Impact of WTO’s Copyright Protection to Library Operations & Academic Communications

Leo H. Lin
President & CEO of Asia Pacific Technology & Intellectual Property Services, Inc.
E-mail: leohlin@atips.com

Keywords (關鍵詞): WTO; GATT; WIPO; Copyright; Infringement; TRIPS; Berne Convention; Library

WTO and Its Impact

The World Trade Organization (WTO) [1] was established on January 1, 1995 after the Marrakesh, Morocco of General Agreement Tariffs and Trade (GATT) was signed on April 15, 1994 and Dec. 8, 1994, the U.S. legislation implemented the agreement by signing it into law.

WTO was the result of successful negotiations of trade liberalization under the GATT organization and it could be classified as the direct descendent of the International Trade Organization (ITO) [2]. After World War II, allied leaders attempted to create an International Trade Organization to prevent a recurrence of protectionism and to set rules for international trade in the post-war era. Working very hard from 1946 to 1947, Harry Truman, President of USA, reached an “interim” agreement with European allies, GATT [3], to reduce tariffs and to establish a legal framework for international trade. GATT was not intended to be a permanent organization, but a temporary instrument of the ITO. Unfortunately, because of the U.S. Senate failed to ratify the ITO charter, ITO died stillborn in 1950. Hence, GATT had been forced to function as the world’s multilateral trade organization until WTO was established on January 1, 1995.

The Uruguay Round [4] at Punta del Este, Uruguay in September 1986 established the global rules for the protection of copyrights, trademarks, industrial designs, trade secrets, semiconductor layouts, and geographical indications. Also during the Uruguay Round, GATT members recognized the need for a permanent multilateral organization similar to the stillborn ITO to supervise global trade. As a result WTO, headquartered in Geneva, Switzerland, was established to supersede the GATT.

WTO plays the most important role in the world economy and trade. The trade volume among its members’ accounted for 95% of the total global trades. WTO has three basic functions:

a. Formulating, implementing, and supervising multilateral trade rules.

b. Organizing multilateral trade talks.

c. Solving trade disputes among WTO members.

Today WTO becomes the important platform for all member countries to settle their trade related disagreement without a war or diplomatic relationship interruption, for example:

1. WTO Settled Copyright Dispute between E.U. and U.S.A.

The European Union [5] brought a complaint before the WTO regarding two provisions in the United States Copyright laws, which provide that certain public communications of transmissions of copyrighted works are exempted from being infringe of the copyright in those works. The exemptions apply when either (1) “a single receiving apparatus of a kind commonly used in private homes” is used and no charge made or
further transmission effected (the” home style exception”) or (2) the communication is of a transmission or retransmission of a non-dramatic musical work “originated by a radio or television station” or a cable system or satellite carrier and is in relatively small establishments such as shops, bars and restaurants (the “business exception”).

EU claimed that these provisions breached the requirement of Article 9 of TRIPS that members of WTO should comply with most of the provisions of the Berne Copyright Convention. Also article 11 of the Berne Convention gives authors of copyrighted works the exclusive right to authorize public distribution and public performance of their works. Article 11 b specifically stated that authors of literary or artistic works (defined so as to include musical works) have the exclusive right of authorizing communication to the public by loud speakers or similar instruments of radio transmissions of their work. EU claimed that the U.S. law permitted such public distribution of copyrighted works without the consent of the authors of the works.

The United States argued that the U.S. law was consistent with TRIPS because Article 13 permitted exceptions from the general requirement to apply the substantive provisions of the Berne Convention in “special cases, which do not conflict with the normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder”. The position of the United States was that exceptions set out in the U.S. Copyright law fell within what was permitted by Article 13 of TRIPS. Furthermore, the United States argued that it was an accepted practice under the Berne Convention to permit minor exceptions from its rules and Article 13 of TRIPS “clarifies and articulates the scope of minor exceptions doctrine”.

After consideration of the legislative history of various amendments to the Berne Convention and after recourse to the Vienna Convention on the law of Treaties, the Dispute Resolution Panel concluded that a minor exceptions doctrine formed part of the “context” of Article 11 and 11 b of the Berne Convention. The panel went on to stated that there was no reason why this doctrine should not also carried over into TRIPS by virtue of Article 9 of TRIPS having incorporated the relevant parts of the Berne Convention into TRIPS.

However, the panel also proposed that the United States should be requested to amend its law to bring it into compliance with TRIPS insofar as the business exemption was concerned. After arbitration, the United States was given until June 15, 2002 to amend its law.


Japanese policy of honoring copyright protections for music recorded only started from 1971, which had led Washington to file a complaint with WTO seeking to alter that policy. The Clinton administration alleged that Japanese’s failure to grant copyright protection to recorded works produced from 1946 through 1970 by singers, musicians, and recording companies violated the 1971 Berne Copyright convention to which Japan had acceded. Although the Berne treaty had no enforcement mechanism, relevant sections of a 1995 auxiliary agreement to the 1993 Uruguay Round accord went into force January 1, 1996, which remedied that situation. The sections provided new international rules for intellectual property protections.

Washington took the advantage by using the WTO dispute-settlement mechanism to address this long-standing disagreement with Tokyo. Japanese officials believed that Japanese’s interpretations of the relevant Uruguay Round articles and the Berne convention legally were sound and were capable of preventing in the WTO adjudication. However, these officials feared that such a victory for Japan could have serious consequences for the effort by industrial countries to expand intellectual property rights globally. U.S. representative alleged that the limited coverage costs American singers, musicians and recording companies as much as USD$ 500 M annually in royalties and licensing fees. Western music from the 1950s through the 1970s was highly popular in Japan but not covered by the Japanese copyright law. Japanese allowed domestic firms to create
collections of such unprotected works and does not require them to pay royalties or licensing fees to the artists or recording firms. Such back-catalog collections were popular in Japan not only because of their content and quality but also because of their low price. Japanese did give 50 years of protection to lyricists and composers but not to signers, musicians, and recording companies—so-called neighboring rights.

TRIPS Article 14.5, according to the U.S. view, requires WTO members to protect sound recordings for 50 years prior to the implementation of the agreement, in other words from January 1, 1946 onward. Echoing this logic, the European Commission announced that it, too, formally asked Japan to amend its copyright protection to extend their U.S. counterparts’ concern about royalties since the work of many popular European groups, such as the Beatles and the Rolling Stones, are mainly unprotected in Japan.

Japan had countered TRIPS Article 70:2, which directed governments to fulfill obligations listed in Article 18 of the Berne Copyright Convention, and also gave governments some discretion in the degree of retroactive protection they could grant under the Berne Convention.

However, WIPO expressed that a country acceding to the convention “is not allowed to refuse protection to a work the country of origin of which is a country party to the Convention merely because it does not restore protection to domestic-origin works.”

The WIPO opinion also asserted that Article 18 required signatories to restore copyright protection to a work if that protection had not expired in the country of origin as long as that country also adheres to the convention.

**International Copyright Law**

Copyright is no longer a regional rule or regulations by individual government. The Berne Convention[7] had been an international treaty standardizing copyright protections since 1886. In 1994 a “General Agreement on Tariffs and Trade” (GATT) was signed by 117 countries, and the World Trade Organization (WTO) was created in Geneva, Switzerland, to enforce compliance of the agreement. GATT includes a section covering copyrights called the “Trade-Related Aspects of Intellectual Property” (TRIPS).

Member countries of WTO had amended their own laws to be consistent with GATT by the “Uruguay Round Agreements Act” (URAA) since 1994. However, copyright protection still varies greatly from country to country.

For the copyright protection, there are international agreements such as the following, which cover all requirements and common regulations:

1. **The Universal Copyright Convention:**
   
   The Universal Copyright Convention[8] as signed at Geneva on 6 September 1952 (hereinafter called "the 1952 Convention"). Each Contracting State undertakes to provide for the adequate and effective protection of the rights of authors and other copyright proprietors in literary, scientific, and artistic works, including writings, musical, dramatic and cinematographic works, and paintings, engravings and sculpture.

2. **The Geneva Phonograms Convention:**
   

3. **The Berne Convention:**
   
   The Berne Convention on Literary and Artistic Works was originally proposed on September 9, 1886 and it was completed at Paris on May 4, 1896. It was revised later at Berlin on November 13, 1908 and completed at Berne on March 20, 1914. Later on, several revisions were conducted at Rome, on June 2, 1928; at Brussels on June 26, 1948; at Stockholm on June 14, 1967; and at Paris on July 24, 1971. It was amended on Oct. 2, 1979.

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

Translations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the copyright in the original work.

4. The WTO Agreement:

WTO’s agreements are often called the Final Act of the 1986–1994 Uruguay Round of trade negotiations, although strictly speaking, the Final Act is the first of all agreements. It stipulates that members shall comply with Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto. Copyright protection shall extend to expressions but not to ideas, procedures, and methods of operation or mathematical concepts as such. Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971). Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such. Such protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself. The TRIPS Deal obliges the WTO Cartel members to make certain notifications to the Council for TRIPS. These notifications facilitate the Council’s work of monitoring the operation of the Deal and promote the transparency of Members’ policies on intellectual property protection.

5. The WIPO Copyright Treaty:

The "WIPO Copyright Treaty"[10] is the WIPO Copyright Treaty concluded at Geneva, Switzerland, on December 20, 1996. It recognizes the need to introduce new international rules and clarify the interpretation of certain existing rules in order to provide adequate solutions to the questions raised by new economic, social, cultural, and technological developments. It also realizes the profound impact of the development and convergence of information and communication technologies on the creation and use of literary, and artistic works. So WIPO emphasizes the outstanding significance of copyright protection as an incentive for literary and artistic creation.

WIPO addresses the need to maintain a balance between rights of authors and the larger public interest, particularly education, research and access to information, as reflected in the Berne Convention. This Treaty is a special agreement within the meaning of Article 20 of the Berne Convention for the Protection of Literary and Artistic Works, as regards Contracting Parties that are countries of the Union established by that Convention. This Treaty shall not have any connection with treaties other than the Berne Convention, nor shall it prejudice any rights and obligations under any other treaties.

6. The WIPO Performances and Phonograms Treaty:

The "WIPO Performances and Phonograms Treaty" is the WIPO Performances and Phonograms Treaty concluded at Geneva, Switzerland, on December 20, 1996.

These international agreements were converging into the WTO agreement or were used as the base for the WTO agreement. However, WIPO is the one international body, which is the key to resolve any new issues. WIPO is also providing WTO with the most up-to-date interpretations or trying to resolve any new disputes with research or try to get solution through international conference to find an agreeable solution for dispute settlement.
Copyright Protection

Copyright is the exclusive right of the author to decide about his or her work that can be reproduced or made available to the public, it is the legal system that protects authors’ rights; a part of the immaterial rights system. Copyright was "born" in 1709; it is a man-made, not a natural phenomenon! It was created to protect and stimulate intellectual production by governments or authorities.

Copyright protection subsists in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories: Literary works; Musical works, including any accompanying words; Dramatic works, including any accompanying music; Pantomimes and choreographic works; Pictorial, graphic, and sculptural works; Motion pictures and other audiovisual works; Sound recordings; and Architectural works.

However, as shown in the above section there is never any hints or any implications that copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

In the United States of America[11], published Works are subject to protection under these following conditions:

1. On the date of first publication, one or more of the authors is a national or domiciliary of the United States, or is a national, domiciliary, or sovereign authority of a treaty party, or is a stateless person, wherever that person may be domiciled; or

2. The work is first published in the United States or in a foreign nation that, on the date of first publication, is a treaty party; or Copyright subsists, in restored works, and vests automatically on the date of restoration. Any work in which copyright is restored under this section shall subsist for the remainder of the term of copyright that the work would have otherwise been granted in the United States if the work never entered the public domain in the United States. The fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use these following factors to be considered shall include:
   - The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
   - The nature of the copyrighted work;
   - The amount and substantiality of the portion used in relation to the copyrighted work as a whole;
   - The effect of the use upon the potential market for or value of the copyrighted work.

Copyright Obligation for Library and Educational Institutions

Libraries[12] are unique social organizations dedicated to providing the broadest range of information and ideas to the public, regardless of age, religion, social status, race, gender or language. The long library tradition of intellectual freedom and equitable access to information and cultural expression form the basis for assuring that library goals are achieved.

Libraries of all types from national, state and research institutions to local public and school libraries form an interrelated network, which serve the citizenry. The well being of libraries is essential in ensuring access to the full range of human expression and providing individuals with the skills necessary to access and use these contents.
The General Agreement on Trade in Services (GATS)[13] implemented at that time exempted services supplied in the exercise of governmental authority but ambiguously excluded from the definition of governmental authority any service supplied on a commercial basis, not in competition with one or more service suppliers. Libraries were not included in the past GATS Agreement and would most certainly be included in the new Agreement unless specifically exempted. Libraries, museums, and archives, as well as health services and education, are potentially affected by the World Trade Organization Millennium Round, specifically relating to the General Agreement on Trade in Services (GATS).

Following areas were of concern as new GATS agreement is discussed:

1. Proposed changes to GATS will open up all aspects of the economy to international competition, including libraries.
2. Privatization of libraries may result from the proposals for expansion of the GATS Agreement.
3. Possible guarantee of the right of international, for-profit library services and suppliers to set-up in any member state and compete against publicly funded libraries.
4. Sub-Central governments, state/provincial, municipal, regional governments and their various management boards would be included in any agreements agreed to by the member state.
5. The Market Access has two clauses that ban (A) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and (B) limitations on the participation of foreign capital in terms of the maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment. These two clauses could prevent local communities from keeping their library services in the public or non-profit sector.
6. Professional standards could come under challenge as a trade barrier. Article VI of the GATS deals with how domestic regulation could have to be changed to accommodate the overarching goal of trade liberalization in services. The Council for Trade in Service is empowered to set up review panels to assess whether qualification requirements and procedures, technical standards and licensing requirements constitute unnecessary barriers to trade in services.

Changes in Library Work[14]

Since the invention of computer and Internet communications, copying becomes easier and has higher quality - piracy and other infringements of copyright gets easier. The importance of information, knowledge and culture businesses are growing (especially in the area of film and music production). For example, about 4% of BNP is produced via copyrighted products in the Nordic countries. Copyright regulations have a direct impact to big business. The demand for a strong world wide copyright legislation has been seen as WTO’s top issue.

Libraries buy no more physical objects like books or cassettes, because they could directly access the web and other digital resources (web journals, databases etc.). Libraries would be required to obtain license agreements regarding the use of electronic sources from right-owners. Librarians must learn to choose, evaluate and compare web documents as a part of the collection. All librarians would be required to learn Contracts and contract laws; they also need negotiation skills to manage the libraries in the 21st century.

Libraries to collect bibliographic and metadata produced by different actors, and combine them to high-level, covering open access catalogues. General changes which also are affecting libraries, such as hyperlinks, so it would be easier to move from one document to another and to provide the communication access and continuing up-dating.

The Legal Basis to Protect the Public Library Operation

For the library system to survive, WTO would have to establish certain legal basis to protect the system. It was understood that the following items
should be addressed for future operations of libraries around the world:
1. The copyright law and the library exemptions to the author's exclusive rights.
2. The lending right, e.g. in the form of exhaustion of the exclusive rights in the first sale, can be completed with a Public Lending Right system.
3. The exemptions in the copyright law for private use, research and education, handicapped etc.
4. For the rest of materials: licenses.

**International Federation of Library Association (IFLA)**

IFLA regards the WTO as one dimension of a multitude of efforts to enrich corporations by forcing public services into the private sector through privatization, budget reductions or international trade agreements. By permitting the private sector to compete with libraries and educational institutions, it would be to undermine their tax-supported status.

The liberalized trade treaties under WTO force equal, or national treatment, which requires that all "competitors" be treated equally. Tax subsidies for services for which there is private sector competition are likely to be found to be in violation of this requirement. Without tax support, IFLA considers that the library's role as a democratic institution, making available the widest range of material reflecting the diversity of society, will be compromised.

Publicly funded libraries are part of the cultural sector. They are involved in encouraging the development and promotion of cultural products, particularly literature, and the preservation and dissemination of those products. IFLA would like to see that Libraries should be part of protections proposed for culture and should support and be part of any possible separate treaty, which allows special consideration for cultural goods and services in international trade.

While supporting the right of WTO member states to promote and nurture national culture, IFLA opposes any obstacles to the free flow across international borders of legally produced information and cultural content normally collected or distributed by libraries. IFLA opposes tariffs or other duties or taxes on the importation of print on paper or digital content. Such measures have the potential to stifle intellectual freedom.

IFLA is opposed to the expansion of the GATS agreement; it will concentrate on a separate agreement/exemption for libraries and cultural organizations while continuing to push for protection of the broadly defined public sector.

**No Infringement of Copyright for a Library**

It is not an infringement of copyright for a library or archives, or any of its employees acting within the scope of their employment, to reproduce no more than one copy or phonorecord of a work, or to distribute such copy or phonorecord, under these conditions specified as:
1. The reproduction or distribution is made without any purpose of direct or indirect commercial advantage;
2. The collections of the library or archives are open to the public, or
3. Available not only to researchers affiliated with the library or archives or with the institution of which it is a part, but also to other persons doing research in a specialized field; and
4. The reproduction or distribution of the work includes a notice of copyright that appears on the copy or phonorecord that is reproduced under the provisions of this section, or includes a legend stating that the work may be protected by copy-right if no such notice can be found on the copy or phonorecord that is reproduced under the provisions of this section.

**Liability for Copyright Infringement**

If there is a display such as “the making of a copy may be subject to the copyright law” on the reproducing equipment for the unsupervised use of the reproducing equipment located on its premises, then no liability for copyright infringement should be imposed upon a library or archives or its employees according to most of international copyright agreements. A person who uses
reproducing equipment or who requests a copy or phonorecord in the library, the library should not have the liability for copyright infringement for any such act, or for any later use of such copy or phonorecord. Such rights of reproduction and distribution extend to the isolated and unrelated reproduction or distribution of a single copy or phonorecord of the same material on separate occasions, but do not extend to cases where the library or archives, or its employee is aware or has substantial reason to believe that it is engaging in the related or concerted reproduction or distribution of multiple copies or phonorecords of the same material, whether made on one occasion or over a period of time, and whether intended for aggregate use by one or more individuals or for separate use by the individual members of a group.

Not Infringements of Copyright:

Following activities are considered as not infringement of copyright by international standard (especially in USA):

1. Performance or display of a work by instructors or pupils in the course of face-to-face teaching activities of a nonprofit educational institution, in a classroom or similar place devoted to instruction, unless, in the case of a motion picture or other audiovisual work, the performance, or the display of individual images, is given by means of a copy that was not lawfully made under this title, and that the person responsible for the performance knew or had reason to believe was not lawfully made;

2. Performance of a nondramatic literary or musical work or display of a work, by or in the course of a transmission, if-
   (A) The performance or display is a regular part of the systematic instructional activities of a governmental body or a nonprofit educational institution; and
   (B) The performance or display is directly related and of material assistance to the teaching content of the transmission; and
   (C) The transmission is made primarily for-
      (a) Reception in classrooms or similar places normally devoted to instruction, or
      (b) Reception by persons to whom the transmission is directed because their disabilities or other special circumstances prevent their attendance in classrooms or similar places normally devoted to instruction, or
      (c) Reception by officers or employees of governmental bodies as a part of their official duties or employment;

3. Performance of a nondramatic literary or musical work or of a dramatic-musical work of a religious nature, or display of a work, in the course of services at a place of worship or other religious assembly;

4. Performance of a nondramatic literary or musical work otherwise than in a transmission to the public, without any purpose of direct or indirect commercial advantage and without payment of any fee or other compensation for the performance to any of its performers, promoters, or organizers, if-
   (A) There is no direct or indirect admission charge; or
   (B) The proceeds, after deducting the reasonable costs of producing the performance, are used exclusively for educational, religious, or charitable purposes and not for private financial gain, except where the copyright owner has served notice of objection to the performance under the following conditions;
      (a) the notice shall be in writing and signed by the copyright owner or such owner's duly authorized agent; and
      (b) the notice shall be served on the person responsible for the performance at least seven days before the date of the performance, and shall state the reasons for the objection; and
      (c) the notice shall comply, in form, content, and manner of service, with requirements that the Register of Copyrights shall prescribe by regulation;

The secondary transmission of a performance or display of a work embodied in a primary transmission is not an infringement of copyright if-
1. The secondary transmission is not made by a cable system, and consists entirely of the relaying, by the management of a hotel, apartment house, or similar establishment, of signals transmitted by a broadcast station licensed, within the local service area of such station, to the private lodgings of guests or residents of such establishment, and no direct charge is made to see or hear the secondary transmission; or
2. The secondary transmission is made solely for the purpose with specified conditions.
3. The secondary transmission is made by any carrier who has no direct or indirect control over the content or selection of the primary transmission or over the particular recipients of the secondary transmission, and whose activities with respect to the secondary transmission consist solely of providing wires, cables, or other communications channels for the use of others:
4. The secondary transmission is made by a satellite carrier for private home viewing pursuant to a statutory license.

It is clear that because of WTO, the world is changing, boundaries of countries are disappearing and uniformity will be the rule for copyright protection worldwide. As IFLA claimed that the traditional subsidy for public library may be forced to change and library may have to compete with private entities for business.

However, public services are still being specified by most of these member countries, so the changing time should be interesting for library workers. It is expected that the style of library services will be changing because of the media is changing, so for libraries to continue to be successful, they would have to adopt new tools and new methods of operation to be able to continue their services in the future.

Notes
[3] General Agreement on Tariffs And Trade, charter history
[5] EU business 18-December
[8] The Universal Copyright Convention as signed at Geneva on 6 September 1952 (hereinafter called “the 1952 Convention”)
[9] The Geneva Phonogram Convention was signed in October of 1971 and put into effect in April of 1973
[11] Legal Information Institute Title 17 Copyright
[12] Copyright Clearance Guide Frequently Asked Questions About Copyright Issues
[13] The General Agreement on Trade in Services (GATS) from the legal texts gateway