Geneva.

UNESCO (April 29, 1992)

On behalf of the Director General, I thank you for your letter C.L 1013 of March 2, 1992, requesting UNESCO's proposals concerning the draft provisions on a possible Protocol to the Berne Convention for the Protection of Literary and Artistic Works.

In this regard, our Organization would like to put forward for consideration by the International Bureau of WIPO the following provision for the inclusion in the above-mentioned Protocol:

"It shall be a matter for legislation in the countries of the Union to provide for minimum standards on contracts between authors and users of their works to ensure mutual respect of the rights and duties of the parties concerned."

It is assumed that such a general wording would satisfy all States having a different legal approach in respect of authors' contracts.

[End of annex and of document]