

DISCUSSION PAPER ON THE IMPLEMENTATION OF THE WIPO PERFORMANCES AND PHONOGRAMS TREATY

Prepared by Johanne Daniel and Lesley Ellen Harris¹
July, 1998

The purpose of this paper is to state what, if any, amendments are necessary to the Canadian *Copyright Act* in order to comply with the WIPO Performances And Phonograms Treaty.

Options that could be considered in terms of actual amendments are proposed, where appropriate. These options are stated in conceptual rather than statutory language. They indicate possible approaches as opposed to precise legislative wording.

The paper represents the views of the authors and not necessarily those of the Department of Industry or the Department of Canadian Heritage.

In this document, all references to the Canadian *Copyright Act* (the "Canadian Act") apply to the amendments included in Bill C-32 as contained in S.C., 1997 c. 24, whether or not the amendments have yet been proclaimed.

WIPO PERFORMANCES AND PHONOGRAMS TREATY

Article 1: Relation to Other Conventions

- (1) Nothing in this Treaty shall derogate from existing obligations that Contracting Parties have to each other under the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations done in Rome, October 26, 1961 (hereinafter the "Rome Convention").
- (2) Protection granted under this Treaty shall leave intact and shall in no way affect the protection of copyright in literary and artistic works. Consequently, no provision of this Treaty may be interpreted as prejudicing such protection.
- (3) This Treaty shall not have any connection with, nor shall it prejudice any rights and obligations under, any other treaties.

Option:

Status quo. Canada is in conformity with the Treaty.

¹Johanne Daniel is an intellectual property lawyer at Bélanger Sauv  in Montreal (Quebec), and Lesley Ellen Harris is a copyright and new media lawyer in Toronto (Ontario).

Article 2: Definitions

For the purposes of this Treaty: (a) "performers" are actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, interpret, or otherwise perform literary or artistic works or expressions of folklore;

(b) "phonogram" means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work;

(c) "fixation" means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device; (d) "producer of a phonogram" means the person, or the legal entity, who or which takes the initiative and has the responsibility for the first fixation of the sounds of a performance or other sounds, or the representations of sounds;

(e) "publication" of a fixed performance or a phonogram means the offering of copies of the fixed performance or the phonogram to the public, with the consent of the rightholder, and provided that copies are offered to the public in reasonable quantity;

(f) "broadcasting" means the transmission by wireless means for public reception of sounds or of images and sounds or of the representations thereof; such transmission by satellite is also "broadcasting"; transmission of encrypted signals is "broadcasting" where the means for decrypting are provided to the public by the broadcasting organization or with its consent;

(g) "communication to the public" of a performance or a phonogram means the transmission to the public by any medium, otherwise than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram. For the purposes of Article 15, "communication to the public" includes making the sounds or representations of sounds fixed in a phonogram audible to the public.

Option:

Status quo. Canada complies with all the definitions contained in the Treaty.

Article 3: Beneficiaries of Protection under this Treaty

(1) Contracting Parties shall accord the protection provided under this Treaty to the performers and producers of phonograms who are nationals of other Contracting Parties.

(2) The nationals of other Contracting Parties shall be understood to be those performers or producers of phonograms who would meet the criteria for eligibility for protection provided under the Rome Convention, were all the Contracting Parties to this Treaty Contracting States of that Convention. In respect of these criteria of eligibility, Contracting Parties shall apply the relevant definitions in Article 2 of this Treaty.

(3) Any Contracting Party availing itself of the possibilities provided in Article 5(3) of the Rome Convention or, for the purposes of Article 5 of the same Convention, Article 17 thereof shall make a notification as foreseen in those provisions to the Director General of the World Intellectual Property Organization (WIPO).

Option:

Status quo. Canada is in conformity with the Treaty.

Article 4: National Treatment

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

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

Analysis:

The Treaty specifies that national treatment has to be provided in relation to all exclusive rights and remuneration right granted to performers and sound recording producers except to the extent that a country has availed itself of the reservation allowed under Article 15 of the Treaty. Given that the Canadian Government will likely make use of the reservation option in Article 15, we may immediately conclude that no national treatment obligation will attach to the right of remuneration pertaining to the performance in public and the communication to the public by telecommunication of published sound recordings. Therefore, section 20 of the Canadian *Act*, which recognizes the application of material reciprocity in relation to the right of remuneration as permitted under Article 16 of the Rome Convention, may remain unchanged.

Section 22 of the Canadian *Act* provides for the possibility to apply reciprocity rules with respect to performers and sound recording producers residing in countries who are not members of the Rome Convention. Section 14.01 codifies other specific obligations pertaining to performers rights that were adopted pursuant to the TRIPs Agreement.

Given that countries who fall under the scope of section 22 may become members of the Treaty under analysis, an exception will have to be carved out of section 22 in order to require that national treatment rules apply to rights holders in those countries, in accordance with the criteria of attachment set out in Article 3 of the Treaty.

Option:

In order to comply with Article 4 of the Treaty, we recommend that section 22 of the Act be amended or a separate provision adopted, with respect to performers and sound recording producers' exclusive rights, so that national treatment rules apply in favour of the beneficiaries identified in Article 3(2) of the Treaty (according to the criteria of eligibility established under the Rome Convention).

CHAPTER II

RIGHTS OF PERFORMERS

Article 5: Moral Rights of Performers

(1) Independently of a performer's economic rights, and even after the transfer of those rights, the performer shall, as regards his live aural performances or performances fixed in phonograms, have the right to claim to be identified as the performer of his performances, except where omission is dictated by the manner of the use of the performance, and to object to any distortion, mutilation or other modification of his performances that would be prejudicial to his reputation.

(2) The rights granted to a performer in accordance with paragraph (1) shall, after his death, be maintained, at least until the expiry of the economic rights, and shall be exercisable by the persons or institutions authorized by the legislation of the Contracting Party where protection is claimed. However, those Contracting Parties whose legislation, at the moment of their ratification of or accession to this Treaty, does not provide for protection after the death of the performer of all rights set out in the preceding paragraph may provide that some of these rights will, after his death, cease to be maintained.

(3) The means of redress for safeguarding the rights granted under this Article shall be governed by the legislation of the Contracting Party where protection is claimed.

Analysis:

The current Canadian *Copyright Act* does not provide any moral rights for performers. Thus, it must be amended to comply with this provision.

Option:

Amend the Canadian *Copyright Act* to include that independently of a performer's economic rights, and even after the transfer of those rights, the performer shall, as regards his live aural performances or performances fixed in phonograms, have the right to claim to be identified as the performer of his performances, except where omission is dictated by the manner of the use of the performance, and to object to any distortion, mutilation or other modification of his performances that would be prejudicial to his reputation. These rights shall have the same duration of the economic rights, and may be willed to heirs. In addition, Canada may consider a waiver of these rights as is the situation with other moral rights currently in the Canadian *Copyright Act*.

Article 6: Economic Rights of Performers in their Unfixed Performances

Performers shall enjoy the exclusive right of authorizing, as regards their performances:

- (i) the broadcasting and communication to the public of their unfixed performances except where the performance is already a broadcast performance; and
- (ii) the fixation of their unfixed performances.

Option:

Status quo. Canada is in conformity with the Treaty.

Article 7: Right of Reproduction

Performers shall enjoy the exclusive right of authorizing the direct or indirect reproduction of their performances fixed in phonograms, in any manner or form.

Analysis:

Section 15 of the Canadian *Act* provides performers with the basic rights contained in the Rome Convention. It therefore limits the right of reproduction to the specific circumstances enumerated therein, such as reproduction of unauthorized fixations and reproduction of authorized fixations of performances for purposes other than those authorized by the performer.

Option:

We recommend that the restrictions applicable to the right of reproduction contained in section 15 of the *Act* be deleted in order to comply with Article 7 of the Treaty.

Article 8: Right of Distribution

(1) Performers shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their performances fixed in phonograms through sale or other transfer of ownership.

(2) Nothing in this Treaty shall affect the freedom of Contracting Parties to determine the conditions, if any, under which the exhaustion of the right in paragraph (1) applies after the first sale or other transfer of ownership of the original or a copy of the fixed performance with the authorization of the performer.

Option:

Status quo. Canada is in compliance with the Treaty.

Article 9: Right of Rental

(1) Performers shall enjoy the exclusive right of authorizing the commercial rental to the public of the original and copies of their performances fixed in phonograms as determined in the national law of Contracting Parties, even after distribution of them by, or pursuant to, authorization by the performer.

(2) Notwithstanding the provisions of paragraph (1), a Contracting Party that, on April 15, 1994, had and continues to have in force a system of equitable remuneration of performers for the rental of copies of their performances fixed in phonograms, may maintain that system provided that the commercial rental of phonograms is not giving rise to the material impairment of the exclusive right of reproduction of performers.

Option:

Status quo. Canada is in conformity with the Treaty.

Article 10: Right of Making Available of Fixed Performances

Performers shall enjoy the exclusive right of authorizing the making available to the public of their performances fixed in phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.

Analysis:

In the Canadian *Act*, the right to communicate to the public, in light of the definition of "telecommunication" in section 2 may, in our opinion, be considered broad enough to encompass the "right to make available to the public a performance fixed in phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them".

However, in the case of both performers', for performances fixed on sound recordings, and sound recording producers, such a right is limited, in section 19 of the *Act*, to a right of remuneration. Therefore, in order to fully comply with its obligation under Article 10 of the Treaty, Canada must amend the *Act* in order to provide rights owners with a full exclusive right in such activity.

Option:

We recommend to amend the *Copyright Act* so as to provide performers with a specific right to make their performances fixed in phonograms available to the public in such a way that members of the public may access them from a place and at a time individually chosen by them. Such a provision should be introduced as part of performers' exclusive rights in sections 15 as a "right to communicate to the public by telecommunication in such a way that members of the public may access them from a place and at a time individually chosen by them".

CHAPTER III

RIGHTS OF PRODUCERS OF PHONOGRAMS

Article 11: **Right of Reproduction**

Producers of phonograms shall enjoy the exclusive right of authorizing the direct or indirect reproduction of their phonograms, in any manner or form.

Option:

Status quo. Canada is in conformity with the Treaty.

Article 12: **Right of Distribution**

(1) Producers of phonograms shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their phonograms through sale or other transfer of ownership.

(2) Nothing in this Treaty shall affect the freedom of Contracting Parties to determine the conditions, if any, under which the exhaustion of the right in paragraph (1) applies after the first sale or other transfer of ownership of the original or a copy of the phonogram with the authorization of the producer of the phonogram.

Option:

Status quo. Canada is in conformity with the Treaty.

Article 13: **Right of Rental**

(1) Producers of phonograms shall enjoy the exclusive right of authorizing the commercial rental to the public of the original and copies of their phonograms, even after distribution of them by or pursuant to authorization by the producer.

(2) Notwithstanding the provisions of paragraph (1), a Contracting Party that, on April 15, 1994, had and continues to have in force a system of equitable remuneration of producers of phonograms for the rental of copies of their phonograms, may maintain that system provided that the commercial rental of phonograms is not giving rise to the material impairment of the exclusive rights of reproduction of producers of phonograms.

Option:

Status quo. Canada is in conformity with the Treaty.

Article 14: **Right of Making Available of Phonograms**

Producers of phonograms shall enjoy the exclusive right of authorizing the making available to the public of their phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.

Analysis:

Same as with respect to Article 10.

Option:

We recommend to amend the *Copyright Act* so as to provide sound recording producers with a specific right to communicate to make their phonograms available to the public in such a way that members of the public may access them from a place and at a time individually chosen by them. Such a provision should be introduced as part of sound recording producers' exclusive rights in sections 18 as a "right to communicate to the public by telecommunication in such a way that members of the public may access them from a place and at a time individually chosen by them".

CHAPTER IV

COMMON PROVISIONS

Article 15: **Right to Remuneration for Broadcasting and Communication to the Public**

(1) Performers and producers of phonograms shall enjoy the right to a single equitable remuneration for the direct or indirect use of phonograms published for commercial purposes for broadcasting or for any communication to the public.

(2) Contracting Parties may establish in their national legislation that the single equitable remuneration shall be claimed from the user by the performer or by the producer of a phonogram or by both. Contracting Parties may enact national legislation that, in the absence of an agreement between the performer and the producer of a phonogram, sets the terms according to which performers and producers of phonograms shall share the single equitable remuneration.

(3) Any Contracting Party may in a notification deposited with the Director General of WIPO, declare that it will apply the provisions of paragraph (1) only in respect of certain uses, or that it will limit their application in some other way, or that it will not apply these provisions at all.

(4) For the purposes of this Article, phonograms made available to the public by wire or wireless means in such a way that members of the public may access them from a place and at a time individually chosen by them shall be considered as if they had been published for commercial purposes.

Analysis:

Given section 19 of the Canadian *Act* which excludes retransmission from the remuneration right provided with respect to the performance in public and communication to the public by telecommunication of published sound recordings, Canada will have to make use of the reservation option contained in Article 15 of the Treaty. Canada is in compliance with this provision and, apart from the use of the reservation option, no amendments are required.

Option:

Status quo except for the notification to be deposited with the Director General of WIPO to declare that Canada will not apply the provision of paragraph 1 of Article 15 of the Treaty in respect of retransmission activities as defined in the *Act*.

Article 16: Limitations and Exceptions

- (1) Contracting Parties may, in their national legislation, provide for the same kinds of limitations or exceptions with regard to the protection of performers and producers of phonograms as they provide for, in their national legislation, in connection with the protection of copyright in literary and artistic works.
- (2) Contracting Parties shall confine any limitations of or exceptions to rights provided for in this Treaty to certain special cases which do not conflict with a normal exploitation of the performance or phonogram and do not unreasonably prejudice the legitimate interests of the performer or of the producer of the phonogram.

Option:

Status quo. Canada is in conformity with the Treaty.

Article 17: Term of Protection

- (1) The term of protection to be granted to performers under this Treaty shall last, at least, until the end of a period of 50 years computed from the end of the year in which the performance was fixed in a phonogram.
- (2) The term of protection to be granted to producers of phonograms under this Treaty shall last, at least, until the end of a period of 50 years computed from the end of the year in which the phonogram was published, or failing such publication within 50 years from fixation of the phonogram, 50 years from the end of the year in which the fixation was made.

Analysis:

Article 17(2) provides for protection computed from the publication of the phonogram, or failing publication, from its fixation. The current Canadian *Copyright Act* grants protection from the first fixation of a sound recording (Section 23.(1)(b)).

Option:

Amend the Canadian *Copyright Act* so that duration for phonograms is based on publication, or failing publication, from the fixation of a performance in a phonogram.

Article 18: Obligations concerning Technological Measures

Contracting Parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by performers or producers of phonograms in connection with the exercise of their rights under this Treaty and that restrict acts, in respect of their performances or phonograms, which are not authorized by the performers or the producers of phonograms concerned or permitted by law.

Analysis:

Technological protection measures include many different types of technology such as data encryption, signatures, access codes, asymmetric key systems, etc. These measures may ultimately serve to prevent copyright infringements but they may also fulfil broader commercial purposes, like getting users to pay for using the material provided. There are a variety of means to circumvent such technological protection measure, ranging from the use of specialized devices to the unauthorized acquisition of access codes. The problem resides in deciding how to establish the liability for infringement.

The Canadian *Act* is of very limited assistance to address infringements associated to the tampering of technological protection measures. In certain circumstances, it could be inferred that the circumvention of technological measures by a person is an infringement of the exclusive right to authorize certain uses of the work in contravention of section 27(1) but the level of evidence required would make such circumstances exceptional.

In order to fully comply with Article 11 the Treaty, Canada will have to adopt a specific provision. Given that it would be implemented in the *Copyright Act*, such a provision should be limited to activities in relation to copyright protected materials. A key question in drafting the provision is to determine whether the provision should relate to "devices" used to circumvent technological protection measures or to "conduct" relating to technological measures or to both.

In the case of devices, it may be difficult to prove contributory infringement in situations where it may not be demonstrated with certainty that such devices will be extensively used in contravention of any rights under copyright law. In addition, with the current wording of article 11 of the Treaty, unless it is very carefully drafted, a provision aimed at the devices used for by-passing technological measures may go beyond our obligations under the Treaty.

Finally, the provision could focus on conduct which knowingly infringe copyright or it could create a strict liability test.

In light of the above, and after examination of the Treaty implementation provisions contained in the proposed E.C. Directive and U.S. Bills, we recommend the following possible approaches:

Proposals:

Proposal 1

It would be an infringing act to remove or bypass, for infringing purposes, any device or measure intended to limit reproduction, [performance in public or communication to the public]/[or any other right granted under the *Copyright Act*] of a work or other subject matter.

Possible addition to Proposal 1

It would be an infringing act to distribute or transmit a work or other subject matter knowing that such a device or measure had been removed or bypassed.

Proposal 2

It would be an infringing act to manufacture, import or distribute a device which has the [purpose of]/[effect of] removing or circumventing any device or measure intended to limit reproduction [performance in public or communication to the public]/[or any other right granted under the *Copyright Act*] of a work or other subject matter.

Possible addition to Proposal 2

It would be an infringing act to provide a service the [purpose]/[effect] of which is to remove or bypass, for infringing purposes, any device or measure intended to limit the reproduction [performance in public or communication to the public]/[or any other right under the *Copyright Act*] of a work or other subject matter.

Article 19: Obligations concerning Rights Management Information

(1) Contracting Parties shall provide adequate and effective legal remedies against any person knowingly performing any of the following acts knowing, or with respect to civil remedies having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any right covered by this Treaty:

(i) to remove or alter any electronic rights management information without authority;

(ii) to distribute, import for distribution, broadcast, communicate or make available to the public, without authority, performances, copies of fixed performances or phonograms knowing that electronic rights management information has been removed or altered without authority.

(2) As used in this Article, "rights management information" means information which identifies the performer, the performance of the performer, the producer of the phonogram, the phonogram, the owner of any right in the performance or phonogram, or information about the terms and conditions of use of the performance or phonogram, and any numbers or codes that represent such information, when any of these items of information is attached to a copy of a fixed performance or a phonogram or appears in connection with the communication or making available of a fixed performance or a phonogram to the public.

Analysis:

The Canadian *Act* contains no provision directly addressing the obligations set out in Article 19 of the Treaty.

Option:

We recommend the adoption of a specific provision incorporating the obligations set out in Article 19. The Treaty refers to both civil and criminal remedies. It is worded in sufficient detail to be codified almost intact into the proper parts of the *Act*.

Article 20: Formalities

The enjoyment and exercise of the rights provided for in this Treaty shall not be subject to any formality.

Option:

Status quo. Canada is in conformity with the Treaty.

Article 21: Reservations

Subject to the provisions of Article 15(3), no reservations to this Treaty shall be permitted.

Analysis:

See comments under Article 15

Article 22: **Application in Time**

(1) Contracting Parties shall apply the provisions of Article 18 of the Berne Convention, *mutatis mutandis*, to the rights of performers and producers of phonograms provided for in this Treaty.

(2) Notwithstanding paragraph (1), a Contracting Party may limit the application of Article 5 of this Treaty to performances which occurred after the entry into force of this Treaty for that Party.

Analysis:

This provision implements the rule in favour of the "immediate effect of the law" which is the generally applicable rule in Canada. Subsection (2) provides for the possibility of an exception to that rule in relation to performers' moral rights. This exception would avoid claims based on moral rights violations with respect to fixed performances that took place before the entry into force of the Treaty.

Options:

Option 1

Adopt a provision which codifies the immediate effect of the *Act* rule without exceptions.

Option 2

Adopt a provision which codifies the immediate effect of the *Act* rule with the exception of the performers' moral rights provision which would come into effect only in relation to performances occurring after the entry into force of the Treaty.

Article 23: **Provisions on Enforcement of Rights**

(1) Contracting Parties undertake to adopt, in accordance with their legal systems, the measures necessary to ensure the application of this Treaty.

(2) Contracting Parties shall ensure that enforcement procedures are available under their law so as to permit effective action against any act of infringement of rights covered by this Treaty, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.

Option:

Status quo. Canada is in conformity with the Treaty.