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LAW ASPECTS OF THE PROTECTION OF WORKS AND
OBJECTS OF RELATED RIGHTS TRANSMITTED THROUGH
GLOBAL DIGITAL NETWORKS**

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PRIVATE INTERNATIONAL LAW ASPECTS OF THE PROTECTION OF WORKS AND
OBJECTS OF RELATED RIGHTS TRANSMITTED THROUGH DIGITAL NETWORKS

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1. INTRODUCTION

This study addresses several problems in the private international law of copyright and neighboring rights (henceforth referred to collectively as “copyright”) whose traditional resolution the Internet has called into question. A primary premise in international copyright, exemplified by the traditional understanding of article 5.2 of the Berne Convention, is that copyright protection is territorial: each country determines, within the substantive minima the Convention imposes, what is the scope of copyright protection (including exceptions and limitations on exclusive rights), and what are the remedies available for infringement. Thus, the Berne Convention imposes a floor, but member countries may vary the height of the ceiling. Now that digital media make possible the instantaneous, worldwide communication of works of authorship, the territorially discrete approach to international copyright has come under considerable strain.

A true *fait divers* helps illustrate the problem. Former French President François Mitterrand died in January, 1996. Within a few days of his death, his former personal physician published a memoir, titled *Le Grand Secret* (*The Big Secret*) in which he disclosed information that Mitterrand's family asserted violated late President's post-mortem right of privacy under French law. The family obtained a court order against the book's dissemination, and the book was quickly withdrawn from circulation. Before every copy disappeared from bookstore shelves, however, the entrepreneur of a “cyberspace café” in a provincial French city acquired a copy, scanned all 190 pages, and posted the image files to an Internet site, thus making the work available to anyone in the world who enjoyed Internet access. Faced with threats from Mitterrand's family, the entrepreneur deleted the material from the French server, but *Le grand secret* was soon found on websites in the U.S., in Canada, and in the U.K.¹ Suppose now that the doctor's publisher seeks to enforce the copyright in *Le grand secret*. Against whom would the publisher proceed? In what fora? What copyright laws would apply?

II. “COUNTRY OF ORIGIN” AND PUBLICATION AS A POINT OF ATTACHMENT IN A DIGITAL WORLD

The Berne Convention offers expansive criteria for eligibility for protection under the treaty. There are two principal points of attachment: (1) the author is a national or resident of a Berne member nation, or (2) the country of first or “simultaneous” publication (within thirty days of actual first publication) is a Berne member.² The Convention thus promotes manipulation of points of attachment, in order to enhance the opportunities for authors to be covered under the Convention. As a result, authors from non Unionist countries may still obtain the Convention's protection so long

¹See Michel Alberganti & Hervé Morin, *Internet contourne la censure du livre du docteur Gubler*, LE MONDE, Jan. 25, 1996; Paul-André Tavoillot, *Le droit de l'Internet existe personne ne l'a rencontré*, LA TRIBUNE, Jan. 25, 1996, at p. 6, col. 1; David Dufresne, *Besançon, site sismique*, LE CAHIER MULTIMEDIA DE LIBÉRATION, Jan. 26, 1996, at p. I-II.

²Berne Convention for the Protection of Literary and Artistic Works (1971 text) 1161 U.N.T.S. 3 art. 3 [hereinafter Berne Convention].

as they publish the work in a Berne country within thirty days of actual first publication.³ This made it possible, for example, during the long period that the U.S. remained outside the Berne Union,⁴ for U.S. works nonetheless to claim Berne nationality through “simultaneous” publication in Canada.

Manipulating the point of attachment was nonetheless not an avenue available to all non Unionist authors, at least not to those who could not afford to take up residence in a Berne country, or who could not afford simultaneous publication in a Berne country. The Internet, however, may vastly facilitate access to points of attachment, since it appears that posting a work on the Internet may well effect simultaneous publication in all countries where users have Internet access. I reach this conclusion based on the Berne Convention’s definition of “published works,” set forth in art. 3.3, which provides that a work will be considered “published” if copies are made available to the public in a manner that satisfies its reasonable needs. A public performance or display do not constitute a publication.⁵

A. “Publication” over digital networks

If one interprets “copies” to include temporary reproductions in RAM (a computer’s temporary memory), then posting a work on a website makes “copies” available to anyone who accesses the website.⁶ Even if one interprets “copies” under art. 3.3 to mean more permanent embodiments, making a work available on a website might still constitute publication because the downloading public can store the work to a more permanent format, such as hard disk, floppy disk, or printout. This, in turn, would mean that “simultaneous” publication occurs in every country of the world in which there is Internet access. Since over one hundred thirty of these are Berne Union members,⁷ a work first disclosed on the Internet should automatically qualify for coverage by the Berne Convention, regardless of the nationality of its author.

The second prong of the definition of the act of “publication,” the requirement that the copies be “made available to the public in a manner that satisfies its reasonable needs” is also of paramount importance in light of digital transmissions. The Internet culminates the passage from a model of communication of works to a public of passive recipients of a distribution or performance to a model where networks offer primarily interactive consultation of works at the initiative of that very same

³Although the notion of simultaneous publication existed in the 1886 text of the Berne Convention, it was not defined until the Brussels Revision of 1948, when a Finnish proposal for the 30-day grace period was adopted. See , SAM RICKETSON, *THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986* 193 (1987) [hereinafter RICKETSON].

⁴The U.S. sent a representative to the 1886 Conference, but did not join the Berne Union until 1989. See *id.* at 922-23.

⁵Historically, the exclusion of ephemeral modes of communication from the scope of the notion of publication was explained by evidentiary reasons. It was argued that it would be difficult to assess in which country the first public performance of a work had actually occurred. It has also been argued that as a matter of policy, if access to the protection of the Convention were made too easy for non-Union authors through a broader definition of “publication”, there would be no incentive for States to join the Union. For an assessment of these various arguments, see RICKETSON, *supra* note 3, at 191-192.

⁶See, e.g., 17 U.S.C. § 117 (1994); *MAI v. Peak*, 991 F.2d 511 (9th Cir. 1993); Council Directive 91/250 1991 O.J. (L. 122) 42, art. 5; Mihály Ficsor, *Copyright for the Digital Era: The WIPO “Internet” Treaties*, 21 COLUM.-VLA J. L. & THE ARTS 197, 203-07 (1997).

⁷As of October 1998, 131 States were parties to the Berne Convention. See *Contracting Parties of Treaties Administered by WIPO, Berne Convention* Dhttp://www.wipo.org/eng/ratific/e-berne.htmE (visited Oct. 13, 1998).

public.⁸ Issues related to the effectiveness of the act of “making the works available to the public” and to what constitutes a reasonable quantum to satisfy the needs of the public, previously raised by the advent of cinematographic works,⁹ assume a new meaning in the digital world as intermediaries are suppressed and access becomes immediate, individual and instantaneous. In effect, the posting of any work on a website can fulfill the “reasonable needs” requirements of publication, and thus qualify the work for the protection of the Berne Convention. But if online availability constitutes “publication,” what is/are the concrete point/s of attachment? Where does publication occur when the work is posted on a website? In the country from which the author posted the work? In the country where the website host server is located? In the country where the user downloads the work? All of these? Determining the situs of publication over digital networks may well call for a clear choice to be made between the multiple points of attachment generated by digital dissemination.

The significance of the concept of “publication” and of specifying the point/s of attachment is not limited to determining whether a work will be protected by the Berne Convention. “Publication” is also key to the treaty concept of “country of origin,” which is relevant to several issues concerning the international protection of works of authorship.

B. “Country of origin” and the impact of Internet “publication”

The impact of Internet publication on the Berne Convention’s expansive characterization of “country of origin” is especially relevant in two contexts: domestic works, and duration of protection. First, recall that the Berne Convention explicitly excuses Union members from according Berne-level protection to its members’ *domestic* works of authorship.¹⁰ A Union member meets its Berne obligations if it accords protection consonant with Convention minima to *foreign* Berne-Union works. Arguably, with simultaneous universal publication via the Internet, every work of authorship could be considered a domestic work in each country of the Berne Union. In that event, ironically, Berne Convention minimum standards of protection might never apply, because there will be no foreign works.

Alternatively, one might apply article 5.4 of the Convention to conclude that, despite the multiple countries of first publication, the “country of origin” is the country whose term of protection is the shortest. As we shall see, this too, however, creates problems. The problems arise from the article 7.8 “rule of the shorter term.” According to this rule, if the term in the country of origin is shorter than that of the country of protection, then the country of origin’s term applies, rather than term of the country of protection. But if one must apply the art. 5.4 rule that, in the case of multiple

⁸For an illustration of the new environment of communication created by the development of the Internet, see Pierre Trudel, *Quel droit pour le cyberspace?*, LÉGIPRESSE, Mar. 1996, n.129, II, at 10.

⁹The fulfilment of the publication requirements in the context of cinematographic works generated much debate around their mode of distribution and as to what constituted reasonable quantum in those circumstances. Was the communication to the distributor of a copy enough or was it necessary to get to the exhibitor stage for publication of the film to occur? As the wording of the definition seems to indicate that it is the availability that matters, commentators had resolved the ambiguity in favor of communication to the exhibitor stage. See RICKETSON, *supra* note 3, at 184; S. Durrande, *La Notion de Publication dans les Conventions Internationales*, 111 RIDA 73, 106 (1982).

¹⁰Berne Convention, arts. 5.1, 5.3.

countries of first publication, the “country of origin” is the country whose term is the shortest, then all works will have the shortest term.

These anomalies suggest that the notion of Internet “publication” should be limited to a single Berne Union country: but which one? One might designate as the country of first publication the country from which the author communicated the work to the server, but this characterization has some disadvantages. First, that country may have little relationship to the work, since the author may upload the work from a modem-equipped computer anywhere in the world (including from countries through which the author is merely traveling). Second, the work is not yet available to the public until it arrives at its place of residence on the website that members of the public will access. This in turn suggests that the country of first publication is the one from which the work first becomes available to the public; that is, the country in which it is possible to localize the website through which members of the public (wherever located) access the work.

This choice, however, is not problem-free, either. Unlike countries of traditional, physical first publication, in which authors or publishers consciously organize the economic center of the exploitation of their work, the country in which the server that hosts the website is located may be completely indifferent to the author. Moreover, the uploading or downloading web-user may not even be aware of the location of the website or its host server. Not only is the criterion of the physical location of the webserver irrelevant, but the location of the effective business establishment of the website operator may be insignificant to an author’s selection of that site to disseminate the work. That is, if the conditions of publication are the same whatever the geographic location of the website operator’s business establishment, then that country’s relationship to the publication would seem purely fortuitous. Where, by contrast, there is a relationship between the conditions of publishing on a particular website, and the place of the business establishment of the website, then selecting that website implies the same kind of determination as authors make in conventional publishing; the country of “first publication” should in that instance be the country in which the website operator has its effective establishment.

Recommendation Regarding “Country of Origin”

When an author posts to a third-party webpage whose operator plays a role analogous to that of a traditional publisher, the country of the website’s business establishment should be considered the country of origin. Where that kind of relationship between the author and the website operator is lacking, the place of the operator’s business establishment might still be deemed the country of origin, if the author is also a resident of that country, or has some other significant contact with that country. In effect, to determine the country of origin, we are seeking the country that has the most significant relationship to the act of making the work available to the public.¹¹

Alternatively, given the possible difficulty of discerning what country that may be, one might look to the country of the author’s residence (or, in the case of a plurality of authors, the country in which the greatest number of co-authors reside). This criterion, however, is not currently present in the Berne Convention; the 1971 text offers only the country of the author’s nationality as a point of

¹¹Cf. 17 U.S.C. ' 104A(h)(C)(ii) (when the work has been simultaneously published in two or more countries, the “source country” is the country “with the most significant contacts with the work.”).

attachment.¹² Nonetheless, while interpolating this point of attachment may require adding to the text, rather than simply interpreting it, the author's residence may in many instances supply a point of attachment with a more significant relationship to the exploitation of the work than might more traditional criteria in a digital world.

III. CHOICE OF FORUM AND RECOGNITION OF JUDGMENTS IN THE U.S. AND E.U.

In the example of the posting of *Le Grand Secret* from France to websites in the United States and the United Kingdom, the copyright owner's goal in pursuing an infringement action is to bring as many parties and claims as possible before a single forum. In what court can the French publishers obtain personal jurisdiction over the French national that originated the communication? Over the operator of the U.S. website? Over the operator of the U.K. website? Over the commercial on-line service (if any) that carries the website?¹³ We will consider these questions from the point of view of U.S. and E.U. principles of judicial competence as a mechanism for illustrating the choice of forum issues that arise in connection with the use of the Internet.

A. Judicial Competence in the U.S. Over Claims Arising Out Of Foreign Websites

The U.S. cases have arisen in the context of inter-State, rather than international, litigation: the forum determines whether it has jurisdiction over a defendant from another State within the U.S. Nonetheless, the principles the courts have applied in these cases would also govern suits involving websites located outside the U.S. By and large, U.S. courts have concluded that existing principles of personal jurisdiction appropriately resolve disputes concerning the forum's power to compel an out-of-state defendant to appear before it when the out-of-state defendant's connection to the state arises out of its activities on the Internet.

1. General Jurisdiction

What are these existing principles? The U.S. Supreme Court has held that the Constitution's due process clause requires that there be a nexus between the defendant and the forum sufficient to justify the state's exercise of judicial power over the out-of-state defendant.¹⁴ Considerations both of fairness to defendants, and of solicitude for sister-state sovereignty underlie this requirement. Generally, a court will have "general jurisdiction" over a defendant who either resides in the forum, or who is "doing business" in a "systematic and continuous" fashion in the forum.¹⁵ General

¹²See Berne Convention, art. 5.4 (the Convention does, however, include the "habitual residence" of the "maker" of a cinematographic work).

¹³The question whether, on the merits, the website operator or on-line service would be liable for direct or secondary copyright infringement is a different matter.

¹⁴See, e.g., *International Shoe Co. v. Washington*, 326 U.S. 310 (1945). On U.S. principles of personal jurisdiction applied in intellectual property cases, see, e.g., Peter Trooboff, *Intellectual Property*, in CAMPBELL MCLACHLAN & PETER NYGH, *TRANSNATIONAL TORT LITIGATION: JURISDICTIONAL PRINCIPLES* 125, 141-54 (1996).

¹⁵See, e.g., *Haelan Prods. Inc. v. Beso Biological Research, Inc.*, 43 U.S.P.Q.2d 1672 (E.D. La. 1997).

jurisdiction entitles the court to hear claims against the defendant, without regard to whether the claim arose out of forum-related activity.¹⁶ Were the French publishers in our hypothetical to initiate their copyright action against the U.S. website operator or online service, such as America Online ("AOL") in Virginia, the Virginia federal court would have general jurisdiction over that party, because that is the state of the defendant's incorporation or principal place of business. Therefore, it would have power to hear not only claims arising out of the U.S. distribution of the copyrighted work, but also claims arising out of the distribution of the work in other countries. But what about the U.K. website operator, and the French national?

2. Specific Jurisdiction

When the defendant's contacts with the state are less intensive than those of a defendant who is "doing business" in the forum, a court will have "specific jurisdiction" to hear only claims arising out of the defendant's contacts with the forum state-related acts, so long as that defendant has "certain minimum contacts with [the forum] such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice."¹⁷ There will be "minimum contacts" with the forum if there is "some act by which the defendant purposefully avails itself of the privilege of conducting activities within the forum State, thus invoking the benefits and protections of its laws."¹⁸ With respect to copyright infringement claims, although jurisdiction over the subject matter of copyright claims is exclusively federal,¹⁹ federal courts look initially to the law of the forum state to supply the rules of jurisdiction over the parties.²⁰

Applying these principles to the U.K. and French parties, the court would focus on the place of the harm. The place of harm can be understood as either the place of generation of the harm or the locations of its impact. Under the former characterization, the non-resident defendants could be subject to suit at the point of origin of the communication.²¹ This raises the problem of localizing the

¹⁶ See, CHARLES ALAN WRIGHT & ARTHUR R. MILLER, *FEDERAL PRACTICE AND PROCEDURE* " 1065-67 (2d ed. 1987). This basis of judicial competence is generally recognized outside of the United States as well. See also, *Judicial Enforcement of Judgments in Civil and Commercial Matters*, sec. 2, art. 5.2, 1978 O.J. 1978 (L 304) 77; RUDOLF B. SCHLESINGER, *COMPARATIVE LAW: CASES, TEXTS, MATERIALS* 383 (1988); European Communities Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, Sept. 27, 1968, 8 I.L.M. 229, arts. 2, 5.3 [hereinafter Brussels Conv.] (judicial competence within the European Union).

¹⁷ *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945).

¹⁸ *Hanson v. Denckla*, 357 U.S. 235, 253 (1958).

¹⁹ 28 U.S.C. ' 1338 (1994).

²⁰ See FED. R. CIV. P. 4. Although it has yet to do so, Congress could enact national rules of judicial competence. However, when the claim arises under federal law, and minimum contacts with any one state are lacking, a federal court will have jurisdiction over a defendant whose aggregate contacts with the United States. meet constitutional standards for assertion of personal jurisdiction. See *id.* 4(k)(2).

²¹ The prevailing view in the United States and abroad is that plaintiff can sue in tort either where the harm originated, or where it impacted. See, e.g., WRIGHT & MILLER, *supra* note 16, ' 1069; SCHLESINGER, *supra* note 16, at 391; DOMINIQUE HOLLEAUX, JACQUES FOYER, GÉRAUD DE GEOUFFRE DE LA PRADELLE, *DROIT INTERNATIONAL PRIVÉ* " 713-26 (1987); Brussels Conv., *supra* note 16, art. 5.3; Case 68/93, *Shevill v. Presse Alliance, S.A.*, 1995 E.C.R. 289 & 20.

origin of the communication. Under one view, the communication of *Le Grand Secret* originated in Besançon, France, whence the cybercafé entrepreneur sent it to the U.S. and U.K. websites. Economically, however, this point of origin seems rather fortuitous: the communication does not become accessible (and thus economically threatening) until it has been received at the website. The alleged harm is caused by the public availability of the work for access and downloading from the website, not from the home or café computer of the French national (who, in any event, deleted it from his server).²² From the perspective of the members of the public seeking to obtain *Le Grand Secret*, the U.S. website is the distribution center for the work.²³ Thus, jurisdiction in a U.S. court over the U.S. website operator and over the foreign national who deliberately sent the work to that site would be proper at the U.S. location of the server. The territorial scope of the claim would cover not only distributions of the work to U.S. users, but distributions to foreign users who access and download from the U.S. website.

This brings us to the final basis of U.S. judicial competence: the forum as the place of impact of the harm. In our hypothetical, the party over whom the copyright owner would be asserting this basis of personal jurisdiction in a U.S. court would be the U.K. website operator. Here, unlike the case of the U.S. website operator, there is no U.S. "distribution center." But there could be receipt in the United States, assuming U.S. users contacted the U.K. site, rather than the U.S. site, in order to obtain the work. In any event, once a work is on the web, it is available all over the world, whatever the physical location of the server.

a. Making a work available in the forum under the "minimum contacts" test

Is this availability of material sufficient to justify exercise of personal jurisdiction over the non-U.S. website operator? The evolving U.S. caselaw on jurisdiction over foreign defendants engaged in Internet-related commerce (not limited to copyright infringement cases) has not, in general, held that mere forum accessibility of out-of-state websites sufficed to confer personal jurisdiction over their operators. Rather, the decisions scrutinize the relationship of the website to the claim, and the degree of interactivity with forum residents that the website permits. The cases have held amenable to specific jurisdiction defendants who employ electronic means to transact business in the forum,²⁴ or who use the website to solicit business from the forum (or from a national market and do not

²²*Cf.* *Summers v. The Washington Times*, 21 Med. L. Rep. 2127 (D.D.C. 1993), *quoted in* *Givens v. Quinn*, 877 F. Supp. 485, 491 (W.D. Mo. 1994) (in libel action, "publication" held to occur not when newspaper's source sent allegedly defamatory statements to the newspaper, but when alleged defamation became "available to the general public").

²³*Cf.* *CompuServe, Inc. v. Patterson*, 89 F.3d 1257 (6th Cir. 1996) (personal jurisdiction in Ohio over non-resident declaratory judgment defendant justified because, *inter alia*, defendant regularly sent software to CompuServe for distribution over its shareware network).

²⁴*See, e.g., Patterson*, 89 F.3d 1257 (Texas defendant's longstanding pattern of using plaintiff's Ohio server to distribute software products, justifies amenability to Ohio action to declare that software that plaintiff distributes over its network does not infringe defendant's trademark or copyright rights); *see also* *Resuscitation Technologies, Inc. v. Continental Health Care Corp.*, 1997 U.S. Dist. LEXIS 3523 (S.D. Ind. Mar. 24, 1997) (e-mail correspondence to and from forum regarding investment in out-of-state corporation sufficient to establish "transacting business" minimum contacts standard).

attempt to exclude the forum from its nation-wide solicitations).²⁵ By contrast, courts have rejected assertion of personal jurisdiction over operators of websites that are "merely passive" advertisements.²⁶

A case from the Southern District of New York affords an example of the "mere passive website" approach to Internet postings. The case involved a Missouri website that advertised a local jazz club called the Blue Note. The website was accessible in New York, where the better-known plaintiff Blue Note jazz club is located. The trial court judge held that "[c]reating a site, like placing a product into the stream of commerce, may be felt nationwide--or even worldwide--but, without more, is not an act purposefully directed toward the forum state."²⁷ In that case, the court stressed that Internet users could not purchase tickets to shows at the Missouri Blue Note through the website; to buy tickets or see the show, they would have to travel to that state. Thus, the website advertised to New Yorkers (and to anyone else with Internet access), but did not initiate a transaction with these users.

By contrast, in one of the first Internet jurisdiction decisions, a federal district court in Connecticut held that the minimum contacts standard was met when an out-of-state software producer's website not only reached Connecticut residents, but invited them to call an 800 number to place orders.²⁸ The Connecticut court did not inquire whether any 800 number transactions had taken place, or even if Connecticut residents with Internet access had in fact logged onto defendant's site. The potential for access to and transactions from the forum apparently sufficed.

²⁵See, e.g., *Hasbro, Inc. v. Clue Computing, Inc.*, 994 F. Supp. 34 (D. Mass. 1997) (defendant encourages business from a nationwide market, does nothing to discourage customers from the forum, and vaunts a major customer, who is a forum corporation); *Humphrey v. Granite Gate*, 568 N.W2d 715 (Minn. Ct. App. 1997) (state Attorney General brought claim against Belize/Nevada Internet gambling operation, alleging that website advertisement that described the operation as "legal" was deceptive; court finds purposeful availment through defendant's "intent to seek customers from a very broad geographic area.").

²⁶See, e.g., *Cybersell, Inc. v. Cybersell, Inc.*, 130 F.3d 414 (9th Cir. 1997) (trademark claim: local Florida business consulting company's website advertised "professional services for the World Wide Web," inviting customers to call a local Florida number or e-mail defendants; court holds that a passive website alone does not suffice to meet minimum contacts; prior decisions distinguished as having involved "something more to indicate that defendant purposefully (albeit electronically) directed his activity in a substantial way to the forum state." Defendant "did nothing to encourage people in arizona to access its site" and appears to have had no Arizona customers or even messages from Arizona (apart from plaintiff's)); *Transcraft Corp. v. Doonan Trailer Corp.*, 45 U.S.P.Q.2d 1097 (N.D. Ill. 1997) (although web site invites e-mail inquiries, no facts alleged that forum residents e-mailed web site, nor that web site was "specifically intended to reach [forum] residents"; nor that defendant encouraged contacts with the forum).

²⁷*Bensusan Restaurant Corp. v. King*, 937 F. Supp. 295, 301 (S.D.N.Y. 1996), *aff'd. on other grounds*, 126 F.3d 25 (2d Cir. 1997).

²⁸See *Inset Sys., Inc. v. Instruction Set, Inc.*, 937 F. Supp. 161 (D. Conn. 1996). *But see* Richard S. Zembek, Comment, *Jurisdiction and the Internet: Fundamental Fairness in the Networked World of Cyberspace*, 6 ALB. L.J. SCI. & TECH. 339, 367-75 (1996) (drawing analogies to cases involving interstate advertising and 1-800 numbers, which held that neither the advertisement, nor the toll-free number, standing alone, sufficed to satisfy the minimum contacts standard); accord Dan L. Burk, *Federalism in Cyberspace*, 28 CONN. L. REV. 1095, 1111 n.70 (1996) (criticizing *Inset* on the ground that it could lead to assertion of personal jurisdiction over remote users who access websites located in other states).

Despite their apparent conflict, the *Blue Note* and *Inset* decisions can be reconciled. In the former case, while forum residents were made aware of defendant's operation, they could not transact business with defendant *from the forum*; they would have had to travel to defendant's place of business. In the latter case, the defendant apparently was inviting transactions from the forum, although it is not clear that any transactions in fact occurred. Internet-based copyright infringement cases more closely resemble the second paradigm. When an out-of-state website operator makes a work available for downloading from the website, the operator is not only informing forum residents about the work's availability; he is making it possible for forum residents to receive the work *in the forum*. As a Federal District Court in Texas recently held in a case concerning an out-of-state website offering gambling services, the operator may have been in California, but the Texas customer engaged in the gaming from home: "The Texas plaintiff played the casino games while in Texas, as if they were physically located in Texas . . ." ²⁹ Similarly, those who view or download copyrighted works from out-of-state websites receive the copy or display at home, as if the works were physically located in the forum (indeed, if the forum resident prints out or otherwise saves the copy, it will be physically present in the forum).

b. Making the work available in the forum under a more stringent test

This analysis indicates that courts in those states whose "long-arm statute" is coextensive with constitutional standards will be able to exercise personal jurisdiction over foreign defendants who make copyrighted works available in the forum by means of an off-shore website. But in some states, constitutional norms may not supply the only limits on the court's competence; the long-arm statute in force in the state in which the federal court sits may decline to exercise the state's power over foreign defendants to the full extent allowed by the federal constitution.³⁰ Does making a work available in the forum satisfy the more stringent jurisdictional standards of those states C which include New York, an important forum for copyright litigation?

More restrictive long arm statutes typically require that the plaintiff show that defendant either committed a tort within the state, or committed a tort outside the state, that had an impact within the state. In the latter event, the plaintiff must also show that the in-state harm was foreseeable, and the defendant derived substantial revenue from interstate commerce.³¹ When in-state users access and download allegedly infringing copies from the foreign website, has a tort been committed in the state, thus triggering the first basis for personal jurisdiction? Or does the tort (unauthorized copying or distribution) originate out-of-state, with only an impact (the copies) occurring in-state, thus triggering the second basis for judicial competence?

²⁹Thompson v. Handa-Lopez, Inc., 998 F. Supp. 738 (W.D. Tex. 1998).

³⁰Compare R.I. GEN. LAWS ' 9-5-33 (1956), CAL. CIV. CODE ' 410.10 (West 1973), N.J. STAT. ANN. ' 4:4-4 (West 1996), TEX. REV. CIV. STAT. ANN. art. 2031b (West 1996), and TENN. CODE ANN. ' 20-2-214 (1994) (state long-arms going to full extent permitted by constitution) with MD. CODE ANN., CTS. & JUD. PROC. " 6-102, 6-103 (1995), FLA. STAT. ANN. ' 48.193(1)(g) (West 1997), and GA. CODE ANN. ' 9-10-91 (1996) (state long-arms of more limited reach).

³¹See, N.Y. C.P.L.R. ' 302(a)(3)(ii) (McKinney 1996).

The prevailing view in the United States on communication of works over digital networks holds that copies are made when the work is received in the memory, even temporarily, of a computer.³² As a result, when the in-state receiver accesses or downloads *Le Grand Secret* at her home computer, she has created an unauthorized copy; a tortious act has thus been committed in the state. But by whom? The offshore website operator has not engaged in-state copying, it has simply made it possible for in-state actors to copy. Under this reasoning, the operator could be seen as a contributory, rather than as a direct, infringer.³³ Nonetheless, a significant body of caselaw (much of it involving Playboy Enterprises) concerning websites that make available works for customers to download to their home computers have characterized the making available of works on a website or BBS as a "distribution of copies," engaging the website or BBS operator's direct liability for copyright infringement.³⁴ Under this approach, then, the foreign website operator would be subject to personal jurisdiction for having committed a tort, copyright infringement, within the forum where the copies were received.

If a court nonetheless considered that the tort was constituted by making the work available from the foreign website,³⁵ then the copyright infringement would not originate in the forum, but receipt of copies would produce an impact in the forum. Applying this characterization to our hypothetical UK website operator, the copyright owner would also need to show that the U.K. website operator should have foreseen U.S. downloads, and that the U.K. defendant derived substantial revenue from interstate or international commerce. With respect to defendant's source of revenue, one might expect that the copyright owner would not attempt to secure jurisdiction in the U.S. courts over the U.K. website operator if the operator lacked assets in the United States against which a judgment could be enforced. But that may be too swift an assumption. Suppose that the plaintiff was seeking an injunction to block access by U.S. users to the U.K. website.³⁶ (Plaintiff could, of course, go against the U.K. actor in the United Kingdom, but it would prefer to get as much coverage as possible in a single action.) In that case, the "substantial revenue" limitation could bar asserting the

³²Electronic distribution entails the making of "copies" within the meaning of the 1976 Copyright Act, 17 U.S.C. ' 101. See FINAL REPORT OF THE NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS (1978), cited in ROBERT A. GORMAN & JANE C. GINSBURG, COPYRIGHT FOR THE NINETIES 692 & n.164 (4th ed. 1993). This approach is the premise for section 117 of the U.S. Copyright Act, and has been followed in the European Union. See Council Directive 91/250, art. 4(a), 1991 O.J. (L 122) 42. American courts have also applied this principle. See, e.g., MAI Sys. Corp. v. Peak Computer, Inc., 991 F.2d 511, 517 (9th Cir. 1993).

³³See, e.g., Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259 (9th Cir. 1996); Gershwin Publ'g Corp. v. Columbia Artists Management, Inc., 443 F.2d 1159 (2d Cir. 1971); Polygram Int'l Publ'g, Inc. v. Nevada/TIG, Inc., 855 F. Supp. 1314 (D. Mass. 1994).

³⁴See, e.g., Playboy v. Hardenburgh, 982 F. Supp. 503 (N.D. Ohio 1997); Playboy v. Webworld, 991 F. Supp. 543 (N.D. Tex. 1997); Marobie Fla. v. NAFED, 983 F. Supp. 1167 (N.D. Ill. 1997).

³⁵Cf. Council Directive 93/83 of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmissions, 1993 O.J. (L 248) 15, art. 2(b) [hereinafter "Satellite Directive"].

³⁶U.S. courts may enter injunctions "sufficiently broad to include actions taken outside the United States which have a significant impact on U.S. commerce." Nintendo of America, Inc. v. Aeropower Co., 34 F.3d 246, 249 (4th Cir. 1994).

claim against the offshore actor. As for foreseeability, it should be clear that once a document is posted on a website, it is foreseeable that it can be accessed anywhere in the world (assuming the operator has not specifically limited access).

3. Territorial scope of the claim

Assuming that the U.S. forum has personal jurisdiction over our hypothetical U.K. operator, the next question is: What is the territorial scope of the claim? If the claim is based on the intra-U.S. impact of an infringement originating outside the United States, then the non-resident alleged infringer would normally be obliged to defend against only those acts that can be localized in the United States.³⁷ The plaintiff would not be able to bootstrap extraterritorial acts, such as the distribution of copies in the United Kingdom or elsewhere in the world, to its U.S. claim. Otherwise, as a practical matter, there would be no difference between the "specific" jurisdiction exercised against a non-resident defendant under a long-arm statute and the "general" jurisdiction to which a resident defendant would be subject.

This reasoning is sound in theory, and unfortunate in practice for the plaintiff who is facing a worldwide infringement through simultaneous and instantaneous digital transmissions : it means that plaintiff may have to litigate its infringement claims around the world, in each country of receipt/access. Of course, plaintiff could go to the source country of the infringement, or the domicile of the infringer, but this alternative presents at least two problems. First, as illustrated by the entrepreneurial copier of *Le Grand Secret* who uploaded the book to sites in the United States, the United Kingdom, and Canada, there may be more than one source country. Second, even assuming a single source, a rule that limits trial of the entire action to the source country or to defendant's domicile may well spawn opportunistic relocation of servers and corporate domiciles to the copyright equivalent of the Cayman Islands.

Is there an alternative to litigating either everywhere, or, as a practical matter, nowhere? The "single publication rule" in U.S. libel and defamation law may supply a helpful analogy: it deems an "aggregate communication," such as an edition of a newspaper or a radio broadcast, a "single publication;" while plaintiff may still select among potentially competent fora, she may only choose one.³⁸ Moreover, "recovery in any action shall include all damages for any such tort suffered by the plaintiff in all jurisdictions."³⁹ The purpose of the rule is "avoiding multiplicity of suits, as well as harassment of defendants and possible hardship upon the plaintiff himself."⁴⁰ In effect, the single

³⁷*Accord* Case 68/93, *Shevill v. Presse Alliance, S.A.*, 1995 E.C.R. 289 & 33 (In a libel action, Brussels Convention, art. 5.3, authorizes a victim to bring an action for damages against the publisher either before the courts of the contracting state of the place where the publisher of the defamatory publication is established, which have jurisdiction to award damages for all the harm caused by the defamation, or before the courts of each contracting state in which the publication was distributed and where the victim claims to have suffered injury to his reputation, which have jurisdiction to rule solely in respect of the harm caused in the state of the court seized. *Id.*). See discussion *infra*, part B.

³⁸See RESTATEMENT (SECOND) OF TORTS ' 577A (1977).

³⁹UNIF. SINGLE PUBLICATION ACT ' 1, 14 U.L.A. 377 (1990).

⁴⁰RESTATEMENT (SECOND) OF TORTS, *supra* note 38, ' 577A, cmt. d.

publication rule makes compulsory the joinder of claims that plaintiff could have brought against defendant in other fora. While I am not aware of any U.S. defamation decisions awarding damages for extraterritorial publications,⁴¹ the RESTATEMENT (SECOND) OF TORTS is clear that plaintiff may so recover.

Were courts to adapt the single publication rule to copyright infringement in cyberspace, a U.S. court with personal jurisdiction over our hypothetical U.K. website operator would be able to award damages not only for U.S. downloads, but for all downloads, wherever localized (assuming it were possible to calculate or estimate their extent).⁴² The rule thus could usefully simplify plaintiff's claim, as well as defendant's exposure to subsequent litigation.

4. *Forum non conveniens*

Assume for the moment that a U.S. court has personal jurisdiction over the parties, and was asked to adjudicate an entire multinational claim. Assume further that the U.S. court would take a territorial approach, and would determine that the copyright laws of each country where infringements are accessible or received apply. Even assuming that a U.S. federal court had subject-matter jurisdiction over the foreign-law claims,⁴³ the doctrine of *forum non conveniens* may justify the dismissal of all or part of an action when the court concludes that another forum will be most convenient and will best serve the interests of justice.⁴⁴ Many of the considerations courts take into account in the *forum non conveniens* analysis concern the convenience of the parties and the practicalities of trying the case, such as the access to proof and the availability of witnesses in the forum. Other factors include the difficulty of applying foreign laws, and the relative interest of the potential foreign forum in applying its own law. This consideration might point toward systematic dismissal of foreign-law claims, but it is offset by another major element: a U.S. court should not dismiss the action unless it can identify a foreign forum in which the defendant is amenable to suit, and which will be more convenient for the adjudication of the claims.⁴⁵ Where the U.S. forum is the

⁴¹Cf. *Watt v. Longsdon*, 1 K.B. 130 (1930) (calculating damages to include distribution of English publication in Morocco).

⁴²There may be some question as to whether there has been a "single publication" when the work is "distributed" not by communication to users who receive the copies or the performance at the same time, but rather by means of the users themselves, whose access to the work will be intermittent and disjointed in time. Nonetheless, since each user is (presumably) receiving the same communication from the same website, the "single" quality of the publication should persist. See RESTATEMENT (SECOND) OF TORTS, *supra* note 38, ' 577A, cmt. d.

⁴³If the claim pits a foreign citizen against a U.S. citizen, a federal court has jurisdiction by virtue of the "diversity" of the parties. See 28 U.S.C. ' 1332(a)(2) (1994). If the plaintiff and defendant are both foreigners, then there is no diversity, but a federal court's jurisdiction over the action would be "supplemental" to the claim arising under U.S. copyright law (assuming a U.S.-law claim is pleaded). *Id.* ' 1367. As to the substance of the claim, the dominant view in the U.S. holds that an action arising under a foreign copyright law is a "transitory" (as opposed to a "local") action, that may be heard in U.S. state or federal courts. See, e.g., *London Film Prods. Ltd. v. Intercontinental Communications, Inc.*, 580 F. Supp. 47 (S.D.N.Y. 1984); III PAUL GOLDSTEIN, COPYRIGHT: PRINCIPLES, LAW & PRACTICE ' 16.2 (2d ed. 1996).

⁴⁴See, e.g., *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501 (1947); *Boosey & Hawkes v. Disney*, 145 F.3d 481 (2d Cir. 1998).

only one in which all copyright claims may be tried, the court should not dismiss the foreign claims simply because they require the court to ascertain and apply foreign law.⁴⁶

B. Judicial Competence in the E.U.

The Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters⁴⁷ supplies mandatory rules of jurisdiction and recognition and enforcement of judgments that apply in courts of Contracting States in the European Union with respect to civil and commercial litigation against defendants domiciled in a Contracting State. Title II of the Brussels Convention addresses personal jurisdiction, and supersedes the jurisdictional rules the Contracting State's forum would apply in purely domestic litigation, or in transnational litigation in which the defendant is not domiciled in a Contracting State. Because our hypothetical pits a French domiciliary (the publisher) against defendants from within (U.K.) and without (U.S.) the E.U., the limitations the Brussels Convention places on Contracting States' courts' exercise of jurisdiction will control actions in French or English courts against the U.K. defendant, but will not govern claims in either forum against the U.S. defendant.⁴⁸

1. Jurisdiction over E.U. defendant

Article 2 of the Brussels Convention designates the courts of defendant's domicile as the principal forum. While defendant's domicile is not the exclusive forum for a copyright infringement or breach of contract claim against litigants domiciled in the E.U., it does displace other bases of jurisdiction in Contracting States, such as "exorbitant" jurisdictional rules based solely on plaintiff's contacts with the forum.⁴⁹

For tort claims, Article 5.3 of the Brussels Convention designates "the courts for the place where the harmful event occurred." In transnational tort claims, however, there may be more than one such place. Consider our hypothetical: by carrying *Le grand secret* on its website, the U.K. defendant has made the infringing work available for downloading in every country where users have access to the website. This portion of the infringement thus originates in the U.K., but is communicated over the

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⁴⁵See, e.g., *Boosey*, 145 F.3d 481; *Overseas Programming Companies Ltd. v. Cinematographische Commerzanstalt*, 684 F.2d 232 (2d Cir. 1982).

⁴⁶See *Boosey*, 145 F.3d at 492 (holding "reluctance to apply foreign law...standing alone does not justify dismissal); *but see* *ISTI TV Productions, Inc. v. California Authority of Racing Fairs*, 785 F. Supp. 854 (C.D. Cal. 1992) (holding the hardship of applying Mexican copyright law justified dismissal on basis of *forum non conveniens*).

⁴⁷Convention 72/454, 1972 O.J. (L 299) 32. See also Lugano Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, Convention 88/592, 1988 O.J. (L 319) 9. For purposes of the discussion of copyright infringement in this Article, the Brussels and Lugano Conventions are coextensive.

⁴⁸See Brussels Conv., art. 4 (respecting non domiciliary defendants, the courts of Contracting States apply domestic jurisdictional rules, including those affording exorbitant jurisdiction).

⁴⁹See Brussels Conv., art 3.1. For an example of this kind of rule, see France, Code civ. art 14, discussed *infra*. The Brussels Convention does not eliminate all plaintiff-favoring rules, however, for example, it offers plaintiffs some alternative fora not available to defendants. See *infra*.

Internet, and culminates wherever copies or transmissions are received, which means, potentially, all the nations of the E.U. (and beyond). While the courts of both the place of initiation of the harm, and the place(s) of its impact are competent under article 5.3, they are not competent to the same extent. In *Shevill and Others v. Presse Alliance S.A.*,⁵⁰ the European Court of Justice held that the courts of each Contracting State where a defamatory publication was received and where plaintiff was injured were limited to awarding compensatory damages for the injury sustained within their own borders. Thus, the English court hearing Ms. Shevill's claim could award damages arising out of copies of France-Soir received in England, but not for copies distributed in other Contracting States. By contrast, the ECJ further held that where the action is brought against the publisher in the Contracting State in which the publisher is established, that forum is competent to award damages for the full harm caused by the defamatory statement, both in the forum, and in other Contracting States.

Applying these principles to transnational infringement claims, a copyright owner thus would have a choice of fora when the infringing copies are distributed or infringing transmissions are received in multiple E.U. territories. The copyright owner may sue at the source of the infringement -- the headquarters of the party that has initiated the infringing acts, or it may sue in each country where the infringement culminated. But the only court competent to take into account the full panoply of infringing acts is the forum of the defendant's establishment. If relatively few copies or transmissions have been received in plaintiff's home forum, plaintiff will either need to proceed in multiple countries of receipt, or in a single action at defendant's headquarters, in order to secure meaningful relief. Returning to the hypothetical, the French author and publisher thus may sue the U.K. website operator in the English courts for the full amount of the damages, but will be able to seek recovery in the French courts only for copies or transmissions of the *Le grand secret* received in France.⁵¹

One might criticize this outcome, since copyright infringement, and particularly moral rights infringement, implicate personal rights; the "place where the harmful event occurred" with respect to personal rights would be the place where the copyright owner/author feels the harm, that is at the place of her domicile. In addition the *Shevill* rule risks provoking fragmentation of litigation: if the country of departure is a "copyright haven," there will be no point in litigating in the one forum that is competent to hear the entire claim. Plaintiff will have to seek redress *seriatim*, by resort to as many national courts as there are countries of receipt.⁵² In light of this problem, the French *Conseil d'Etat*, in a recently-released report on legal issues arising out of digital networks, concludes that a national court, additional to that of the country of origin of the infringement (a country that may well

⁵⁰Case 68/93, 1995 E.C.R. 415, 123 J. DR. INT. 543 (1996) [hereinafter CLUNET], note A. Huet; D.1996.63, note G. Parléani.

⁵¹See Court of cassation, first civil chamber, Decision of July 16, 1997, JCP.1997.IV.No. 1993; 1998 J. DR. INT. 136, note A. Huet.

⁵²Catherine Kessedjian, *Private International Law Aspects of Cyberspace: Global Communication, Universal Jurisdiction?*, paper presented at ASIL/NVIL Fourth Hague Joint Conference on July 5, 1997, on file with author, & 5.1. Accord, Gabrielle Kaufmann-Kohler, *Internet: Mondialisation de la communication C mondialisation de la résolution des litiges?*, in CATHERINE KESSEDJIAN & KATHARINA BOELE-WOELKI, EDS., INTERNET, WHICH COURT DECIDES, WHICH LAW APPLIES? 89, 115-18 (1998).

be a “copyright haven”) should be competent to remedy world-wide damage.⁵³ That court would, presumptively, be the forum of plaintiff’s residence or principal place of business, and should have general jurisdiction to hear the entirety of the claim.⁵⁴

2. Jurisdiction over non E.U. defendants

The Brussels Convention’s limitations on E.U. national court jurisdiction do not govern litigation between E.U. domiciliaries and non E.U.-domiciled defendants. Instead, the domestic civil procedure and conflicts rules of each national forum apply.⁵⁵ Thus, if domestic jurisdictional rules permit suing a non domiciliary for the entirety of a claim that does not arise in the forum, the Brussels Convention is no bar. Nonetheless, in our hypothetical case, the goal of consolidating all the French publisher’s claims in one European Union domestic forum seems unlikely to be achieved, at least not while *Shevill* remains the rule, because the Brussels Convention will preclude bringing an action for the entirety of the claim against *both* the E.U. domiciliary and non domiciliary in an E.U. forum other than that of the residence of the E.U. defendant. In the context of our hypothetical, that forum is England. But while the U.K. defendant may be sued in England for the full damages resulting from the infringement originating in the U.K., on the basis of Brussels Convention art. 5.3, as well as art. 2 (defendant’s domicile), the U.S. defendant, if not “present” in England, will be subject to suit in England only for copies or transmissions received there. As for France, even if the U.S. party might be subject to suit on the entirety of the infringement claim, the U.K. party would be subject to suit in France only with respect to copies or transmissions received there.

C. Recognition and Enforcement of Judgments

1. By E.U. courts of other E.U. courts’ judgments

Title III of the Brussels Convention governs the recognition and enforcement by Contracting States of judgments rendered by other Contracting States. Recognition of another Contracting State’s judgment is automatic, subject to certain exceptions, most notably, conflict with the public policy in the State in which recognition is sought.⁵⁶ Thus, returning to our *Le Grand Secret*

⁵³France, Conseil d’Etat, INTERNET ET LES RÉSEAUX NUMÉRIQUES 151 (1998).

⁵⁴In the absence of general jurisdiction, defendants could merely relocate to fora with lax protection.

⁵⁵*See, e.g.*, Civ. 1re 19 nov. 1985, (Soc. Cognac & Brandies from France v. Soc. Orliac) Bull. civ. I, no. 306; 1986 REV. CRIT. DR. INT. PR. 712, note Yves Lequette (discussing the authority of French civil courts to hear cases concerning torts whose impact is felt in France); Court of cassation, first civil chamber, decision of January 31 1995, Bull. Civ. 1995.I No. 56 (in a suit by a French national against a U.S. defendant for payment on a contract executed in Florida: “the international competence of French courts conferred by article 14 is founded, not on the rights arising out of the acts or facts at issue in the case, but on the basis of the plaintiff’s French nationality . . .”); DICEY & MORRIS, THE CONFLICT OF LAWS (12th ed. 1993), rule 24 (stating the general English requirement of a nexus to confer jurisdiction and that once jurisdiction is conferred it covers all claims against the defendant); *but see id.* at rule 76 (discussing discretionary jurisdiction the harm from a tort is felt in England).

⁵⁶Brussels Conv., arts. 26-27. The other exceptions are: the judgment was rendered in default and defendant was not duly served; the judgment conflicts with a prior decision in a dispute between the same parties by a court in

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hypothetical, suppose an English court awards the French copyright owner damages for the U.K. party's copyright infringement, but there are insufficient assets to satisfy the judgment in England. The French publisher may seek enforcement from the courts of another E.U. country in which the judgment defendant does have assets. Suppose further that this country was Luxembourg, and that the French judgment creditor sought enforcement there. The Luxembourg court may verify that the judgment was not rendered in violation of any of the treaty's bases for non recognition and enforcement; the Luxembourg court should then order the enforcement of the English court's order. But the enforcing court may not review the English judgment "as to substance," nor may it revisit the factual basis on which the rendering court asserted jurisdiction.⁵⁷

The same principles apply when a Contracting State has rendered a judgment against a defendant from a non-Contracting State, even if the rendering court exercised jurisdiction in a manner inconsistent with the Convention's limitations on the judicial competence of Contracting States. Those limits apply to actions between domiciliaries of Contracting States, and do not bind E.U. courts in their judicial competence over non-domiciliaries. Thus, if a French court were to exercise jurisdiction over the U.S. website operator on the "exorbitant" basis of Civil Code art. 14 (which permits a French national to bring a contract or tort claim in the French courts even if the forum's only contact with the claim is plaintiff's nationality), other courts in the E.U. should recognize and enforce that judgment.⁵⁸

The practical implications can be significant. Suppose, for example, that the U.S. *Le Grand Secret* defendant has assets in the U.K., but not in France. We already know that the French court acting under Civil Code art. 14 may assert jurisdiction over alleged infringements occurring outside France, while an English court's competence would most likely be limited to adjudicating claims regarding infringing acts committed or culminating in England. The French copyright owner might nonetheless elect to proceed in France, knowing that the English court should execute the ensuing French judgment, even though the English court would not itself have awarded damages for as broad a scope of acts as the French court did.

2. By E.U. courts of non E.U. courts' judgments

The discussion to this point has concerned recognition by E.U. courts of judgments rendered by other E.U. courts. Suppose, by contrast, that the French publisher elected to sue both the U.K. website operator or online service and the U.S. website operator or online service in the U.S., and, having obtained a favorable judgment, sought its enforcement in England or France against the U.K. defendant. The Brussels Convention does not govern Contracting States' recognition of judgments

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the State in which recognition is sought; the judgment concerns issues of personal capacity, matrimonial property, wills or successions, and conflicts with the private international law of the State in which recognition is sought; the judgment conflicts with an earlier judgment given in a non-Contracting State involving the same parties and claim. *Id.*

⁵⁷*Id.* arts. 28, 34.

⁵⁸*See id.* art. 4.1 (preserving Contracting States' domestic jurisdictional rules as applied to E.U. non-domiciliaries).

rendered by non-Contracting States. That question is governed by the private international law of each E.U. country in which recognition is sought.

3. By U.S. courts of foreign national courts' judgments

In the U.S., the Constitution requires that "full faith and credit" be given to judgments rendered by the courts of the several States, but there is no Constitutional command regarding judgments rendered by foreign nations. Instead, common law notions of "comity,"⁵⁹ and, in almost half the states, the criteria articulated by the Uniform Foreign Money-Judgments Recognition Act,⁶⁰ support recognition and enforcement of foreign judgments so long as the rendering court's exercise of jurisdiction over the U.S. defendant comports with U.S. concepts of due process, and so long as the judgment neither violates U.S. "public policy," nor was influenced by fraud or bias.

Applying this standard to our *Le Grand Secret* hypothetical, some aspects of the French court's judgment may prove troublesome. To the extent the court's exercise of jurisdiction was grounded in French forum-related acts,⁶¹ that aspect of the judgment should be enforced, since it is consonant with U.S. notions of "minimum contacts" justifying the exercise of longarm jurisdiction.⁶² By contrast, exercise of Civil code art. 14 exorbitant jurisdiction may be considered incompatible with U.S. due process, and hence an exercise of jurisdiction based solely on plaintiff's French nationality may be denied recognition.⁶³ Where there are insufficient contacts between the U.S. defendant, the claim, and the foreign forum, a U.S. court may find the foreign forum to have been "seriously inconvenient," and may therefore decline to recognize and enforce the judgment.⁶⁴

The bases on which English courts assert jurisdiction over foreign parties resemble the considerations weighed by U.S. courts. As a result, in the absence of a Civil code art. 14-like authorization, the jurisdictional determinations of English courts are likely to conform to U.S. notions of judicial competence, and hence to be enforced in U.S. Nor is copyright infringement an area in which the substantive public policies of England (or France) and the U.S. are likely to clash.

⁵⁹See, e.g., *Hilton v. Guyot*, 159 U.S. 113 (1895).

⁶⁰See " 2, 3, 13 U.L.A. 261 (1962). Twenty two of the fifty United States have adopted this Act. See generally, Friedrich K. Juenger, *The Recognition of Money Judgments in Civil and Commercial Matters*, XXXVI AM. J. COMP. L. 1 (1988) (overview of U.S. and other countries' principles); Jeremy Maltby, Note, *Juggling Comity and Self-Government: the Enforcement of Foreign Libel Judgments in U.S. Courts*, 94 COLUM. L. REV. 1978, 1983-87, and n.31(1994) (explaining U.S. rules on recognition and enforcement of foreign judgments, and listing states that have adopted the Uniform Foreign Money-Judgments Recognition Act).

⁶¹See Nouv. c. proc. civ. art. 46.3.

⁶²See, e.g., *International Shoe Co. v. Washington*, 326 U.S. 310 (1945). See Uniform Foreign Money-Judgments Recognition Act, ' 5 (listing criteria for determining if foreign forum had jurisdiction over the defendant).

⁶³See, e.g., *Nippon Emo-Trans Co. V. Emo-Trans, inc.*, 744 F.Supp. 1215, 1229 (S.D.N.Y. 1990) (indicating that Civil Code art. 14 does not meet the jurisdictional standards articulated by ' 421 of the RESTATEMENT (THIRD) OF THE FOREIGN RELATIONS LAW OF THE UNITED STATES).

⁶⁴See Uniform Foreign Money-Judgments Recognition Act, ' 4(b)(6).

The public policy basis for non recognition thus seems unlikely to upset the victorious E.U. plaintiff's search for recognition across the Atlantic.

Recommendation Regarding Choice of Forum

Simplifying choice of forum will be essential to effective enforcement of copyright in the digital environment. Even an author who has a strong case on the merits of her copyright claim will discover that copyright protection is illusory if she must pursue the claim in a multiplicity of fora. As a result, the *Shevill* rule in the European Union, and the limitation of specific jurisdiction to forum-arising acts in the U.S. should be modified. In the U.S. the "single publication rule," well-established in the context of multi-jurisdictional defamation, should be extended to copyright infringement claims, to permit a court to consolidate worldwide infringement claims that arise out of the same act of infringement (for example, posting to the Internet). The consolidating court should be one with a close nexus to the case, for example, the court might be located not only where copies were received (or could have been received), but also at the residence of the plaintiff (if the forum is in the author's home country). Ideally, the forum should be that of the country with the "most significant relationship to the work." The same standard should apply to multiterritorial infringements adjudicated in the E.U. I join the French *Conseil d'Etat's* recommendation that *Shevill* be reinterpreted to give general competence to the country with the most significant relationship to the work, rather than merely the country of defendant's residence, or of the point of origin of the infringement. The decisions of this court should be given automatic execution by courts not only members to the Brussels Convention, but by national courts in general.

IV. CHOICE OF LAW: COPYRIGHT OWNERSHIP

A. Authorship and Ownership Under the Berne Convention

What does the Berne Convention provide regarding authorship and ownership of copyright? The response is disappointing: the Berne Convention and the 1996 WIPO Copyright Treaty primarily address *how* a work shall be protected; the international instruments offer little guidance as to *who* is protected. In general, the Berne Convention sets forth neither substantive nor choice of law rules to determine copyright ownership. While, under article 5.2 of the Berne Convention, the law applicable to determine the "extent of protection as well as the means of redress" is the law of the country where protection is claimed, this provision covers infringement actions, not ownership claims.⁶⁵ The Berne Convention affords insufficient guidance as to the law applicable to contracts of transfer of rights under copyright,⁶⁶ and particularly, to designation of initial copyright ownership and authorship status.⁶⁷

⁶⁵Similarly, Berne Conv. art. 5.2 provides that the "enjoyment" and "exercise" of protection "shall be independent of the existence of protection in the country of origin." The text does not say "independent of the ownership of rights in the country of origin."

⁶⁶Several scholars have discussed the Conventions' failure to resolve questions of contract validity and transfer. See, e.g., Nimmer, *Who is the Copyright Owner When the Laws Conflict?*, 5 IIC 62, 63 (1974) ("neither

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The Berne Convention's allocation of initial ownership rights is ambiguous, as is its identification of the "author." The treaty states a general presumption that the "author" is the person under whose name the work is disseminated.⁶⁸ Because this person has standing to sue for infringement, then, implicitly, this person is the copyright owner (entitlement to sue depends on having rights to assert). This presumption, however, is not only reputable; it does not seem to fit every type of works of authorship. First, the presumption appears to anticipate works created by only one author (or at any rate, very few), such as traditional works of literature, music, or the visual arts. By contrast, audiovisual works C and particularly multimedia works C have many creative contributors, as do (or will) literary or graphic works created through multiple collaborations over digital networks.

Second, authorship and ownership of audiovisual works and multimedia products may not even be subject to this presumption: the Berne Convention establishes a special rule for "cinematographic works." According to this rule, "the person or body corporate whose name appears on a cinematographic work in the usual manner shall, in the absence of proof to the contrary, be presumed to be the maker of said work."⁶⁹ In his exhaustive treatise on the Berne Convention, Professor Ricketson indicates that the reference to the "maker" of a cinematographic work suggests a distinction between authors (actual creators), who normally are considered initial copyright holders, and corporate entities, who, in this context, may be deemed the holders of rights normally vested in actual persons.⁷⁰ The Berne Convention does not define "cinematographic work," but "assimilates" "works expressed by a process analogous to cinematography." This statement may be broad enough to cover a wide range of audiovisual works, including multimedia.⁷¹ If so, given the increasing prominence of audiovisual and multimedia works in the digital era, the special rule on ownership of cinematographic works may significantly constrict the reach of the general presumption on authorship/ownership.

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Convention tells us who may qualify as the author's successor in title, or as the copyright proprietor in place of the author."); Françon, *Les droits sur les films en droit international privé*, in TRAVAUX DU COMITÉ FRANÇAIS DE DROIT INTERNATIONAL PRIVÉ 1971-73 39, 53 (contracts concerning the exploitation of films--i.e., the relationship between producers, distributors, and theaters--are not at all governed by the international copyright conventions). See also EUGEN ULMER, INTELLECTUAL PROPERTY RIGHTS AND THE CONFLICT OF LAWS (1978) (study prepared for the EEC including a proposed international treaty supplying conflicts rules regarding initial title to and transfers of ownership of rights under copyright).

⁶⁷Cf., Jane Ginsburg, *Les conflits de lois relatifs au titulaire initial du droit d'auteur*, 5 REVUE DU DROIT DE LA PROPRIÉTÉ INDUSTRIELLE 26, 27-29 (1986) (treaties inadequately address designation of initial titleholder of copyright).

⁶⁸Berne Conv., art. 15.1.

⁶⁹Berne Conv., art. 15.2.

⁷⁰RICKETSON, *supra* note 3, at 158.

⁷¹For an extensive discussion of the Berne Convention concept of "cinematographic work," see RAQUEL XALABARDER, *LA PROTECCIÓN INTERNACIONAL DE LA OBRA AUDIOVISUAL* (Thesis, Barcelona, 1997).

On the other hand, while it is true that the Convention permits those signatories (particularly, the U.K. and the U.S.) which vest initial ownership in audiovisual producers to maintain that designation, a different provision of the Berne Convention makes ownership of copyright in cinematographic works a matter for the *lex protectionis*.⁷² Thus, copyright ownership of these works will vary depending on the country of protection.

If member countries are free to deem "makers" of audiovisual and multimedia works initial copyright *owners*, are they also free to deem "makers" "*authors*"? Just as the Convention does not require that other member countries accept the country of origin's ownership designation, it seems that other members need not adhere to the country of origin's identification of authorship. Indeed, the drafters of the cinematographic works provisions believed that it was so clear that each member nation was free to deem "makers" "*authors*" or not, a specific statement to that effect was "unnecessary."⁷³

The Berne Convention thus spawns several, somewhat divergent, interpretations as to authorship status and initial ownership of rights:

1. As to authorship status: it is not clear that an "author" must be a work's actual creator. This is particularly true with respect to the category "cinematographic works," a category that multimedia works may greatly expand. The law of the country where protection is sought may determine who enjoys authorship status. The "author," therefore may be a different person or entity, depending on where a claim is pursued. As a result, the rights and status of creators could vary with each Union country of exploitation.
2. With respect to economic rights in works other than cinematographic works: Although article 14*bis*.2 designates the competence of the *lex protectionis* for cinematographic works, the treaty supplies no explicit rule for initial ownership of other kinds of works. By negative inference, the *lex protectionis* would not determine initial ownership of works that are not

⁷²Berne Conv., art. 14*bis*.2(a). This same disposition, however, sets forth certain presumptions of transfer of economic rights from authors to producer.

Professor Ricketson has concluded, *supra* note 3, at 556, "in the absence of any conventional definition of 'author', the question of who is the creator of a cinematographic work . . . remains, in the final analysis, a matter for national legislation."

The authors of another leading analysis of the Berne Convention agree that the treaty fails to resolve authorship status in cinematographic works. Professors Desbois and Françon and Judge Kéréver contend that the treaty's ambiguity reflects an awkward attempt to compromise between countries vesting film producers with initial copyright and those reposing rights initially in actual authors. They charge that where the Berne Convention should have supplied a substantive supranational rule, or at least a single conflicts rule, it has simply introduced confusion. See HENRI DESBOIS, ET AL., LES CONVENTIONS INTERNATIONALES DU DROIT D'AUTEUR ET DES DROITS VOISINS 216-21 (1976).

⁷³See BUREAU INTERNATIONAL POUR LA PROTECTION DE LA PROPRIÉTÉ INTELLECTUELLE [HEREAFTER BIRPI], INTELLECTUAL PROPERTY CONFERENCE OF STOCKHOLM, 1967, PROPOSALS FOR REVISION OF THE SUBSTANTIVE COPYRIGHT PROVISIONS 58 (1966).

“cinematographic works.” Each Berne Union forum is free to apply its conflicts rules to determine initial ownership.

1. With respect to both authorship and economic rights ownership: “Authors” and initial copyright owners are separate concepts. The Berne Convention supplies no clear supranational substantive definition of either; while it provides a choice of law rule regarding initial ownership for cinematographic works, it fails to designate which law governs determination of authorship status of these or any other kind of work. Moreover, art. 15.1 sets out the equation between authors and copyright owners as a mere, reputable, presumption, and offers no choice of law rule as to what law governs the disproof of authorship status.

In view of this uncertainty, perhaps the rule in Berne Convention 5.2, designating the law of the country of protection to govern infringement claims, should be construed more broadly, making it the residual choice of law rule for all copyright issues, including ownership. This would be consistent with a highly territorialist view of international copyright. But there is ample evidence from the Berne Convention itself that rigorous territoriality is not the general rule. The Berne Convention in fact abandons or loosens the principle of territoriality with respect to a variety of provisions that establish several supranational obligations or designate the application of the law of the country of origin.⁷⁴ Thus, if it is generally true that the Berne Convention does not resolve the question of the law applicable to copyright ownership, it is also true that the treaty as a whole does not support the radical territoriality that would equate the law applicable to the scope of protection with that applicable to the determination of ownership.⁷⁵

B. Private International Law Choice of Law Rules

In the absence of a treaty choice of law rule, the issue is remitted to the choice of law rules of the member countries. Potentially applicable conflicts rules of treaty member nations may vary depending on the issue to be determined. For example, local choice of law rules may identify one point of attachment for the law governing initial copyright ownership, and another for transfers of ownership.

With respect to the law applicable to determine the initial allocation of copyright ownership when the creators are employees, any of the following laws might be competent:

⁷⁴For supranational rules, see, e.g., Berne Conv. arts. 2.1, 2.3, 2.5, 2.6, 2bis.3, 5.2 al.1, 6bis.1, 6bis.2, 7.1, 7.3, 7.4.2, 7.5, 8, 9.1, 9.2 .2, 9.3, 10.1, 10.3, 10bis.1 al.2, 11, 11bis.1, 11bis.2.2, 11bis.3.1, 11ter, 12, 14, 14bis.1, 15.1, 15.2, 15.3, 16.1, 16.2. For application of the law of the country of origin, see, e.g., Berne Conv. arts. 2.7.2, 7.8, 18.1. For discussion of the significance of the country of origin in the Berne Convention, see, e.g., Georges Koumantos, *Private International Law and the Berne Convention*, 24 COPYRIGHT 415 (Oct. 1988); Georges Koumantos, *Copyright and Private International Law in the Face of the International Diffusion of Works*, in WIPO WORLDWIDE SYMPOSIUM ON THE FUTURE OF COPYRIGHT AND THE NEIGHBORING RIGHTS 233 (1994) (WIPO Publication No. 731(E)).

⁷⁵See also MURIEL JOSSELINE-GALL, LES CONTRATS D’EXPLOITATION DE DROIT DE PROPRIÉTÉ LITTÉRAIRE ET ARTISTIQUE 231-63 (1995) (for an extensive discussion of the “inaptitude of the international conventions to resolve the conflict of laws concerning the initial owner of the exclusive right of exploitation”).

1. The personal law (residence, nationality or domicile) of the actual, human, creator(s);
2. The personal law of the employer (residence, nationality, domicile, principal place of business -- if the employer is a corporate entity);
3. The law governing the employment contract (if the contract effects a choice of law; or the law of the country in which the contract is "localized");
4. The law of the country of origin (first publication); or
5. The law of the forum as a generally residual choice of law designation.

Concerning transfers of copyright ownership, potentially applicable choice of law rules include:

1. If the forum characterizes questions of transfer to be matters of substantive copyright law, the *lex protectionis*
2. If the forum characterizes questions of transfers to be matters of contract law, the *lex contractus*; this will be
 1. The law chosen by the parties to the contract
 - b. The law of the country in which the contract can be localized (or, where the Rome Convention applies, the law of the residence of the party owing the "Characteristic performance").⁷⁶

1. Initial Ownership of Copyright

The adoption of a choice of law rule for copyright ownership should further an overall goal of the Berne Convention, to promote the international dissemination of works of authorship.⁷⁷ Application of a rule of strict territoriality could result in a multiplicity of laws governing copyright ownership; this might so disrupt international commerce in copyrighted works as to defeat one of the principal purposes of the treaty. Moreover, while it has long been recognized that "international copyright" is more accurately understood as a collection of national copyrights conferred on the author (or initial copyright holder) by virtue of bi- and multilateral treaties,⁷⁸ that characterization better fits the determination of protectable subject matter and scope of rights than ownership of rights. It makes more sense to conceive of copyright as germinating in a work's source country, subsequently to flower in all other countries in which the work is protected. The countries that later host the work tend to its growth, but the welcome they extend to the work does not uproot it from its source. The work's source country (country of first publication, or residence, or domicile, or nationality of the author) thus should determine who is the initial titleholder. Instead of seeking alternative points of attachment for identifying the law competent to designate copyright ownership,

⁷⁶Treaty 80/934 of June 19, 1980 on the Law Applicable to Contractual Obligations, 1980 O.J. (L 266)1.

⁷⁷See, e.g., CLAUDE MASOUYÉ, GUIDE DE LA CONVENTION DE BERNE 5 (1978).

⁷⁸See, e.g., Jon Baumgarten, *Primer on the Principles of International Copyright*, in FOURTH ANNUAL U.S. COPYRIGHT OFFICE SPEAKS: CONTEMPORARY COPYRIGHT AND INTELLECTUAL PROPERTY ISSUES 470, 471 (1992) (Prentice-Hall Law & Business): "The term 'international copyright' is something of a misnomer, for neither a single code governing copyright protection across national borders, nor a unitary multi-national property right, exists. What does exist is a complex of copyright *relations* among sovereign states, each having its own copyright law applicable to acts within its territory." (emphasis in original).

“it is simpler and more just simply to refer to the substantive rule as set forth in the national law under whose aegis the work was born.”⁷⁹

Why is it “simpler and more just” to adopt the law of the country of origin to govern initial copyright ownership? Because that choice of law rule ensures that the work will not change owners by operation of law each time the work crosses an international boundary. By the same token, licensees in all countries will know that they have acquired rights from their owner. This does not mean that local law cannot modify or even disrupt the ownership allocation established in the source country, for example by applying the host country’s public policy (*ordre public*) exception. Nonetheless, in principle, resort to the law of the source country reinforces the security of international contracts, and therefore would seem to promote the international exchange of copyrighted works.

In the context of employment relationships, moreover, the source country will often also correspond to at least one of the other points of attachment indicated above. The country of first publication is usually also the country where the employer/publisher has its principal place of business; it may also be the country of residence or nationality of the employees. If one of these additional points of attachment applies, the source country is likely to be the country in which the employment contract is localized as well. In other words the source country is likely to be the country with the “most significant relationship” to the work.

A recent amendment to the U.S. Copyright Act adopts the “source country” approach. Section 104A, added to implement U.S. obligations under the TRIPS agreement,⁸⁰ restores copyright protection in qualifying foreign works.⁸¹ The U.S. Court of Appeals for the Second Circuit has since ruled that Section 104A reflects the general U.S. approach to conflict of laws regarding copyright ownership. In *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*⁸², the first appellate decision squarely to confront the question of which country’s law applies to determine initial title to copyright, the court held that U.S. courts would look to the allocation of ownership rights in the country with the “most significant relationship” to the work. In that case, that country was the country of first publication, which was also the country of residence of the authors and publishers of the works at issue. The copyright ownership rule in the country of origin also differed from the U.S.

⁷⁹Judgment of April 29, 1970, Cass.civ. (Soc. Lancio v. Soc. Editrice Fotoromanzi Internazionali), 1971 REV. CRIT. DR. INT. PR. 270, note H. Batiffol.

⁸⁰Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instrument--Results of the Uruguay Round, vol. 31, 33 I.L.M. 81 (1994).

⁸¹Section 104A(b) provides: “Ownership of Restored Copyright. “restored work vests initially in the author or initial rightholder of the work as determined by the law of the source country of the work.” Thus, in reinstating copyright protection for foreign works whose copyrights had been lost U.S. courts and the Copyright Office will look to the person or entity that the law of the treaty country of first publication designates as the copyright holder. Where there is more than one treaty country of first publication, the source country is the one with the “most significant contacts with the work.” In the case of employee-created or commissioned works, that country will likely be the country in which the employment or commissioned work contract is localized.

⁸²1998 U.S. App. LEXIS 21016 (2d Cir. 1998).

rule: while the copyright in employee-created U.S. works belongs to the employer, under Russian copyright law, according to the court, the employee journalists retain their copyrights. Application of the source country's rule meant the Russian publisher did not automatically own the rights it was asserting in the U.S.

Suppose interrogation of the source country's law reveals that it *does* allocate to the plaintiff the rights that the claimant is asserting in a foreign forum. Is that the end of the inquiry? Or does the law of the country of exploitation also determine ownership rights for its territory? For example, suppose a U.S. employer for hire, who, by virtue of its domestic law is the initial owner of the full copyright in the work, seeks to exploit the work in a country where employers are not initial copyright holders. Consider the analysis of Prof. Ulmer. In his influential work on Conflicts of Law and Intellectual Property, the eminent German copyright scholar opined: "if for example a work made for hire in the USA is to be exploited in Germany, the principle is that the copyright belongs to the employer. In Germany, however, the acquisition of copyright can only be interpreted as an agreement [as opposed to occurring automatically by operation of law]. It is therefore effective only within the limits in which a grant of rights of use is permissible according to German law: the author's moral right and the rights relating to types of uses which were still unknown at the time of conclusion of the contract remain the property of the author."⁸³ In other words, the U.S.-law characterization of the employer as initial copyright owner gives it standing to assert copyright ownership in Germany, but German law defines the scope of what is owned. The employer's "ownership" bundle in Germany would include neither moral rights, nor forms of exploitation unknown at the time of contracting with the director. The Ulmer approach implies a "double ownership rule:"⁸⁴

1. The claimant must have been the copyright owner in the source country of the work; and
2. The claimant would also have been the copyright owner in the country where protection is sought.

This approach does not seem to favor the smooth international commerce in copyrighted works. Nonetheless, as we shall see, if the second element of the double ownership rule imposes an inappropriate criterion for discovering who is the copyright owner, some local limitations on copyright ownership may recur as part of the inquiry into public policy objections to applying the otherwise competent law.

2. Transfers of Ownership

a. Basic principle: *lex contractus*

⁸³EUGEN ULMER, *INTELLECTUAL PROPERTY AND THE CONFLICT OF LAWS* 39 (1978).

⁸⁴The term is inspired by the English "double actionability rule," under which a claim concerning an alleged tort committed outside the U.K. will be actionable in the English courts only if the conduct was tortious both under the law of the country where the act was committed, and under English law. See W.R. Cornish, *Intellectual Property Infringement and Private International Law B Changing the Common Law Approach*, 1996 GRUR INT. 285. See also Graeme W. Austin, *The Infringement of Foreign Intellectual Property Rights*, 113 L.Q. REV.321 (1997).

The law of the source country also affords an appropriate starting point for considering what law should apply to transfers of copyright. Suppose the source country's law does not effect a general transfer to the employer, but the employer (or its local licensee) claims to have acquired the pertinent rights by transfer. The court should first inquire if a specific statutory provision in the source country allocates the particular rights that the publisher is claiming. For example, the source country's law may provide for more or less limited presumptions of transfer of rights.

By contrast, a compulsory license should not have extraterritorial effect; the beneficiary of a compulsory license from Country A should not be able to claim rights by virtue of that license in Country B.⁸⁵ Unlike the beneficiaries of presumptions of transfer, who have a contractual C employment or commissioned work C relationship with the creator, compulsory licensees are strangers to the copyright owner; the compulsory license dispenses them from entering into a contract with the copyright owner.⁸⁶

Assuming the rights were legitimately acquired in the source country, the next question is what law governs the licensor's grant of rights for a foreign territory. The *lex contractus*, or the *lex protectionis* (bearing in mind that for a contract covering multiple territories, as would be the case for digital network dissemination, there may be many *leges protectionum*). Arguably, in fora that characterize the scope of the grant as a matter of substantive copyright law, the *lex protectionis* would control the scope (see discussion *infra*). But the *lex protectionis* should not effect a *broader* transfer than that made under the *lex contractus*. Thus, even with respect to the substance of the grant, the court should *first* consult the *lex contractus*, and then ask whether the *lex protectionis* requires *narrowing* the scope of the grant. For example, suppose a print media publishing contract was submitted to the law of a "purpose of the grant" jurisdiction,⁸⁷ in which electronic rights were considered not to come within the scope of the grant.⁸⁸ If the publisher now seeks to license digital media rights in a foreign jurisdiction and the authors object, the court in the foreign territory should

⁸⁵The Berne Convention does permit member countries to impose compulsory licenses for the making of phonograms, see art. 13, but this means that Berne Country A may subject a musical composition from Berne Country B to the license for the making and distribution of phonograms on A's territory. In effect, national treatment applies to compulsory licenses: if A's musical compositions are subject to domestic compulsory licenses, so -- on A's territory -- may be B's.

⁸⁶See, e.g., 17 U.S.C. § 115 (compulsory license for making and distributing phonograms; the license is obtained from the Copyright Office).

⁸⁷See, e.g., art. 31(5) of the German Copyright Act of September 9, 1965 [*Urheberrechtsgesetz*] (published in *Bundesgesetzblatt*, I, p. 1273, No. 51, of September 16, 1965) (with an English translation published in 1 COPYRIGHT 251 (1965)) discussed in P. Bernt Hugenholtz, *Comment: Electronic Rights and Wrongs in Germany and the Netherlands*, 22 COLUM.-VLA J.L. & ARTS 151 (1998).

⁸⁸See, e.g., Amsterdam District Court, decision of September 24, 1997 (Heg, Mulder and Stam v. De Volkskrant), *appeal pending* (English translation at 22 COLUM.-VLA J. L. & Arts 181 (1998)); Brussels Court of Appeals, decision of Oct. 28, 1997 and Brussels High Court, decision of October 10, 1996 (Association générale des journalistes professionnels de Belgique v. S.C.R.L. Central Station) (English translations at 22 COLUM.-VLA J. L. & ARTS 195, 191 (1998)); Strasbourg tribunal of grand instance, decision of February 3, 1998 (Union of French journalists v. SDV Pluimedia) (English translation at 22 COLUM.-VLA J. L. & ARTS 199 (1998)) (all holding on-line and CD ROM exploitations of articles written for print periodicals to exceed the scope of any implied license from the journalists to the newspapers).

first look to the law of the authors' contract to determine if digital media rights should be deemed included.

What is the *lex contractus*? It is the law chosen by the parties, or, in the absence of a choice of law clause, the law ascertained by "localizing" the contract. In the U.S., a court would seek the jurisdiction with which the contract has the "most significant relationship," for example, the country of the parties' residence, or the place of formation or execution of the contract.⁸⁹ In the European Union, the Rome Convention concerning the law applicable to contractual obligations similarly designates (in the absence of a law selected by the parties) the law of the country with which the contract "is most closely connected." This, in turn, is presumed to be the country where the party effecting the "characteristic performance" has its habitual residence.⁹⁰ In the context of copyright transfers, it is not always apparent who owes the "characteristic performance," particularly where a contract for Internet dissemination is concerned.⁹¹ Nonetheless, we will consider that the characteristic performer is the party who exploits the work, because that party's actions will "produce receipts for the author."⁹² The law of the contract then would be that of the exploiter's habitual residence. That law will also determine the formal requirements for the contract, for example, whether the contract must be in writing and signed by the author, as well as the substance of the grant.⁹³

b. derogations from the *lex contractus*

There are two principal circumstances under which a local court would look to a law other than that of the contract. First, under local choice of law rules, transferability may be considered a matter of substantive copyright law. More modestly, certain kinds of transfers might be deemed controlled by substantive copyright rules. Second, even where the law of the contract normally controls, the host country may also interpose its law when, under the law of the host country (*lex protectionis*), the result of applying the foreign law would conflict with strongly held local public policy (*ordre public*). As a variant on this public policy theme, some local prohibitions might be considered automatically to apply to all contracts, without regard to what law otherwise governs the contract.⁹⁴ For example, if local law provides that a right may not be assigned, then any assignment for that

⁸⁹See, e.g., RESTATEMENT (SECOND) OF THE LAW OF CONFLICTS OF LAW ' 188(2).

⁹⁰Treaty 80/934 of June 19, 1980 on the Law Applicable to Contractual Obligations, arts. 4(1)(2), 1980 O. J. (L 266)1 [hereinafter Rome Conv.].

⁹¹See, e.g., Mario Fabiani, *Conflicts of Law in International Copyright Assignments*, 1998 ENT. L. REV. 157, 161; Pierre-Yves Gautier, *Private International Law Aspects: France*, in ALAI STUDY DAYS: COPYRIGHT IN CYBERSPACE 298-99 (Amsterdam 1996).

⁹²Fabiani, *supra* note 91.

⁹³See Rome Conv., art. 9.

⁹⁴This approach treats the local prohibition like a "law of immediate application" or *loi de police*, a local law that the forum applies without even inquiring into what foreign law might govern. See, e.g., F. JUENGER, GENERAL COURSE ON PRIVATE INTERNATIONAL LAW 201-02 (1983) (extract from 193 RECUEIL DES COURS (1985-IV)).

territory will be invalid, whatever the law that governs the contract.⁹⁵ In all these circumstances, then, while the law of the source country governs what an author may *grant*, the law of the host country may also determine what the grantee may *receive* in that jurisdiction.

i. **Transfer characterized as matter of substantive copyright law, rather than contract law**

Suppose interrogation of the source country's law reveals that the claimant has there acquired the rights it is asserting abroad. But suppose also that the claimant may acquire *more* rights from authors in the source country than the claimant could acquire under the law of the host country. Applying the principle of national treatment, under which the "extent of protection . . . afforded to the author to protect his rights"⁹⁶ is governed by the copyright law of the country in which protection is sought, some countries treat the scope of the grant as a matter of substantive copyright law; the scope of the grant would therefore be limited to that allowed under local law.⁹⁷ Thus, for example, a 1950 U.S.-law contract that transferred exploitation rights "in all media now known, or later developed" would be valid in the U.S.,⁹⁸ but invalid in Germany as to media unknown in 1950.⁹⁹ Assume that online media were unknown in 1950. If only the law of the contract governs, then the grantee may offer the work online throughout the world, including to German users. If German law applies to German exploitations, then the author (or her heirs) may contest the grantee's offering the work on line to users in Germany.

Characterizing issues of transferability and scope as systematically governed by the *lex protectionis* is consistent with a view of international copyright as a bundle of territorially discrete rights. Under this view, the rule of national treatment means that a Berne Union (or WTO) author is protected to the same extent as a local author in each country of the Union. Thus, when an author assigns her copyright for the whole world, she is in fact assigning whatever rights each Berne Union or WTO country will permit her to assign.

If, however, one interprets Berne art. 5.2's national treatment principle as addressing the scope of exclusive rights under copyright *vis à vis* infringers, rather than *vis à vis* grantees, then it is possible to avoid the disruption to the international dissemination of works of authorship that the highly territorialist approach discussed above would provoke.

That said, some territorially specific limitations on contractual grants may still be appropriate. Where, for instance, the right at issue is peculiar to a particular territory, that territory's conditions or limitations on the exercise of that right should also apply. For example, the prior U.S. copyright act

⁹⁵See, e.g., 17 U.S.C. ' 203(a)(5) (right to terminate grants of exclusive rights under copyright 35 years following contract's conclusion may not be assigned or waived in advance).

⁹⁶Berne Conv. Art. 5.2.

⁹⁷See, e.g., Ulmer, *supra* note 83.

⁹⁸See, e.g., *Platinum Records Co. v. Lucasfilm, Ltd.*, 566 F. Supp. 216 (D.N.J. 1983); *Rooney v. Columbia Pictures, inc.*, 538 F. Supp. 211 (S.D.N.Y.), *aff'd.*, 714 F.2d 117 (2d Cir. 1982).

⁹⁹German copyright law, art. 31(4).

divided the copyright term into one 28-year period, renewable for another 28 years.¹⁰⁰ The second period was considered a “new estate,” vesting the author with rights free and clear of prior transfers. The U.S. Supreme Court, however, held that the author could assign the renewal term before it vested.¹⁰¹ Recognizing that this holding substantially deprived the author of the “new estate” (since many authors would end up assigning both terms of copyright), some lower courts required that, to be valid, the assignment of the renewal term must be explicit.¹⁰² Subsequently, the question arose whether this requirement as to the form of the assignment of the renewal term applied only to contracts governed by U.S. law, or whether the requirement applied to any contract purporting to assign the U.S. renewal term, whatever the otherwise applicable law of that contract.

In *Corcovado Music Corp. v. Hollis Music, Inc.*,¹⁰³ a Brazilian-law contract between a Brazilian composer and a Brazilian publisher granted worldwide rights for the duration of the copyright. The composer nonetheless terminated the Brazilian publisher’s U.S. rights at the conclusion of the first term of copyright, and granted the U.S. renewal term rights to a U.S. publisher. The Brazilian publisher objected that Brazilian law governed the grant of rights, and that under Brazilian law, the composer had no rights left to grant to another publisher. The Second Circuit acknowledged that Brazilian law governed the contract, but characterized the issue of the form of the grant of renewal rights as determined by U.S. copyright law. Because the Brazilian contract did not contain the requisite language, it was ineffective to transfer rights in the U.S. renewal term. This approach is not inconsistent with a general rule designating the application of the *lex contractus*, because it applies only to rights that local law itself defines as peculiar to local copyright. The U.S. copyright act, for example, specifies that the termination right “in no way affects rights arising under any . . . foreign laws.”¹⁰⁴

ii. Public policy exceptions

The host country’s law may, as a matter of domestic copyright law, prohibit the transfer of certain kinds of rights. For example, in Germany, a contract may not grant rights in new modes of exploitation unknown at the time of contracting,¹⁰⁵ and in France, moral rights are inalienable.¹⁰⁶ Host country courts may consider these prohibitions to be of such local public policy significance, that they control on local territory, regardless of the international character of the contract, or the foreign origin of the work. Thus, the French courts have rejected claims by a U.S. motion picture producer that the U.S. film director’s contractual waiver of moral rights should bar the director’s invocation in France of the moral right of integrity against the French broadcast of a colorized

¹⁰⁰See 17 U.S.C. ' 24 (*repealed*).

¹⁰¹See *Fred Fisher Music Co. v. M. Whitmark & Sons*, 318 U.S. 643 (1943).

¹⁰²See *e.g.*, *Corcovado Music Pub. v. Hollis Music, Inc.*, 981 F.2d 679 (2d Cir. 1993).

¹⁰³*Id.*

¹⁰⁴17 U.S.C. ' 203(b)(5).

¹⁰⁵German Copyright law, art. 31(4).

¹⁰⁶France, Code de la propriété intellectuelle, art. L. 121-1(3).

version of the film.¹⁰⁷ On the other hand, French courts have also declined to apply the *ordre public* exception to a right of attribution claim by a French author bound by a U.S.-law ghostwriter contract when the book under contention was written in the U.S. and distributed in several countries, including the U.S., and the contract specified the application of U.S. law.¹⁰⁸

Recommendation Regarding Choice of Law: Copyright Ownership

The principle of territoriality of copyright is, or should be, substantially attenuated in matters of copyright ownership, both initial and by transfer. As a general proposition, constancy of copyright ownership across international borders will promote international trade in copyrighted works, particularly in an era of instant, and pervasive, digital communications. The choice of law rule to designate initial ownership should therefore be the law of the country with the most significant relationship to the work. This, presumptively, is the source country.

But, the goal of reducing friction in the cross-border movement of works of authorship should not overwhelm the primary objective of international copyright, as set forth in the Berne Convention, which is “to protect, in as effective and uniform a manner as possible, the rights of *authors* in their literary and artistic works.”¹⁰⁹ Uniformity in choice of law approaches to copyright ownership should not lead to less effective protection of the rights of authors. Just as wooden application of the copyright ownership law of the host country may needlessly disrupt the international dissemination of copyrighted works, so unflinching resort to the law of the source country could promote the development -- through manipulation of the points of attachment to the “source” -- of a new kind of “copyright haven,”¹¹⁰ a paradise not for pirates, but for some publishers and producers. It is therefore important to insure that the source country is indeed the country with the “most significant relationship” to the work.

Thus, while the starting point for analysis of the choice of law governing copyright ownership should be the law of the source country, for initial ownership, or the law of the contract for transfers, nonetheless where the host country’s legislation or case law expresses a strongly author-protective

¹⁰⁷See Judgment of May 28, 1991 (Turner Ent. v. Huston), Cass. Civ. 1re, 1991 JCP.II.21731, note A. Françon; Judgment of December 19, 1994, Cour d’appel de Versailles, combined civil chambers, 164 RIDA 389 (1995). See also Judgment of May 30, 1984 (Marius Constant v. Ste. Warner Bros.), Trib. Grde. Instance de Paris, 122 RIDA 220 (1984) (Fr.) (upholding French film composer’s attribution right in U.S. film when the film was distributed in France).

¹⁰⁸See Judgment of Feb. 1, 1989 (Bragance v. de Grèce), Court of Appeals of Paris, 142 RIDA 301, 307, note Sirinielli.

¹⁰⁹Berne Conv., preamble cl. 1 (emphasis added). This fundamental goal of the Berne Convention suggests that, where the treaty does not supply a choice of law rule, but leaves the determination of applicable law to the member countries, those countries’ determinations should be guided by the principle of *favor auctoris*: when in doubt, follow the conflicts analysis that will yield an author-favorable outcome.

¹¹⁰The term has been employed by the European Commission to refer to countries whose lax copyright laws invite pirates to locate their operations in those countries, European Commission, Proposal for a Council Directive Concerning Cable and Satellite Transmissions, Explanatory Memorandum, COM(91)276 Final, at 4.

public policy, the host country may substitute its own law for the otherwise applicable law. This means, for example, that the host country that seeks to protect authors against improvident grants may recognize the transfer of *fewer* rights than the author conveyed under the law of the source country or of the contract.¹¹¹ By contrast, even in host countries whose choice of law rules designate the application of local copyright law to transfers of rights, courts should look to the law of the contract in order to ensure that application of the host country's law will not result in giving the transferee *more* rights than the contract could grant to the author's co-contractant.

V. CHOICE OF LAW: COPYRIGHT INFRINGEMENT

What law applies to determine whether a copyright infringement has occurred?

Under art 5.2 of the Berne 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.

There is some dispute as to whether this text announces a choice of law rule, or simply a nondiscrimination rule.¹¹² In the latter event, the "country where protection is claimed" need not apply its own law to a Unionist author, so long as it would apply the same foreign law to a local author in the same circumstances. For current purposes, it suffices to suggest that art. 5.2 expresses both a principle of nondiscrimination, and a choice of law rule: certainly the language "shall be governed exclusively by the laws of the country where protection is claimed" *looks* like a rule of legislative competence. For that reason, we shall also reject another possible interpretation of art. 5.2 as designating the whole law, including the conflicts law, of the country "where protection is claimed." If art. 5.2 incorporated that country's choice of law rules, litigants might find themselves in a round of *renvoi*. This, in turn, could result in a denial of national treatment: foreign works might not receive the same substantive treatment as local works if the forum applied not its substantive law, but its conflicts law C and as a result, the law of another country C to a foreign author's infringement claim. We will therefore assume that the Berne Convention designates the substantive law of the relevant country.

¹¹¹The intensity of the host country's public policy may vary. A host country may be highly protective of its *own* authors, and more forgiving toward foreign author-grantee arrangements which, had they been domestic contracts, would have been held invalid. See, e.g., 1 HENRI BATIFFOL, *TRAITÉ DE DROIT INTERNATIONAL PRIVÉ* 580 (1993) (on the difference between "ordre public," and "ordre public *international*," and the "effet atténué d'ordre public").

¹¹²Compare ROBERTO MASTROIANNI, *DIRITTO INTERNAZIONALE E DIRITTO D'AUTORE* (1997) with EUGEN ULMER, *INTELLECTUAL PROPERTY RIGHTS AND THE CONFLICT OF LAWS* (1978).

A. Primacy of Territoriality?

But what is that country? Arguably, the forum is the country in which the copyright owner claims protection, since it is before that country's courts that the plaintiff has elected to proceed. Most commentators on the Berne Convention, however, reject this reading, contending instead that "country *where* protection is claimed" should be understood to mean the country *for which* protection is demanded against infringing acts that are transpiring there.¹¹³ Often, that country will be the same as the forum, but one may anticipate that the plaintiff could elect to proceed in another forum, for example, one in which defendant has substantial assets.¹¹⁴

Thus, one might conclude that the term "country where protection is claimed" refers to the country where the infringement takes place. But if so, we encounter the problem of a multiplicity of possible laws. Particularly in the context of digital media, the infringement may take place in many countries at once: in the country from which the alleged infringement originated, as well as in the countries to which the infringement was communicated. Does the Berne Convention require a strictly territorial approach, applying successively the law of each country of receipt, or will it suffice to apply the law of the country of initiation of the infringement?¹¹⁵

Applying the law of each country of receipt would be consistent with a widely-held concept of international copyright law: that there is no international copyright law as such, but rather a collection of national copyright laws, bound by the Berne Convention into a multilateral non discrimination (national treatment) accord.¹¹⁶ In other words, to return to our hypothetical, the author of *Le grand secret* is not only the French copyright owner, but, by virtue of the Berne Convention, the U.K. copyright owner, the U.S. copyright owner, the Japanese copyright owner, and so forth. Each national market for copyrighted works is distinct, and C within the constraints of Berne minima C defines the contours of local protection. Thus, to apply anything less than the laws of all the countries where the alleged infringement occurred would be to disregard the basic nature of international copyright under the Berne Convention.¹¹⁷

¹¹³See, e.g., A. LUCAS & H.-J. LUCAS, *TRAITÉ DE LA PROPRIÉTÉ LITTÉRAIRE ET ARTISTIQUE*, §§ 1066-1074 (1994); H. DESBOIS, ET AL., *LES CONVENTIONS INTERNATIONALES DU DROIT D'AUTEUR ET DU DROIT VOISIN*, §§ 135-39 (1976); Stefania Bariatti, *Internet e il diritto internazionale privato: aspetti relativi alla disciplina del diritto d'autore*, 1996 AIDA 59, 70.

¹¹⁴See CLAUDE MASOUYÉ, *GUIDE TO THE BERNE CONVENTION*, § 5.7 (1978).

¹¹⁵Compare P-Y Gautier, *Du droit applicable dans le "village planétaire", au titre de l'usage immatériel des oeuvres*, D.1996.131 (recommending distributive application of law of countries of receipt), with A. Kéréver, *Droit d'auteur et satellites spatiaux*, 121 RIDA 27, 51-53 (1984) (urging application of law of country of the uplink in cases of infringement via satellite) and LUCAS & LUCAS, *supra* note 113, at § 1074 (stating that it is consistent with art. 5.2 to generalize to multiterritorial infringement claims the competence of the law of the country where act initiating the infringement - "fait générateur" - occurred); see also *id.* at § 980 (advocating application the law of the place of initiation as a matter of French private international law).

¹¹⁶See, e.g., Jon Baumgarten, *Primer on the Principles of International Copyright*, in *FOURTH ANNUAL U.S. COPYRIGHT OFFICE SPEAKS: CONTEMPORARY COPYRIGHT AND INTELLECTUAL PROPERTY ISSUES* 470, 471 (1992).

¹¹⁷See, e.g., Graeme W. Austin, *Domestic Laws and Foreign Rights: Choice of Laws in Transnational Litigation*, 23 COLUM.-VLA J. L. & ARTS (forthcoming 1998).

But, applying such a territorial approach to the pervasive and simultaneous infringements that the Internet makes possible seems to render the task of adjudicating a multi-territorial infringement claim quite daunting. Hence the impetus to attach another meaning to “country where protection is sought.” If we consider the country from which the alleged infringement originated as the country contemplated by Berne art. 5.2, then the task appears somewhat simpler. In a related context, satellite transmissions -- a prior new technology that disseminated works instantaneously across multiple international borders -- the European Commission determined that the country from which the copyright-triggering act of “communication to the public” occurs is the country from which the satellite signal is uplinked.¹¹⁸ The Satellite Directive thus offers significant support for considering that the “country where protection is sought” is the country from which a multi-territorial infringement originated. In the context of our *Le Grand Secret* hypothetical, this approach would mean that the French publishers’ claims concerning the U.K. defendant’s acts would be governed by English copyright law, while claims addressing infringements stemming from the U.S. website would be governed by U.S. copyright law.¹¹⁹ But the object of the choice of law is not simply to reduce the number of potentially applicable laws; it is, or should be, to identify the rule that will designate the country which is best placed to accord an effective international remedy.¹²⁰ That goal will guide analysis of alternatives to territoriality.

B. Alternatives to Territoriality

1. The U.S. “root copy” example

Let us return to our *Grand secret* hypothetical, and posit the situation in which the allegedly infringing communication originates from a U.S. website. Under a purely territorial approach, U.S. copyright law would apply to all U.S. access of the work, and the court should be able to enjoin the operation of the U.S. site altogether, assuming the server or the website operator’s principal place of business is located on U.S. territory. But what law applies to copies made outside the United States, when offshore users logged onto the U.S. site? Still U.S. law, or the laws of the countries of end use?

¹¹⁸See Council Directive 93/83 of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmissions, 1993 O.J. (L 248) 15, art 2(b). This directive localizes the act of communication “solely in the Member State where, under the control and responsibility of the broadcasting organization, the programme-carrying signals are introduced into an uninterrupted chain of communication . . .”

¹¹⁹For the moment, we are assuming that the website operator has its place of business in the same country as the server that hosts the website. In fact, it is quite possible that the website will reside on a server located in a country other than the operator’s.

¹²⁰See, e.g., Paul Edward Geller, *Conflict of Laws in Cyberspace: Rethinking International Copyright in a Digitally Networked World*, 20 COLUM.-VLA J.L. & ARTS 571, 597 (1996) (making a similar argument, in the context of infringements for which a point of origin cannot easily be identified); Michel Vivant, *Cybermonde: Droit et droits des reseaux*, JCP 1996.I.3969, & 6 (arguing that this country may be the forum country when the forum is also the headquarters of the originator of the digital communication); Mihály Ficsor, *Choice of Law and the Internet: Getting Rid of False Dreams and Misleading Metaphors*, paper delivered at Sixth Annual Conference on International Intellectual Property Law and Policy, Fordham Law School (April 1998).

In a series of decisions dating back to 1939, the Second Circuit has upheld the application of U.S. law to distribution of copies abroad, when the foreign copies were further reproductions of an initial infringing reproduction committed in the United States.¹²¹ Other courts have also applied this master, or root copy approach to the extraterritorial extension of U.S. copyright law.¹²² The Second Circuit has, however, distinguished the root copy cases when plaintiff sought recovery for offshore *performances* of copyrighted works. When an unauthorized performance culminates abroad, the material connection to the United States provided by an initial unauthorized reproduction is considered lacking.¹²³

A recent decision from the Ninth Circuit follows both branches of the Second Circuit's doctrine regarding extraterritorial reach of U.S. copyright law. In *Los Angeles News Service v. Reuters Television International*,¹²⁴ the plaintiff filmed scenes from the 1992 Los Angeles riots that followed the acquittal of the police officers who had beaten Rodney King. Plaintiff authorized NBC to broadcast these scenes in the U.S. Without plaintiff's permission, NBC also transmitted the film footage to the New York offices of foreign news organizations. Videotapes were made in New York City from these transmissions, and the footage from these videotapes was further transmitted to Europe and Africa. According to prior Ninth Circuit authority,¹²⁵ the transmissions from New York to Europe and Africa were not infringing acts completed within the U.S., and thus were not cognizable under U.S. law. On the other hand, unauthorized acts leading up to those transmissions did come within the scope of the U.S. copyright act. Since the California-New York transmission was completed within the U.S., and copies of the tapes were made in New York, the court applied the "initiation" theory of infringement, entitling plaintiff to recover for all acts, domestic or foreign, stemming from the initial unauthorized intra-U.S. relay of the video to the foreign news services' New York offices, and from the unauthorized copying of that transmission onto videotapes.

¹²¹See, e.g., *Sheldon v. Metro-Goldwyn Pictures, Corp.*, 106 F.2d 45 (2d Cir. 1939), *aff'd*, 309 U.S. 390 (1940) (distribution in Canada of motion picture held to infringe plaintiff's play); *Update Art Inc. v. Modiin Publ'g Ltd.*, 843 F.2d 67 (2d Cir. 1988) (publication in Israel of photograph of poster; initial copy of photograph allegedly made in United States and sent to Israel for further copying and distribution); *Famous Music Corp. v. Seeco Records, Inc.*, 201 F. Supp. 560 (S.D.N.Y. 1961) (pirate records sold in Europe allegedly made from illicit U.S. master tape); see also *Fun-Damental Too, Ltd. v. Gemmy Indus. Corp.*, 41 U.S.P.Q.2d 1427 (S.D.N.Y. 1996) (dismissing copyright infringement claim because plaintiff "failed to allege an infringement within the United States that led to extraterritorial infringement").

¹²²See *P & D Int'l v. Halsey Publ'g Co.*, 672 F. Supp. 1429 (S.D. Fla. 1987) (unauthorized exhibition on cruise ship of film print made without authorization in Miami).

¹²³See *Robert Stigwood Group Ltd. v. O'Reilly*, 530 F.2d 1096, 1100 (2d Cir. 1976) (distinguishing *Sheldon*, 106 F.2d 45, on the ground that case involved a U.S. reproduction further reproduced in Canada, while case at bar concerned live performances in Canada); *Gasté v. Kaiserman*, 683 F. Supp. 63, 65 (S.D.N.Y.), *aff'd*, 863 F.2d 1061 (2d Cir. 1988) (no recovery for infringing performances abroad, unless plaintiff can show that these performances "resulted from the reproduction of recordings originally made in the United States"). *Accord*, *Allarcom Pay TV Ltd. v. General Instrument Corp.*, 69 F.3d 381, 387 (9th Cir. 1995) (in a controversy concerning diversion of cable signal to Canadian viewers, *held* that it made no difference whether the U.S. defendant had authorized Canadians to appropriate the signal, or had instead itself broadcast the signal from the United States to Canada. "In either case, the potential infringement was only completed in Canada once the signal was received and viewed.").

¹²⁴*L.A. News Serv. v. Reuters Television*, 149 F.3d 987 (9th Cir. 1998).

¹²⁵See *Allarcom Pay T.V. Ltd. v. General Instrument Corp.*, 69 F.3d 381 (9th Cir. 1995) (no U.S. infringement when diversion of satellite signal commenced in U.S. but programs were received in Canada).

The *Reuters* case illustrates the artificial distinction U.S. caselaw has made between initiation in the U.S. of a performance received abroad, and creation of a copy in the U.S. from which further copies are made abroad. In the latter instance, the completion within U.S. borders of one infringement allows the court to follow up the others committed outside the U.S. By contrast, the courts have held that the public performance right is not infringed in the U.S. unless the performance is received in the U.S. This approach exactly contradicts the European Commission's determination that the copyright-affecting act of communication to the public is completed when the work is made available (at least by satellite¹²⁶), not when it is in fact received. If one puts the two doctrines together, it is possible that an unauthorized transmission originating in the U.S. but received in Europe would violate no rights, because the law of the country of departure considers that no copyright-triggering act has occurred within its borders, and the laws of the countries of receipt do not apply to reception of the transmission.

The Internet may avoid this impasse, because any transmission also involves the creation of copies in the computers of the recipients.¹²⁷ Moreover, with respect to a U.S. website, even if the only users who download the work are located outside the U.S., the presence of an unauthorized copy of the work on a server located in the U.S. should suffice to constitute a root copy infringement. Similarly, if the U.S. defendant makes copies available to foreign participants by e-mail over the Net, there will have been initial copying in the U.S., when the U.S. originator of the offshore dissemination uploads the document to a U.S. server, from which it will transit abroad. That is, to send a document via e-mail, the sender does not divest herself of "her" copy; she makes a new copy when she executes the command to attach to the e-mail the file containing the document. As a result, where the United States is the nerve center for foreign distributions, domestic acts of planning and implementing the dissemination, even if only by sending a digital transmission from the U.S. to an offshore website via a U.S. server, would justify the application of U.S. law to the foreign communications, not simply because an initial copy is made within the U.S., but because the U.S. is the country with the "closest relationship" to the resulting harm.¹²⁸

Some authors, notably, Professor Graeme Austin have forcefully criticized the root copy approach and its consequences. U.S. law should be confined to U.S. borders; copies or transmissions received outside the U.S. should be judged by the laws of the countries of receipt, he claims.¹²⁹ Similarly, Professor Curtis Bradley has contended that application of U.S. copyright laws to acts occurring outside the U.S. undermines the Berne Convention system of tolerating

¹²⁶See Satellite Directive, art. 2(b).

¹²⁷See authorities cited *supra*, note 32.

¹²⁸*Cf.* Conseil d'Etat (France), INTERNET ET RÉSEAUX NUMÉRIQUES, *supra* note 53, at 148-51 (the law competent to govern the entire infringement claim is that of the law with the "closest relationship to the harm;" this country is presumed to be the country of residence/principal place of the uploading entity when that country is a member of the European Union; one might extend this principle beyond the E.U. to countries with a similarly high level of copyright protection).

¹²⁹For extensive elaboration of this argument, see, Graeme Austin, *Domestic Laws and Foreign Rights: Choice of Law in Transnational Copyright Infringement Litigation*, 23 COLUM.-VLA J. L. & ARTS (forthcoming 1998).

international divergence in copyright regimes (subject to the conventional minima): the “unilateral imposition of one country’s laws into another country’s territory” in effect “override[s] the [Berne Convention’s] choice” to allow for some diversity among national copyright laws.¹³⁰

There is another objection to the U.S. “root copy” or initiating act point of attachment: U.S. courts do not treat it as a genuine, bilateral, choice of law rule. Rather, they appear to apply it primarily when it justifies the application of U.S. law by U.S. courts.¹³¹ U.S. courts seem considerably more territorially inclined when applying the law of the country of the initiating act would lead to the application by a U.S. court of a *foreign* law that would exculpate an act which U.S. law would hold infringing.¹³²

In sum, the U.S. choice of law approach to transnational copyright infringement claims (involving both analog and digital media) appears to favor the law of the initiating act (at least when a material copy is made within U.S. borders) when that act occurs in the U.S., but to favor the law of the country of receipt, when that country is the U.S., and the initiating act occurs elsewhere. In other words, U.S. courts may well favor the *lex fori* in transnational copyright cases.

2. Other points of attachment

a. Initiating act

The European Union Satellite Directive offers an analogue to the “root copy” approach. Here, however, the copyright-triggering act is not the making of a copy, but the initiation of a communication to the public.¹³³ More radically, perhaps, where the Satellite Directive applies, the *only* copyright-engaging act is the uplink. Receipt of the signal does not implicate the public performance right. The impetus for the Satellite Directive’s approach was to simplify rights-clearing by the satellite transmitter.¹³⁴ The same concern might equally well apply to the exploiter of digital media who seeks to organize its website business and predict what its liabilities may be.¹³⁵ The latter

¹³⁰Curtis Bradley, *Territorial Intellectual Property Rights in an Age of Globalism*, 37 VA. J. INT’L L. 505, 549 (1997).

¹³¹An exception may be *Creative Technology v. Aztech Sys.*, 61 F.3d 696 (9th Cir. 1996), in which a Singaporean software producer charged another Singaporean producer with reverse engineering its program in Singapore, and distributing the result in the U.S. While U.S. law applied to U.S. distributions, a majority of the Ninth Circuit panel dismissed the claim on grounds of *forum non conveniens*, asserting that the case would be better pressed in the country where the acts that culminated in the U.S. distribution were initiated.

¹³²*Cf. Playboy Ents. v. Chuckleberry*, 939 F. Supp. 1032 (S.D.N.Y. 1996) (applying U.S. law, not Italian law, to U.S. receipt of webpage located on server in Italy; Italian court had previously, and contrary to determination in U.S. proceeding under U.S. law, held use of “Playmen” for “adult” magazine not to infringe Playboy’s trademark).

¹³³*See* Satellite Directive, art. 2(b).

¹³⁴*See id.* Recitals 5-7, 13-15.

¹³⁵*Accord*, LUCAS & LUCAS, *supra* note 113, at § 980 (“one of the essential justifications of the *lex loci delicti* in copyright cases points logically in favor of the law of the place of origin of the infringement, because it is in the country in which he carries on his activities that the exploiter should be able to organize his exploitation.”).

aspect, however, may appear solicitous of digital entrepreneurs at the cost of copyright owners. Certainly, applying the law of the country of initiation would not yield effective relief if the originator of the transmission had opportunistically relocated its business to a country with underprotective copyright laws.¹³⁶ There are other considerations that might also counsel in favor of application of the laws of the countries of receipt, rather than of the source country.¹³⁷ For example, one might contend that the point of origin approach makes sense where, as in satellite transmissions, there is a single point of origin; but in digital communications there may be many points of origin.¹³⁸ Moreover, in digital communications, the location of servers may be irrelevant, and often fortuitous in the chain of digital transmissions; by contrast, the effects of an unauthorized communication are felt in the countries of receipt.¹³⁹

It is true that a digital communication may become available from more than one point (as in the *Le Grand Secret* hypothetical). If each website is a point of origin, does a multiplicity of laws therefore apply? If so, then applying the law of the country of origin of the communication might not be less burdensome than applying the laws of the countries of receipt. Nonetheless, applying the law of the country of initiation may still simplify the litigation. The problem of a multiplicity of websites in fact reveals the potential multiplicity of defendants, as each website operator is making the work available to the public. Additional defendants may include the online services through which the websites become accessible, at least where the online service has knowledge of or control over the content of the website.¹⁴⁰ With respect to an action for damages, the copyright owner may not choose to pursue all alleged infringers, since many of these are likely to be judgment-proof. The copyright owner will instead limit her action to commercial actors, including, where appropriate,

¹³⁶In its communication following up on the Green Paper on "Copyright and Neighboring Rights in the Information Society," the European Commission expressed some doubt about transposing the approach of the Satellite Directive to the Internet context. The Commission indicated that, on the one hand, it may be difficult to identify a single point of origin of the transmission, and, on the other hand, the point of origin could be in a country which denies any effective protection. COM(96)568 final, November 20, 1996 at 23-24 & n.35.

¹³⁷For a fuller discussion, see, e.g., Peter Schønning, *Applicable Law in Transfrontier On-Line Transmissions*, 170 RIDA 21 (1996); P-Y Gautier, *Du droit applicable dans le "village planétaire", au titre de l'usage immatériel des oeuvres*, D.1996.131.

¹³⁸See Peter Schønning, *supra* note 137, at 37.

¹³⁹See *id.*, at 47. The location of the server may, however, be significant in several situations, for example, when the host server is also the website operator, or when the defendant has chosen a particular server because of its superior computing capacity.

¹⁴⁰The extent to which online services who do not themselves originate the content that they communicate are liable for making that content available to the public has been the subject of considerable discussion in the U.S. Compare *Playboy v. Frena*, 839 F.Supp. 1552 (M.D. Fla. 1993) (retaining direct liability of operator of bulletin board service for the communication of photographs scanned by BBS subscribers without permission from *Playboy* magazine) with *Religious Technology Center v. Netcom On-Line Communications*, 907 F.Supp. 1361 (N.D. Cal. 1995) (rejecting direct liability of online service for mere transiting of content uploaded by subscribers, but retaining possibility of liability for contributory infringement if, once notified of the unauthorized communication, the online service failed to remove it from the server). The newly-enacted U.S. Digital Millennium Copyright Act preserves the copyright liability of online service providers who have knowledge that the material they host is infringing, or who derive a direct financial benefit from hosting the material and who have the right and ability to control the website's content. See 17 U.S.C. ' 512(c)(1).

online services. These actors, moreover, are more likely than individuals to be subject to personal jurisdiction in fora other than their domiciles. More importantly, with respect to an action to enjoin the communication of the work from the website, the copyright owner's relief will be most effective if the communication can be stopped at its source (particularly, at the location of the server), but this is not likely to occur unless the law of the source applies (and, of course, if the communication is illicit under that law).

There remains the "forum shopping" problem: what if the country from which the acts originated provides for a very low level of copyright protection? Will the prospect of denying protection through application of foreign law, where local law would have granted protection, deter the local court from applying foreign law, especially if the forum is plaintiff's home? Any choice of law rule must tolerate divergent outcomes, but the rule is sorely strained if it ends up promoting the manipulation of connecting factors so that the least protective result is always reached. In the context of a choice of law rule designating the application of the law of the country of initiation, this means that the rule will be problematic if it leads to the dissemination (whether by satellite or digital media) of works from "copyright havens," that is, from countries affording little or no copyright protection.¹⁴¹ This problem is not new to digital transmissions. Faced with similar concerns, the Satellite Directive recognizes that the point of origin approach will work only if the participating countries share an adequate level of copyright protection. The Directive therefore provides an alternative point of attachment when the headquarters of the uplinking entity is located within a Member State.¹⁴² Analogizing this principle to digital transmissions, the initiating act should be deemed to take place at the location of the server that hosts the infringing website. But if that server is located in a copyright haven, then the initiating act should be deemed to take place at defendant's residence or principal place of business. If, however, both of these places are copyright havens, then the "initiating act" point of attachment should not apply. We will therefore consider other alternatives.

b. Author's residence

Let us return to the Berne Convention art. 5.2 formula, "the law of the country where protection is claimed." In the previous section, we treated this expression as a variation of the tort law choice of law rule that designates the place of the harm, but we characterized that place as the country of initiation, rather than of impact of the harm. Now let us consider the opposite characterization: the *lex loci delicti* in the sense of the place where the harm was felt. We earlier raised the concern that this approach leads to excessive complexity, because, if the author is harmed in each national market for the work, there may be too many places of impact. But there is another way of viewing the impact of the infringement: the harm goes to the author's personality (violation of moral rights), and to her pocket (violation of economic rights). Those harms are felt where the author resides (or, where the copyright holder is a juridical person, at its principal business establishment).¹⁴³

¹⁴¹See European Commission, Proposal for a Council Directive concerning cable and satellite transmissions, Explanatory Memorandum, COM (91)276 final at 4.

¹⁴²See *id.*

¹⁴³See François Dessemontet, *Internet, la propriété intellectuelle et le droit international privé*, in KATHARINA BOELE-WOELKI & CATHERINE KESSÉDJIAN, EDS., *INTERNET, WHICH COURT DECIDES, WHICH LAW APPLIES?* 47(1998) (arguing in support of this point of attachment); see Stefania Bariatti, *Internet e il diritto internazionale*

[Footnote continued on next page]

This solution certainly enjoys the virtue of simplicity, but it may be *too* simple.¹⁴⁴ It tends to undermine the role of a choice of law rule in enabling business actors to predict their liabilities. Moreover, it may be in tension with the law of a forum that has exercised jurisdiction on the basis of a territorial connection between the forum and the claim. On the one hand, the author is asking the forum to exercise jurisdiction over the defendant because the defendant sent the work from or made the work available in the forum. The author will also be asking the court to forbid dissemination of the work from or into the forum, and to award damages for any copies already disseminated. But on the other hand, the author would not be asking the court to determine whether defendant's act was *wrongful* under the forum's law if the forum is not that of the author's residence.

An obvious response to this objection is: that is what private international law is all about -- applying a law other than the forum's. But, in this instance, the author's law may clash with the forum's. Arguably, one might still designate the law of the author's residence as the generally applicable law, but recognize that certain fora might determine that the consequences of applying that law violate strongly held public policies. These fora would therefore end up applying local law, at least to that portion of the multi-territorial claim that can be localized in the forum. This is a possibility, but one should also acknowledge that a choice of law rule that is likely to encounter frequent *ordre public* overrides is a rule that warrants reconsideration. We will therefore consider yet other points of attachment.

c. Multiple points of attachment

Part of the difficulty in identifying a satisfactory choice of rule may lie in the attempt to select a *single* point of attachment. The "author's residence" point of attachment may oversimplify the problem, notably paying insufficient heed to defendants' need to organize their business affairs subject to predictable standards of liability. The "initiating act" point of attachment may be too easily manipulated. Perhaps the advantages, in predictability for defendants, of applying defendant's law, might be preserved, and the undesirable consequences of manipulating the point of attachment avoided, were the choice of law rule to designate alternative points of attachment, of which defendant's residence/principal place of business would be one.¹⁴⁵

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privato: aspetti relativi all a disciplina del diritto d'autore, AIDA 1996.59, 80-81. Cf. Conseil d'Etat (France), INTERNET ET RÉSEAUX NUMÉRIQUES, *supra* note 53, at 151 (advocating application of the law of the country of upload, if that country is within the European Union, otherwise, the law of the country with the "most significant relationship" to the harm; that country is presumed to be the law of the author's residence).

¹⁴⁴Except where the work has a multiplicity of authors who reside in different countries, a situation quite foreseeable as the Internet makes increasingly possible the creation of works by far-flung collaborators.

¹⁴⁵The technique of designating a principal point of attachment, with alternative criteria, is not novel. See, e.g., Hague Conference on International law, Collection of Conventions (1951-1996), No. XIX, Convention on the Law Applicable to Traffic Accidents, art 3 (dominant point of attachment is the State where the accident occurred); 4 (alternative points of attachment that override State of occurrence of accident); *id.*, No. XX, Convention on the Law Applicable to Products Liability, arts. 4-6 (articulating combinations of points of attachment).

The conflicts approach that designates the law of the country with the “most significant relationship” to the harm also identifies a variety of potentially applicable national laws.¹⁴⁶ Several writers have offered proposals of “cascading points of attachment” to resolve the law applicable to infringements committed over the Internet.¹⁴⁷ Most recently, Andreas Reindl has proposed designating the defendant’s place of business as the primary point of attachment, but offering the plaintiff the option of applying the laws of the countries of receipt, when the defendant’s use was for commercial purposes. Where the use was non commercial, plaintiff would have the option of applying the laws only of the countries where the harm to its economic interest was “substantial.” In either event, plaintiff’s option is conditioned upon the foreseeability of the harm in the countries whose laws plaintiff seeks to apply.¹⁴⁸

With respect to service providers whose servers host the infringing website, but do not directly participate in or financially benefit from the selection of the content, only their law will apply, because the foreseeability criterion probably will not be met. This result has the merit of simplicity, but its adequacy will depend on the content of the service provider’s domestic law. As to website operators who post the alleged infringements, the copyright owner may often have a choice between the law of the defendant, and those of the countries of receipt/substantial economic harm. Where the defendant’s law offers a sufficient level of protection, the copyright owner may prefer to apply that law, both because it makes the court’s task simpler (particularly if the forum is also defendant’s), and also because, in some cases, that law may in fact be *more* protective than the law of some of the countries of receipt. This last feature makes Reindl’s proposal attractive to copyright plaintiffs. Is it fair to copyright defendants? One might argue that defendants have, in effect, already engaged in applicable-law-shopping, by locating their residences or business operations in a particular country. If a defendant wished to be subject to a weaker law, it could have moved to that country. So it cannot be unfair to subject a defendant to the worldwide application of a law that was of its own choosing.¹⁴⁹

On the other hand, this approach abandons the basic premise of territoriality that underlies article 5.2 of the Berne Convention. It ignores the interest that sovereign nations may have in seeing their law apply to infringements that can be localized on their territories. Arguably, article 5.2 is sufficiently malleable that the territoriality principle may yield to achievement of another principal goal of the Berne Convention: effective enforcement of author’s rights. The simpler the action, the more likely the author may be to realize that goal. On the other hand, effective enforcement of the author’s rights presumes that the author *enjoys* those rights in each territory for which enforcement is

¹⁴⁶See American Law Institute, Restatement (Second) of Conflict of laws ch. 7 ' 145 (1988).

¹⁴⁷See, e.g., François Dessemontet, *Internet, le droit d’auteur et le droit international privé*, 1996 SJZ 92 (Nr. 15) 285-94 (law of author’s residence, combined with other criteria); Jane Ginsburg, *Global Use/Territorial Rights: Private International Law Questions of the Global Information Infrastructure*, 42 J. Copyr. Soc. 318, 337-38 (1995)(law of the forum, if it is also the law of defendant’s residence/place of business or of the country of the initiation of the infringement).

¹⁴⁸See Andreas Reindl, *Choosing Law in Cyberspace: Copyright Conflicts on Global Networks*, 19 Mich. J. Int’l. L. 799, 852 (1998).

¹⁴⁹A possible unintended consequence of this argument is to hasten flight to copyright havens.

sought. Territoriality therefore remains a nagging presence provoking some unease even with solutions that, by applying alternative points of attachment, can at least some of the time achieve results that offer meaningful relief to copyright owners, while preserving fairness to defendants.

3. Territoriality *bis*: presumption that *lex fori* applies

Let us therefore reconsider the territorialist interpretation of Berne Convention art. 5.2. It has the advantage of maintaining consistency with the rule of national treatment, and of respecting national sovereignty in defining the contours of each national copyright market. Its disadvantage is its potential complexity in application. But perhaps that complexity may be reduced. Recall that, in addition to requiring non discrimination, the Berne Convention imposes certain substantive minima as to protected subject matter and rights. Moreover, 131 countries are now members of the Berne Convention, several more are members of the World Trade Organization (membership in which requires adherence to the agreement on Trade Related aspects of Intellectual Property -- TRIPs, which, in turn incorporates Berne minima,¹⁵⁰). The laws of these countries therefore **C** at least formally **C** conform to these minima. In the future, the shared threshold of protection may be further lifted by the standards set forth in the new WIPO treaties negotiated in December 1996.¹⁵¹ Thus, one way to alleviate the difficulty of distributive application of the laws of the countries of receipt of infringing communications might be to presume that the laws of all these countries have assimilated Berne Convention and TRIPs minima, and leave proof to the contrary to the defendant.¹⁵²

In sum, the solution that appears to respect the principle of territoriality, yet diminishes complexity, is to apply the *lex fori* (when the forum is a Berne Convention or WTO country), subject to proof of specific territorial divergences. This interpretation is consistent both with the words of Berne Convention art. 5.2 ("country *where* protection is claimed") and with the *lex loci delicti*, since we are presuming that the content of the forum's law is consistent with that of all the *leges locorum delictorum*. Moreover, given the bases of judicial competence, the forum will be either the place of initiation of the harm, or a place of impact.

Recommendation Concerning Choice of Law: Infringement

In considering territoriality and its alternatives, the most conceptually satisfying approaches focus on the relationship of the potentially applicable law to the harm incurred. These approaches do not promise unanimity regarding the resulting choice of law rule, for one's views of which country's relationship to the harm is most significant may differ. If one views international copyright as simply a collection of national markets, each of which is subject to local definition, then the countries with the most significant relationship to the harm are the countries whose markets the unauthorized digital

¹⁵⁰Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, MTN/FA II-A1C. TRIPs does not, however, incorporate Berne art. 6*bis* (moral rights protection).

¹⁵¹WIPO Copyright Treaty, adopted by the Diplomatic Conference on December 20, 1996, CRNR/DC/89; WIPO Performances and Phonograms Treaty, adopted by the Diplomatic Conference on December 20, 1996.

¹⁵²*Cf.* Pearce v. Ove Arup [1997] 3 All E.R. 31 (Ch.)(presuming similarity of Dutch copyright law with English copyright law); RICHARD FENTIMAN, FOREIGN LAW: PLEADING AND PROOF 147-53 (1998)(discussing English courts' presumption that the content of foreign law is the same as that of English law).

communication disrupts. This view leads to application of the laws of the countries of receipt, possibly tempered by a presumption as to the similarity of their content with the substantive copyright law of the forum. If, by contrast, one considers that the country from which the infringement originated, either physically or intellectually, as the country with the most significant relationship to the ensuing harm, then one is likely to favor application of the law of the server or of the initiator's residence/principal place of business, as least so long as this country is not a "copyright haven."

I recommend adoption of an approach combining certain aspects of the Satellite Directive with alternative points of attachment:

1. The law applicable to the entirety of a defendant's alleged Internet infringement is the law of the country in which the server that hosts the alleged infringing content is located, so long as this country's domestic copyright law is consistent with Berne Convention [and WCT] norms;
2. If the law of the country identified in # 1 is inadequate, then the law applicable to the entirety of the defendant's alleged Internet infringement is the law of the country in which the operator of the website on which the allegedly infringing content is found has its residence or principal place of business, so long as this country's domestic copyright law is consistent with Berne Convention [and WCT] norms;
3. If the law of the country identified in # 1 and # 2 is inadequate, then the law applicable to the entirety of the defendant's alleged Internet infringement is the law of the forum, so long as the forum is a member of the Berne Union or WTO [or WCT], but the parties may demonstrate that, for particular countries in which alleged infringements occurred, the domestic law is either more or less protective than the copyright or related rights law of the forum.

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