

International Copyright, Choice of Law and National Treatment

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From Hammurabi's Code to United Nations Resolutions, a realpolitik view of law is that law pertains to those who come within the reach of its enforcement. Within each sphere of legal influence, the law is subject to interpretation, hence the need for lawyers. Reconciliation of competing views of laws among various legal jurisdictions may require accepting a rule of law beyond one's domain. As law is one means society uses to regulate itself, acceptance of external law requires changing one's view on the limits of society. Achieving this type of universal accord facilitates the reliability of transactions beyond a domestic rule-set. With respect to copyright and global information transactions, an enforceable uniformly accepted body of law has not kept pace with the rate of information exchange.

Unraveling a dispute about the ownership and reuse of information content involved in an international transaction requires a determination of what jurisdiction can adjudicate the case and what national law applies to the facts. In Information Circular 38a, the United States Copyright Office advises registrants that there is no "international copyright" protection against infringement; rather, protection depends on the national laws of each country. Treaties have established minimum standards of protection of foreign works, yet application of those standards, as well as the areas where there is no agreement on law, is left to an interpretation by domestic courts. Without international harmonization of copyright laws, litigants will choose to seek redress in courts which are likely to apply a law with a likely favorable outcome, where there is an asset which the enforcing court can levy upon, or where there is the authority to enjoin a server or arrest an individual. Private parties may agree to negotiated terms and conditions, but when rights are in conflict and when information is accessible beyond an initial mutual exchange, courts decide who owns what. What law applies to those judicial decisions is a precursor to the resolution of disputes. This article will start with a discussion of the concepts of choice of law, national treatment, and the judicially imposed limits on extraterritorial application of copyright law and conclude with a discussion of two cases involving the traditional cross-border copyright problems of originality and ownership.

CHOICE OF LAW AND NATIONAL TREATMENT: INTERNATIONAL VIEWS

Whenever a dispute involves litigants from different states or the issue in dispute is a contract or tort which crosses borders, the court must decide which law to apply to the case. For example, if an industry causes pollution damage in several states, a court will have to decide whether to use the law of the state where the industrial site is located, where the most damage occurred, or where the company is incorporated. Choice of law principles guide these selections; a court may or may not end up applying law inherent to its own forum. Choice of law issues exist at an international level as well. As stated, rights in a work could theoretically be determined by a multiplicity of inconsistent legal regimes when a dispute fact pattern crosses jurisdictions. Copyright laws often incorporate the information policy aspects of a culture of each particular country; thus, different countries have different laws. The U.S. balances individual rights with the social utility of public access to information. Other countries may see creation of works as sacrosanct to the author. Specifically, laws of different countries may treat works differently with respect to ownership, originality, fair use, moral rights, and treatment of facts and databases.

There has been progress in developing an international consensus on the approach to copyright. One of the first international agreements on this topic, the Berne Convention of 1886 (The International Union for the Protection of Literary and Artistic Property) established a union of states agreeing to protect the artistic rights in works of authors of member states. The United States joined this convention in 1989. The two most cited Berne provisions are "minimum standards" and "national treatment." Though an attempt at harmonizing, each national implementation is subject to interpretation. "Minimum standards" generally means that a member nation of Berne must protect the works of a foreign author without strict or discriminatory registration formalities. "National treatment" has different interpretations.

One simple interpretation is that national treatment is a non-discriminatory concept, which means a court will treat both foreign authors and domestic authors the same under national law. Another view is that the forum court's national law of infringement will be applied uniformly to the works of both foreign and domestic authors, whatever that national law may be. This leaves open the question of which law applies to issues of ownership and originality. However, there is a third view that Berne has no choice of law provision at all, except that the law

where protection is claimed governs an infringement action. Some commentators argue and state that this forces the author to seek enforcement in every single jurisdiction where protection is claimed and therefore is not helpful to a single resolution. Finally, an interpretation taking into consideration other articles in Berne is that Berne requires that the law of the country where the protection is claimed govern the infringement action; and, since the damages can go beyond the territorial jurisdiction of the court, a national court can apply any law as long as the courts apply national law with respect to infringement.

Without getting into any more detail, it is fair to say that domestic courts are not uniformly interpreting the Berne Convention's application to domestic law. In international copyright cases, U.S. courts are applying the national law which has the strongest connection to the case with respect to issues involving questions of ownership and originality, a critical pre-infringement evaluation, and are applying national law to the claim of infringement.

LIMITS ON EXTRATERRITORIAL APPLICATION OF U.S. COPYRIGHT LAW

Whether or not U.S. copyright law and jurisdiction can apply to acts of infringement which occur outside the U.S. borders is also a subject of conflicting opinions. Generally, there is a presumption against extraterritorial application of any U.S. law to conduct occurring outside the country unless the law expressly permits that application. In the case of Subafilms, Ltd. v. MGM-Pathe Communications, Co., 24 F.3d 1088 (9th Cir.) (en banc), *cert. denied*, 513 U.S. 1001 (1994), the court denied application of U.S. law to foreign dissemination of video cassettes. In 1967 in a joint venture, the Beatles and Subafilms/Hearst Corporation agreed that MGM could disseminate the movie "**Yellow Submarine**" to theaters and television. The agreement did not address foreign dissemination. In the 1980s MGM started foreign dissemination and Subafilms filed for an injunction and copyright infringement. The court ruled that MGM was not liable under the Copyright Act because the foreign distribution activities that MGM authorized were not violations of the U.S. Copyright Act, as those authorization activities occurred abroad. The underlying principle of the non-extraterritorial application of U.S. law is that the character of an act as lawful or unlawful must be determined wholly by the law of the country where the act is done. American Banana Co. v. United Fruit Co., 213 U.S. 347, 356 (1909). This concept can also be seen in the analysis of "national treatment."

However, this principle and the holding of Subafilms ignore the impact of global connectivity and the importance of foreign markets to all nations. Other courts have been more flexible with respect to extending jurisdiction to an act of infringement when the authorization has a connection to the national court. The uncertainty as to what law will apply to an infringement is an unacceptable state of affairs. Contractual parties will address these issues when negotiating a deal by way of response to the proposition that improper authorization of use of copyrighted information is a case-by-case analysis and subject to domestic interpretations.

ITAR TASS: AN APPLICATION OF CHOICE OF LAW UNDER THE BERNE CONVENTION

In this complex world of "what law applies," a foreign court could apply U.S. law to a case and a U.S. court could apply foreign law to a claim, and courts can apply different national laws to individual elements of a claim, and courts can accept or deny subject matter jurisdiction over claims based on an international fact pattern. Once jurisdiction over the parties and claim are established, should the law of the country of the author apply, the law of the place of infringement, or the law where enforcement is sought? These choices may result in different law applying with different results. As stated above, courts have applied Berne differently. Courts are also finding that one nation's law may apply to one element in an action and another's law may apply to another element in the same case.

This was the situation in Itar-Tass, Russian News Agency v. Russian Kurier, Inc. , 153 F.3d 82 (2d Cir. 1998), a case which demonstrates the complexity of choice of law in international copyright disputes. The plaintiffs, Russian language newspapers and a news agency in Russia, sued the defendant, who was situated in the U.S. and recompiled Russian news stories into a weekly Russian language newspaper distributed in New York. The defendant admitted copying whole sections of Russian newspapers and asserted that some of the plaintiffs did not own the information under Russian law. Under Russian law, only individuals could claim copyright, not organizations, because there was no "work for hire" doctrine in Russia. (The "work for hire" concept is that the employer owns the work product of the employee.) The court applied Russian law to decide who had a right to claim ownership. The court found the news agency plaintiffs could claim ownership but that Russian law prohibited the news publisher from claiming ownership. Some of the Russian

works had been registered with the U.S. Copyright Office, so those works were eligible for treatment under U.S. law as to the question of ownership. The court applied U.S. law to the issue of infringement and damages and awarded monetary compensation to some of the plaintiffs.

The Itar Tass court interpreted the national treatment principle as requiring that laws of member states not discriminate against foreign authors when protecting works and that a court use its own choice of law principles to choose which law applies to particular aspects of an international information transaction - in this case, who could be the author of a work. It can be expected that U.S. courts may follow this trend, applying the law of the place of first publication with respect to creation and ownership of information, and applying the law of the forum court with respect to enforcement against infringement. This makes sense because it seems inherently fair not to change the intent and expectation of an author when a work is created. On the other hand, since a court is responsible for enforcement of a judgment, the court should utilize a law which is amenable to an enforcing authority.

THE DEAD SEA SCROLLS CASE: OWNERSHIP OF ANTIQUITIES

In the case of Qimron v. Shanks, an Israeli court examined the issues of what is an original work, who is an author, and who can own a reconstructed historical document. In 2000, the Israeli Supreme Court found that a scholar, who with others had guarded access to one particular central scroll, miqsat ma'ase ha-Torah (MMT), for over 20 years and who with a partner had reconstructed a text out of fragments, held a copyright in that reconstruction and awarded damages for the unauthorized publication of 120 lines of ancient text of the MMT. The academic furor over the secretive treatment of the text and the court-sanctioned claim of copyright in an historical text belonging to all of civilization was heard around the globe.

The scrolls have an interesting history which bears on the case. The scrolls have been carbon-dated to a period from the third century B.C. to 63 A.D.; thus, the scrolls are representative of a period of time during which Christ was living. The text itself claims that the author of the document is the "Teacher of Righteousness," who, among other things, in dialogue with the "Wicked Priest," recounts religious law of the time. In 1947, the fragmented scrolls were discovered in a cave near the Dead Sea. The scrolls were first under the jurisdiction of the Department of Antiquities for Trans Jordan

and Arab Palestine; possession of some scrolls was transferred to the Ecole Biblique et Archeologique Francaise in East Jerusalem and some scrolls were smuggled into New York where they were purchased by Israel. During the 1967 6-day war, when Israel captured the West Bank and East Jerusalem, the museum and most of the scrolls came under Israeli control; at that same time an American philanthropist, E.H. Bechtel, received permission from the Israeli Antiquities Authority (IAA) to photograph the scrolls in case the scrolls were lost in the fighting. The Bechtel photographs were stored in the California Huntington Library in 1980. The defendant in the case, Herschel Shanks, editor of the Washington-based "Biblical Archaeology Review," published a facsimile of the Dead Sea Scrolls without revealing the origin of the photographs. Qimron, the scholar working on the translation of the MMT pursuant to the IAA, filed suit against Shanks in an Israeli court. Qimron claimed copyright in the reconstruction of the fragmented text. This reconstruction process was like that of putting together a jigsaw puzzle with some of the pieces missing. Qimron put them together and filled in some blanks with what he believed to be a true representation of the MMT. It is not clear how much of Shanks' facsimile contained Qimron's estimations.

If the "Teacher of Righteousness" is the author, how could Qimron be the author, a requirement for copyright protection? In the reconstruction there was no intent to create original material, rather, the intent was to assemble another author's work exactly as that author intended. Is this creativity or merely an exercise in connecting the dots? First, if Qimron assembled this text perfectly, he had added nothing to the text and he is not an author. If he assembled the text incorrectly, his work could be an unauthorized adaptation of a work.

Even though there was no evidence that the initial act of infringement had occurred in Israel, the court applied Israeli law to the issue of whether or not Qimron was an author and whether the Qimron version of the text was a subject of copyright. The court based this selection of Israeli law on the fact that some of the "Biblical Archaeology Review" magazines containing the photographs were disseminated in Israel. Most commentators have stated that the place of infringement was primarily the U.S.; accordingly, under Berne, U.S. law should have applied.

Qimron claimed that his method of organizing the text in horizontal positions as opposed to vertical positions was copyrightable as well as the creativity he needed to fill in the

gaps. The Israeli court found this work to be a protected element of the completed text. A U.S. court would have likely come to a different conclusion for several reasons. After the copyright held by the "Teacher of Righteousness" expired, U.S. law would treat the scholarly effort as an assembly of public domain information. The case of Matthew Bender & Co., Inc. v. West Pub. Co. 158 F.3d 674 (1998), presented issues comparable to those found in Qimron. West claimed a copyright on the pagination scheme of opinions of U.S. courts that it published and the information listed with the case, such as attorneys present and procedural notes and the names of judges. The pagination scheme was used to ensure uniform citation of cases: volume, edition, and page number. Bender was attempting to compile West-published opinions on CD-ROM. Bender needed to use the pagination scheme in the hypertexted CD-ROM.

The court examined the totality of the additions made by West to the public domain court opinions and found that the additions did not constitute an original work of authorship because the publisher's factual enhancements to judicial opinions were not sufficiently creative or original to warrant copyright protection. The court relied on Feist Publications, Inc., v. Rural Telephone Serv. Comp., Inc., 499 U.S. 340, (1991) for the principle that raw facts may be copied at will and that the only protectable element in a compilation of facts is an original organizing principle. In order for an organizing principle to be protected it must be non-obvious. (See "LegaLines", Vol. 5, No. 2, page 11, "Extract a Fact, the Feist Doctrine".) The court found that the information West provided as an adjunct to the opinions did not rise to a level of originality to establish a protectable copyright interest. Thus, in Qimron, a U.S. court may have found a decision to arrange the scrolls scraps horizontally or vertically insufficient for copyright protection and the filling in of gaps an unoriginal derived work.

Consequently, the choice of law used to decide originality and ownership was critical to the case. After this lawsuit, the IAA decided to open up access to the scrolls. The court had stated that future scholarly use of Qimron's reconstruction could be fair use of the copyrighted MMT. Shanks' publication, however, was not a fair use because no criticism or scholarly comment appeared with the publication of the photographs.

The issue of international copyright is important because of the globalization of economies and increased transnational

interaction. Despite international agreements, conflicting domestic laws have increased uncertainty.