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Copyright, Rights Management, and the Trans-Pacific Partnership: Best Practices

*Cole Davis**

I. INTRODUCTION

Initially developed by Brunei, Chile, New Zealand, and Singapore as a modest regional trade agreement, the Trans-Pacific Partnership (TPP) has evolved over nineteen formal negotiating rounds into a major plurilateral trade agreement between twelve countries that represent nearly 40% of global GDP.¹ While the TPP has been hailed as “a landmark 21st-century agreement” that sets a new standard for global trade, it has also been criticized as a political grasp for economic regulatory power that has undermined the World Trade Organization (WTO) and, specifically with regard to intellectual property, forced strong “one size fits all” intellectual property standards on developing countries.² In particular, some academics and public interest groups have condemned the TPP’s copyright provisions as an attempt to export the United States’ “maximalist” copyright agenda into an agreement that can serve as a model for later trade pacts.³

However, on closer examination, the final text of the TPP’s copyright section contains flexibilities that allow contracting parties to tailor domestic legislation to fit their own political and cultural needs, all while providing

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1. *Overview of the Trans-Pacific Partnership*, OFFICE OF THE U.S. TRADE REP., <https://ustr.gov/tpp/overview-of-the-TPP> (last visited Jan. 31, 2018).
2. See, e.g., Larry Catá Backer, *The Trans-Pacific Partnership: Japan, China, the U.S., and the Emerging Shape of New World Trade Regulatory Order*, 13 WASH. U. GLOBAL STUD. L. REV. 49, 59 (2014); Sean M. Flynn et al., *The U.S. Proposal for an Intellectual Property Chapter in the Trans-Pacific Partnership Agreement*, 28 AM. U. INT’L L. REV. 105, 106 (2012).
3. See, e.g., Jeremy Malcolm, *New TPP Leaked Text Reveals Countries’ Weakening Resistance to Copyright Maximalist Proposals*, ELEC. FRONTIER FOUND. (Aug. 5, 2015), <https://www.eff.org/deeplinks/2015/08/new-tpp-leaked-text-reveals-weakening-resistance-maximalist-proposals>.

adequate protection for creative works in the digital age.⁴ This article begins with a brief overview of international copyright law then proceeds to analyze several provisions in the TPP's copyright section. Then, the anti-circumvention and rights management provisions are analyzed in light of other jurisdictions' experiences in implementing the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonogram Treaty (WPPT). Finally, a set of best practices are offered to aid in domestic implementation.

II. OVERVIEW OF INTERNATIONAL COPYRIGHT LAW

Pursuant to Article 18.7 of the TPP, each contracting party must affirm that it has ratified or acceded to the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention), and each party must ratify or accede to the WCT and WPPT by the date that the TPP enters into force for that party.⁵ In addition, the TPP incorporates certain principles of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention).⁶ Thus, a brief overview of these treaties will help frame the discussion of the copyright provisions in the TPP.

A. Berne Convention

Enacted in 1886, the Berne Convention was the first multilateral copyright treaty and the foundational piece of international copyright law.⁷ It protects artistic and literary works and the rights of their authors through three basic principles (national treatment, automatic protection, and independence of protection) and a set of minimum standards that govern both the rights to be granted and the duration of protection.⁸ Member states must protect the economic and moral rights of authors for "every production in the literary,

4. Trans-Pacific Partnership Agreement, ch. 18, OFFICE OF U.S. TRADE REP., Feb. 4, 2016, <https://ustr.gov/sites/default/files/TPP-Final-Text-Intellectual-Property.pdf> [hereinafter TPP].

5. *Id.* art. 18.7.

6. *How the Trans-Pacific Partnership Agreement Will Affect Copyright and Digital Rights in Mexico*, OLIVARES (Feb. 2, 2016), <http://www.olivares.com.mx/En/Knowledge/News/HowtheTransPacificPartnershipAgreementwillAffectCopyrightandDigitalRightsinMexico>.

7. Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, 25 U.S.T. 1341, 1161 U.N.T.S. 30 (as revised at Paris, July 24, 1971) [hereinafter Berne Convention].

8. *Summary of the Berne Convention for the Protection of Literary and Artistic Works (1886)*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/treaties/en/ip/berne/summary_berne.html (last visited Jan. 31, 2018) [hereinafter *Berne Summary*].

scientific and artistic domain, whatever the mode or form of its expression.”⁹ Member states must grant authors economic rights relating to reproductions, translations, adaptations and arrangements, public performances and recitations, communications to the public, broadcasting, and using a work as the basis for an audiovisual work.¹⁰ But, these economic rights are subject to certain limitations and exceptions that allow others to use the work without the authorization of or payment to the owner, the most important of which is the so-called “three step test.”¹¹ Moral rights include the right to claim authorship of the work and the right to object to any mutilation, deformation, or other modification of the work that would be harmful to the author’s honor or reputation.¹² Finally, the Berne Convention’s general rule for duration of protection is the life of the author plus fifty years, subject to certain exceptions for anonymous or pseudonymous works, audiovisual works, applied art, and photographic works.¹³ All parties to the TPP are parties to the Berne Convention.¹⁴

9. Berne Convention, *supra* note 7, art. 2(1).

10. *Berne Summary*, *supra* note 8.

11. See Berne Convention, *supra* note 7, arts. 9(2) (reproduction in certain special cases using the “Three Step Test” which allows for reproduction of certain works (1) in certain special cases, provided that such reproduction, (2) does not conflict with a normal exploitation of the work, and (3) does not unreasonably prejudice the legitimate interests of the author); 10 (quotations and use of works by way of illustration for teaching purposes); 10bis (reproduction of newspaper or similar articles and use of works for the purpose of reporting current events); and 11bis(3) (ephemeral recordings for broadcasting purposes).

12. *Berne Summary*, *supra* note 8.

13. Berne Convention, *supra* note 7, arts. 7(3) (protecting anonymous or pseudonymous works for fifty years after the work has been lawfully made available to the public, except if the pseudonym leaves no doubt as to the author’s identity or if the author discloses his or her identity during that period, in which case the general rule applies); 7(4) (protecting audiovisual works for fifty years after the making available of the work to the public or, if not released, fifty years from the creation of the work); 7(4) (protecting works of applied art and photographic works for twenty-five years from the creation of the work).

14. Press Release, Summary of the Trans-Pacific Partnership Agreement, Office of the U.S. Trade Rep., Oct. 4, 2015, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2015/october/summary-trans-pacific-partnership> (listing the twelve parties to the TPP as Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam); *WIPO-Administered Treaties: Contracting Parties > Berne Convention*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=15 (last visited Jan. 31, 2018).

B. Rome Convention

In many civil law jurisdictions, protection of authors is treated separately from protection of performers, producers of phonograms, and broadcasters, with the former typically protected by “copyright” and the latter by “neighboring rights.”¹⁵ The logic behind this separation of rights appears to be that the object of protection for neighboring rights is the diffusion (as opposed to the creation) of literary and artistic works, and such rights are derived from the author’s rights.¹⁶ Conversely, common law jurisdictions, such as the United States and the United Kingdom, assimilate both of these under the rubric of “copyright.”¹⁷ Because the Berne Convention protects only authors, the primary goal of the Rome Convention was to extend certain protections to performers, producers of phonograms, and broadcasters, and require national treatment for neighboring rights.¹⁸ All parties to the TPP, except for Brunei, Malaysia, New Zealand, Singapore, and the United States, are parties to the Rome Convention.¹⁹

C. TRIPS Agreement

Adopted in April 1994, TRIPS incorporated the substantive provisions of the Berne Convention, with the exception of moral rights, and expanded protection by recognizing computer programs and databases as copyrightable works, providing rental rights and extending the duration of protection for neighboring rights to fifty years.²⁰ TRIPS also coupled the protection levels of the Berne and Rome Conventions with national treatment and the “most favored nation” principle, which requires any advantage granted by a WTO member to the nationals of any other country be granted immediately to the nationals of all other WTO members.²¹ The primary impact of TRIPS was: (1) link intellectual property to trade and dramatically expand enforcement provisions that were lacking in the Berne and Rome Conventions; and (2) make disputes between WTO members regarding their TRIPS obligations

15. *E.g.*, Roberto Garza Barbosa, *Revisiting International Copyright Law*, 8 BARRY L. REV. 54, 54–58 (2007).

16. *See id.* at 54–55.

17. *Id.* at 54.

18. *Id.* at 56.

19. *WIPO-Administered Treaties: Contracting Parties > Rome Convention*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/treaties/en/ShowReults.jsp?lang=en&treaty_id=17 (last visited Jan. 31, 2018).

20. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 [hereinafter TRIPS].

21. *Id.*; *see also* Paul F. Downs, *The Trans-Pacific Partnership and Conflicting Customary International Norms*, 26 GEO. J. LEGAL ETHICS 661, 666–67 (2013).

subject to the WTO's dispute settlement procedures.²² All parties to the TPP are parties to TRIPS.²³

D. WCT and WPPT

The WCT and WPPT, often called the “WIPO Internet Treaties,” address the protection of works and the rights of authors, performers, and producers of phonograms in the digital environment.²⁴ Under the WCT, authors are granted rights in addition to those in the Berne Convention, including the right of distribution, rental, and communication to the public.²⁵ The WPPT grants producers of phonograms certain economic rights in their performances, including the rights of reproduction, distribution, rental, and making available.²⁶ These treaties are discussed further below in Section IV in connection with Articles 18.68–18.69 of the TPP and rights management best practices.²⁷ All parties to the TPP, except for Brunei, New Zealand, and Vietnam, are parties to the WCT and WPPT.²⁸

III. CERTAIN COPYRIGHT PROVISIONS IN THE TPP

A. Exclusive Rights

As stated above, Article 18.7 of the TPP requires all parties to accede to or ratify the Berne Convention, the WCT, and the WPPT, and, thus, the substantive provisions of each treaty will apply to all TPP parties.²⁹ Articles 18.58–18.62 of the TPP primarily restate these rights and bring them within

22. E.g., Margot E. Kaminski, *The Capture of International Intellectual Property Law Through the U.S. Trade Regime*, 87 S. CAL. L. REV. 977, 983–86 (2014).

23. *Other IP Treaties: IP-Related Multilateral Treaties > Contracting Parties > TRIPS Agreement*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/wipolex/en/other_treaties/parties.jsp?treaty_id=231&group_id=22 (last visited Jan. 31, 2018).

24. WIPO Copyright Treaty, art. 1, Dec. 20, 1996, S. Treaty Doc. No. 105-17, 36 I.L.M. 65, [hereinafter WCT]; WIPO Performances and Phonograms Treaty, art. 1(2), Dec. 20, 1996, 36 I.L.M. 76 [hereinafter WPPT]; Barbosa, *supra* note 15, at 59–62.

25. WCT, *supra* note 24, arts. 6–8.

26. WPPT, *supra* note 24, arts. 7–10, 11–14.

27. See discussion *infra* Section IV.

28. *WIPO-Administered Treaties: Contracting Parties > WIPO Performances and Phonograms Treaty*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=20 (last visited Jan. 31, 2018).

29. TPP, *supra* note 4, art. 18.7.

the TPP's enforcement and investor-state dispute resolution (ISDR) framework.³⁰ Nevertheless, three aspects of Articles 18.58–18.62 are noteworthy.

First, Article 18.58 maintains the flexibility created by the WIPO Internet Treaties regarding whether temporary electronic copies produced in the RAM of computers constitute a “reproduction.”³¹ The WIPO Internet Treaties limit the reproduction right to copies fixed “in any manner or form” and allow contracting parties to define when such “RAM copies” are sufficiently fixed.³² Although the United States’ draft TPP proposal granted reproduction rights to works “in any manner or form, permanent or temporary, including temporary storage in electronic form,”³³ the final language in Article 18.58 was limited to “in any manner or form, including in electronic form,” and footnote 64 clarifies the parties are free to determine when temporary electronic copies trigger the reproduction right.³⁴ Second, with regard to phonograms, Article 18.61 eliminates the traditional hierarchy in which authors’ rights under “copyright” are usually more extensive than the “related rights” of performers and producers of phonograms.³⁵ The draft proposed by the United States included this provision and reflects a growing trend to harmonize rights of authors with related rights holders, at least with regard to music.³⁶ Finally, Article 18.62.2 grants performers the exclusive right to broadcast and communicate to the public their *unfixed* performances.³⁷ In the United States, the federal Copyright Act does not protect unfixed works, which may be protected under state laws.³⁸ Therefore, in the United States and in any other TPP parties that require fixation before granting protection, Article 18.62.2 will clarify performers’ rights to their unfixed performances.³⁹

30. *Id.* arts. 18.58–18.62; Trans-Pacific Partnership ch. 9, arts. 9.18–9.30, <https://ustr.gov/sites/default/files/TPP-Final-Text-Investment.pdf> (last visited Jan. 31, 2018).

31. TPP, *supra* note 4, art. 18.58.

32. WCT, *supra* note 24, arts. 5–7; WPPT, *supra* note 24, art. 7.

33. See Trans-Pacific Partnership, *Draft: Intellectual Property Rights Chapter*, art. 4.1 n.8–10 (Feb. 10, 2011), <http://keionline.org/sites/default/files/tpp-10feb-2011-us-text-ipr-chapter.pdf>.

34. See TPP, *supra* note 4, art. 18.58.

35. *Id.* art. 18.61; see Barbosa, *supra* note 15, at 54–55.

36. See Flynn et al., *supra* note 2, at 132–33.

37. TPP, *supra* note 4, art. 18.62.2.

38. 17 U.S.C. §102(a) (1990).

39. Roberta L. Horton et al., *Extensive IP Provisions in the Trans-Pacific Partnership*, 28 No. 2 INTELL. PROP. & TECH. L.J. 16, 18 (2016).

B. Term Extension

Article 18.63 of the TPP extends the term of copyright protection for works based on the life of a natural person to life of the author plus seventy years.⁴⁰ This will require Brunei, Canada (for works other than sound recordings for which the term was previously extended),⁴¹ New Zealand, Malaysia, Japan, and Vietnam to enact term extensions to the current term of life of the author plus fifty years.⁴² This extends the term of protection beyond that required by the Berne Convention and will harmonize copyright duration with the United States and the European Union.⁴³

Proponents of copyright term extensions argue extensions are necessary to further harmonize copyright law, which will greatly assist with international rights clearance and to account for longer life spans of authors and their heirs.⁴⁴ Granting term extensions will also give authors in Brunei, Canada, New Zealand, Malaysia, Japan, and Vietnam an additional twenty years of protection in many other countries where the term was previously limited by the Berne Convention's "rule of the shorter term."⁴⁵ But, opponents argue term extensions amount to a windfall to rights holders with no accompanying benefit to the public.⁴⁶ Some commentators claim term extensions could result in a net annual outflow of US\$55 million from New Zealand and CAD\$100 million from Canada.⁴⁷ A study by the Australian

40. TPP, *supra* note 4, art. 18.63.

41. See Justin Ling, *What the TPP Means for Copyright Law in Canada*, NAT'L MAG., <http://nationalmagazine.ca/Articles/November-Web/What-the-TPP-means-for-copyright-law-in-Canada.aspx> (last visited Jan. 31, 2018).

42. Kamil Gérard Ahmed, *A Case for A Longer Term of Copyright in Canada – Implications of Eldred v. Ashcroft*, 37 R.D.U.S. 185, 194 n.15 (2006).

43. 17 U.S.C. § 301 (1998); Directive 2006/116, 2006 O.J. (L 372) 12.

44. *E.g.*, Ahmed, *supra* note 42, at 190, 198.

45. Berne Convention, *supra* note 7, art. 7; see Barry Sookman, *TPP, Copyright, E-Commerce and Digital Policy: A Reply to Michael Geist*, BARRY SOOKMAN BLOG (Dec. 15, 2015), <http://www.barrysookman.com/2015/12/15/tpp-copyright-e-commerce-and-digital-policy-a-reply-to-michael-geist/>.

46. Flynn et al., *supra* note 2, at 135–36; *but see* Hugh Stevens, *The TPP and Copyright Term Extension: What is The True Cost to Canada?*, HUGH STEVENS BLOG (Mar. 21, 2016), <https://hughstephensblog.net/2016/03/21/the-tpp-and-copyright-term-extension-what-is-the-true-cost-to-canada/>.

47. See *TPP: In Brief*, NEW ZEALAND GOV., <https://www.beehive.govt.nz/sites/all/files/TPP-Q&A-Oct-2015.pdf> (last visited Jan. 31, 2018); Michael Geist, *Canada Caves on Copyright in TPP: Commits to Longer Term, Urge ISPs to Block Content*, MICHAEL GEIST BLOG (Oct. 9, 2015), <http://www.michaelgeist.ca/2015/10/canada-caves-on-copyright-in-tpp-commits-to-longer-term-urges-isps-to-block-content/>; *but see* Stevens, *supra* note 46 (noting that a 2005 study by Industry Canada found that the estimate of costs to Canada of a twenty year extension was about \$2.5 million).

Productivity Commission suggested that the cost to Australia of extending its copyright term, resulting from the Australia-United States Free Trade Agreement, has been up to AUS\$88 million per year.⁴⁸ Opponents also argue that term extensions: (1) constitute an improper misappropriation from the public domain, although pursuant to Article 18.10.2 of the TPP no works currently in the public domain would be “recaptured”; (2) do not provide additional incentives to create copyrightable works; and (3) exacerbate the so-called “orphan works” problem.⁴⁹

Regardless of whether extending copyright term to the life of the author plus seventy years is wise policy, its impact can be mitigated somewhat by former United States Register of Copyright Maria Pallante’s suggestion to reintroduce formalities for the additional twenty year period, which is outside of the Berne Convention’s prohibition on formalities.⁵⁰ This is possible under the TPP because the U.S. proposal to ban all formalities, which was included in the leaked text from October 2014, was ultimately dropped from the final TPP text.⁵¹

C. Limitations and Exceptions to Exclusive Rights

Article 18.65.1 of the TPP recites the familiar three-step test for exceptions and limitations to exclusive rights: “each Party shall confine limitations or exceptions to exclusive rights to certain special cases that do not conflict with a normal exploitation of the work, performance or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder.”⁵²

Unlike the WCT and WPPT, which include both enabling language and confining language,⁵³ Article 18.65 includes only confining language, as is the case in Article 13 of TRIPS.⁵⁴ In addition, the TPP does not include the WCT’s Agreed Statement on the three-step test, which clarifies that con-

48. Productivity Commission 2010, *Bilateral and Regional Trade Agreements Research Report* 166 (Dec. 13, 2010), www.pc.gov.au.

49. U.S. COPYRIGHT OFFICE, ORPHAN WORKS AND MASS DIGITIZATION: A REPORT OF THE REGISTER OF COPYRIGHTS 1, 10 (2015), <http://copyright.gov/orphan/reports/orphan-works2015.pdf>.

50. See Maria A. Pallante, *The Next Great Copyright Act*, 36 COLUM. J.L. & ARTS 315, 336–37 (2013).

51. Krista L. Cox, *Analysis of the Final Trans-Pacific Partnership Agreement Text on Intellectual Property: Mixed Results*, ASSOC. OF RES. LIBRS. 2–3 (Oct. 14, 2015), <http://www.arl.org/storage/documents/TPP-Analysis-Final.pdf> (last visited Jan. 31, 2018).

52. TPP, *supra* note 4, art. 18.65.1.

53. See WCT, *supra* note 24, art. 10(1)–(2); WPPT, *supra* note 24, at ch. 4, art. 16(1)–(2); Flynn, *supra* note 2, at 137.

54. See Flynn et al., *supra* note 2, at 138. Compare TPP, *supra* note 4, art. 18.65, with TRIPS, *supra* note 20, art. 13.

tracting parties may devise new exceptions for the digital environment and carry forward existing exceptions under the Berne Convention.⁵⁵

On closer examination, the possibility that Article 18.65.1 could be interpreted as a new, stricter version of the three-step test, especially within the digital environment, appears to be lessened by Article 18.65.2, which states that Article 18.65.1 “does not reduce or extend the scope of applicability” of exceptions permitted by TRIPS, the Berne Convention, the WCT, or the WPPT.⁵⁶ In addition, Article 18.66 includes language recognizing the importance of achieving an appropriate balance between the various stakeholders impacted by copyright law, with a nod to several of the considerations found in the fair use doctrine in the United States.⁵⁷ Many commentators see this as a welcome shift in the United States Trade Representative’s negotiating position, as opposed to the United States’ more common tactic of exporting a maximalist version of rights but omitting the concomitant exceptions found in U.S. copyright law.⁵⁸

Finally, it should be noted Article 9.1 includes intellectual property within the definition of “investments” that are protected by the TPP’s investment chapter.⁵⁹ While Article 9.8(5) provides limitations on intellectual property rights (including copyright exceptions per footnote 19 in Chapter 9) that are consistent with both TRIPS and Chapter 18 of the TPP are excluded from the ISDR framework), copyright exceptions that exceed the scope of those allowed by the TPP and TRIPS could theoretically constitute an expropriation that is subject to an ISDR proceeding.⁶⁰

D. Parallel Imports

While the United States’ leaked proposal from February 2011 included a ban on parallel importation,⁶¹ Article 18.11 of the TPP makes clear that nothing in the TPP prevents a party from determining whether or under what conditions the exhaustion of intellectual property rights applies under its legal system.⁶² In other words, contracting parties are free to adopt a system of international exhaustion so the party’s nationals may import copyright-pro-

55. WCT, *supra* note 24, at n.8.

56. TPP, *supra* note 4, art. 18.65.2.

57. See 17 U.S.C.S. § 107 (2017); see also TPP, *supra* note 4, art. 18.66.

58. See Krista L. Cox, *The Intellectual Property Chapter of the Trans-Pacific Partnership Agreement and Investment in Developing Nations*, 35 U. PA. J. INT’L L. 1045, 1045, 1047–50 (2014).

59. TPP, *supra* note 4, ch. 9, art. 9.1 (containing the investment chapter).

60. See Steven Seidenberg, *US Perspectives: TPP Strengthens Controversial IP Arbitration*, INTELL. PROP. WATCH (Nov. 30, 2015), <http://www.ip-watch.org/2015/11/30/tpp-strengthens-controversial-ip-arbitration/>.

61. See *Draft: Intellectual Property Rights Chapter*, *supra* note 33, art. 4.2.

62. TPP, *supra* note 4, art. 18.11.

ected goods lawfully acquired in other territories.⁶³ In addition, footnote 82 permits contracting parties to allow the sale or use of devices that render market segmentation measures ineffective so imported physical copies of movies may be played despite the presence of region coding.⁶⁴ This appears to be a concession made for Australia and New Zealand.⁶⁵

IV. TPP, THE WIPO INTERNET TREATIES, AND RIGHTS MANAGEMENT

The WIPO Internet Treaties were the first international copyright treaties to protect the technological protection measures (TPM) and rights management information (RMI) authors use to protect their works in the digital world.⁶⁶ The WCT and WPPT entered into force on March 6, 2002 and May 20, 2002, respectively, and each currently has ninety-five signatories.⁶⁷ Each treaty requires contracting parties to implement domestic legislation giving effect to new TPM and RMI protection schemes, both of which are based largely on the United States draft agreement proposed at the 1996 WIPO diplomatic conference in Geneva.⁶⁸ The U.S. proposal was ultimately softened at the diplomatic conference, and the WIPO Internet Treaties that emerged contained language giving contracting parties more flexibility for domestic implementation.⁶⁹ This flexibility led to different approaches in the European Union and certain TPP parties, including the United States, Japan, Australia, and Canada. By analyzing the successes and failures of the various approaches, a set of best practices can be distilled for countries that have not yet ratified the WIPO Internet Treaties, such as Vietnam. These best practices can also aid in interpreting the requirements of Articles 18.68 and 18.69 of the TPP.

63. Cox, *The Intellectual Property Chapter*, *supra* note 58, at 1052–53.

64. TPP, *supra* note 4, art. 18.68 n.82.

65. David Farrar, *TPP: The Battle for the IP Chapter*, NAT'L BUS. REV. (Oct. 8, 2015), <https://www.nbr.co.nz/opinion/tpp-battle-ip-chapter>; *Copyright, Parallel Imports and Exhaustion of Distribution Rights*, DERECHOS DIGITALES-CHILE, <https://www.citizen.org/documents/TPP%20Derechos%20C%20Parallel%20Imports%20and%20Exhaustion.pdf>. (last visited Jan. 31, 2018).

66. See WCT, *supra* note 24; WPPT, *supra* note 24; Press Release, WCT Enters into Force, WIPO (Mar. 6, 2002) [hereinafter WCT Enters into Force]. For simplicity, as used in this section, the term “authors” encompasses authors, performers, and producers of phonograms, and the term “works” encompasses works, performances, and phonograms.

67. WCT, *supra* note 24; Press Release, WCT Enters into Force, *supra* note 66.

68. WCT, *supra* note 24, art. 14; WPPT, *supra* note 24, art. 23; Cox, *supra* note 57, at 1050–51, 1055 n.38.

69. Cox, *The Intellectual Property Chapter*, *supra* note 58, at 1051; Flynn et al., *supra* note 2 (discussing generally the flexibilities inherent in the WTO and TRIPS).

A. Technological Protection Measures

The TPP requires contracting parties to provide adequate legal protection and effective legal remedies against the circumvention of effective TPMs that authors use in connection with the exercise of their rights and that restrict unauthorized acts in respect of their works.⁷⁰ Such protection includes restrictions on circumventing TPMs controlling the *access* to a work, such as encryption or scrambling content, and prohibitions on the trafficking in devices that enable circumvention of TPMs controlling both *access* to and *use* of a work, such as restrictions on copying or printing.⁷¹ To help achieve balance in their anti-circumvention regimes, contracting parties may also create limitations and exceptions that enable circumvention of TPMs or the supply of circumventing devices for certain authorized purposes, but subject to a host of restrictions on such limitations.⁷² Finally, the TPP mandates civil and criminal penalties for unauthorized circumvention of TPMs or trafficking in circumventing devices with the sanctions' severity depending on the type of circumvention and the person engaged in the unauthorized act.⁷³ These three separate, but interdependent concepts—scope of protection, exceptions and limitations, and remedies—present policymakers with opportunities to tailor legislation to fit the unique needs of their country, while at the same time complying with the TPP's requirements.

1. Scope of Protection

a. TPP

A combination of definitions and substantive provisions determine the scope of the TPM requirements in the TPP, the WIPO Internet Treaties, and related domestic implementing legislation. As for definitions relating to TPMs, the TPP is rather limited. The only specific definition in the TPP is effective technological measure, defined as any effective technology, device, or component that, in the normal course of its operation, controls *access* to a protected work or protects *copyright or related rights* (i.e., copy controls) relating to a work.⁷⁴ Thus, TPMs under the TPP include both access and copy controls. The term “effective” is not defined, but footnote 95 clarifies that if a TPM can be accidentally circumvented, it is not an “effective” TPM.⁷⁵

While the definitions in the TPP are limited, the substantive provisions and footnotes in Article 18.68(1)(a) and (1)(b) provide clarity on the scope of

70. TPP, *supra* note 4, art. 18.68.

71. *Id.*

72. Flynn et al., *supra* note 2, at 146.

73. See TPP, *supra* note 4, arts. 18.74, 18.77.

74. TPP, *supra* note 4, art. 18.68.5 (emphasis added).

75. *Id.* at n.95.

protection. Like the Digital Millennium Copyright Act (DMCA),⁷⁶ only the act of circumventing *access* controls is prohibited.⁷⁷ Thus, users may circumvent copy controls to make use of a work but such use would be subject to a copyright infringement claim if it violates an exclusive right of copyright and is not allowed by a defense or privilege, such as fair use. In addition, a user cannot be liable for accidental circumvention of access controls: he or she must know or have reasonable grounds to know that the act constitutes an unauthorized circumvention.⁷⁸

Trafficking in circumvention devices or services is prohibited if the device or service: (1) is advertised or marketed for circumvention; (2) has only a limited commercially significant purpose or use other than for circumvention; or (3) is primarily designed for the purpose of circumvention.⁷⁹ But, footnote 85 provides that a contracting party may limit the anti-trafficking provision to the manufacture, importation, or distribution of devices or services that are undertaken for sale or rental, or if such activities prejudice the interests of the rights holder.⁸⁰ In addition, Article 18.68(2) includes a “no mandate” provision that reassures device makers that they need not design products in response to any particular TPM, as long as the device does not otherwise violate Article 18.68(1)(b).⁸¹

b. Other Jurisdictions

The scope of the DMCA is roughly the same as Article 18.68 of the TPP, unsurprising given the United States’ dominant position in TPP negotiations.⁸² But, the scope of the WIPO Internet Treaties is much more limited than the TPP and the DMCA, which enabled Japan and Australia to create flexible anti-circumvention regimes.⁸³ The WIPO Internet Treaties merely require contracting parties to provide adequate legal protection and effective

76. Digital Millennium Copyright Act, 17 U.S.C. § 1201 (2012) [hereinafter DMCA].

77. See TPP, *supra* note 4, art. 18.68.1(a); DMCA, *supra* note 76, at 2–3.

78. TPP, *supra* note 4, arts. 18.69, 18.74.3, 18.68.1(a) n.88.

79. *Id.* art. 18.68.1(b)(i)–(iii).

80. *Id.* art. 18.68.1(b) n.85.

81. *Id.* art. 18.68.2.

82. DMCA, 17 U.S.C. § 101 (2012); TPP, *supra* note 4, art. 18.68; Cox, *The Intellectual Property Chapter*, *supra* note 58, at 1057.

83. Cox, *The Intellectual Property Chapter*, *supra* note 58, at 1055–56; Gwen Hinze, *Brave New World, Ten Years Later: Reviewing the Impact of Policy Choices in the Implementation of the WIPO Internet Treaties’ Technological Protection Measure Provisions*, 57 CASE W. RES. L. REV. 779, 787–88 (2007); Jie “Jerry” Hua, *Toward a More Balanced Model: The Revision of Anti-Circumvention Rules*, 60 J. COPYRIGHT SOC’Y U.S.A. 327, 358 (2013).

legal remedies against circumvention of effective TPM.⁸⁴ The treaties do not specify whether this requires protection of access controls or simply copy controls and do not include a specific ban on devices or services used for circumvention.⁸⁵

Japan bases its implementing legislation on a unique relationship between copyright law and unfair competition law.⁸⁶ Article 120bis of the Japanese Copyright Law (JCL) prohibits only the circumvention of copy controls.⁸⁷ This is because the definition of TPM is limited to measures that prevent or deter infringement of copyright, moral rights, or related rights, and the JCL does not recognize a separate “access right” within the exclusive rights granted to authors.⁸⁸ Because circumventing access controls cannot lead to copyright infringement, the JCL does not prohibit it.⁸⁹ Instead, the Japanese Unfair Competition Prevention Law (JUCPL) covers access controls.⁹⁰ The JCL prohibits the circumvention of copy controls if done commercially “in response to a request from the public,” meaning the JCL contains no prohibition of non-commercial circumvention.⁹¹ The ban on trafficking in devices under the JCL is limited to devices disseminated to the public and have the *principal function* of circumventing copy controls.⁹² Thus, creating a circumvention device for non-commercial use by a specific person will not lead to liability under the JCL.⁹³ In addition, devices are limited to tangible devices or software and do not include items such as research papers, which have been the subject of litigation under the DMCA.⁹⁴

The JUCPL covers trafficking in devices, but not the actual act of circumvention.⁹⁵ It prohibits trafficking in devices that circumvent both access and copy controls because the JUCPL’s goal is to protect content providers

84. WCT, *supra* note 24, art. 11; WPPT, *supra* note 24, art. 18.

85. WCT, *supra* note 24, art. 11; WPPT, *supra* note 24, art. 18; Hinze, *supra* note 83, at 785–90.

86. Hua, *supra* note 83, at 358.

87. Copyright Act, No. 48 of 1970 (Japan) (as amended up to Act No. 65 of December 3, 2010, art. 120bis); Hua, *supra* note 83, at 358.

88. *Id.* art. 2(1)(xx).

89. *Id.* art. 120.

90. *See* Unfair Competition Prevention Act, No. 47 of 1993, art. 2 (Japan); Hua, *supra* note 83, at 358.

91. Copyright Act, No. 48, art. 120.

92. *Id.*

93. *See id.*

94. *Id.*

95. Unfair Competition Prevention Act, No. 47, art. 2(1)(xi)–(xii); Hua, *supra* note 83, at 358–59.

who charge fees for access to and use of technology-protected content.⁹⁶ The JUCPL does not distinguish between copyright-protected material and material in the public domain as it is designed to operate outside of copyright and both forms of material can constitute commercial goods that should be protected against unfair trade practices.⁹⁷

Australia's original implementing legislation, the Copyright Amendment (Digital Agenda) Act 2000 (DAA), also did not prohibit the act of circumvention and, instead, focused on prohibiting the trafficking in circumvention devices and services.⁹⁸ Like the JCL, the DAA limited the definition of TPM to measures that prevent the infringement of copyright to protect against overbroad application of the law.⁹⁹ In addition, the DAA established a unique system that enabled certain qualified persons to obtain circumvention devices for specific permitted purposes.¹⁰⁰ But, a framework based on the DMCA largely replaced the DAA after Australia signed a free trade agreement with the United States in 2004.¹⁰¹

In the European Union, Directive 2001/29/EC, concerning the harmonization of certain aspects of copyright and related rights in the information society (Copyright Directive), governs the implementation of the WIPO Internet Treaties in the European Union¹⁰² The Copyright Directive prohibits the act of circumventing access and copy controls, as well as devices that circumvent both.¹⁰³ Originally, the European Council deleted the term "access" from the definition of TPM, which would have limited protection only to copy controls, but ultimately "access" was added to the definition of "effective," extending protection to both—an example of how definitions can significantly impact the scope of protection.¹⁰⁴ Unlike the JCL and DAA, but similar to the DMCA and the TPP, the Copyright Directive does not expressly require a nexus between circumvention and copyright infringement, leading to a split among European Union member states on whether to include such a nexus.¹⁰⁵

In the United States, the DMCA prohibits circumvention of access controls but not copy controls and prohibits trafficking in devices that circum-

96. *See id.*

97. *Id.*

98. Hinze, *supra* note 83, at 815.

99. *Id.* at 816.

100. *Id.* at 817.

101. *Id.* at 815.

102. *Id.* at 807.

103. *Id.* at 807–08.

104. *See* Hinze, *supra* note 83.

105. *Id.* at 808.

vent both.¹⁰⁶ Similar to the Copyright Directive, the DMCA contains no specific nexus between circumvention and copyright infringement, which has led to a significant amount of litigation relating to misuse of the DMCA for anti-competitive purposes, at least with regard to prohibited devices.¹⁰⁷ For example, a computer printer company has used the prohibition on devices that circumvent access in order to block the use of refillable ink cartridges in its printers; a garage door company attempted to prevent competitors from making interoperable garage door openers; and a data-storage hardware company blocked an independent software repair company from repairing its products.¹⁰⁸ In response, several courts in the United States have required a “reasonable relationship” between circumvention of access controls and copyright infringement or the facilitation of infringement before imposing liability.¹⁰⁹

2. Exceptions and Limitations

a. TPP

Unlike most domestic legislation implementing the WIPO Internet Treaties, Article 18.68(4) of the TPP does not include specifically enumerated exceptions to the anti-circumvention provisions.¹¹⁰ Instead, the TPP allows contracting parties to provide for exceptions in order to “enable non-infringing uses” of works if the anti-circumvention provisions create an “actual or likely adverse impact” on such non-infringing uses.¹¹¹ The flexibility inherent in Article 18.68(4) is largely due to the plurilateral nature of the TPP and the difficulty in requiring all contracting parties to implement the same exceptions, given the vastly different stages of the parties’ development.¹¹² The finding of an “actual or likely adverse impact” required to create anti-circumvention exceptions must be determined through a legislative, regulatory, or administrative process, which must consider whether rights holders have already taken measures to enable users to enjoy exceptions to copyright and related rights despite the presence of TPMs.¹¹³ In addition, exceptions to the ban on trafficking in devices are allowed only to the extent they enable use of

106. *Id.* at 794.

107. *Id.* at 795.

108. *Id.* at 803.

109. *Chamberlain Grp., Inc. v. Skylink Techs., Inc.*, 381 F.3d 1178, 1204 (Fed. Cir. 2004); *Storage Tech. Corp. v. Custom Hardware Eng’g & Consulting*, 421 F.3d 1307, 1318 (Fed. Cir. 2005).

110. TPP, *supra* note 4, art. 18.68.

111. *Id.* art. 18.68(4)(a).

112. *See Cox, The Intellectual Property Chapter, supra* note 58, at 1055–58.

113. TPP, *supra* note 4.

a permitted anti-circumvention exception by its intended beneficiary.¹¹⁴ Finally, limitations to the anti-circumvention provisions cannot undermine protection of TPMs or the legal remedies available for violations of Article 18.68.¹¹⁵

b. Other Jurisdictions

Exceptions to anti-circumvention provisions tend to have an inverse relationship to the scope of TPM protections. The broader and more rigid the protection scheme, the more exceptions are required to provide the proper balance between authors' rights and the rights of the public to enjoy copyrighted works and vice versa.¹¹⁶ For example, in Japan and under the original Australian DAA, exceptions are very limited because the scope of protection is narrow.¹¹⁷ The DAA did not prohibit the act of circumvention, and the JCL only prohibits the circumvention of copying controls done for commercial purposes.¹¹⁸ Thus, there are no exceptions required in order for users to make a permitted use of underlying exceptions to copyright and related rights.

As for exceptions to the ban on trafficking in devices, Japan's JCL does not include exceptions, and the JUCPL only allows exceptions for testing and researching encryption systems.¹¹⁹ Under the JUCPL, no need exists for typical exceptions relating to law enforcement, non-profit libraries, or teaching and education as these do not constitute unfair competition and are thus outside of the law's scope.¹²⁰ Australia's DAA allowed "qualified persons" to obtain circumvention devices to engage in certain "permitted purposes" relating to reverse engineering, libraries and archives, educational institutions, and government actions.¹²¹ To maintain the integrity of the system, the qualified person was required to supply a declaration to an administrative agency including his or her name and address, the basis for claiming "qualified person" status, the name and address of the supplier of the device, a statement

114. *Id.*

115. *Id.*

116. Hinze, *supra* note 83, at 792.

117. Copyright Act, No. 48, art. 120; Hinze, *supra* note 83, at 816–18.

118. Copyright Act, No. 48, art. 120; Hinze, *supra* note 83, at 815.

119. Unfair Competition Prevention Act, No. 47, art. 19(1)(viii); Copyright Act, No. 48.

120. Hua, *supra* note 83, at 359 ("Inclusion of protection of access-control technological measures in competition law rather than copyright law, as enacted in Japan, does not impose restrictions of non-infringing uses of copyrighted works, as fair or other non-infringing uses are often for personal or private purposes that do not significantly influence the fair competition in the market and the potential benefits generated from the commercial use of the works.").

121. Copyright Amendment Act 2000 s 1 pt V div 2As 116A (Austl.); Hinze, *supra* note 83, at 816–18.

that the device would be used only for a permitted purpose, and a specific reference to the applicable exception under Australian copyright law.¹²² But, as noted earlier, this system was replaced with a rigid set of seven exceptions based on the DMCA and an administrative rulemaking process to create temporary exceptions as set forth in the Australia-United States Free Trade Agreement.¹²³

In contrast, the United States, Canada, and the current TPM regime in Australia use specific narrow exceptions to the anti-circumvention provisions to balance the broad scope of their laws.¹²⁴ The DMCA and the Australia-United States Free Trade Agreement have seven exceptions for circumventing *access* controls relating to non-profit libraries, law enforcement and intelligence, reverse engineering software for interoperability, encryption research, protecting minors on the internet, protecting personally identifiable information, and security testing.¹²⁵ There are no exceptions to circumventing copy controls, as those acts are not prohibited.¹²⁶ Only the reverse engineering, encryption research, and security testing exceptions apply to the ban on trafficking in circumventing devices, and there are no enumerated exceptions to the ban on trafficking in devices that circumvent copy controls.¹²⁷

The most controversial aspect of the DMCA is the lack of a “fair use” exception to circumventing TPMs, which has led to a significant amount of litigation in the United States.¹²⁸ As interpreted by U.S. courts and the United States Copyright Office, “the fair use doctrine is not a defense to the act of gaining unauthorized access to a work” because the DMCA’s protection of access control TPMs is not concerned with use of the TPM-protected materials after circumvention has occurred.¹²⁹ As for copy controls, courts have noted that fair use is still available despite copy control TPMs even though the means of making fair use of the work might have to occur “the old-

122. Copyright Amendment Act 2000.

123. Hinze, *supra* note 83, at 819.

124. *See* 17 U.S.C. § 1201; Copyright Amendment Act 2006, No. 158 (Austl.); Act to Amend the Copyright Act, S.C. 2012, c 20 (Can).

125. 17 U.S.C. § 1201 (d)–(j); Australia-U.S. Free Trade Agreement, art. 17.4(7), Austl.-U.S., May 18, 2004, 118 Stat. 919.

126. 17 U.S.C. § 1201 (d)–(j); Australia-U.S. Free Trade Agreement, art. 17.4(7), Austl.-U.S., May 18, 2004, 118 Stat. 919.

127. 17 U.S.C. § 1201 (d)–(j); Australia-U.S. Free Trade Agreement, art. 17.4(7), Austl.-U.S., May 18, 2004, 118 Stat. 919.

128. Hinze, *supra* note 83, at 799.

129. *Universal City Studios, Inc. v. Corley*, 273 F.3d 429, 458–59 (2d Cir. 2001); *U.S. v. Elcom Ltd.*, 203 F. Supp. 2d 1111, 1134–1135 (N.D. Cal. 2002); *Universal City Studios, Inc. v. Reimerdes*, 111 F. Supp. 2d 294, 346 (S.D.N.Y. 2000).

fashioned way” such as re-typing rather than cutting and pasting from digital media.¹³⁰

Partly in response to the lack of a general “fair use” or “fair dealing” exception, the anti-circumvention laws in the United States, Canada and Australia also provide for ongoing rulemaking by an administrative body with the authority to create additional exceptions that are either temporary—for the United States and Australia—or permanent—for Canada.¹³¹ Under the DMCA, the Librarian of Congress may create exceptions to access controls every three years if users of a particular class of works are, or are likely to be, adversely affected in their ability to make non-infringing uses of those works because of access control TPMs.¹³² The exceptions must be renewed every three years and do not apply to the prohibition on trafficking in devices.¹³³ In Australia, the exceptions are reviewed every four years.¹³⁴

The European Union uses an innovative approach to exceptions as set forth in the Copyright Directive and the various European Union member state TPM regimes. Article 5 of the Copyright Directive lists a number of harmonized exceptions to the rights of reproduction and communication to the public.¹³⁵ If a member state chooses to enact an Article 5 exception in its domestic law, and that exception is included in a specific subset of exceptions listed in Article 6(4) such as for libraries, schools, museums, people with disabilities, or public security, then the member state must ensure the exception’s benefit is equally available to users who are subject to TPM restrictions.¹³⁶ But, this is subject to a significant limitation: the member state can only enforce this mandate if the rights holder fails to voluntarily make the benefit of the exception available to users.¹³⁷

Article 6(4) also permits, but does not require, member states to create exceptions so users can circumvent TPMs to make copies for private, non-commercial use if: (1) fair compensation is paid to the rights holder; (2) the member state does not prevent the rights holder from adopting measures to limit the number of copies made; and (3) the exception satisfies the “three step test” found in international copyright treaties.¹³⁸ The various exceptions apply only to circumvention of copy controls (because having legal *access* to the work is a prerequisite), they do not apply to trafficking in devices, and

130. *Elcom*, 203 F. Supp. 2d at 1131.

131. 17 U.S.C. § 1201(a)(1)(C)–(D).

132. *Id.*

133. *Id.* § 1201(a)(1)(A), (C)–(D).

134. Copyright Amendment Act of 2006, No. 158.

135. Council Directive 2001/29/EC, art. 5, 2001 O.J. (L 167) (on the harmonization of certain aspects of copyright and related rights in the information society).

136. *Id.* arts. 5–6(4).

137. *Id.*

138. *Id.*

they are not available if the public can access the TPM-protected work “from a place and at a time individually chosen by them” (i.e., for on-demand, interactive services).¹³⁹

Where rights holders fail to voluntarily make the exceptions available for TPM-protected works, European Union member states have enforced the exceptions several different ways, including through a right of self-help that allows beneficiaries of the exceptions to circumvent the TPM, through an arbitration or mediation proceeding, a direct right of action in court to enforce the exceptions through injunctive relief, or an administrative or executive agency that regulates the use of TPMs and may issue written orders to the rights holder.¹⁴⁰

3. Remedies

a. TPP

The TPP requires civil and criminal remedies for unlawful circumvention of TPMs or trafficking in prohibited devices.¹⁴¹ In order for criminal remedies to be warranted, the person engaging in the prohibited activity must have done so willfully, which pursuant to footnote 88 includes a knowledge element, and “for the purposes of commercial advantage or financial gain.”¹⁴² It is unclear from the text of the TPP what “commercial advantage or financial gain” entails, and a broad reading could capture actions by individuals that have traditionally been outside the reach of criminal law. Contracting parties must also provide that a violation of Article 18.68 is independent of copyright infringement, although this does not apply to circumvention of access controls where the party criminalizes such acts through other means.¹⁴³ Contracting parties may provide that criminal penalties do not apply to non-profit libraries, museums, archives, educational institutions, or public non-commercial broadcasting entities, and may also exempt such entities from civil remedies if the prohibited activity is carried out in good faith without knowledge that the conduct is prohibited.¹⁴⁴

b. Other Jurisdictions

Although each of the TPM regimes discussed above provide for criminal and civil remedies, which have been viewed as necessary to provide “effective legal remedies” as required by the WIPO Internet Treaties,¹⁴⁵ the

139. *Id.*

140. Hinze, *supra* note 83, at 810.

141. TPP, *supra* note 4, art. 18.68.

142. *Id.*

143. *Id.*

144. *Id.*

145. See WCT, *supra* note 24, art. 12; see also WPPT, *supra* note 24, art. 19.

breadth and severity of sanctions tend to vary along the same lines as the relationship between the scope of protection and exemptions.¹⁴⁶ That is, in countries like Japan that have a narrowly tailored protection scheme and few exceptions, remedies tend to be more severe as activities that would be subject to minimal sanctions in other countries are not considered prohibited activities under the JCL.¹⁴⁷ In fact, the JCL only provides for criminal remedies because the scope of protection is limited to commercial activities and piracy.¹⁴⁸ In contrast, the JUCPL only provides for civil remedies, including a demand for cessation and the destruction of illegal circumvention tools, because unfair competition aims to compensate businesses harmed by unfair trade practices.¹⁴⁹

The DMCA, on the other hand, has a much broader scope and, thus, provides a wider range of civil and criminal remedies based on the nature of the circumvention or device trafficking and the type of user engaged in the prohibited activity.¹⁵⁰ The primary civil remedies include injunctions, impounding or destruction of prohibited devices, actual damages, statutory damages, court costs, and attorney's fees.¹⁵¹ Courts *may* reduce or remit damages if a user proves he or she was not aware, and had no reason to believe, that the act was prohibited.¹⁵² If the user is a non-profit library, archive, educational institution, or public broadcasting entity, the court *must* remit damages if such entity was unaware that its actions were prohibited.¹⁵³ Criminal sanctions, including fines, imprisonment, or both, are available for violations that are done "willfully and for purpose of commercial advantage or private financial gain."¹⁵⁴

In the European Union, the Copyright Directive requires member states to provide effective sanctions but does not give much detail other than stating in a recital that sanctions should be "effective, proportionate and dissuasive and should include the possibility of seeking damages and/or injunctive relief and, where appropriate, of applying for seizure of infringing material."¹⁵⁵ This has led to different approaches by European Union member states, with

146. See, e.g., *Copyright System in Japan: Measures Against Infringement*, COPY-RIGHT RES. & INFO. CTR., <http://www.cric.or.jp/english/csj/csj5.html> (last visited Jan. 31, 2018).

147. *Id.*

148. *Id.*

149. Unfair Competition Prevention Act, No. 47, arts. 4–5.

150. See 17 U.S.C. §§ 1201–03.

151. *Id.*

152. *Id.*

153. *Id.*

154. *Id.*

155. Copyright Directive, 2001/29/EC, art. 8.

some states providing remedies similar to the DMCA and others, such as Denmark, providing much more relaxed civil and criminal remedies.¹⁵⁶

4. Best Practices

While there are legitimate criticisms of the various anti-circumvention regimes discussed above, it is important to remember the many benefits TPMs offer to rights holders and users.¹⁵⁷ Limiting access to copyrighted works allows rights holders to engage in price discrimination based on use, and, thus, users can pay for only the amount of use they desire.¹⁵⁸ Otherwise, all users would have to pay for unlimited access and use, meaning higher prices for everyone.¹⁵⁹ TPMs also facilitate innovation in distribution models on different platforms and through emerging technology.¹⁶⁰ Most importantly, TPMs allow rights holders to better protect their works better from piracy.¹⁶¹ This, in turn, reduces the free rider effect, helps lower prices, and increases the availability of works for society in general.¹⁶²

Still, improperly structured anti-circumvention laws can be abused, leading to frustrated users and anti-competitive tactics from rights holders.¹⁶³ In addition, overly broad TPM laws can actually hinder technological development, hinder the dispersion of knowledge and culture, and create backlash from users that further engenders non-compliance.¹⁶⁴ The following best practices aim to avoid these harmful side effects and maintain the proper balance between protection of TPMs and the rights of the public to use protected works.

Identify the proper scope of the TPM regime and carefully tailor its definitions. The definitions in a TPM regime, such as “technological protection measure,” “effective,” and “circumvent,” must be carefully drafted because they determine the breadth of the substantive provisions and can have unintended consequences if simply “copied and pasted” from the TPP or the WIPO Internet Treaties.¹⁶⁵ In addition, contracting parties should consider

156. *See id.*

157. *See, e.g.,* WCT, *supra* note 24; WPPT, *supra* note 24.

158. *See* S.J. Liebowitz, *Copyright Law, Photocopying, and Price Discrimination*, in 8 RESEARCH IN LAW AND ECONOMICS: THE ECONOMICS OF PATENTS AND COPYRIGHTS 181, 193 (John Palmer & Richard O. Zerbe, Jr. eds., 1986).

159. *See, e.g., id.*

160. *See* Pallante, *supra* note 50, at 327.

161. *See id.*

162. *See id.*

163. *See, e.g.,* Liebowitz, *supra* note 158, at 188.

164. *See* Carolina Rossini, *TPMs and Access Rights*, ELEC. FRONTIER FOUND. (July 2, 2012), https://www.eff.org/files/filenode/eff_presentation_on_tpm_and_civil_rights_sd.pdf.

165. *See, e.g.,* Cox, *The Intellectual Property Chapter*, *supra* note 58, at 1055–56.

whether some form of express nexus between circumvention and copyright infringement is appropriate, depending on the overall scope of the regime and the severity of the possible sanctions.¹⁶⁶

Include exceptions to anti-circumvention provisions, which enable users to benefit from traditional exceptions and limitations to copyright law, and establish a flexible framework for creating new exceptions to accommodate rapid technological changes in the digital world. Contracting parties have significant leeway in structuring exceptions to maintain the proper balance between rights holders and the public at large.¹⁶⁷ Policy makers should draw on the experiences of the United States, European Union, Canada, Australia, Japan, and others in designing a framework for anti-circumvention exceptions.¹⁶⁸ In addition, countries should consider allowing both temporary *and* permanent exceptions to be created by an administrative rulemaking procedure, and allow for the re-evaluation of temporary exceptions more frequently than every three to four years to determine if they need to be revised or replaced.¹⁶⁹

Consider creating a TPM misuse defense. Much of the litigation under the DMCA stems from businesses leveraging TPMs to block competitors and to extend their rights far beyond what traditional copyright law protects.¹⁷⁰ Contracting parties should consider creating a “TPM misuse” defense with abbreviated procedures and fee shifting provisions to stem such anti-competitive tactics. Contracting parties should also incorporate some form of the “no mandate” rule found in Article 18.68(2) of the TPP.¹⁷¹

Carefully structure remedies. Overbroad remedies or excessive enforcement can have a chilling effect on certain beneficial activities relating to circumvention, such as encryption research and reverse engineering for interoperability, despite the availability of exceptions.¹⁷² In addition, policy makers should use proportionality in establishing criminal and civil sanctions, especially for non-profit entities and innocent infringers.¹⁷³ Criminalizing common activities in the digital world, which do not significantly prejudice

166. See, e.g., Pallante, *supra* note 50, at 320.

167. See, e.g., Kaminski, *supra* note 22, at 47.

168. See, e.g., Horton, *supra* note 39, at 19.

169. See Pallante, *supra* note 50, at 332–33.

170. See Russell W. Jacobs, *Gutters and Hyperlinks: The DMCA and Proper Position of Copyright Management Information*, 11 Nw. J. TECH. & INTELL. PROP. 163, 164 (2013).

171. TPP, *supra* note 4, art. 18.68(2).

172. See, e.g., Kaminski, *supra* note 22, at 50.

173. URS GASSER & SILKE ERNST, BEST PRACTICE GUIDE: IMPLEMENTING THE EU COPYRIGHT DIRECTIVE IN THE DIGITAL AGE 9 (2006), https://cyber.harvard.edu/wg_home/uploads/1112/EUCD_Best_Practice_Guide_December_2006.pdf.

the rights of copyright owners, often fosters contempt towards copyright law.¹⁷⁴

Consider product labeling requirements for works subject to TPM. Section 95d(1) of the German Copyright Act requires that works and other items protected by TPMs must be clearly labeled with the characteristics of the TPM and the name or business name of the person who applied the restrictions.¹⁷⁵ This framework allows the free market to drive innovation in TPM use and create best practices and market standards through competition and consumer preferences.¹⁷⁶

Tailor the TPM scheme to fit the needs of a given country and its level of development and policy goals. Contracting parties are free to customize their TPM regime within the bounds of the TPP's framework.¹⁷⁷ Policy makers should study other TPM regimes in countries similarly situated in terms of development and "cherry pick" the provisions that are the most appropriate.¹⁷⁸

B. Rights Management Information

1. TPP

Article 18.69 of the TPP requires contracting parties to protect against the unauthorized removal or alteration of RMI or the distribution or communication to the public of RMI that has been unlawfully altered, if the RMI is attached to a copy of the work or appears in connection with the communication or the making available of the work to the public.¹⁷⁹ Protected RMI is not expressly limited to electronic information and includes: (1) information that identifies the work, the author, or other rights holder; (2) information about the terms and conditions of use of the work; or (3) any numbers or codes that represent such information.¹⁸⁰ But, footnote 96 makes clear that contracting parties may comply with Article 18.69 by protecting only electronic RMI.¹⁸¹

Criminal sanctions must be available for unlawful activities if done willfully and for purposes of commercial advantage or financial gain, although contracting parties may exempt non-profit libraries, museums, archives, edu-

174. *See* Pallante, *supra* note 50, at 327.

175. Gesetz über Urheberrecht und verwandte Schutzrechte [UrhG] [Copyright Act], Sept. 9, 1965, BGBl I at 1273 art. 95d(1) (Ger.), https://www.gesetze-im-internet.de/englisch_urhg/englisch_urhg.html.

176. *See id.*

177. *See* TPP, *supra* note 4.

178. *See, e.g.,* Pallante, *supra* note 50, at 320–22.

179. TPP, *supra* note 4, art. 18.69.

180. *Id.*

181. *Id.*

cational institutions, and public non-commercial broadcasting entities from criminal liability.¹⁸² In addition, contracting parties may exempt from the RMI provisions activities done for law enforcement, security, or other related governmental purposes.¹⁸³

2. Other Jurisdiction

The RMI provisions in the TPP largely mirror those of the WIPO Internet Treaties and resulting implementing legislation in the United States,¹⁸⁴ European Union, Japan, Australia, and Canada.¹⁸⁵ As a result, RMI standards are largely harmonized around the world, but are subject to certain minor differences between the various jurisdictions.¹⁸⁶ While RMI provisions have not been the subject of controversy or litigation like anti-circumvention provisions, several issues have emerged relating to RMI at least with regard to the DMCA, including: (1) what information constitutes RMI and whether RMI encompasses non-digital information and works; (2) where on the work the RMI must be located in order to be protected; and (3) the knowledge standard required for imposing liability.¹⁸⁷

As to the first issue, the definition of RMI tends to be similar across the various jurisdictions discussed in this article.¹⁸⁸ But, the TPP, like the DMCA, does not expressly limit RMI to electronic information.¹⁸⁹ In the United States, some courts have held only electronic information can constitute protected RMI,¹⁹⁰ while other courts have noted the DMCA's language covers all forms of RMI, "including in digital form."¹⁹¹ This appears to be unique to the DMCA because the European Union, Japan, Australia, and Canada all make clear that protected RMI is limited to electronic information.¹⁹²

Second, unlike the RMI regimes in the European Union, Japan, Australia, and Canada, which mirror the TPP language and protect RMI that (1) is

182. *Id.* art. 18.77.

183. *Id.*

184. *See id.*; *see also* 17 U.S.C. §§ 1201–02(a) (including a prohibition on inserting false RMI into a work, which is not included in the TPP).

185. *See* WCT, *supra* note 24; WPPT, *supra* note 24.

186. *See* Jacobs, *supra* note 170, at 163.

187. *Id.*

188. *See id.*

189. *Id.*

190. *See, e.g.*, Textile Secrets Int'l, Inc. v. Ya-Ya Brand Inc., 524 F. Supp. 2d 1184, 1188 (C.D. Cal. 2007); IQ Grp., Ltd. v. Wiesner Publ'g, LLC, 409 F. Supp. 2d 587, 596 (D.N.J. 2006).

191. *See, e.g.*, Murphy v. Millennium Radio Grp. LLC, 650 F.3d 295, 304 (3d Cir. 2011); Agence Fr. Presse v. Morel, 769 F. Supp. 2d 295, 304 (S.D.N.Y. 2011).

192. *See* Agence Fr. Presse, 769 F. Supp. 2d at 304.

attached to, associated with, or embodied in a copy of a work; or (2) appears in connection with the communication to the public of the work, the DMCA protects RMI “conveyed in connection with copies” of a work.¹⁹³ U.S. courts have disagreed on whether this provision applies only to the removal of RMI “on a plaintiff’s product or original work” or “from the ‘body’ of, or area around” the work,¹⁹⁴ or whether the RMI need only have some “connection” to a transmission of the work without immediate physical proximity.¹⁹⁵

Finally, questions have arisen regarding the intent or knowledge of the person removing or altering RMI.¹⁹⁶ The TPP, similar to the DMCA, contains a dual, and even triple, knowledge requirement that the person must (1) knowingly remove or alter RMI, or knowingly distribute RMI or works knowing that the RMI was altered; and (2) know, or have reasonable grounds to know, that his or her actions would induce, enable, facilitate or conceal copyright infringement.¹⁹⁷ U.S. courts have had to clarify that a defendant must have *actual* knowledge that RMI was removed or altered, and *constructive* knowledge is insufficient to prove this element, although constructive knowledge is sufficient to prove that a defendant knew that his actions would facilitate copyright infringement.¹⁹⁸ This “multiple knowledge” requirement makes it very difficult to prevail on claims brought pursuant to the DMCA’s RMI provisions.¹⁹⁹ The TPP appears to take this into consideration in footnote 97, which states that a party may extend the RMI protections to circumstances in which a person removes or alters RMI or either distributes or works with RMI that has been altered, without knowledge, which would presumably make such claims more viable.²⁰⁰

3. Best Practices

Use explicit language to make clear whether protected RMI includes non-electronic information. The TPP allows contracting parties to include

193. See Jacobs, *supra* note 170, at 164.

194. See, e.g., Schiffer Publ’g, Ltd. v. Chronicle Books, L.L.C., No. Civ.A. 03–4962, 2004 WL 2583817, at *1410–11 (E.D. Pa. Nov. 12, 2004); Kelly v. Arriba Soft Corp., 77 F. Supp. 2d 1116, 1122–23 (C.D. Cal. 1999), *rev’d and remanded*, 336 F.3d 811 (9th Cir. 2003).

195. See, e.g., *Murphy*, 650 F.3d at 310; *Banxcorp v. Costco Wholesale Corp.*, 723 F. Supp. 2d 596, 609–10 (S.D.N.Y. 2010).

196. See Jacobs, *supra* note 170, at 164.

197. TPP, *supra* note 4, art. 4.

198. See, e.g., *Gordon v. Nextel Commc’ns & Mullen Adver., Inc.*, 345 F.3d 922, 926 (6th Cir. 2003); *Keogh v. Big Lots Corp.*, No. 3:04-00738, 2006 WL 11293175, at *5–7 (M.D. Tenn. Apr. 27, 2006).

199. See *Gordon*, 345 F.3d at 926; *Keogh*, 2006 WL 11293175, at *5–7.

200. TPP, *supra* note 4, arts. 4, 18.69 n.97.

both digital and analog information as protected RMI.²⁰¹ Once policy makers determine the desired scope of RMI protection, they should use unambiguous language so the courts and the public know what is or is not prohibited.

Clarify the required proximity between RMI and the work at issue. To avoid unnecessary litigation, domestic legislation should address issues such as how RMI is “attached” to a copy to become protected RMI and whether the term “appears in connection with” includes RMI found in another location but accessible through a hyperlink associated with the work.²⁰²

Determine whether to allow constructive knowledge, or no knowledge, that RMI was removed or altered. As shown above, intent and knowledge requirements tend to be outcome determinative in litigation relating to RMI protection.²⁰³ By relying on footnote 97 and simply requiring a person know, or have reason to know, that it would enable infringement if he or she removed or altered RMI, or distributed RMI that had been removed or altered (but without knowledge of the removal or alteration), it becomes much easier for plaintiffs to bring claims for violations of RMI provisions.²⁰⁴ Once policy makers have determined the proper scope, they should state this explicitly in the resulting domestic legislation.

201. *See id.* art. 6.

202. *See Jacobs, supra* note 170, at 164.

203. *See, e.g., Gordon*, 345 F.3d at 926; *Keogh*, 2006 WL 11293175, at *5–7.

204. *See TPP, supra* note 4, art. 4.