Hastings Law Journal

Volume 64 | Issue 5 Article 7

6-2013

Note – Fair Use as Free Speech Fundamental: How Copyright Law Creates a Conflict Between International Intellectual Property and Human Rights Treaties

Jacob Zweig

Fair Use as Free Speech Fundamental: How Copyright Law Creates a Conflict Between International Intellectual Property and Human Rights Treaties

Jacob Zweig*

Copyright law grants individuals monopoly over a particular kernel of expression, whereas the right to freedom of expression theoretically grants others the right to use that same kernel of expression. In this sense, the right to freedom of expression conflicts with copyright law. This Note argues that a flexible, open-norm copyright exception like the U.S. fair use doctrine provides a free speech safety valve that is essential in resolving the conflict and is thus a necessary component of the right to freedom of expression protected by treaties such as the International Covenant on Civil and Political Rights and the European Convention on Human Rights. Therefore, countries that lack such a flexible copyright exception may be in violation of those treaties. This is significant because broad, flexible copyright exceptions are rare outside the United States.

On the other hand, as indicated by an analysis of a recent World Trade Organization panel adjudication regarding section 110(5) of the U.S. Copyright Act, flexible, fair use-like copyright exceptions may violate the Agreement on Trade-Related Aspects of Intellectual Property. This Note argues that the requirements of these human rights and intellectual property treaties may be in conflict with regard to the copyright exception member nations must enact to comply with each. However, recent developments indicate momentum toward international acceptance of flexible, fair use-like copyright exceptions. Thus, this conflict between the treaties should be resolved in favor of freedom of expression and flexible copyright exceptions.

---

* J.D., University of California, Hastings College of the Law, 2013. Many thanks to Professor Margreth Barrett for her invaluable guidance, and to the members of the *Hastings Law Journal* editorial staff for all their feedback and support.

Table of Contents

Introduction

The relationship between copyright law and the right to freedom of expression has been the subject of much recent scholarly interest.[1] This relationship can be viewed as a conflict because copyright law grants an individual monopoly over a particular expression, whereas the right to freedom of expression, broadly speaking, grants everyone the right to express themselves however they see fit, including (assuming a hypothetical, unlimited freedom of expression) through use of expression that another individual controls via copyright monopoly.

In American copyright law, the conflict between copyright and the right to freedom of expression is generally seen as resolved by certain internal safeguards which ensure that the copyright monopoly does not transgress free

1. *See* Eric Barendt, *Copyright and Free Speech Theory*, *in* Copyright and Free Speech: Comparative and International Analyses 11, 11 (Jonathan Griffiths & Uma Suthersanen eds., 2005).

expression interests, including the idea-expression dichotomy and the fair use doctrine.[2] Nearly every other country, however, lacks a fair use copyright exception.[3] Thus, the free expression protections afforded in those countries are incomplete.

Those countries' imperfect free expression protections are significant because freedom of expression has been adopted as an international value in treaties such as the International Covenant on Civil and Political Rights ("ICCPR")[4] and the European Convention on Human Rights ("ECHR").[5] Other treaties establish substantive international minimum standards for copyright law, including the Berne Convention for the Protection of Literary and Artistic Works ("Berne")[6] and the Agreement on Trade-Related Aspects of Intellectual Property ("TRIPS").[7] These intellectual property treaties expressly limit the scope of exceptions that member states may enact to the exclusive copyright monopoly.[8]

This Note argues that some type of flexible, fair use-like copyright exception is an essential component of the international human right to freedom of expression, but that the scope of such copyright exceptions creates an inherent tension between the international human right to freedom of expression and international intellectual property regimes. If a flexible copyright exception is essential to a fully realized right to freedom of expression, nations that lack such an exception may be in violation of the human right to freedom of expression delineated in ICCPR and ECHR. However, because a flexible, fair use-like copyright exception may violate the limitations on allowable copyright exceptions imposed by TRIPS and Berne, nations that have flexible exceptions may be in violation of those treaties. A nation that is a member of both ICCPR/ECHR and TRIPS/Berne may be unable to simultaneously comply with the requirements of each treaty with regard to the copyright exception that each treaty compels it to enact. Thus, the requirements of ICCPR/ECHR may be in conflict with those of TRIPS/Berne. However, this conflict may eventually be resolved by the trend toward international harmonization of copyright law, and by the increasing receptiveness of other countries to the United States' fair use doctrine.

---

2. *See id*. at 14–15.

3. Tyler G. Newby, Note, *What's Fair Here Is Not Fair Everywhere: Does the American Fair Use Doctrine Violate International Copyright Law?*, 51 Stan. L. Rev. 1633, 1642 (1999).

4. International Covenant on Civil and Political Rights art. 19, Dec. 19, 1966, 999 U.N.T.S. 171 (entered into force Mar. 23, 1976) [hereinafter ICCPR].

5. Convention for the Protection of Human Rights and Fundamental Freedoms art. 10, Nov. 4, 1950, 213 U.N.T.S. 221 (entered into force Sept. 3, 1953) [hereinafter ECHR].

6. Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, 25 U.S.T. 1341, 828 U.N.T.S. 221 [hereinafter Berne].

7. Agreement on Trade-Related Aspects of Intellectual Property Rights, Annex 1C, *opened for signature* Apr. 15, 1994, 1869 U.N.T.S. 299 [hereinafter TRIPS].

8. *See* Newby, *supra* note 3, at 1636.

Part I examines the conflict between copyright law and the right to freedom of expression. Part I.A lays out the basis for the conflict. Part I.B argues that a flexible copyright exception is essential to resolving that conflict and is therefore an essential component of the right to freedom of expression. Part I.C briefly evaluates the suitability of the U.S. fair use doctrine for free speech purposes and suggests some ways in which an ideal flexible copyright exception might differ. Part I.D then examines the statutory copyright exception regimes common in other countries and explains why they do not adequately resolve the conflict between copyright law and the right to freedom of expression.

Part II addresses the potential incompatibility of a flexible copyright exception with the requirements of TRIPS/Berne and the tension this potential incompatibility creates between those treaties and the human right to freedom of expression provided in ICCPR/ECHR. Part II.A provides some background information regarding TRIPS/Berne and ICCPR/ECHR. Part II.B examines how the TRIPS/Berne provision limiting allowable copyright exceptions may prevent member nations from adopting a flexible, open-norm copyright exception. Next, Part II.C argues that because a flexible copyright exception is an essential component of the human right of freedom of expression delineated in ICCPR/ECHR, the requirements of these treaties may be in conflict with those of Berne/TRIPS.

Finally, Part III examines potential resolutions to the conflict between the requirements of TRIPS/Berne and ICCPR/ECHR that are implicit in the trend toward the international harmonization of copyright law and the slow but growing acceptance of U.S.-style fair use concepts in other countries.

I. The Presence of a Flexible Copyright Exception Is Essential to Resolving the Conflict Between Copyright Law and the Right to Freedom of Expression

A Conflict Exists Between Copyright Law and the Right to Freedom of Expression

A copyright grants its owner an exclusive property right in an original expression of an idea.[9] Freedom of expression, although it may be delineated in several different ways, is broadly defined in Article 19 of ICCPR ("Article 19") as including the "freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media."[10] Article 10 of ECHR ("Article 10") provides a similar definition.[11]

---

9. *See* Shyamkrishna Balganesh, *Copyright and Free Expression: Analyzing the Convergence of Conflicting Normative Frameworks*, 4 Chi.-Kent J. Intell. Prop. 45, 50 (2004).

10. ICCPR, *supra* note 4, at art. 19.

11. ECHR, *supra* note 5, at art. 10 ("Everyone has the right to freedom of expression. This right shall

In theory, copyright law protects only expression and provides no rights to the "information and ideas" that Article 19 and Article 10 discuss.[12] At first glance, this would seem to resolve any potential conflict. However, the line separating idea and expression is not always clear. When idea and expression overlap, this "idea-expression distinction"[13] may not always be enough to avoid the conflict between copyright law and the right to freedom of expression.

Generally speaking, it is not difficult to see how a right that grants an individual exclusive control over a particular expression might conflict with another right that essentially grants all individuals the right to express themselves however they see fit. If copyright law grants one person a monopoly over a particular kernel of expression that a second person wants to use, that second person's right to freedom of expression has arguably been violated.

For example, consider a situation in which one musician holds the copyright to a composition and a second musician wishes to express herself by composing a new song based upon that composition. Under U.S. copyright law, the first musician has an exclusive right to prepare "derivative works based upon the copyrighted work."[14] The first musician may therefore refuse to allow the second musician to proceed (unless, of course, she is willing to face liability for copyright infringement). Thus, the second musician's freedom to express herself has been abridged.[15] The same reasoning applies in a situation in which a person simply wishes to express herself through repetition of someone else's work of authorship, rather than through preparation of a derivative work. "Her choice to express herself by repeating or distributing someone else's initially authored words . . . does not lessen the fact that her freedom is at stake."[16]

It is important to acknowledge, however, that the right to freedom of expression provided in ICCPR and ECHR is not absolute, and may to some extent be balanced with competing interests. Article 19 provides that the right shall be "subject to certain restrictions," as are necessary for "respect of the rights or reputations of others" or for "the protection of national security or of public order . . . , or of public health or morals."[17] Article 10 contains similar

include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers.").

12. *See* Barendt, *supra* note 1, at 14.

13. *See id.*

14. *See* 17 U.S.C. § 106(2) (West 2013).

15. *See* Sunimal Mendis, Copyright, the Freedom of Expression and the Right to Information: Exploring a Potential Public Interest Exception to Copyright in Europe 32 (2011). Mendis notes that "the establishment of a regime of exclusive rights has the counter-effect of hindering creative effort on the part of subsequent authors by fettering their ability to build upon the creativity of existing copyrighted works." *Id*. This "imposes limits upon the manner in which such subsequent authors may exercise their freedom of expression and the ability of the public to benefit from the process of creative innovation." *Id*.

16. C. Edwin Baker, *First Amendment Limits on Copyright*, 55 Vand. L. Rev. 891, 936 (2002).

17. ICCPR, *supra* note 4, at art. 19.

limitations, including such restrictions as are "necessary in a democratic society."[18] Some built-in limitations are necessary, since an absolute freedom of expression would be unmanageable.

For example, an absolute freedom of expression would arguably provide no allowance for copyright of any kind, nor for common law concepts such as defamation. It is true that restriction of an expression that has been "propertized" by a copyright may be necessary "for respect of the rights" of the copyright holder or to promote values that are "necessary in a democratic society."[19] For example, copyright law establishes "a marketable right to the use of one's expression" and thereby encourages the dissemination of ideas, including those that provide for the enlightened political discourse crucial in a democratic society.[20] However, the recognition that copyright law can encourage the dissemination of ideas provides little guidance to courts regarding whether, in a given case, to prioritize the rights of a copyright holder or the competing right to freedom of expression belonging to someone else who wishes to use that holder's copyrighted expression. A flexible, fair use-like copyright exception provides the tools necessary to balance these concerns equitably.

B. A Flexible, Open-Norm, Fair Use-Like Copyright Exception Is an Essential Ingredient of the Human Right to Freedom of Expression

The conflict between copyright law and freedom of expression cannot be adequately resolved without a flexible, open-norm, fair use-like copyright exception. An open-norm copyright exception is one that is not confined to uses in specifically enumerated, predefined circumstances.[21] Instead, an open-norm copyright exception can be applied flexibly to any category of use on a case-by-case basis, cutting "across copyright."[22] Closed-norm copyright exceptions, on the other hand, provide a catalogue of legislatively created exceptions that allow use only in particular, narrowly defined categories.[23] An example of a hypothetical closed-norm copyright exception would be an exception for use of excerpts of copyrighted books in academic research.

---

18. ECHR, *supra* note 5, at art. 10; *see id.* ("The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.").

19. *See* ICCPR, *supra* note 4, art. 19.

20. *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558 (1985).

21. Richard J. Peltz, *Global Warming Trend? The Creeping Indulgence of Fair Use in International Copyright Law*, 17 Tex. Intell. Prop. L.J. 267, 273 (2009).

22. *Id*.

23. Martin Senftleben, *Bridging the Differences Between Copyright's Legal Traditions—The Emerging EC Fair Use Doctrine*, 57 J. Copyright Soc'y U.S.A. 521, 522 (2010).

Instead of depending on a legislature to define precisely what uses should be allowed, open-norm copyright exceptions leave "the task of identifying individual cases of exempted unauthorized use to the courts."[24] Thus, the chief advantage of an open-norm copyright exception is that it allows "courts to create new, additional forms of permitted unauthorized use" that legislatures may not have anticipated.[25] The flexibility provided by the open-norm approach is necessary if copyright law is to be reconciled with the right to freedom of expression.

America's fair use doctrine is an example of a flexible, open-norm copyright exception.[26] However, before describing how the fair use doctrine helps reconcile the copyright monopoly with the right to free speech in U.S. law, two caveats must be addressed. First, the international right to freedom of expression found in ICCPR and ECHR is not necessarily coextensive with the right to free speech protected by the First Amendment of the U.S. Constitution.[27] Thus, analysis of fair use and U.S. law may not perfectly translate to an assessment of the international right to freedom of expression. Despite the differences, it is instructive to look to the American experience when analyzing the importance of a flexible copyright exception as a component of freedom of expression.

Second, in assessing the effectiveness of America's flexible copyright exception as a free speech tool, it is important to note that the relationship between free speech and copyright law has not historically been viewed as one of conflict.[28] One reason may be that, while the First Amendment prohibits government from abridging free speech, copyright holders seeking to enforce their copyrights (and thus to potentially encroach on another individual's freedom of expression) are not government actors.[29] Furthermore, courts have

---

24. *Id*.

25. *Id*. at 529.

26. *See id*. at 522–23.

27. *See* U.S. Const. amend. I. ("Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."). For example, the international right more clearly delineates which activities it protects (such as the "freedom to seek, receive and impart information and ideas of all kinds"), ICCPR, *supra* note 4, at art. 19, whereas the First Amendment merely protects "freedom of speech," U.S. Const. amend. I, leaving much room for interpretation. Similarly, the international right contains built-in restrictions (for example, "[f]or respect of the rights or reputations of others"), ICCPR, *supra* note 4, at art. 19, whereas limitations to the First Amendment right to free speech have been provided through case law.

28. *See* Pamela Samuelson, *Copyright and Freedom of Expression in Historical Perspective*, 10 J. Intell. Prop. L. 319, 320 (2003).

29. *See* Wendy J. Gordon, *Copyright Norms and the Problem of Private Censorship*, *in* Copyright and Free Speech: Comparative and International Analyses, *supra* note 1, at 67, 71. However, private rights to sue in other contexts "have sometimes been recognized as sufficiently governmental action that the First Amendment applies to them." *Id*. at 72; *see also* Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 Stan. L. Rev. 1, 7 (2001) [hereinafter Netanel, *Locating Copyright*] ("[C]ourts [have] subjected private causes of action under the laws of trademark, right of publicity, defamation, right of privacy,

rarely entertained explicit First Amendment limitations on copyright and have generally rejected defenses to copyright infringement that rely on First Amendment arguments.[30] "[F]or example, a news magazine cannot rely on the First Amendment to publish, without authorization, copyright-protected material but must instead obey the Copyright Act like everyone else."[31]

The view that copyright law does not conflict with the right to free speech is grounded in the idea that copyright law is the "engine of free expression."[32] Under this theory, through the promise of royalties and license fees, the grant of copyright incentivizes authors, musicians, and artists to create new works and hence promotes, rather than undermines, free speech.[33] The "engine of free expression" theory, however, does little to address the conflict that occurs when one individual wishes to express herself using another's copyrighted expression. U.S. copyright law attempts to reconcile more specific conflicts between free speech and copyright law via two principles: the idea-expression dichotomy and the fair use doctrine.[34]

The idea-expression dichotomy refers to the fact that copyright only protects an author's original "expression" and not the "ideas" or information the author's work may contain.[35] Thus, others are free to use those ideas in a subsequent work, so long as they are expressed in a different manner. Melville Nimmer, an influential writer on free speech as well as copyright law, asserted

---

interference with business relations, intentional infliction of emotional distress, wiretapping, and, in some instances, property to First Amendment scrutiny . . . ."). For example, in a defamation suit, reporters may invoke the protection of the First Amendment if they print certain false statements as a result of reasonable error. Gordon, *supra*, at 72; *see also* Neil Weinstock Netanel, *Copyright and the First Amendment: What* Eldred *Misses—and Portends*, *in* Copyright and Free Speech: Comparative and International Analyses, *supra* note 1, at 127, 130 [hereinafter Netanel, *Copyright and the First Amendment*] (noting that these contexts include precedent in the areas of trademark, right of publicity, and intentional infliction of emotional distress).

30. Netanel, *Copyright and the First Amendment*, *supra* note 29, at 128.

31. Edward L. Carter, *Harmonization of Copyright Law in Response to Technological Change: Lessons from Europe About Fair Use and Free Expression*, 30 U. La Verne L. Rev. 312, 341 (2009) (citing Sarl Louis Feraud Int'l. v. Viewfinder, Inc., 489 F.3d 474 (2d Cir. 2007)); *see* Cohen v. Cowles Media Co., 501 U.S. 663, 669–71 (1991) (stating, in a non-copyright-law case, that "[t]he press, like others interested in publishing, may not publish copyrighted material without obeying the copyright laws").

32. Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558 (1985).

33. Eric Barendt, Freedom of Speech 251–52 (2d ed. 2005). Criticism of the "engine of free expression" view has increased, however, as "[o]ngoing copyright industry consolidation on the one hand, and the explosion of digital dissemination of expression not dependent on the copyright incentive on the other, have vitiated the argument that, whatever its free speech costs, copyright ultimately serves to underwrite our system of free expression." Netanel, *Locating Copyright*, *supra* note 29, at 13.

34. *See* Barendt, *supra* note 1, at 14–15. The Supreme Court seems to have recognized the importance of these two principles in reconciling free speech concerns with copyright law, noting that "copyright law contains built-in First Amendment accommodations." Eldred v. Ashcroft, 537 U.S. 186, 219–20 (2003).

35. *See* Barendt, *supra* note 1, at 14; *see also* 17 U.S.C. § 102 (West 2013) ("Copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression. . . . In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.").

that the presence of the idea-expression dichotomy was sufficient to meet free speech concerns.[36] In *Harper & Row, Publishers, Inc. v. Nation Enterprises*, the Supreme Court noted that the idea-expression dichotomy strikes "a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression."[37] However, while the idea-expression dichotomy does substantially limit the potential for abridgment of the right to freedom of expression, it does not fully resolve the conflict.

A second internal mechanism through which American copyright law accommodates free expression concerns is the fair use doctrine.[38] The fair use doctrine is a broad, flexible exception to copyright owners' exclusive rights.[39] Although it evolved as a judicially created doctrine, it is now codified in section 107 of the Copyright Act, added in 1976.[40] The fair use doctrine has been described as a "safety valve" to ensure that the public has access to works while still providing authors with monopoly rights so as to encourage creative activity.[41]

Fair use permits, under certain broadly defined circumstances, "what would otherwise be an infringing use of a work."[42] Significantly, a fair use defense can allow "the public to use not only facts and ideas contained in a copyrighted work, but also expression itself in certain circumstances."[43] Section 107 provides a nonexclusive list of types of use that might be "fair," including use "for purposes such as criticism, comment, news reporting, teaching . . . , scholarship, or research."[44]

The list of types of use listed in § 107 only provides guidance to courts about what kind of uses *might* be fair uses, and so not every instance of an enumerated use will be found to be fair in a given case. However, the types of uses in the list are significant because they "indicate two rationales behind the fair use doctrine: (1) permitting use where the transaction costs of obtaining a license outweigh the actual value of the use; and (2) allowing use where the public benefit in the use outweighs the harm to the copyright owner's interests."[45]

Justice Blackmun described the fair use doctrine as follows:

---

36. *See* Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. Rev. 1180, 1192 (1970).

37. 471 U.S. at 556 (quoting *Harper & Row*, 723 F.2d at 203).

38. Barendt, *supra* note 1, at 15.

39. Newby, *supra* note 3, at 1637.

40. 17 U.S.C. § 107.

41. Newby, *supra* note 3, at 1637 (citing Paul Goldstein, Copyright's Highway: From Gutenberg to the Celestial Jukebox 20 (1994)).

42. Newby, *supra* note 3, at 1637.

43. Eldred v. Ashcroft, 537 U.S. 186, 219 (2003).

44. 17 U.S.C. § 107.

45. Newby, *supra* note 3, at 1638.

> The fair use doctrine must strike a balance between the dual risks created by the copyright system: on the one hand, that depriving authors of their monopoly will reduce their incentive to create, and, on the other, that granting authors a complete monopoly will reduce the creative ability of others. The inquiry is necessarily a flexible one, and the endless variety of situations that may arise precludes the formulation of exact rules.[46]

As Blackmun noted, the key to the fair use doctrine's function lies in its flexibility. Rather than enumerating particular types of use that are categorically considered "fair," the fair use defense employs an open-norm approach that is not dependent on narrowly defined contexts.[47] Section 107 of the Copyright Act articulates several nonexclusive factors which are to be weighed in determining whether a particular use of a copyrighted work is a fair use:

> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.[48]

As these factors indicate, rather than allowing for exceptions to the copyright monopoly only in specific circumstances, the fair use doctrine allows courts wide latitude in determining whether a particular use falls within the exception.

While the Supreme Court has not gone so far as to expressly hold that the fair use doctrine is constitutionally compelled, the Court has invoked fair use as one of copyright law's "traditional First Amendment safeguards."[49] Thus, the Court appears to recognize the doctrine's constitutional pedigree.[50] The Court has also stated that "courts should interpret and define [the scope of copyright's internal safeguards] in a manner that comports with First Amendment concerns."[51]

The fair use as First Amendment safeguard approach was exemplified in an Eleventh Circuit decision, *Suntrust Bank v. Houghton Mifflin Co.*,[52] in which the

---

46. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 479–80 (1984) (Blackmun, J., dissenting) (footnote omitted).

47. Peltz, *supra* note 21, at 273.

48. 17 U.S.C. § 107.

49. *See* Eldred v. Ashcroft, 537 U.S. 186, 220 (2003).

50. *See* Netanel, *Copyright and the First Amendment*, *supra* note 29, at 136–44. Judge Stanley F. Birch, author of the *Suntrust Bank* opinion, noted that "[s]everal scholars have viewed [*Eldred*] as a recognition by the Court of the 'constitutionalization' of fair use." Hon. Stanley F. Birch Jr., *Copyright Fair Use: A Constitutional Imperative*, 54 Fed. L. 44, 44 n.6 (2007); *see also* Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 Yale L.J. 535, 548 (2004) ("[O]ne can read *Eldred* and other cases to hold that fair use is constitutionally required.").

51. *See* Netanel, *Copyright and the First Amendment*, *supra* note 29, at 147.

52. 268 F.3d 1257 (2001).

court determined that because the defendant was likely to prevail in a fair use defense, the owner of the copyrighted novel *Gone With the Wind* was not entitled to a preliminary injunction preventing publication of an allegedly infringing parody entitled *The Wind Done Gone*.[53] Emphasizing that copyright law must be construed to incorporate First Amendment values, the court stated that fair use has "constitutional significance as a guarantor to access and use for First Amendment purposes."[54]

Regardless of whether it is constitutionally required, the presence of a fair use-like, open-norm exception to the copyright monopoly, in addition to the idea-expression dichotomy, is critical in resolving the conflict between freedom of expression and copyright law. A flexible copyright exception is necessary because there are a number of broad, unpredictable situations in which the idea-expression dichotomy does not sufficiently safeguard freedom of expression.

The first situation in which the idea-expression dichotomy does not sufficiently safeguard freedom of expression is where idea and expression overlap. Nimmer provided some famous examples, acknowledging that the idea-expression distinction does not work in every case.[55] He noted that sometimes in news reporting there is no way to communicate the character of an event without reproduction of the original item, such as a film of President Kennedy's assassination or a photograph of the My Lai massacre in Vietnam.[56] In such cases, it is "only the expression, not the idea alone, that [can] adequately serve the needs of an enlightened democratic dialogue."[57] The "idea" of the subject matter conveyed by the film and photograph has become entangled with the "expressive" visual and artistic aspects of each.

The ineffectiveness of the idea-expression dichotomy in preserving freedom of expression in cases where idea and expression overlap may be referred to as a "merger" problem. Under the merger doctrine, if "there is only one or a limited number of ways to express an idea," the idea and expression are said to "merge," and no copyright protection is available.[58] The merger doctrine tends to work well in cases involving "highly utilitarian or functional works."[59] But in other situations where idea and expression overlap, application of the merger doctrine requires a "value-based decision."[60]

In cases involving artistic forms of expression, for example, or in Nimmer's example of news reporting, it may be less clear whether what is

---

53. *See* Netanel, *Copyright and the First Amendment*, *supra* note 29, at 148.

54. *See id.* (citing *Suntrust Bank*, 268 F.3d at 1260 n.3). *But see* Universal City Studios, Inc. v. Corley, 273 F.3d 429, 459 (2d Cir. 2001) (upholding limitations on access under the Digital Millennium Copyright Act and noting that fair use "has never been held to be a guarantee of access").

55. Barendt, *supra* note 1, at 15 (citing Nimmer, *supra* note 36, at 1198–99).

56. *Id.*

57. Nimmer, *supra* note 36, at 1198.

58. Margreth Barrett, Intellectual Property: Cases and Materials 450 (4th ed. 2011).

59. *See id.* at 450–51.

60. *See* Balganesh, *supra* note 9, at 68.

being communicated is an expression or idea. Merger may not apply, and therefore a flexible, fair use-style defense is a necessary free speech safety valve. Through a balancing of the fair use factors, courts have leeway to allow speech appropriating content that walks the line between idea and expression when it would benefit the public and not overly burden the copyright holder. The idea-expression dichotomy does not provide this advantage, nor would a list of specifically enumerated statutory copyright exceptions, because a legislature could not anticipate every situation where freedom of expression or other concerns would dictate limiting a copyright holder's rights.

The number of cases that will require a flexible copyright exception in order to accommodate free speech concerns is significant because the line between idea and expression is difficult to draw.[61] It has been described as "notoriously malleable and indeterminate."[62] Judge Learned Hand famously noted that "the line between idea and expression, 'wherever it is drawn, will seem arbitrary.'"[63] U.S. courts have struggled with the distinction. For example, in *CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.*, the Second Circuit reversed a district court finding that a book of used car valuations was "nothing more than a compilation of unprotected facts" and found instead that the valuations were copyrightable expression because they represented "predictions by the . . . editors of future prices" that were based on "professional judgment and expertise."[64]

In *New York Mercantile Exchange, Inc. v. Intercontinental Exchange, Inc.*, however, the Second Circuit drew the idea-expression line differently.[65] In that case, the New York Mercantile Exchange brought an action attempting to enforce copyright in its valuations of settlement prices for commodity futures contracts.[66] The court held that the Exchange could not enforce the copyrights because to do so "would effectively accord protection to the idea itself."[67] The dissenting opinion objected that there was no meaningful way to distinguish the valuations found to be protectable expression in Maclean.[68] Although these cases did not involve the fair use defense, they demonstrate that copyright defendants may not be able to rely on the idea-expression dichotomy alone. The fact that there are multiple ways to approach the problem indicates that some cases will fall through the cracks.

A second, closely related situation in which the idea-expression dichotomy fails to provide sufficient leeway for free speech concerns involves

---

61. *See, e.g.*, Netanel, *Locating Copyright*, *supra* note 29, at 19.
62. *Id.*
63. *Id.* (citing Nichols v. Universal Pictures Corp., 45 F.2d 119, 122 (2d Cir. 1930)).
64. 44 F.3d 61, 64–67 (2d Cir. 1994).
65. 497 F.3d 109, 110 (2d Cir. 2007).
66. *Id.*
67. *Id.*
68. *Id.* at 120 (Hall, J., dissenting).

forms of expression that necessarily include appropriation in order to be effective (for example, a parody, a book or film review, a musical "remix," or the use of music in a film). In First Amendment jurisprudence, "it is axiomatic that speakers must sometimes use particular locution in order to make their point."[69] In that context, the Supreme Court stated that "we cannot indulge the facile assumption that one can forbid particular words without also running a substantial risk of suppressing ideas in the process."[70]

The notion that the use of particular words might be necessary for effective communication is important because the right to effectively communicate ideas is arguably a component of the right to freedom of expression. Indeed, the Supreme Court has acknowledged that the First Amendment protects a right to speak effectively in its decisions affirming the right of protesters to use an effective method or location for protest.[71] Thus there are situations in which an individual's right to express herself effectively depends on her being allowed to use a particular expression, even if that expression is copyrighted.

Nimmer's example is illustrative here as well. It would be hard to characterize a photograph of the My Lai massacre as a case in which idea and expression have truly merged. As Nimmer noted, "the public could have learned the facts even without recourse to the photographs."[72] However,

> a denial that in fact any deaths had occurred would have been devastatingly refuted by the photographs in a way that the verbal reports of the deaths simply could not do. Anyone who would have to pass on their "ideas," i.e., the fact that dead bodies were seen sprawled on the ground, would be at least as suspect as those who originally reported the occurrence of the deaths. The photographs themselves—the "expression of the idea,"—made all the difference.[73]

Thus a person may have a powerful free speech interest in communicating using a copyright holder's protected expression because that expression may be the only effective way to communicate the idea, despite the absence of a merger in fact. The idea-expression dichotomy would not help, because it is the

---

69. Netanel, *Copyright and the First Amendment*, *supra* note 29, at 143.

70. Cohen v. California, 403 U.S. 15, 26 (1971) (holding that a state may not, consistently with the First and Fourteenth Amendments, make the simple public display of a single four-letter expletive a criminal offense).

71. *See* Margreth Barrett, *Domain Names, Trademarks and the First Amendment: Searching for Meaningful Boundaries*, 39 Conn. L. Rev. 973, 1013 nn.145 & 146 (2007) ("The First Amendment does accommodate the speaker's need to reach his or her target audience."); *see also* City of Ladue v. Gilleo, 512 U.S. 43, 56–59 (1994) (holding that a city's ban on almost all residential signs violates the First Amendment and noting that "[d]isplaying a sign from one's own residence often carries a message quite distinct from placing the same sign someplace else, or conveying the same text or picture by other means"); Heffron v. Int'l Soc'y for Krishna Consciousness, Inc., 452 U.S. 640, 655 (1981) ("The First Amendment protects the right of every citizen to 'reach the minds of willing listeners and to do so there must be opportunity to win their attention.'").

72. Nimmer, *supra* note 36, at 1198.

73. *Id.*

expression that the dichotomy places off-limits. A statutory copyright exception for news reporting might be helpful given these specific facts, but surely an artist who wishes to use the My Lai photograph in a creative work also has a legitimate claim to freedom of expression. A legislature could not reasonably anticipate every use in which freedom of expression values should take precedent over a copyright holder's monopoly. However, a flexible, fair use-like doctrine allows courts to undertake a balancing of competing interests and allow such uses in appropriate cases.

With regard to copyright law's potential to abridge the effective communication of ideas, Neil Weinstock Netanel has described several other situations in which "effective speech sometimes require[d] the verbatim copying of substantial portions of existing literary expression."[74] For example, in "the late 1930's, a college student . . . produce[d] a translation of substantial portions of Hitler's *Mein Kampf* in order to counter the innocuous impression that the heavily edited official English translation had sought to convey."[75] In another case, a newspaper published "a racist fable from a Minneapolis police department newsletter in order to expose racism in the police department."[76] In yet another, a "church organization decide[d] to discontinue the distribution and use of a religious tract written by the [deceased] founder of the church because the tract no longer comport[ed] with evolving church doctrine."[77] "A dissident offshoot of the church, claiming to strictly follow the founder's teachings, reproduce[d] and disseminate[d] the tract as required reading for all its members."[78]

Netanel indicates that:

> In these cases, speakers copied a copyright holder's literary work in order to expose the original author's odious ideas or character, convey more precisely the author's thoughts or thought patterns, or engage in religious practice. One cannot say that such copying was absolutely necessary for the speaker to make his or her point. After all, each speaker could have described the contents of the plaintiff's work entirely in the speaker's own words. But in each of these instances, the defendant's speech would have been far less effective, far less believable, and of far less value to the intended audience, without reproducing (or translating) verbatim substantial portions of the author's work.[79]

---

74. Netanel, *Locating Copyright*, *supra* note 29, at 15.

75. *Id.* (citing Houghton Mifflin Co. v. Noram Publ'g Co., 28 F. Supp. 676, 677–79 (S.D.N.Y. 1939) (granting motion for temporary injunction on the distribution of defendant's edition)).

76. *Id.* (citing Belmore v. City Pages Inc., 880 F. Supp. 673, 680 (D. Minn. 1995) (holding unauthorized publication of a fable was fair use)).

77. *Id.* (citing Worldwide Church of God v. Phila. Church of God, Inc., 227 F.3d 1110, 1113 (9th Cir. 2000)).

78. *Id.* (citing *Worldwide Church of God*, 227 F.3d at 1113–20 (holding defendant's use of work did not constitute fair use)).

79. *Id.* at 16.

Although the court did not find the fair use defense justified in all of these cases, the doctrine allowed the court to rationally balance competing interests in a manner that a specific, statutory copyright exception would not provide. It is difficult to imagine, for example, how a legislature could craft an effective statutory exception for alternative translations of material that suffers from a politically skewed official English translation (as in the case of *Mein Kampf*), despite the public interest in access to alternative translations.

A third situation in which the idea-expression dichotomy does not adequately protect freedom of expression also involves forms of expression that necessarily include borrowing from other works. In some cases, creators of new works may simply be unable to locate the holder of the original copyright in order to obtain the copyright holder's permission to use the work.[80] Copyright law arguably functions in such cases as a complete abridgement of the second creator's right to express herself in her chosen manner without risking liability for infringement. A flexible, fair use-like copyright exception would allow courts to decide that, in some cases, unauthorized use when the copyright holder could not be located would not infringe.[81]

---

80. This has been referred to as an "orphan work" issue, a "situation where the owner of a copyrighted work cannot be identified and located by someone who wishes to make use of the work in a manner that requires permission of the copyright owner." *See* Joel Sage, Note, *Revenue Streams and Safe Harbors: How Water Law Suggests a Solution to Copyright's Orphan Work Problem*, 16 B.U. J. Sci. & Tech. L. 294, 294 (2010) (citing U.S. Copyright Office, Report on Orphan Works 1 (2006)). The "orphan work" phenomenon is not an insignificant problem. For example, the Copyright Office notes that a "submission by Carnegie Mellon University Libraries details that institution's systematic study of the feasibility of obtaining permission to digitize and provide web-based access for its collection, during which it discovered that for the books in the study, 22% of the publishers could not be found." U.S. Copyright Office, *supra*, at 22. In his dissent in *Eldred v. Ashcroft*, Justice Breyer pointed out that

> using [Congressional Research Service] estimates, one can estimate that, by 2018, the number of [still-in-copyright] works 75 years of age or older will be about 350,000. Because the Copyright Act of 1976 abolished the requirement that an owner must renew a copyright, such still-in-copyright works (of little or no commercial value) will eventually number in the millions.
>
> The potential users of such works include not only movie buffs and aging jazz fans, but also historians, scholars, teachers, writers, artists, database operators, and researchers of all kinds—those who want to make the past accessible for their own use or for that of others.

537 U.S. 186, 249–50 (2003) (Breyer, J., dissenting) (citations omitted). However, the requirement that those who wish to use these works obtain permission from the copyright holder

> can inhibit or prevent the use of old works (particularly those without commercial value): (1) because it may prove expensive to track down or to contract with the copyright holder, (2) because the holder may prove impossible to find, or (3) because the holder when found may deny permission either outright or through misinformed efforts to bargain. The [Congressional Research Service], for example, has found that the cost of seeking permission "can be prohibitive."

Id. at 250.

81. Some commentators suggest that because the flexible, "case-by-case nature of the fair use doctrine carries with it . . . a degree of uncertainty that may deter users from using the work in question," the fair use doctrine (though it may provide "some safety") is not in itself sufficient to remedy the "orphan work" problem. Marc H. Greenberg, *Reason or Madness: A Defense of Copyright's Growing Pains*, 7 J. Marshall Rev. Intell. Prop. L. 2, 36 (2007) (citing U.S. Copyright Office, *supra* note 80, at 55–56). However, the doctrine would

Even in cases where the copyright holder can be located but is unwilling to give permission (or if the second creator is unable to pay the copyright holder for permission), the second creator's right to express herself in her chosen manner has been abridged. A flexible copyright exception would allow courts to decide that in some situations—for example where "the effect of the use upon the potential market for or value of the copyrighted work"[82] is negligible—the second creator's right to freedom of expression may trump the original copyright holder's monopoly. Of course, a statutory copyright exception allowing use in some circumstances when the copyright holder is untraceable or unwilling could also potentially protect freedom of expression in this situation. However, a flexible exception would be better suited to do so, as it would allow an equitable balancing to take place regarding which particular situations the exception should apply to.

Although protecting the rights of "appropriation artists" who wish to incorporate copyrighted expression into their works may sound like a relatively insignificant issue, due to recent technological changes, it can no longer be characterized as a minor concern. The rise of Internet distribution and digital content creation technologies has led to a cultural shift such that the creation of expressive works which baldly incorporate existing works has become part of the day-to-day lives of many people.[83] For example, over one hour of video is uploaded to the video-sharing site YouTube every second.[84] Many of these videos feature copyrighted songs or video footage in some capacity.[85] Should the creation of a YouTube video featuring copyrighted material automatically classify every teenager as a copyright infringer simply for producing and sharing a video in which she sings a few lines of her favorite song? Although it is not clear the extent to which the fair use doctrine—as presently applied—protects this type of arguably innocent use, it also seems inherent in the doctrine's flexibility that it could protect such use.[86] In this manner, a flexible,

---

certainly allow for a second creator's right to express herself in some such cases, and it would seem that for such a relatively narrow issue, only a limited amount of case law would be required to establish a fair use "baseline" allowing use of orphan works.

82. 17 U.S.C. § 107 (West 2013).

83. *See* Lawrence Lessig, Remix: Making Art and Commerce Thrive in the Hybrid Economy 51–83 (2008).

84. *Statistics*, YouTube, http://www.youtube.com/t/press_statistics (last visited Mar. 31, 2013).

85. *See* Lessig, *supra* note 83, at 2.

86. Although a fair use determination is necessarily fact specific, there are instances in which a court has found that an incidental use of copyrighted material in a YouTube video may constitute fair use. *See* Benjamin Wilson, *Notice, Takedown, and the Good-Faith Standard: How to Protect Internet Users from Bad-Faith Removal of Web Content*, 29 St. Louis U. Pub. L. Rev. 613, 616 (2010) (discussing *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150 (N.D. Cal. 2008), in which "Internet user Stephanie Lenz challenged a takedown notification on the grounds of fair use, and the U.S. District Court for the Northern District of California denied defendant Universal Music Corporation's motion to dismiss" after Lenz posted on YouTube a "home video of her child dancing . . . to the Prince song 'Let's Go Crazy'").

fair use-like copyright exception can protect the creator's freedom to express herself as she wishes.

However, it must be acknowledged that there is a theory of fair use under which the doctrine may not protect an appropriator of copyrighted content. According to the market failure theory, the fair use doctrine applies "principally to the extent that it cures 'market failures' of one sort or another."[87] For example, the fair use doctrine would apply "only in cases in which transaction costs prevent licensing and in which not only the use in question, but also other similar uses by other persons, would create no adverse effect on the potential market for the copyrighted work."[88]

Courts have repeatedly invoked the "bare possibility" of licensing of a copyright holder's work to deny fair use.[89] Under the market failure approach, if it is even theoretically possible for our hypothetical teenager to obtain a license from the copyright holder of the song she wishes to use prior to creating her potentially infringing video, then she will not be able to avail herself of a fair use defense.

On the other hand, the Supreme Court has noted that the "market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop."[90] Thus, one factor "deemed to make parody eligible for treatment as a fair use is that copyright holders do not ordinarily license artistic criticisms of their own works."[91] In the context of a home user's production of a video meant to be shared on YouTube, Lawrence Lessig suggests that there "is no market in licensing music to amateur video."[92] Thus, there may be some room for fair use flexibility, even under the market failure theory. Still, the market failure theory somewhat undercuts the fair use doctrine's ability to protect free expression interests.

Furthermore, the fair use doctrine has been criticized as uncertain in its application and unpredictable, due to its inherent flexibility.[93] Some commentators suggest that the doctrine may actually have a chilling effect on free speech because creators, faced with the prospect of a judicially applied

---

87. Michael J. Madison, *A Pattern-Oriented Approach to Fair Use*, 45 Wm. & Mary L. Rev. 1525, 1565 (2004).

88. Netanel, *Locating Copyright*, *supra* note 29, at 21.

89. *Id.*

90. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 592 (1994) (holding that the commercial character of a song parody did not create a presumption against fair use and remanding for consideration of the parody's effect on a market for a rap version of the original song).

91. Am. Geophysical Union v. Texaco Inc., 60 F.3d 913, 937 (2d Cir. 1994).

92. *See* Lessig, *supra* note 83, at 3.

93. *See, e.g.*, Netanel, *Copyright and the First Amendment*, *supra* note 29, at 143. *But see* P. Bernt Hugenholtz & Martin R.F. Senftleben, *Fair Use in Europe: In Search of Flexibilities* 7 (Univ. of Amsterdam, Working Paper No. 2012–39, 2011) ("[E]mpirical research into fair use case law suggests that the fair use rule as it is applied by the lower federal courts actually provides considerably more legal security than is sometimes assumed . . . ." (citing Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions*, 1978–2005, 156 U. Pa. L. Rev. 549 (2008))).

balancing test, will not know in advance whether they will be protected and may therefore curtail their speech.[94]

However, reconciling the conflict between freedom of expression and copyright law requires balancing the speakers' liberty interests against the copyright holders' property interests. Thus, a flexible copyright exception that is firmly grounded in balancing principles is well suited to the task. While U.S.-style fair use goes a long way toward accommodating free expression concerns, it may not be the ideal doctrine for this purpose.

C. What an Ideal Flexible Copyright Exception Might Include to Better Incorporate Free Expression Values

Having established that a flexible, open-norm, fair use-like copyright exception is an essential component of the right to freedom of expression—and having acknowledged some of the shortcoming with the fair use doctrine itself—it is useful to briefly analyze what an ideal flexible copyright exception for free speech purposes might look like. The fair use doctrine could be altered in several discrete ways in order to better accommodate the right to freedom of expression.

As suggested by the market failure theory, fair use's fourth factor, "the effect of the use upon the potential market for or value of the copyrighted work,"[95] holds perhaps the greatest potential to interfere with application of the doctrine for free expression purposes. The fourth factor might wholly abridge the free speech rights of individuals who wish to use copyrighted expression in a manner that could reduce the market value for the original work.

The category of potentially market-harming uses represents a potentially large amount of uses because it could include any use for which a license might be obtained. The first factor, "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes,"[96] presents similar issues. It allows courts to make value-based judgments regarding which uses are worthy, potentially abridging the free speech rights of many parties who wish to use copyrighted expression simply because it is, for example, of a commercial nature.

The potential these factors have to permit courts to disallow whole categories of use could be ameliorated by incorporating a "public interest" balancing factor into an ideal flexible copyright exception. This would permit courts to weigh allowing uses—even commercial uses—that interfere with the market value for the original work in situations where there is a "public interest in access to the defendants' expression."[97] A "public interest" factor would also

94. *See* Netanel, *Copyright and the First Amendment*, *supra* note 29, at 143 ("[T]he notoriously unpredictable nature of the idea-expression dichotomy and fair use privilege induce considerable speaker self-censorship.").

95. 17 U.S.C. § 107 (West 2013).

96. *Id.*

97. *See* Pamela Samuelson, *Unbundling Fair Uses*, 77 Fordham L. Rev. 2537, 2567 (2009).

help courts apply the first fair use factor in a manner that could potentially abridge the free speech rights of fewer defendants, particularly in commercial use situations.

Of course, the relevant "public interest" would need to be defined. There is arguably a public interest in, for example, access to works at a lower cost, but such a consideration would too directly undermine the general purpose of copyright law, which is to encourage the production of creative works.[98] Instead, the relevant public interest should favor provision of copyrighted works where there is no other reasonable means of access. In situations where there is no other reasonable means of access, the purpose of copyright law is not furthered by strict enforcement of the copyright monopoly (after all, creative works provide no public benefit if no one but their creator has access to them).[99] Also, the "public interest" factor should weigh especially heavily in situations that implicate significant free expression values, such as those that involve political speech or accurate news reporting.[100]

An ideal copyright exception for free expression purposes should also incorporate a factor explicitly directing courts to consider whether obtaining a license would be reasonable under the circumstances, whether a license has been unreasonably withheld, and whether, where a license was sought, the licensor insisted on unreasonable terms.[101] A reasonable licensing provision would more directly address the problem the market failure theory presents to the fair use doctrine's suitability as a free expression safeguard. As noted, markets are unlikely to develop for licenses authorizing "critical commentary or unwelcome transformations,"[102] or for which there is little economic incentive to provide licenses. A reasonable licensing provision would enable courts to consider the availability of reasonable licensing opportunities as a balancing factor, potentially allowing defendants' free speech interests to trump copyright holders' interests when no such opportunity exists.

The remaining two fair use factors, "the nature of the copyrighted work"[103] and "the amount and substantiality of the portion used in relation to the

98. *See* Mazer v. Stein, 347 U.S. 201, 219 (1954) ("[Copyright law] is intended definitely to grant valuable, enforceable rights to authors, publishers, etc., without burdensome requirements; to afford greater encouragement to the production of literary [or artistic] works of lasting benefit to the world." (quoting Washingtonian Pub. Co. v. Pearson, 306 U.S. 30, 36 (1939) (alteration in original) (internal quotation marks omitted))).

99. *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 580 (1985) (Brennan, J., dissenting) ("The enactment of copyright legislation by Congress under the terms of the Constitution is not based upon any natural right that the author has in his writings . . . but upon the ground that the welfare of the public will be served and progress of science and useful arts will be promoted by securing to authors for limited periods the exclusive rights to their writings." (quoting H.R. Rep. No. 2222, 2d Sess., 7 (1909))).

100. *See* Samuelson, *supra* note 97, at 2567.

101. *Id.*

102. *Id.*

103. 17 U.S.C. § 107 (West 2013).

copyrighted work as a whole"[104] do not present such evident problems for the doctrine's application as a free speech safeguard because neither factor invites mechanistic application to abridge whole classes of speech (such as commercial or market-harming speech).[105] However, there is still some concern that these factors could serve to interfere with free expression values due to the fair use doctrine's unpredictable application.

There are three viable options for addressing the potential chilling effect on speech that unpredictable application of a flexible copyright exception presents. First, the adoption of a comprehensive set of enumerated, statutory copyright exceptions alongside an open-norm, flexible exception would go a long way toward providing certainty for potential defendants in many cases, while still allowing a free expression "safety valve" for uses not covered by the enumerated exceptions. Such an arrangement would combine the "legal security" advantages of a closed-norm system of copyright exceptions with the "fairness" advantages of an open-norm system.[106]

Second, in applying an ideal, flexible copyright exception for free expression purposes, courts should apply the existing fair use factors in a manner that more explicitly invokes free expression values. Doing so would serve to create a baseline of case law upon which those wishing to engage in speech utilizing copyrighted expression could depend to determine whether their use is likely to be deemed fair. For example, courts should "be on the lookout for assertions of copyright that are motivated by a desire to censor points of view with which the rights holder disagrees or to achieve noncopyright goals such as protecting the rights holder's privacy or reputation."[107] Courts should also expressly consider when a ruling in favor of a copyright holder might have a chilling effect on speech and attempt to cabin decisions to avoid doing so.[108]

Third, a departure from the way damages are assessed in U.S. copyright law could eliminate some of the chilling effect on speech caused by

---

104. *Id.*

105. As Justice Brennan notes in his *Harper & Row* dissent, most of the activities listed in § 107 as paradigmatic examples of fair use can be characterized as commercial in nature. *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 592 (1985) (Brennan, J. dissenting).

> Many uses § 107 lists as paradigmatic examples of fair use, including criticism, comment, and news reporting, are generally conducted for profit in this country, a fact of which Congress was obviously aware when it enacted § 107. To negate any argument favoring fair use based on news reporting or criticism because that reporting or criticism was published for profit is to render meaningless the congressional imprimatur placed on such uses.

Id. Indeed, there are likely few uses that could not have at least some indirect commercial purpose. Thus, it is important to note that it is not the case that commerciality always bars a finding of fair use. However, it can make an important difference. *See, e.g.*, Sony Corp. of Am. v. Universal Studios, Inc., 464 U.S. 417, 449 (1984) ("[E]very commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright . . . .").

106. *See* Hugenholtz & Senftleben, *supra* note 93, at 6.

107. Samuelson, *supra* note 97, at 2566.

108. *See id.*

unpredictable application of a flexible copyright exception. If a use is ultimately deemed infringing, in cases that do not evidence any kind of bad faith, "the defendants should only have to pay actual damages (e.g., a reasonable license fee), rather than being subject to a large award of statutory damages."[109] The absence of the possibility of a large statutory penalty would help address the problem presented by a potential fair use defendant curtailing her speech in order to avoid such a penalty.

These suggestions are meant to illustrate how a flexible, open-norm copyright exception ideally tailored to further free expression values might differ from the current U.S. fair use doctrine. However, given the status of copyright exceptions in other countries, current U.S.-style fair use provides a useful vantage point from which to evaluate how the copyright laws of those countries could better accommodate the right to freedom of expression.

D. The Copyright Laws of Most Other Countries Do Not Include a Flexible, Fair Use-Like Doctrine of Copyright Exceptions

Nearly every country apart from the United States lacks a flexible, open-norm copyright exception.[110] While some other countries employ copyright exceptions that may consider factors similar to the fair use factors, such as the United Kingdom's fair dealing defense, most feature a closed-norm model in which exceptions to the copyright monopoly are limited to a range of specifically enumerated, statutorily permitted uses, such as research or news reporting.[111]

Argentina, for example, has "an extremely limited and rigid fair dealing exception in its copyright law," which provides, in part, that:

---

109. *See id.* at 2568 (footnote omitted). Under the United States' current statutory damages clause, a copyright owner may elect to recover an award of statutory damages rather than actual damages from an infringer, "in a sum of not less than $750 or more than $30,000 as the court considers just." 17 U.S.C. § 504(c)(1). However, if the copyright owner can prove willful infringement, the court has discretion to increase the statutory damages award to up to $150,000. *Id.* § 504(c)(2). If, on the other hand, the infringer can prove "that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright," the court has discretion to reduce the statutory damages award to "not less than $200." *Id.* The exception for non-willful infringement could be given a reasonable damages cap and perhaps made nondiscretionary. Furthermore, the statutory damages exception for uses reasonably thought to be fair uses could be expanded. Currently, the Copyright Act directs that

> [t]he court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was . . . an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment . . . or . . . a public broadcasting entity . . . .

Id. This exception could be expanded to cover private, noncommercial uses reasonably thought to be fair uses by individuals outside of the institutional contexts currently protected by the exception (such as, potentially, the use of copyrighted music in a home video).

110. Newby, *supra* note 3, at 1642. Only Israel has adopted a broadly flexible, open-norm, U.S.-style statutory fair use doctrine. Peltz, *supra* note 21, at 285.

111. Peltz, *supra* note 21, at 274; *see also* Newby, *supra* note 3, at 1642–44.

> [a]ny person may publish, for educational or scientific purposes, commentaries, criticisms, or notes relating to intellectual works and incorporate into such commentaries, criticisms or notes of not more than one thousand words from literary or scientific works, or not more than eight bars from musical works, and in any case only such parts of the text as are indispensable for the aforesaid purposes.[112]

Note that Argentina's exception is limited to "educational or scientific purposes" and puts precise quantitative limits on any copying that may be performed for those purposes.[113] This is very different from the American fair use approach, in which "the nature of the use and the amount copied are nondispositive factors for courts to weigh."[114]

Another example is Germany, which provides limited exceptions to copyright owners' rights that are somewhat similar to those recognized as fair use in America, but which are more specific and stringent.[115] For example, the German code contains an exception for making single copies, "for personal scientific use, if and to the extent that such reproduction is necessary for the purpose."[116] Similarly, "Japan lacks a broad fair use doctrine, and limitations on copyright owners' rights are restricted to the specific exceptions listed in Articles 30 through 49 of the Japanese Copyright Act."[117]

Closed-norm, statutorily enumerated copyright exceptions do not adequately resolve the conflict between freedom of expression and the copyright monopoly. Closed-norm copyright exceptions fail to adequately safeguard free expression interests where idea and expression overlap because a legislature cannot reasonably be expected to address every possible situation in which instances of freedom of expression may be improperly abridged. Moreover, "[w]hereas legislatures of the 19th and early 20th Century could still anticipate and adequately respond to the main technological changes that required modification of the law, the accelerating pace of technological change in the early 21st Century no longer allows such legislative foresight."[118]

Due to a lack of flexibility and the impossibility of comprehensive legislative foresight, enumerated copyright exceptions fail to provide sufficient free speech protection, particularly for forms of expression which necessarily involve appropriation.[119] Furthermore, in many instances "the legislative cycle

---

112. Newby, *supra* note 3, at 1643 (quoting Law No. 11.723, art. 10, Sept. 28, 1933 (as amended, Oct. 18, 1989), *translated in* Copyright Laws and Treaties of the World, at Argentina: Item 1 (1997)).

113. *Id.*

114. *Id.*

115. *Id.* at 1644 (citing Adolf Dietz, *Germany*, *in* International Copyright Law and Practice § 8[2][a] (Paul Edward Geller ed., 1998)).

116. *Id.* (quoting Law on Copyright and Neighboring Rights, Sept. 9, 1965 (as amended, June 9, 1993), *translated in* Copyright Laws and Treaties of the World, *supra* note 112, at Germany: Item 1).

117. *Id.* (citing Law No. 48 of 1970, arts. 30–49 (as amended, June 28, 1989), *translated in* Copyright Laws and Treaties of the World, *supra* note 112, at Japan: Item 1).

118. *See* Hugenholtz & Senftleben, *supra* note 93, at 7.

119. *See id.* at 10 ("Whereas social media have in recent times become an essential means of social and

in copyright has become ever longer" as copyright has become more "highly politicized."[120] Some scholars suggest that, in European Union countries at least, "the total legislative response time to a new technological development may well exceed ten years."[121] Thus it is increasingly unlikely that legislatures will be able to reliably create suitable statutory copyright exceptions in the face of ever-changing circumstances. Legislative gridlock combined with closed-norm copyright exceptions places compliance with the freedom of expression provisions of treaties such as ICCPR and ECHR in serious jeopardy.

II. Conflicting International Treaties: The Potential Incompatibility of a Flexible Copyright Exception with the Berne/TRIPS Three-Step Test

Delineating a flexible copyright exception as necessarily part of the human right to freedom of expression found in human rights treaties such as ICCPR and ECHR creates a tension between the requirements of those treaties and those of international intellectual property treaties such as Berne and TRIPS. Before discussing this tension, however, some background information regarding these treaties is necessary.

A. Background

In the area of human rights, 167 countries, including the United States, are members of ICCPR,[122] which provides a broadly defined human right to freedom of expression.[123] ECHR, to which all the members of the Council of Europe belong,[124] also provides a similar, broadly defined human right to freedom of expression.[125]

In the area of intellectual property, TRIPS, to which members of the World Trade Organization ("WTO") belong, is an international regime created on April 15, 1994 (effective January 1, 1996[126]) at the Uruguay Round of negotiations to the General Agreement on Tariffs and Trade.[127] TRIPS established not only minimum international standards for protection of intellectual property rights,

---

cultural communication, current copyright law [like the inflexible regimes common in European countries] leaves little or no room for sharing 'user-generated content' that builds upon pre-existing works." (footnote omitted)).

120. *See id.* at 7.

121. *See id.* at 7–8 (citing Mireille Van Eechoud et al., Harmonizing European Copyright Law: The Challenges of Better Lawmaking 298 (2009)).

122. *See Status: International Covenant on Civil and Political Rights*, United Nations Treaty Collection, http://treaties.un.org/Pages/ViewDetails.aspx?src=UNTSONLINE&tabid=2&mtdsg_no=IV-4&chapter=4&lang=en#Participants (last visited Mar. 31, 2013).

123. *See* ICCPR, *supra* note 4, at art. 19.

124. *Convention for the Protection of Human Rights and Fundamental Freedoms*, Council of Europe, http://conventions.coe.int/Treaty/Commun/ChercheSig.asp?NT=005&CM=8&DF=18/03/2012&CL=ENG (last visited Mar. 31, 2013).

125. *See* ECHR, *supra* note 5, at art. 10.

126. TRIPS, *supra* note 7, at art. 65(1).

127. Newby, *supra* note 3, at 1635.

but also, for the first time, an international enforcement mechanism for those standards.[128] In particular, TRIPS allows members to bring disputes relating to enforcement of the standards of the agreement before the WTO for resolution.[129] A WTO member state may request that a WTO panel adjudicate an allegation of non-compliance with TRIPS's substantive provisions on the part of another member state.[130] After the panel issues a decision, the WTO has authority to enforce trade sanctions against a member state that fails to comply.[131]

Substantively, TRIPS incorporated several preexisting multilateral intellectual property treaties.[132] In the area of copyright law, TRIPS incorporated the provisions of Berne.[133] TRIPS and Berne establish international copyright norms that provide for some freedom of expression safeguards. For example, the idea-expression dichotomy is codified in Article 9(2) of TRIPS.[134] TRIPS also expressly limits the scope of exceptions that member states may enact to the exclusive copyright monopoly.[135]

Article 13 of TRIPS provides that "[m]embers shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder."[136] Article 13 is referred to as the three-step test, adapted with somewhat more restrictive language from Article 9(2) of Berne.[137] The three steps, as set forth in the language of Article 13, are "(1) special case, (2) supra-normal exploitation, and (3) lack of unreasonable prejudice."[138] Unfortunately, neither TRIPS nor Berne offer any guidance or commentary as to what is required by these three prongs.[139] Although the requirements are unclear, it is still possible to analyze how the fair use doctrine might hold up if challenged under the three-step test.

---

128. *Id.*

129. *Id.*

130. Jo Oliver, *Copyright in the WTO: The Panel Decision on the Three-Step Test*, 25 Colum. J.L. & Arts 119, 121 (2002).

131. *Id.*

132. Newby, *supra* note 3, at 1635.

133. *Id.*

134. TRIPS, *supra* note 7, at art. 9(2) ("Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.").

135. Newby, *supra* note 3, at 1636.

136. TRIPS, *supra* note 7, at art. 13.

137. Newby, *supra* note 3, at 1648.

138. Peltz, *supra* note 21, at 272–73.

139. Newby, *supra* note 3, at 1647–48.

B. The Berne/TRIPS Three-Step Test May Prevent Member Nations from Adopting a Flexible, Fair Use-Like Copyright Exception

A flexible, fair use-like copyright exception might violate the three-step test and hence be inconsistent with TRIPS. Several commentators have in fact argued that the American fair use doctrine may not survive the three-step test.[140] Generally speaking, the doctrine's breadth and unpredictable application present the most significant problems for its compatibility with TRIPS.[141]

> Both the U.S. fair use doctrine and the [three-step] test are "open norms" in the sense that they cut across copyright and are not facially confined to dependence on use in a narrowly defined context; however, the [three-step] test, dependent as it is on "[certain] special cases," was designed to accommodate the "closed norm" approach prevalent among the world's national legal systems.[142]

The three-step test's reference in its first prong to "'certain' and 'special cases'" has been construed to require "definite, fixed, non-variable limitations to copyright."[143] Under this interpretation, the first prong requires "national laws to contain sufficient specifications which identify the cases to be exempted" from copyright protection.[144] Given that fair use applies unpredictably across the spectrum of copyrightable subject matter and potential uses rather than identifying specific cases to be exempted, under the "non-variable" interpretation of "certain special cases" the fair use doctrine likely violates the first prong of the three-step test.

However, it is also possible to construe "certain special cases" in a more literal manner that would seem to allow for a flexible, fair use-like copyright exception. Fair use determinations are made by courts on a case-by-case basis. Every time a U.S. court holds whether or not a specific use is fair, it is granting a copyright exception that is "specific as regards that particular case."[145] In this sense, the fair use doctrine, by definition, only applies in "certain special cases."[146] Along the same lines, if a nation with a comprehensive set of enumerated, statutory copyright exceptions adopted a general fair use defense, it would apply essentially as a supplementary doctrine to the statutory

---

140. *See, e.g.*, Peltz, *supra* note 21, at 273; *see also* Martin Senftleben, Copyright, Limitations and the Three-Step Test: An Analysis of the Three-Step Test in International and EC Copyright Law 113 (2004); Gerald Dworkin, *Copyright, the Public Interest, and Freedom of Speech: A UK Copyright Lawyer's Perspective*, *in* Copyright and Free Speech: Comparative and International Analyses, *supra* note 1, at 153, 161–62; Ruth Okediji, *Toward an International Fair Use Doctrine*, 39 Colum. J. Transnat'l L. 75, 114–23.

141. *See* Okediji, *supra* note 140, at 117.

142. Peltz, *supra* note 21, at 273.

143. *See* Mendis, *supra* note 15, at 76.

144. *See id.* at 77.

145. *See id.* at 78.

146. *See id.* at 77.

exceptions.[147] Arguably, the supplementary doctrine would apply only to those "special cases" that fall outside the statutory exceptions.[148]

It is also arguable that the fair use doctrine has an open-ended potential to reduce remuneration for copyright holders and thus may "unreasonably prejudice the legitimate interests of the right holder" in violation of the third prong of the three-step test.[149] Indeed, some commentators suggest that "[t]he three-step test has come to stand for the idea that virtually no copyright exception can be allowed if it diminishes the compensation to authors or subsequent rights-holders."[150]

The fourth fair use factor, "the effect of the use upon the potential market for or value of the copyrighted work,"[151] may help to reconcile the fair use doctrine with the third prong of the three-step test. The Supreme Court has called the fourth factor "undoubtedly the single most important element of fair use."[152] The Court explained that "[f]air use, when properly applied, is limited to copying by others which does not materially impair the marketability of the work which is copied."[153] If this is the case, then application of the doctrine should not "unreasonably prejudice the legitimate interests of the right holder."[154]

However, under the fourth fair use factor, only a use that supplants demand for the copyrighted work weighs against a finding of fair use.[155] A use which suppresses demand (for example, through "biting criticism") does not.[156] In *Campbell v. Acuff-Rose Music, Inc.*, the holder of the copyright on Roy Orbison's song, "Oh, Pretty Woman" sued the members of rap music group 2 Live Crew, alleging infringement over the rap group's commercial parody of the song.[157] The Supreme Court indicated that if a "parody, like a scathing theater review, kills demand for the original," this would not weigh against a finding of fair use under the fourth factor.[158]

Thus there are uses, such as parody, which may negatively impact the potential market for the copyrighted work and still be found to be fair use. That a use that impacts the market for the original work could be found a fair use

147. The United States does in fact have a set of statutory copyright exceptions in addition to the fair use doctrine, though it would not be entirely accurate to characterize them as comprehensive. *See* 17 U.S.C. §§ 107–22 (West 2013).

148. *See* Mendis, *supra* note 15, at 79.

149. *See* Carter, *supra* note 31, at 329.

150. *Id.* at 326 (citing Christophe Geiger et al., *Towards a Balanced Interpretation of the "Three-Step Test" in Copyright Law*, 30 Eur. Intell. Prop. Rev. 489, 490–91 (2008)).

151. 17 U.S.C. § 107.

152. Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 566 (1985).

153. *Id.* at 566–67.

154. *See* Carter, *supra* note 31, at 329.

155. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 590 (1994).

156. *Id.* at 591–92.

157. *Id.*

158. *Id.*

demonstrates that the fourth fair use factor may not completely square the fair use doctrine with the third prong of the three-step test. On the other hand, the third step bars only *unreasonable* prejudice to the right holder's legitimate interests.[159] Arguably any prejudice caused by criticism or parody would not be unreasonable.

Other WTO member countries have expressed concern that the American fair use doctrine may violate the three-step test. For example, the European Community questioned the United States regarding "how the fair use doctrine, as it has been broadly applied and interpreted by U.S. courts, particularly in connection with a 'parody' that diminishes the value of a work, is consistent with TRIPS Article 13."[160] Australia has also asked questions about the consistency of American fair use doctrine with the three-step test.[161] In response, the U.S. government argued that the fair use doctrine "embodies essentially the same goals as Article 13 of TRIPS, and is applied and interpreted in a way entirely congruent with the standards set forth in that Article."[162] The response noted that fair use permits "limited and reasonable uses without permission or payment" and stated that "the fourth [fair use] factor, which specifically focuses on the impact on potential market exploitation of the work, is the most important."[163]

However, beyond the issue regarding the fourth fair use factor's tolerance for uses that suppress demand for the original work, the government's assertion is belied by the fair use doctrine's legislative history and unpredictable operation in domestic courts.[164] As noted by Ruth Okediji, "[t]he historical development and application of the fair use doctrine demonstrates that the only certainty involved in construing fair use is uncertainty in how a court will ultimately rule."[165] According to Congress' House Report on the Copyright Act of 1976 (which added the fair use provisions to the Copyright Act), the fair use doctrine has "no real definition" but rather consists of a "set of criteria, which though in no case definitive or determinative, provides some gauge for balancing the equities."[166] While it is possible to predict trends in application of the doctrine given certain circumstances and fact patterns, the built-in doctrinal indeterminacy suggests that it is somewhat disingenuous to

159. *See* TRIPS, *supra* note 7, at art. 13.

160. Okediji, *supra* note 140, at 116.

161. *Id.*

162. *Id.* at 117.

163. *Id.*

164. *See id.*

165. *Id.* at 118. Professor Okediji also notes that although "this [uncertainty] may be a feature of the common law adjudicatory system[,] . . . a careful reading of the legislative history of the Copyright Act makes clear that Congress consciously and deliberately delegated to the courts the power and responsibility to determine the precise contours of the doctrine." *Id.* at 118 n.170 (citing S. Rep. No. 94-473, at 62 (1976) and H.R. Rep. No. 94-1476, at 66 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659).

166. *Id.* (citing H.R. Rep. No. 94-1476, at 65).

assert that the fair use doctrine will consistently be applied in a way congruent with the three-step test.[167]

Given that the United States' fair use doctrine may violate the three-step test, it is conceivable that a WTO member state may someday employ TRIPS' dispute resolution process to challenge fair use. Indeed, the WTO panel recently adjudicated a dispute between the United States and the European Communities ("EC") over section 110(5) of the U.S. Copyright Act.[168] Section 110(5) exempted "from copyright liability anyone who merely turns on, in a public place, an ordinary radio or television receiving apparatus of a kind commonly sold to members of the public for private use."[169] The exemption of § 110(5) applied "to specified retail and food establishments that use radio or television for the enjoyment of their customers."[170] The EC objected that allowing businesses to play radio or television in public places without paying a license fee would infringe the rights of copyright owners, protected by TRIPS.[171] The EC then requested that a panel be established under the dispute settlement process of TRIPS to adjudicate the dispute.[172]

The panel applied the three-step test and determined that § 110(5)(A)'s "homestyle exception," which exempted certain small businesses that used "a single receiving apparatus of a kind commonly used in private homes," did not violate the test.[173] Notably, the panel based its finding in part on a stipulation by the United States that an amendment to § 110(5)(A) had limited the scope of the "homestyle exception" very narrowly to "works other than 'nondramatic musical works,'" which means that the exception was understood to apply only to "communication of music that is part of an opera, operetta, musical, or other similar dramatic work when performed in a dramatic context."[174] In other words, the vast majority of musical works are not covered by the exception.

Thus, the panel found acceptable a "homestyle exception" that applies only to a subset of businesses seeking protection to broadcast a small subset of musical works. However, the panel found that § 110(5)(B)'s "business exception," which applies to significantly more businesses that use a marginally more complicated receiver apparatus and applies to nondramatic musical works,[175] could not be justified under any of the steps of the three-step test.[176]

---

167. *See id.* at 118.

168. Oliver, *supra* note 130, at 121.

169. *Id.*

170. *Id.*

171. *Id.* at 122.

172. *Id.*

173. *Id.* at 121–22 (quoting 17 U.S.C. § 110(5)).

174. *See* Corporate Counsel's Guide to International Distribution and Licensing § 7:5 (2007).

175. "Nondramatic musical works" refers to all other musical works, including "most if not virtually all music played on the radio or television." *See id.*

176. Oliver, *supra* note 130, at 121–22 (quoting 17 U.S.C. § 110(5)). Although the United States was required to take remedial action and amend its copyright law in conformity with the panel's decision, it has thus far chosen not to do so. Carter, *supra* note 31, at 332. Instead, it has paid $1.1 million in compensation

As the WTO panel's decision on section 110(5) of the U.S. Copyright Act represents "the first instance in which a definition of the criteria of the test was offered at the international level," it may help resolve some of the questions regarding its compatibility with the fair use doctrine.[177] While there is no clear doctrine of stare decisis with regard to TRIPS panel decisions, the guidance provided by the panel is potentially persuasive.[178]

With regard to the first, "certain special cases" prong of the "three-step test," the panel determined that "the exception or limitation in national legislation should be clearly defined."[179] "Clearly defined" did not require that the exception "identify explicitly each and every possible situation to which the exception could apply, provided the scope of the exception is known and particularized" to provide "a sufficient degree of legal certainty."[180] Given the panel's focus on predictable application, it seems that under the "clearly defined" construction of "certain special cases," a flexible and necessarily unpredictable open-norm doctrine like fair use would violate the first prong.

The panel also construed the first prong to require that a compliant exception should be "limited in its field of application or exceptional in its

---

annually to a fund set up by the European authors' society known as Groupement Europeen Des Societies D'Auteurs Et Compositeurs. Bryan Mercurio, *Retaliatory Trade Measures in the WTO Dispute Settlement Understanding: Are There Really Alternatives?*, *in* Frontiers of Economics and Globalization: Trade Disputes and the Dispute Settlement Understanding of the WTO—An Interdisciplinary Assessment 397, 415 (James C. Hartigan ed., 2009). This has been referred to as the "yearly ransom for the maintenance of the infringing business exception in the US law." Carter, *supra* note 31, at 332 (quoting Herman Cohen Jehoram, *Restrictions on Copyright and Their Abuse*, 27 Eur. Intell. Prop. Rev. 359, 362 (2005)).

177. *See* Mendis, *supra* note 15, at 75. Separate WTO panels have issued decisions regarding exceptions-limiting provisions similar to the three-step test that are found in the patent (Article 30) and trademark (Article 17) sections of TRIPS, dated March 17, 2000, and March 15, 2005, respectively. *See* Martin Senftleben, *Towards a Horizontal Standard for Limiting Intellectual Property Rights?—WTO Panel Reports Shed Light on the Three-Step Test in Copyright Law and Related Tests in Patent and Trademark Law*, 37 Int'l Rev. Intell. Prop. L. & Competition L. 407, 407 (2006). Although the analyses of these panels bear significant similarities to that undertaken by the copyright panel, the patent and trademark panels appear to have based their decisions on different theoretical approaches. *See id.* at 435. Whereas the copyright panel employed a legal positivist approach throughout its analysis, focusing mainly on arguments regarding economic value, the patent and trademark panels took a normative policy approach, seeking to "open gateways for normative policy considerations, particularly in the context of the normal exploitation test and the identification of legitimate interests." *Id.* Therefore, it is unclear how much light the patent and trademark panel decisions can shed on potential future copyright decisions. Accordingly, I will limit my analysis to a consideration of the copyright panel's decision.

178. Oliver, *supra* note 130, at 132–33 (noting that panel decisions are "limited in terms of precedent value" but that "[f]airness and efficiency . . . suggest that [the § 110(5)] decision is highly likely to be followed by subsequent panels considering similar issues"); *see also* John D. Greenwald, *After* Corus Staal*—Is There Any Role, and Should There Be—for WTO Jurisprudence in the Review of U.S. Trade Measures by U.S. Courts?*, 39 Geo. J. Int'l L. 199, 207 (2007) ("WTO dispute settlement decisions are not binding except with respect to resolving the specific dispute between the specific parties to that dispute. There is, in other words, no WTO rule of *stare decisis*.").

179. Mendis, *supra* note 15, at 77 (citing Panel Report, *United States—Section 110(5) of the US Copyright Act*, WT/DS160/R (June 15, 2000)).

180. *Id.* (quoting Panel Report, *supra* note 179).

scope."[181] This means that it should be "narrow in a qualitative as well as quantitative sense."[182] The panel found that the "business exception" violated the limited/exceptional requirement because (in addition to the fact of its application to the vast majority of musical works) "a substantial majority of eating and drinking establishments and close to half of retail establishments are covered by the exemption."[183] The fair use doctrine may fare somewhat better under the limited/exceptional requirement, because the fact of its case-by-case application prevents it from applying so broadly.

Applying the second, "supra-normal exploitation" prong of the test, the panel held that the "business exception" was "'in conflict with a normal exploitation' since music copyright-holders would normally expect to license the relevant performances for a fee."[184] The panel stated that a copyright exception conflicts with normal exploitation of a work if it allows uses that compete "with the ways that right holders normally extract economic value from that right . . . and thereby deprive them of significant or tangible commercial gains."[185]

The panel's view comports with the market failure theory of fair use, which states that fair use should not apply at all in situations where copyright holders could be expected to license their works.[186] Under the market failure construction, the fair use doctrine may not violate the second prong of the three-step test. The fact of the case-by-case application of the doctrine also arguably prevents it from conflicting with "normal exploitation" of a work, since a fair use finding would only apply to the parties in a given lawsuit, rather than broadly across a whole class of potential licensors. Furthermore, the fourth fair use factor, which seeks to preserve the potential market for a copyrighted work, suggests the fair use doctrine's compatibility with the second prong of the test.

Applying the third, "lack of unreasonable prejudice" prong of the three-step test, the panel held that the business exception "'unreasonably prejudiced the legitimate interests of right-holders' since it was reasonable to conclude, on the available evidence, that right-holders would suffer significant losses of revenue as a result of the exception."[187] As with the second prong, the fourth fair use factor and the fact of the fair use doctrine's case-by-case application suggest that it may not be reasonable to conclude that right holders would lose significant revenue due to the fair use doctrine's application. Thus, under the

181. *Id.* at 78.

182. *Id.* (quoting Panel Report, *supra* note 179).

183. *Id.* (quoting Panel Report, *supra* note 179).

184. Oliver, *supra* note 130, at 123 (quoting Panel Report, *supra* note 179, ¶ 6.210).

185. Corporate Counsel's Guide to International Distribution and Licensing, *supra* note 174, § 7:5 (alteration in original).

186. Netanel, *Locating Copyright*, *supra* note 29, at 21.

187. Oliver, *supra* note 130, at 123 (quoting Panel Report, *supra* note 179, ¶¶ 6.252–.265).

panel's interpretation, fair use is arguably compatible with the third prong of the three-step test. However, in light of the clear problems a flexible copyright exception presents for the predictable application requirement the panel identified in the first prong, it seems quite possible that the fair use doctrine would fail the test on that prong.

Nonetheless, not every commentator is ready to declare fair use a pariah under TRIPS. In fact, some view the three-step test as compatible with a flexible, fair use-like copyright exception. In 2008, a group of experts in copyright law proposed a simple reinterpretation along those lines.[188] As applied by the WTO panel, failure of any one step of the test means failure of the test.[189] If instead applied as a balancing test, wherein each step may be given appropriate weight given the circumstances, the three-step test would already embody something like a flexible, fair-use style copyright exception.[190]

There is some historical basis for reinterpreting the three-step test as a balancing test. When originally added to Berne in 1967, the three-step test was intended as a compromise meant to endorse the broad range of exceptions already in place in member nations' copyright laws.[191] But, when incorporated into TRIPS in 1994, the test evolved from a non-binding "rule of referral" to a "rule of mandatory application."[192] A return to the three-step test's original purpose would seem to allow for the flexible application called for by the 2008 proposal. However, the proposal is entirely theoretical, because as of yet no WTO panel decision has adopted its reasoning.[193] Moreover, given the analysis of the WTO panel regarding the United States' "business exception," it seems that under what is potentially the governing interpretation, a flexible copyright exception such as the fair use doctrine may well violate the three-step test.

C. The ICCPR and ECHR May Be in Conflict with Berne and TRIPS

If a flexible copyright exception violates the three-step test of Berne/TRIPS, there is a potential conflict between the requirements of those treaties and those of ICCPR/ECHR. Nations that do not have a flexible copyright exception do not adequately safeguard their citizens' right to freedom of expression. The human right to freedom of expression is a component of ICCPR (Article 19) and ECHR (Article 10), and nations that lack a flexible copyright exception are therefore arguably in violation of those treaties.

---

188. Geiger et al., *supra* note 150, at 492–95.

189. *Id.* at 490.

190. *Id.* at 491.

191. Carter, *supra* note 31, at 328–29.

192. *Id.* at 329 (citing Thomas Heide, *The Berne Three-Step Test and the Proposed Copyright Directive*, 21 Eur. Intell. Prop. Rev. 105, 105 (1999)).

193. *See* Panel Report, *supra* note 179, ¶ 6.210 (applying the three-step test in a manner that requires satisfaction of all three prongs).

For example, "[t]he European Court of Human Rights has held several times in recent years that enforcement of national copyright law infringed Article 10 because the subsequent curtailing of free expression was not necessary in a democracy."[194] One commentator, recognizing the limitations of a closed-norm approach to permissible copyright exceptions, concluded that Article 10 held out "a lifebuoy for bona fide users drowning in a sea of intellectual property."[195]

Conversely, nations that adopt a flexible copyright exception may be in violation of Berne/TRIPS. If, as described above, the United States' fair use doctrine violates the three-step test delineated in Berne/TRIPS for permissible copyright exceptions, then if another member nation were to adopt a similarly flexible copyright exception it would also likely violate the three-step test (at least under the likely present interpretation). As a result, ICCPR/ECHR conflicts with Berne/TRIPS, because a nation that is a member of both will only be able to comply with one or the other with regard to the presence of a flexible exception in its national copyright law.

III. Harmonization and the Growing International Acceptance of Flexible, Fair Use-Like Copyright Exceptions

The recent trend toward international harmonization of copyright law suggests that the conflict between the free expression requirements of ICCPR/ECHR on the one hand and the copyright exception requirements of Berne/TRIPS on the other may eventually be resolved in favor of copyright holders' rights rather than freedom of expression values. However, there is also significant momentum in the opposite direction.

Since the adoption of TRIPS, copyright holders' rights have been strengthened at the national, regional, and international level, often after successful lobbying efforts by the entertainment industry.[196] These efforts have led to "bans on circumvention of technical protection measures and requirements placed on Internet service providers to remove purportedly infringing content."[197] Copyright owners have successfully resisted "passage of

194. Carter, *supra* note 31, at 323. In one example, in 2006 the Court found "that publication of the photograph of a business magnate charged with tax evasion was in the public interest and, as a result, the imposition of an injunction under copyright law violated Article 10." *Id.* (citing Verlagsgruppe News GMBH v. Austria, 1092 Eur. Ct. H.R. (2006)). The following year, the Court held that "the Austrian courts' imposition of an injunction barring the exhibition of a sexually explicit painting depicting public officials and public figures violated the Human Rights Convention." *Id.* (citing Vereinigung Bildender Künstler v. Austria, 79 Eur. Ct. H.R. (2007)).

195. Peltz, *supra* note 21, at 283 (citing P. Bernt Hugenholtz, *Copyright and Freedom of Expression in Europe*, *in* Expanding the Boundaries of Intellectual Property 343, 343–44 (Rochelle Cooper Dreyfuss et al. eds., 2000)).

196. Carter, *supra* note 31, at 314–15.

197. *Id.* at 314.

their works into the public domain."[198] There have been "significant changes to copyright law" under which "copyright owners have gained the ability to prevent access to their works for traditionally permitted non-infringing uses."[199] These changes to copyright law "have restricted the educational, research and other public-interest uses of copyright-protected works that traditionally have been considered the core of copyright-protected creative expression."[200] Moreover, the fair use doctrine is largely unique to the United States, and commentators expect that the United States will face increasing pressure "to harmonize its copyright law with the rest of the world."[201]

In the current climate of strengthened copyright holders, it would seem that flexible, fair use-style copyright exceptions, which have an open-ended potential to negatively impact copyright holders' interests in favor of free expression and other values, should flounder rather than flourish. Indeed, the three-step test of Berne/TRIPS would seem to provide the tools necessary to disarm flexible copyright exceptions. However, there is a slow but growing acceptance of U.S.-style fair use concepts in other countries. The acceptance of fair use is driven by technological change and a backlash against those same legal developments which have strengthened copyright holders' rights.[202]

Given the fair use doctrine's flexibility and its consequent "adaptability to new, technology-dependent uses not contemplated by closed-norm exceptions[,] . . . 'a number of countries'" have recently "contemplate[d] introduction of a fair use doctrine."[203] One commentator suggests that the fair use doctrine has recently "escaped its disfavored status as a U.S. peculiarity and achieved some traction in international legal circles" and that it has gone from "oddball interloper" in the international copyright regime to "influential force."[204] Furthermore, the failure of other WTO member states to thus far ask a WTO panel to adjudicate the doctrine's legitimacy arguably "speaks louder than words."[205] Moreover, particular developments in several countries indicate a

198. *Id.* at 315.

199. *Id.*

200. *Id.*

201. *Id.* at 316.

202. *See, e.g.*, *id.*; *see also* Peltz, *supra* note 21, at 267–68; Alain Strowel & François Tulkens, *Freedom of Expression and Copyright Under Civil Law: Of Balance, Adaptation, and Access*, *in* Copyright and Free Speech: Comparative and International Analyses, *supra* note 1, at 287, 312. With respect to the technological change driving the change in attitude about fair use, Professor Eric Allen Engle suggests that "the fair use doctrine is both more necessary and more contentious in the contemporary global market than it was in the past when markets were still national or regional and copying was costly." Eric Allen Engle, *When Is Fair Use Fair?: A Comparison of E.U. and U.S. Intellectual Property Law*, 15 Transnat'l Law. 187, 194 (2002). "This is because the internet is driving down the cost of copying information, and the cost of diffusing such information is quickly approaching zero." *Id.*

203. Peltz, *supra* note 21, at 283–84 (citing Daniel J. Gervais, *Towards a New Core International Copyright Norm: The Reverse Three-Step Test*, 9 Marq. Intell. Prop. L. Rev. 1, 27 (2005)).

204. *Id.* at 267–71.

205. *Id.* at 276; *see also* Okediji, *supra* note 140, at 121 (referring to the "deafening silence" of U.S. trade partners).

growing international receptiveness to flexible, open-norm copyright exceptions.[206]

Recent court cases and academic activity in England indicate a willingness to expand that country's fair dealing exception to include broader, fair use-like, public interest concepts.[207] For example, in *Hyde Park Residence Ltd. v. Yelland*, the Court of Appeal considered both fair dealing and public interest defenses to the use of security photos of Princess Diana and Dodi Fayed.[208] Although the court restricted its fair dealing analysis within the confines of an enumerated exception for news reporting, the case is notable in that the (ultimately rejected) public interest defense was not restricted to one of the "special cases" enumerated in the fair dealing statute.[209]

Instead, the public interest defense was held to be a valid defense to copyright infringement in circumstances that are "not capable of precise categorisation or definition."[210] The *Hyde Park* approach was confirmed a year later in *Ashdown v. Telegraph Group Ltd.*[211] Furthermore, a pair of recent independent reports on English intellectual property law contain recommendations that the United Kingdom adopt a more flexible copyright exception, and the U.K.'s response to the most recent report acknowledges "the need for flexibility in EU copyright law."[212]

Developments in other countries also indicate growing acceptance of flexible, open-norm copyright exceptions. The Supreme Court of Canada recently liberalized its statutory fair dealing defense for "research, review, private study and criticism" to include an open-ended, multifactor test derived in part from U.S. fair use doctrine.[213] Although still confined within the enumerated category, it is notable that "[t]he Court's general understanding of fair dealing as an embodiment of user rights, rather than a simple articulation of exceptions to a statutory norm, is reminiscent of the constitutional spirit that animates the U.S. fair use doctrine."[214]

Recent cases in Belgium and France have demonstrated "increased sensitivity to free expression in copyright" and applied U.S.-style fair use concepts.[215] The Dutch Supreme Court approved in 1995 "'room to move

206. Peltz, *supra* note 21, at 276–77; *see also* Hugenholtz & Senftleben, *supra* note 93, at 4 ("[T]he idea of introducing a measure of flexibility in the European system of circumscribed limitations and exceptions is gradually taking shape.").

207. *See* Peltz, *supra* note 21, at 277.

208. *Id.* (citing Hyde Park Residence Ltd. v. Yelland, [2001] Ch. 143 (U.K.)).

209. *Id.* at 277–78 (citing *Hyde Park*, [2001] Ch. 143).

210. *Id.* (citing *Hyde Park*, [2001] Ch. 143).

211. *Id.* at 278 (citing Ashdown v. Tel. Grp. Ltd., [2002] Ch. 149 (U.K.)).

212. Hugenholtz & Senftleben, *supra* note 93, at 4.

213. Peltz, *supra* note 21, at 280 (alteration in original) (citing CCH Canadian Ltd. v. Law Soc'y of Upper Can., [2004] 1 S.C.R. 339 (Can.)).

214. *Id.* at 281 (footnote omitted) (citing *CCH Canadian Ltd.*, [2004] 1 S.C.R. 339).

215. *Id.* (citing Strowel & Tulkens, *supra* note 202, at 287). In the Belgian case, a parodist prevailed in a case of both copyright and trademark infringement in which the court applied U.S. fair use principals to find

outside the existing system of exemptions, by balancing interests,' in a dispute over copyrighted perfume bottles."[216] The Dutch government has also repeatedly indicated its intention to "initiate a discussion at the European political level on a fair use rule."[217] In 2010, a group of European academics proposed revisions to the European Copyright Code that would incorporate "a structure of flexible limitations and exceptions."[218] Finally, Israel has adopted a broadly flexible, open-norm, U.S.-style statutory fair use doctrine, effective May 2008.[219]

The momentum toward fair use, driven largely by "proliferation of new technologies, to which the fair use test is immediately adaptable," indicates the growing possibility that flexible, fair use-like copyright exceptions will make headway as an international norm.[220] As the proliferation of new technologies also represents a proliferation of situations in which the right to freedom of expression may be abridged by copyright law, the adoption of flexible copyright exceptions in other countries in order to deal with those situations may well be an inevitable outcome. However, given the continued power of copyright holders, and the potentially governing interpretation of the Berne/TRIPS three-step test as likely incompatible with fair use, it is nonetheless possible that the United States will face pressure to surrender the fair use doctrine.[221]

Conclusion

The presence of a flexible, open-norm, fair use-like copyright exception is necessary to adequately resolve the conflict between copyright law and the human right to freedom of expression. An examination of the American experience in application of its fair use doctrine reveals that it is critical in reconciling the right to freedom of expression with copyright law in circumstances where idea and expression overlap, where forms of expression

---

that "the parodist used no more of the original than necessary to accomplish effective criticism." *Id.* In French trademark infringement cases, a parodist prevailed in one case for the same reasons, but did not prevail in another where it was found that the use was excessive. *Id.*

216. *Id.* at 282. (citing HR 20 oktober 1995, NJ 1996, 682 m.nt. JHS (Dior/Evora) (Neth.)).

217. Hugenholtz & Senftleben, *supra* note 93, at 4.

218. *Id.*

219. Peltz, *supra* note 21, at 285 (citing Copyright Act, 5768–2007, 2007 LSI 34 (Isr.), *available at* http://www.tau.ac.il/law/members/birnhack/IsraeliCopyrightAct2007.pdf (unofficial trans.)). The Israeli Copyright Act allows fair use "for purposes such as . . . private study, research, criticism, review, journalistic reporting, quotation, or instruction and examination by an educational institution." *Id*. As in U.S. Copyright Act § 107, these categories are listed only as exemplars. *Id.* The Act tests fair use according to four factors, modeled after U.S. Copyright Act § 107: "(1) [t]he purpose and character of the use; (2) [t]he character of the work used; (3) [t]he scope of the use, quantitatively and qualitatively, in relation to the work as a whole; [and] (4) [t]he impact of the use on the value of the work and its potential market." *Id.*

220. *Id.* at 287.

221. Of course, it seems unlikely that the United States would be willing to surrender the fair use doctrine, even in the face of international pressure. Fair use is a part of American culture in a tradition that dates back at least to Justice Story's 1841 decision in *Folsom v. Marsh*. *See* Neil Weinstock Netanel, *Making Sense of Fair Use*, 15 Lewis & Clark L. Rev. 715, 719 (2011) (citing Folsom v. Marsh, 9 F. Cas. 342, 349 (C.C.D. Mass. 1841)).

necessarily include appropriation in order to be effective, and where permission of the copyright holder is difficult or impossible to obtain.

There is also evidence, however, that a flexible, fair use-like copyright exception may violate the three-step test for allowable copyright exceptions under Berne and TRIPS. That said, Article 19 of ICCPR and Article 10 of ECHR provide for a human right of freedom of expression, which requires such a flexible copyright exception. In this way, the requirements of the international copyright regime embodied in Berne/TRIPS may be in conflict with the freedom of expression requirements of ICCPR/ECHR with regard to the copyright exception member nations should enact to comply with each. However, flexible, fair use-like copyright exceptions are gaining international acceptance. Thus, this conflict between the treaties should be resolved in favor of freedom of expression and flexible copyright exceptions.