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## A Copyright Limitations Treaty Based on the Marrakesh Model: Nightmare or Dream Come True?

*Martin Senftleben*

### 1 INTRODUCTION

With the adoption of the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or Otherwise Print Disabled (hereinafter “Marrakesh Treaty” or “MT”),<sup>1</sup> in 2013, the international copyright community has shown its willingness to take further steps in the harmonization of limitations and exceptions (“L&Es”) in the field of copyright. However, the Marrakesh Treaty is only the tip of the iceberg. Its preparation and negotiation took place against the background of a much broader debate over the introduction of so-called “ceilings” in international copyright law: binding rules that set a maximum level of permissible protection.<sup>2</sup> While the Marrakesh Treaty had success and became reality, the bigger project of regulating the ceilings of copyright protection in an international instrument is still pending.<sup>3</sup>

Hence, the question arises whether the experiences with the small step of adopting the Marrakesh Treaty are encouraging enough to take the giant leap of discussing ceilings of copyright protection and establishing a general Copyright L&Es Treaty. To answer this question, the following analysis will first shed light on the peculiar configuration of the Marrakesh Treaty. The Treaty combines both very specific and very open rules on L&Es for blind and print-disabled persons with the abstract criteria of the “three-step test” known from Article 9(2) of the Berne Convention for the Protection of Literary and Artistic Works (hereinafter “Berne Convention” or “BC”),<sup>4</sup> Article 13 of the Agreement on Trade-Related Aspects of Intellectual

<sup>1</sup> World Intellectual Property Organization [WIPO], Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or Otherwise Print Disabled, WIPO Doc. VIP/DC/8 (June 23, 2013), [www.wipo.int/treaties/en/ip/marrakesh](http://www.wipo.int/treaties/en/ip/marrakesh) [hereinafter MT].

<sup>2</sup> See Annette Kur, *From Minimum Standards to Maximum Rules*, in *TRIPS PLUS 20 – FROM TRADE RULES TO MARKET PRINCIPLES* 133–62 (Hanns Ullrich et al. eds., 2016); Annette Kur & Henning Große Ruse-Khan, *Enough Is Enough – The Notion of Binding Ceilings in International Intellectual Property Protection*, in *INTELLECTUAL PROPERTY RIGHTS IN A FAIR WORLD TRADE SYSTEM* 359–407 (Annette Kur & Marianne Levin eds., 2011); Henning Große Ruse-Khan, *Time for a Paradigm Shift? Exploring Maximum Standards in International Intellectual Property Protection*, 1 J. ON TRADE, L. & DEV. 56–102 (2009).

<sup>3</sup> As to the conceptual contours of such an international instrument, see P. Bernt Hugenholtz & Ruth L. Okediji, *Conceiving an International Instrument on Limitations and Exceptions to Copyright* (Institute for Information Law Research Paper, Paper No. 2012-37, 2012), <https://ssrn.com/abstract=2017629>.

<sup>4</sup> Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as revised July 24, 1971, and as amended Sept. 28, 1979, S. Treaty Doc. No. 99-27 (1986) [hereinafter BC].

Property Rights (hereinafter “TRIPS Agreement” or “TRIPS”)<sup>5</sup> and Article 10 of the WIPO Copyright Treaty (hereinafter “WCT”).<sup>6</sup>

As a result of this treaty architecture, the objective to offer maximum legal certainty in respect of use privileges for blind, visually impaired, and print-disabled persons is compromised. The Marrakesh Treaty can lead to a nightmare scenario in which neither the goal of legal certainty nor the advantage of flexibility is realized. However, the Marrakesh Treaty also demonstrates how international norms could be structured to arrive at a sufficiently flexible and sustainable treaty framework for the regulation of L&Es at the national level. Certain features of the Treaty can serve as a source of inspiration for the development of a dream scenario. The following analysis begins with a discussion of the nightmare scenario (Section 2) before turning to the dream scenario (Section 3) and drawing conclusions (Section 4).

## 2 NIGHTMARE

In the light of the delicate political climate surrounding the establishment of further international standards in copyright law, the adoption of the Marrakesh Treaty was perceived as a miracle. Against all odds, the “Miracle of Marrakesh” shows that it is still possible to reach agreement on new international copyright rules. In terms of substance, the Treaty provides for important new mechanisms to alleviate the serious problem of the “book famine.”<sup>7</sup> Article 4(1)(a) MT sets forth the central obligation to limit the right of reproduction, the right of distribution, and the right of making available to facilitate the availability of works in accessible format copies for blind and print-disabled persons. This obligation includes room for changes necessary to make the work accessible in the alternative format. Interestingly, Article 4(2) MT contains an exemplary provision for the implementation of the new copyright limitation at the national level. With this model provision, the Marrakesh Treaty seeks to achieve maximum clarity about the new international obligation and possible ways of implementation. The importance of a high degree of legal certainty must not be underestimated in the context of initiatives seeking to establish ceilings of protection. As Annette Kur explains:

... ceiling treaties bolster the position of their members vis-à-vis potential challenges already by fleshing out and concretizing the existing framework of IP provisions. In view of the difficulties TRIPS members face when appreciating the space available for legislative measures limiting the availability and scope of IP protection, the importance of such efforts should not be

<sup>5</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, Apr. 15, 1994, 33 I.L.M. 1197 (1994) [hereinafter TRIPS].

<sup>6</sup> WIPO Copyright Treaty art. 10, Dec. 20, 1996, 36 I.L.M. 65 (1997) [hereinafter WCT].

<sup>7</sup> Cf. Paul Harpur & Nicolas Suzor, *Copyright Protections and Disability Rights: Turning the Page to a New International Paradigm*, 36 U.N.S.W. L.J. 745 (2013); Aaron Scheinwald, *Who Could Possibly Be Against a Treaty for the Blind?*, 22 FORDHAM INTELL. PROP., MEDIA & ENTMT. L.J. 487 (2012). For an in-depth analysis of the Marrakesh Treaty, see LAURENCE R. HELFER ET AL., *THE WORLD BLIND UNION GUIDE TO THE MARRAKESH TREATY FACILITATING ACCESS TO BOOKS FOR PRINT-DISABLED INDIVIDUALS* (2017); MIHÁLY J. FICSOR, *COMMENTARY TO THE MARRAKESH TREATY ON ACCESSIBLE FORMAT COPIES FOR THE VISUALLY IMPAIRED* (2013); Jonathan Band & Peter Jaszi, *Model Statute for Implementation of the Marrakesh Treaty to Facilitate Access to Published Works for Persons who Are Blind, Visually Impaired, or Otherwise Print Disabled*, INFOJUSTICE.ORG (Sept. 26, 2013), <http://infojustice.org/archives/30778>. As to the preparatory work underlying the Treaty, see in particular WIPO, *Study on Copyright Limitations and Exceptions for the Visually Impaired*, Standing Comm. Copyright & Related Rights, 15th Sess., Sept. 11–13, 2006, WIPO Doc. SCCR/15/7 (Feb. 20, 2007) (prepared by Judith Sullivan), [www.wipo.int/meetings/en/details.jsp?meeting\\_id=11264](http://www.wipo.int/meetings/en/details.jsp?meeting_id=11264).

underestimated . . . From that perspective, international rules drawing a clearer picture of what can (or must) be accepted as an exception in international IP law already for that reason are useful and welcome.<sup>8</sup>

Against this background, it is not surprising that Article 4 MT contains not only the general obligation to adopt a certain type of copyright limitation but also a concrete example of an appropriate mode of implementation at the national level. The model provision laid down in Article 4(2) MT makes it possible for contracting parties to successfully defend their limitation infrastructure during negotiations of free-trade agreements in which they may be urged to abandon or further restrict L&Es.<sup>9</sup> As there is international consensus supporting a specific way of implementing the mandatory copyright limitation following from the Marrakesh Treaty, national L&Es that are aligned with the model provision in Article 4(2) MT can survive in such a situation. Arguments against such national L&Es can be rebutted in the light of the underlying international consensus. In the words of Annette Kur, model provisions, such as Article 4(2) MT, constitute “a stronghold bolstering resistance against external pressure” which may be exerted on countries with a relatively weak bargaining position.<sup>10</sup>

Article 5(1) MT complements the new copyright limitation with the further obligation to allow the cross-border exchange of special format copies. If an accessible format copy is made under the new limitation in one contracting party, that copy may also be distributed and made available to beneficiaries in another contracting party.<sup>11</sup> Again, the Treaty seeks to ensure maximum legal certainty as to domestic implementation options by setting forth an exemplary provision in Article 5(2) MT that can serve as a model for national lawmakers.<sup>12</sup> It remains to be seen how difficult it is to reconcile different national concepts of “beneficiary person,”<sup>13</sup> “accessible format copy,”<sup>14</sup> and “authorized entity”<sup>15</sup> when it comes to the cross-border exchange of works in special format.<sup>16</sup> Nonetheless, the prospect of producing accessible format copies under the new copyright limitation and sharing them across borders is promising and constitutes an important step in the right direction.

However, the “Miracle of Marrakesh” came at a price. Article 11 MT makes it clear that copyright L&Es resulting from the implementation of the Treaty must be confined 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 author or right holder.<sup>17</sup> The new copyright limitations in favour of blind and print-disabled persons are thus subject to thorough scrutiny in the light of the so-called “three-step test” known from Article 9(2) BC, Article 13 TRIPS, and

<sup>8</sup> Kur, *supra* note 2, at 147.

<sup>9</sup> Cf. Henning Große Ruse-Khan, *IP and Trade in a Post-TRIPS Environment*, in *TRIPS PLUS 20 – FROM TRADE RULES TO MARKET PRINCIPLES* 163–83 (Hanns Ulrich et al. eds., 2016).

<sup>10</sup> Kur, *supra* note 2, at 146. *See id.* at 147 (pointing out that the dynamics of trade negotiations and the preferences of trade negotiators are unforeseeable. It cannot be ruled out that a country will finally renounce to a ceiling treaty in order to conclude an attractive free trade agreement).

<sup>11</sup> *See also* MT, *supra* note 1, art. 6 (articulating what permits the importation of accessible format copies in this context).

<sup>12</sup> For a discussion of the practical effect of this “safe harbour option,” *see* HELFER ET AL., *supra* note 7, at 43–46. As to the need for sufficient legal certainty in the field of copyright L&Es, *see* Kur, *supra* note 2, at 146–47; Kur & Große Ruse-Khan, *supra* note 2, at 367.

<sup>13</sup> MT, *supra* note 1, art. 3.

<sup>14</sup> MT, *supra* note 1, art. 2(b).

<sup>15</sup> MT, *supra* note 1, art. 2(c).

<sup>16</sup> As to this problem, *see* Marketa Trimble, *The Marrakesh Puzzle*, 45 *IIC – INT’L REV. INTELL. PROP. & COMPETITION L.* 768 (2014). Cf. Kur, *supra* note 2, at 154–56.

<sup>17</sup> *See also* the further reference to this three-step test in art. 5(4)(b) MT (confirming the obligation to comply with the test in the context of cross-border exchange of accessible format copies).

Article 10 WCT.<sup>18</sup> This configuration of the Marrakesh Treaty leads to a dilemma. The Treaty combines the aforementioned specific, very detailed rules on permissible L&Es with the open-ended criteria of the three-step test in a peculiar way: the open-ended three-step test is used as a general yardstick to determine the permissibility of specific L&Es in the area of accessible format copies for blind and print-disabled persons, including specific L&Es modeled on Articles 4(2) and 5(2) MT. When it is considered that the individual criteria of the three-step test – confinement to “certain special cases,” prohibition of a conflict with a “normal exploitation,” prohibition of an “unreasonable prejudice” to “legitimate interests” – are open and elastic assessment factors, the resulting problem clearly comes to the fore: the open-ended three-step test may erode the legal certainty that could arise from the detailed, specific regulation of L&Es for blind and print-disabled persons, including the enhanced legal certainty that could follow from the aforementioned model provisions laid down in Articles 4(2) and 5(2) MT.<sup>19</sup> As the three-step test is hanging above these specific L&Es as a sword of Damocles, the whole system of precisely defined L&Es established in the Marrakesh Treaty is in danger of becoming dysfunctional: the three-step test may thwart the objective to provide maximum clarity about permissible use privileges. It reduces the added value of an international treaty exclusively devoted to a specific type of copyright limitation.

Instead of supporting the function of the three-step test to offer room for the reconciliation of copyright protection with competing social, cultural and economic interests (discussed below in Section 2.1), the Marrakesh Treaty thus confirms the constraining function of the three-step test in respect of Articles 4(2) and 5(2) MT. In the context of these specific model provisions, the test is used as a vehicle to exercise additional control in cases where a copyright limitation is already clearly defined (Section 2.2). For this reason, it is not advisable to model a general Copyright L&Es Treaty on this feature of the Marrakesh Treaty. To allow international copyright law to keep pace with the rapid evolution of new technologies and rapidly changing social, cultural and economic needs, more flexibility is indispensable.<sup>20</sup> Given the need for flexible lawmaking, the three-step test should be employed as a regulatory instrument to encourage and guide the process of devising new L&Es that become necessary in the digital environment (Section 2.3). Hence, the Marrakesh Treaty points in the wrong direction insofar as the regulation of the specific model provisions of Articles 4(2) and 5(2) MT are concerned (Section 2.4).

### 2.1 Enabling Function of the Three-Step Test

The inconsistency of the described configuration of the interplay between the three-step test and Articles 4(2) and 5(2) MT clearly comes to the fore when the drafting history of the three-step test is factored into the equation. The adoption of the first three-step test in international copyright law – Article 9(2) BC – followed a proposal tabled by the UK delegation at the 1967 Stockholm Conference for the Revision of the Berne Convention.<sup>21</sup> Having its roots in the Anglo-American

<sup>18</sup> For a detailed discussion of the evolution of the three-step test in international copyright law, see MARTIN R. F. SENFTLEBEN, *COPYRIGHT, LIMITATIONS AND THE THREE-STEP TEST – AN ANALYSIS OF THE THREE-STEP TEST IN INTERNATIONAL AND EC COPYRIGHT LAW* 43–98 (2004).

<sup>19</sup> Cf. Kur, *supra* note 2, at 149 (pointing out that, practically speaking, a finding of incompliance with the three-step test is unlikely in cases where a national provision is modeled on art. 4(2) MT).

<sup>20</sup> Cf. Hugenholtz & Okediji, *supra* note 3, at 42.

<sup>21</sup> See Observation of the United Kingdom, WIPO Doc. S/13, RECORDS OF THE INTELLECTUAL PROPERTY CONFERENCE OF STOCKHOLM JUNE 11 TO JULY 14, 1967, at 630 (1971) [hereinafter RECORDS 1967]. For a more detailed discussion of the drafting history, see SENFTLEBEN, *supra* note 18, at 47–52; Daniel Gervais, *Fair Use, Fair Dealing, Fair Principles: Efforts to Conceptualize Exceptions and Limitations to Copyright*, 57 J. COPYRIGHT SOC'Y U.S.A. 499, 510–11 (2010);

copyright tradition, it is not surprising that the three-step test consists of open-ended factors comparable to traditional fair dealing and fair use legislation in common law countries. A line between the criteria of the three-step test and the factors to be found in fair use provisions, such as the US fair use doctrine,<sup>22</sup> can easily be drawn. The prohibition of a conflict with a normal exploitation, for instance, recalls the fourth factor of the US fair use doctrine, “effect of the use upon the potential market for or value of the copyrighted work.”<sup>23</sup>

Not surprisingly, the three-step test was perceived as a flexible framework at the 1967 Stockholm Conference – a framework within which national legislators would enjoy the freedom of safeguarding national L&Es and satisfying domestic social, cultural and economic needs.<sup>24</sup> This international *acquis* of the provision already indicates that the three-step test must not be misunderstood as a straitjacket of specific national provisions, such as specific L&Es following from the implementation of Articles 4(2) and 5(2) MT. On its merits, the flexible formula constituting the three-step test is a compromise solution allowing Berne Union members to tailor national L&Es to their specific domestic needs.<sup>25</sup>

Many use privileges that have become widespread at the national level are directly based on the international three-step test. A specific provision that permits the introduction of national L&Es for private copying, for instance, is sought in vain in international copyright law. It is the international three-step test<sup>26</sup> that creates breathing space for the adoption of this type of copyright limitation at the national level.<sup>27</sup> Further examples of national L&Es resting on the international three-step test can easily be found in the copyright laws of Berne Union members, such as the exemption of reproductions for research purposes, the privilege of libraries, archives and museums to make copies for the purpose of preserving cultural material, the exemption of reproductions that are required for administrative, parliamentary or judicial proceedings, or of reproductions made by hospitals and prisons.<sup>28</sup>

The three-step test of Article 9(2) BC, therefore, clearly has the function of creating room for the introduction of L&Es at the national level.<sup>29</sup> Vested with this function, it made its way into

Annette Kur, *Of Oceans, Islands, and Inland Water – How Much Room for Exceptions and Limitations under the Three-Step Test?*, 8 RICH. J. GLOBAL L. AND BUS. 287, 307–8 (2009); SAM RICKETSON & JANE C. GINSBURG, *INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS: THE BERNE CONVENTION AND BEYOND* 759–63 (2006).

<sup>22</sup> See US Copyright Act, 17 U.S.C. § 107 (2000).

<sup>23</sup> With regard to the application of fair use analyses concerning the fourth factor in the context of the three-step test, see SENFTLEBEN, *supra* note 18, at 184–87.

<sup>24</sup> See WIPO Doc. S/I, RECORDS 1967, *supra* note 21, at 81.

<sup>25</sup> Cf. Kamiel J. Koelman, *Fixing the Three-Step Test*, 28 EUR. INTELL. PROP. R. 407 (2006); Christophe Geiger, *From Berne to National Law, via the Copyright Directive: The Dangerous Mutations of the Three-Step Test*, 29 EUR. INTELL. PROP. R. 486 (2007).

<sup>26</sup> See BC, *supra* note 4, art. 9(2).

<sup>27</sup> For a discussion of limitations for private copying and accompanying levy systems in different member states of the EU, see Case C-467/08, *Padawan v. Sociedad General de Autores y Editores de España (SGAE)*, 2010 E.C.R. I-10055, para. 49; Joined cases C-457/11 to C-460/11, *VG Wort*, ECLI:EU:C:2013:426, paras. 76–77; Case C-521/11, *Amazon.com Int'l Sales, Inc. v. Austro-Mechana Gesellschaft zur Wahrnehmung mechanisch-musikalischer Urheberrechte Gesellschaft mbH*, ECLI:EU:C:2013:515, para. 24; Case C-435/12, *ACI Adam v. Stichting de ThuisKopie and Stichting Onderhandeligen ThuisKopie vergoeding*, ECLI:EU:C:2014:254, para. 52; Case C-463/12, *Copydan Båndkopi v. Nokia Danmark A/S*, ECLI:EU:C:2015:144, para. 23.

<sup>28</sup> For an example of regional copyright legislation containing these and other examples of L&Es based directly on the three-step test of art. 9(2) BC, see Directive 2001/29, of the European Parliament and of the Council of 22 May 2001 on Information Society 2001 O.J. (L 167) 10 (EC) on the harmonization of certain aspects of copyright and related rights in the information society.

<sup>29</sup> Cf. Martin R. F. Senftleben, *The International Three-Step Test: A Model Provision for EC Fair Use Legislation*, 1 J. INTELL. PROP., INFO. TECH. & E-COM. L. 67 (2010). See also Jonathan Griffiths, *The ‘Three-Step Test’ in European Copyright Law: Problems and Solutions*, 9 INTELL. PROP. Q. 428, 436–41 (2009) (exemplifying a flexible application of the test).

Article 13 TRIPS and played a decisive role during the negotiations of the WIPO “Internet” Treaties.<sup>30</sup> In Article 10(1) WCT, it paved the way for agreement on limitations of the rights newly granted under the WIPO Copyright Treaty, including the right of making available as part of the general right of communication to the public.<sup>31</sup> In consequence, all L&Es to the right of making available rest on the international three-step test. The room for these L&Es stems directly from Article 10(1) WCT. Considering the entire family of three-step tests in Articles 9(2) BC, 13 TRIPS and 10(1) WCT, it becomes obvious that the provision, by far, is the most important and comprehensive international basis for national L&Es.

At the same time, it is evident that the international copyright community employed the three-step test as a compromise formula whenever agreement about more specific use privileges was beyond reach. Again, the circumstances surrounding the adoption of Article 9(2) BC can serve as an example. The preparatory work for the 1967 Stockholm Revision Conference was based on the assumption that the intended perfection of the system of the Berne Union should be pursued, among other objectives, through the enlargement of the protection granted to authors by the creation of new rights or by the extension of rights which were already recognized.<sup>32</sup> In accordance with this approach, the establishment of the right of reproduction *jure conventionis* was regarded as one of the most important tasks of the Conference. Its accomplishment should redress the anomaly that the Convention did not contain a right of reproduction while this right held a fundamental position in national legislation.<sup>33</sup> The feasibility of the plan to attain the formal recognition of a general right of reproduction, however, depended on whether or not the Conference would succeed in finding a satisfactory formula for permissible limitations.<sup>34</sup>

In practice, the L&Es in the field of reproduction rights varied considerably throughout the Berne Union. The study group composed of representatives of the Swedish government and BIRPI which undertook the preparatory work for the Stockholm Conference noted that “domestic laws already contained a series of exceptions in favour of various public and cultural interests and that it would be vain to suppose that countries would be ready at this stage to abolish these exceptions to any appreciable extent.”<sup>35</sup> Given these circumstances, the 1965 Committee of

<sup>30</sup> See Christophe Geiger et al., *The Three-Step Test Revisited: How to Use the Test’s Flexibility in National Copyright Law*, 29 AM. U. INT’L L. REV. 581, 583–91 (2014) (regarding the evolution of this “family” of copyright three-step tests in international copyright law); SENFLEBEN, *supra* note 18, at 43–98; Joachim Bornkamm, *Der Dreistufentest als urheberrechtliche Schrankenbestimmung – Karriere eines Begriffs*, in Festschrift für Willi Erdmann zum 65. Geburtstag, 29 (Hans J. Ahrens et al. eds., 2002).

<sup>31</sup> As to the debate in the context of the WIPO “Internet” Treaties, see SENFLEBEN, *supra* note 18, at 96–98; Mihály J. Ficsor, *THE LAW OF COPYRIGHT AND THE INTERNET: THE 1996 WIPO TREATIES, THEIR INTERPRETATION AND IMPLEMENTATION* (2002); Jörg Reinbothe & Silke von Lewinski, *THE WIPO TREATIES 1996: COMMENTARY AND LEGAL ANALYSIS* (2002).

<sup>32</sup> This conception was based on art. 24(1) of the Brussels Act of the Berne Convention. Cf. WIPO Doc. S/1, RECORDS 1967, *supra* note 21, at 80.

<sup>33</sup> Prior to the 1967 Stockholm Act, the right of reproduction was only implicitly recognized in the Convention. Cf. Ricketson & Ginsburg, *supra* note 21, at 623–25; Mario Fabiani, *Le droit de reproduction et la révision de la Convention de Berne*, in *LE DROIT D’AUTEUR* 286 (1964); Eugen Ulmer, *Das Vervielfältigungsrecht (Art.9)*, in *DIE STOCKHOLMER KONFERENZ FÜR GEISTIGES EIGENTUM* 16 (Eugen Ulmer & Friedrich K. Beier eds., 1967). This point of view was discussed by the 1965 Committee of Governmental Experts. Cf. WIPO Doc. S/1, RECORDS 1967, *supra* note 21, at 81, 111–12.

<sup>34</sup> This is clearly stated in the WIPO Doc. S/1, RECORDS 1967, *supra* note 21, at 113.

<sup>35</sup> WIPO Doc. S/1, RECORDS 1967, *supra* note 21, 111–12, the study group’s survey of already existing limitations on the reproduction right. See *id.* at 112, n.1 (showing that the most frequent limitations related to public speeches; quotations; school books and chrestomathies; newspaper articles; reporting current events; ephemeral recordings; private use; reproduction by photocopying in libraries; reproduction in special characters for the use of the blind; sound recordings of literary works for the use of the blind; texts of songs; sculptures on permanent display in public

Governmental Experts discussing the text proposals for the Diplomatic Conference agreed on the following draft for a separate paragraph dealing with L&Es to the envisaged general right of reproduction:

It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works (a) for private use; (b) for judicial or administrative purposes; (c) in certain particular cases where the reproduction is not contrary to the legitimate interests of the author and does not conflict with a normal exploitation of the work.<sup>36</sup>

At the Conference, the enumeration of specific limitations in (a) and (b) could not survive the more thorough scrutiny of the members of the Berne Union which sought for the most part either to delineate their scope more precisely or to delete them completely.<sup>37</sup> Italy suggested, for instance, that the term “private use” be replaced with “personal use,” while France preferred the formulation “for individual or family use” to inhibit corporate bodies from claiming that their copying served private purposes.<sup>38</sup> In respect of the exemption provided for under (b), the Netherlands proposed the wording “for strictly judicial or administrative purposes.”<sup>39</sup> Eventually, the UK spoke up for the abolition of paragraphs (a) and (b) altogether to avert the possible harm to authors and publishers that could flow from mention of “private use” and “administrative purposes.” Instead, the UK proposed the adoption of a single general clause based on the abstract criteria set out in paragraph (c).<sup>40</sup> As an agreement on certain expressly listed limitations was out of reach, the catalogue of abstract criteria, provided for under (c), thus formed the groundwork for the final three-step test.

The final success of the open-ended UK proposal becomes understandable in view of the divergent views expressed by the member states. While some delegations sought to further restrict the room for L&Es, others were of the opinion that more flexibility was needed. A comparison of the various observations made during the deliberations<sup>41</sup> elicits the specific quality of the abstract formula which finally became the first three-step test: due to its openness, the test has the capacity to encompass a wide range of L&Es and provide a basis for the reconciliation of contrary opinions.<sup>42</sup> The reaction to the final text proposal underlines that this solution was a compromise indeed. While India perceived the proposed wording as narrower than the initial draft and opposed its adoption, other countries contended that the three-step test was not restrictive enough.<sup>43</sup>

Considering the historical background to the introduction of the three-step test in international copyright law, there can be little doubt that the application of the three-step test to the model provisions laid down in Articles 4(2) and 5(2) MT is inconsistent. The Diplomatic

places; artistic works used as a background in films and television programmes; reproduction in the interests of public safety). Cf. SENFTLEBEN, *supra* note 18, at 47–48.

<sup>36</sup> WIPO Doc. S/1, RECORDS 1967, *supra* note 21, at 113.

<sup>37</sup> See Observation of Denmark, RECORDS 1967, *supra* note 21, at 615.

<sup>38</sup> See Observation of Italy, RECORDS 1967, *supra* note 21, at 623; Observation of France, *id.* at 615. Cf. in the latter the comment made by Kerever, Minutes of Main Committee I, WIPO Doc. S/81, RECORDS 1967, *supra* note 21, at 858.

<sup>39</sup> See WIPO Doc. S/81, RECORDS 1967, *supra* note 21, at 691. Cf. Minutes of Main Committee I, WIPO Doc. S/81, RECORDS 1967, *supra* note 21, at 857.

<sup>40</sup> See Observation of the United Kingdom, RECORDS 1967, *supra* note 21, at 630.

<sup>41</sup> For such a comparison, see SENFTLEBEN, *supra* note 18, at 50–51.

<sup>42</sup> See Minutes of Main Committee I, WIPO Doc. S/81, RECORDS 1967, *supra* note 21, at 856–58 (showing the fundamental differences). Cf. Christophe Geiger, *The Role of the Three-Step Test in the Adaptation of Copyright Law to the Information Society*, UNESCO E-COPYRIGHT BULLETIN 3 (Jan.–Mar. 2007), <http://unesdoc.unesco.org/images/0015/001578/157848e.pdf>; Hugenholtz & Okediji, *supra* note 3, at 18.

<sup>43</sup> Cf. Minutes of Main Committee I, WIPO Doc. S/81, RECORDS 1967, *supra* note 21, at 883–85.

Conference that led to the adoption of the Marrakesh Treaty was convened to deal with only one specific issue: L&Es in favor of blind, visually impaired, and print-disabled persons. At the Conference, the delegations managed to achieve far-reaching agreement on permissible use privileges and the possibility of cross-border exchange. The mutual consent even went far enough to arrive at the formulation of concrete model provisions as a basis for the national implementation of the newly created international norms.<sup>44</sup> Hence, there was no need to invoke the three-step test as a compromise solution in a situation where WIPO members could not reach agreement on a more specific provision. By contrast, the delegations agreed on a highly specific text. The inclusion of the three-step test only diluted this highly specific result of the negotiations by adding an undesirable layer of complexity: even if a national provision is modeled on the prototypes set forth in Articles 4(2) and 5(2) MT, it is still possible to advance the argument that the national norm does not fully comply with the three-step tests listed in Article 11 MT. The three-step test was thus added as a complicating and destabilizing factor that reduces the legal certainty which the adoption of precisely defined L&Es would otherwise have guaranteed. Hence, the question arises why this regulation of the relationship between specific model provisions and the open-ended three-step test was considered – and finally even supported – at the Diplomatic Conference.

### 2.2 Constraining Function of the Three-Step Test

The answer to this question lies in the dualism that is inherent in the three-step test as a result of its appearance in different international copyright treaties.<sup>45</sup> As the scope of the three-step test has broadened in the course of its development in international copyright law, two distinct functions have evolved. As explained, the first three-step test, laid down in Article 9(2) BC, fulfills the function of an open clause regulating L&Es to the general right of reproduction. Within the flexible conceptual contours of Article 9(2) BC, national lawmakers are free to adopt L&Es to satisfy social, cultural, and economic needs. In this connection, the three-step test has an *enabling* function in the sense that it serves as a direct basis for the introduction of L&Es at the national level. Private use privileges in Berne Union countries, for example, can be justified internationally because of the three-step test in Article 9(2) BC. There is no other, more specific provision in international copyright law that entitles national lawmakers to limit the right of reproduction for this purpose. In the absence of Article 9(2) BC, breathing space for the adoption of private use privileges would have to be derived from other international norms, such as human rights.

In the context of the TRIPS Agreement and the WIPO Copyright Treaty, the three-step test functions in the same, enabling sense in respect of those exclusive rights that have been newly granted in these treaties. Prior to the adoption of the WIPO Copyright Treaty, for example, there was no clear international recognition of the right of making works available on the Internet in such a way that members of the public may have access from a place and at a time individually chosen by them. The adoption of a general right of communication to the public in Article 8 WCT filled this gap by adding this exclusive right to the preexisting portfolio of internationally recognized rights of communication to the public.<sup>46</sup> With regard to this newly granted right of making available, the three-step test of Article 10(1) WCT fulfills the same function as

<sup>44</sup> See MT, *supra* note 1, arts. 4(2), 5(2).

<sup>45</sup> For a more detailed discussion of this point, see SENFTLEBEN, *supra* note 18.

<sup>46</sup> Cf. RICKETSON & GINSBURG, *supra* note 21, at 746.

Article 9(2) BC in the context of the right of reproduction: the test provides a basis for the introduction of L&Es at the national level.<sup>47</sup> Domestic lawmakers are free to limit the right of making available in certain respects because Article 10(1) WCT empowers them to do so. As in the case of Article 9(2) BC, there is no more specific provision in international copyright law which could serve as an alternative basis.<sup>48</sup>

Article 13 TRIPS and Article 10 WCT, however, also concern the regulation of L&Es to the traditional exclusive rights recognized in the Berne Convention. In the context of these rights, the three-step tests of Article 13 TRIPS and Article 10(2) WCT serve a different function. They are vehicles to exercise additional control and scrutinize more thoroughly L&Es that have been adopted by national legislators.<sup>49</sup> Even though these national L&Es may fully comply with the conditions set forth in specific provisions of the Berne Convention, the open criteria of the three-step test must also be taken into account and fulfilled.<sup>50</sup> In Article 10(2) WCT, this *constraining* function of exercising additional control – even though specific conditions of Berne provisions are already met – clearly comes to the fore:

Contracting Parties shall, when applying the Berne Convention, confine any limitations of or exceptions to rights provided for therein to certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the author.

Hence, two different functions are assigned to the three-step test. First, it serves as a direct, enabling basis for the adoption of L&Es within the realm of several exclusive rights, such as the general right of reproduction<sup>51</sup> and the right of making available to the public.<sup>52</sup> Second, however, it functions as an additional, constraining control mechanism vis-à-vis L&Es that are imposed on the rights granted in the Berne Convention. To illustrate this constraining function, the example of implementing the right of quotation can be given: Article 10(1) BC permits the adoption of L&Es at the national level for the purpose of making “quotations from a work which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries.” This is a specific entitlement of Berne Union countries to provide for a right of quotation that restricts exclusive rights granted in the Berne Convention, such as the right of reproduction. At the same time, Article 10(1) BC is the only provision in the Convention that deals with the issue of quotations. To ensure compliance with the Berne Convention, it is thus sufficient for a member state to comply with the conditions set forth in Article 10(1) BC.

If the member state is also bound by the TRIPS Agreement and/or the WIPO Copyright Treaty, however, the three-step tests of Article 13 TRIPS and Article 10(2) WCT enter the picture. As these latter provisions require additional scrutiny in the light of the open criteria of the three-step test, it becomes necessary to ascertain – on top of the specific conditions following from Article 10(1) BC – whether the right of quotation adopted at the national level constitutes a “certain special case,” avoids a conflict with a “normal exploitation,” and does not “unreasonably

<sup>47</sup> Cf. RICKETSON & GINSBURG, *supra* note 21, at 868 (drawing a line between art. 9(2) BC and art. 10(1) WCT).

<sup>48</sup> For a more detailed description of this enabling function of the three-step test, see SENFTLEBEN, *supra* note 18, at 118–21.

<sup>49</sup> Cf. SENFTLEBEN, *supra* note 18, at 121–24; Hugenholtz & Okediji, *supra* note 3, at 20.

<sup>50</sup> For a detailed discussion of the relationship between specific Berne L&Es and the three-step tests of art. 13 TRIPS and art. 10(2) WCT, see RICKETSON & GINSBURG, *supra* note 21, at 856–62, 868–73.

<sup>51</sup> See BC, *supra* note 4, art. 9(1).

<sup>52</sup> See WCT, *supra* note 6, art. 8.

prejudice” the “legitimate interests” of authors or right holders.<sup>53</sup> Hence, compliance with Article 10(1) BC is no longer sufficient. The use privilege adopted at the national level – in this case the right of quotation – may still be challenged on the ground that it does not meet the requirements following from Article 13 TRIPS and Article 10(2) WCT. While an Agreed Statement, which was formally adopted together with the text of Article 10 WCT, reduces this corrosive effect in respect of traditional L&Es that have been deemed permissible under the Berne Convention,<sup>54</sup> this mitigating effect of the Agreed Statement already becomes doubtful when modern adaptations of traditional use privileges to the digital environment are assessed, such as the extension of the right of quotation to automated search results generated by search engines.<sup>55</sup>

### 2.3 Need for More Flexibility

The described constraining function of the three-step test is highly problematic. In their study of the conceptual contours of an international instrument on L&Es in the field of copyright law, Bernt Hugenholtz and Ruth Okediji identified five minimum goals which an international treaty should realize in order to be deemed desirable:

- (i) elimination of barriers to trade, particularly in regard to activities of information service providers; (ii) facilitation of access to tangible information products; (iii) promotion of innovation and competition; (iv) support of mechanisms to promote/reinforce fundamental freedoms; and (v) provision of consistency and stability in the international copyright framework by the explicit promotion of the normative balance necessary to support knowledge diffusion.<sup>56</sup>

If these minimum goals are taken as a reference point, it becomes clear that a focus on the constraining function of the three-step test is not conducive to the development of an appropriate international framework for copyright L&Es. Instead, a more flexible approach is indispensable. The wording of the three-step test is far from precluding such a flexible approach. On the contrary, the reverse is true. It is striking how many open elements the provision contains. What makes a copyright limitation a “special” case? What is a “normal” exploitation of a given literary or artistic work? Which interests of authors or right holders can be deemed “legitimate?” When does the prejudice caused by any limitation reach an impermissible, “unreasonable” level?<sup>57</sup>

<sup>53</sup> Compare TRIPS, *supra* note 5, art. 13 (referencing to right holders), with WCT, *supra* note 6, art. 10(2) (referencing to authors).

<sup>54</sup> See WCT, *supra* note 6, art. 10, The Agreed Statement (stating explicitly that “Article 10(2) neither reduces nor extends the scope of applicability of the limitations and exceptions permitted by the Berne Convention.”). Arguably, the three-step test of art. 10(2) is thus inhibited from making inroads into the scope of specific national L&Es based on limitation prototypes recognized in the Berne Convention, such as the right of quotation. Cf. RICKETSON & GINSBURG, *supra* note 21, at 871 (concluding that “the three-step test cannot ‘trump’ these existing limitations and exceptions.”).

<sup>55</sup> For a detailed discussion of this broadening of the scope of the right of quotation, see Martin R. F. Senfleben, *Internet Search Results – A Permissible Quotation?*, 235 REVUE INTERNATIONALE DU DROIT D’AUTEUR 3 (2013).

<sup>56</sup> Hugenholtz & Okediji, *supra* note 3, at 41.

<sup>57</sup> For a discussion of the answers given in WTO dispute settlement, see World Trade Organization, *United States – Section 110(5) of the US Copyright Act*, Report of the Panel, WTO Doc. WT/DS160/R (June 15, 2000). For a discussion of this WTO Dispute Settlement case, see Geiger et al., *supra* note 30, at 581; Martin R. F. Senfleben, *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. & COMPETITION L. 407 (2006); SENFLEBEN, *supra* note 18, at 134–230; Mihály J. Ficsor, *How Much of What? The Three-Step Test and Its Application in Two Recent WTO Dispute Settlement Cases*, 192 REVUE INTERNATIONALE DU DROIT D’AUTEUR 111 (2002); Jo Oliver, *Copyright in the WTO: The Panel Decision on the Three-Step Test*, 25 COLUM. J. L. & ARTS. 119 (2002); David J. Brennan, *The Three-Step Test Frenzy: Why the TRIPS Panel Decision Might Be*

Evidently, the three-step test – if rightly applied<sup>58</sup> – has the central advantage of offering flexibility.<sup>59</sup> In the current situation where copyright is constantly challenged by new technological developments, services and business models, this advantage of flexibility is crucial. As Bernt Hugenholtz and Ruth Okediji also observe, the three-step test can function as a refined proportionality test in an international instrument on L&Es:

Read in a constructive and dynamic fashion, the three-step test becomes a clause not merely limiting limitations, but empowering contracting States to enact them, subject to the proportionality test that forms its core and that fully takes into account, inter alia, fundamental rights and freedoms and the general public interest.<sup>60</sup>

Within a flexible framework based on the three-step test as a refined proportionality test,<sup>61</sup> national lawmakers can broaden and restrict the scope of L&Es to strike a proper balance between exclusive rights and competing social, cultural, and economic needs. They are rendered capable of constantly adapting the domestic copyright limitation infrastructure to new circumstances and challenges, in particular, challenges arising in the digital environment. Leaving this discretion to national lawmakers reduces the need for amendments to international legislation that is hardly capable of keeping pace with the speed of technological development. It also prevents international copyright legislation from becoming outdated and losing the social legitimacy necessary to maintain a well-functioning copyright system at the national level.

Hence, the benefits accruing from a flexible international regulation of L&Es must not be underestimated in the ongoing process of adapting copyright law to the rapid development of the Internet. Broad copyright protection is likely to absorb and restrict new possibilities of use even though this may be undesirable from the perspective of social, cultural, or economic needs.<sup>62</sup> User-generated content, advanced search engine services, the digitization of cultural material and automated text-and-data mining can serve as examples of current

*Considered per incuriam*, 2 INTELL. PROP. Q. 213 (2002); Jane C. Ginsburg, *Toward Supranational Copyright Law? The WTO Panel Decision and the “Three-Step Test” for Copyright Exceptions*, 190 REVUE INTERNATIONALE DU DROIT D’AUTEUR 13 (2001).

<sup>58</sup> As to the debate about the right interpretation of the open-ended three-step test, see Martin R. F. Senftleben, *How to Overcome the Normal Exploitation Obstacle: Opt-Out Formalities, Embargo Periods, and the International Three-Step Test*, 1 BERKELEY TECH. L.J. COMMENTARIES 1 (2014). Geiger et al., *supra* note 30, at 581; Christophe Geiger et al., *Declaration on a Balanced Interpretation of the “Three-Step Test” in Copyright Law*, 39 INT’L. R. INTELL. PROP. & COMPETITION L. 707 (2008); Hugenholtz & Okediji, *supra* note 3, at 21; Koelman, *supra* note 25, at 407; Geiger, *supra* note 42, at 19; Griffiths, *supra* note 29, at 489; Daniel Gervais, *Making Copyright Whole: A Principled Approach to Copyright Exceptions and Limitations*, 3 U. OTTAWA L. & TECH. J. 1, 30 (2008); Christophe Geiger, *The Three-Step Test, a Threat to a Balanced Copyright Law?*, 37 INT’L REV. INTELL. PROP. & COMPETITION L. 683 (2006); Thomas Heide, *The Berne Three-Step Test and the Proposed Copyright Directive*, 105 EUR. INTELL. PROP. REV. 106 (1999).

<sup>59</sup> As to the need for sufficient flexibility in an international treaty dealing with ceilings of protection, see Kur, *supra* note 2, at 148.

<sup>60</sup> Hugenholtz & Okediji, *supra* note 3, at 25.

<sup>61</sup> For a more detailed discussion of a proportionality-based approach to the three-step test, see SENFLEBEN, *supra* note 18, at 243–44, 290; Geiger, *supra* note 25, at 490–91.

<sup>62</sup> With regard to the critical assessment of broad copyright protection, see GIUSEPPE MAZZIOTTI, *EU DIGITAL COPYRIGHT LAW AND THE END-USER* (2008); GEISTIGES EIGENTUM: SCHUTZRECHT ODER AUSBEUTUNGSTITEL? (O. Depenheuer & K. N. Peifer eds., 2008); Reto M. Hilty, *Sündenbock Urheberrecht?*, in *GEISTIGES EIGENTUM UND GEMEINFREIHEIT* 111 (Ansgar Ohly & D. Klippel eds., 2007); INTERESSENAUSGLEICH IM URHEBERRECHT (Reto M. Hilty & Alexander Peukert eds., 2004); Christophe Geiger, *DROIT D’AUTEUR ET DROIT DU PUBLIC À L’INFORMATION, APPROCHE DE DROIT COMPARÉ* (2004); Detlef Kröger, *INFORMATIONSFREIHEIT UND URHEBERRECHT* (2002); Thomas Hoeren, *Urheberrecht in der Informationsgesellschaft*, in *GEWERBLICHER RECHTSSCHUTZ UND URHEBERRECHT* 866 (1997).

phenomena requiring the reconsideration of the scope of copyright protection.<sup>63</sup> Without sufficient breathing space, important social, cultural, and economic benefits that could be derived from timely adaptations of the national legal framework are likely to be lost. On the basis of an elastic international three-step test, by contrast, national legislation can keep the broad grant of protection within reasonable limits and inhibit copyright from unduly curtailing competing freedoms, in particular freedom of expression and freedom of competition.<sup>64</sup>

#### 2.4 *The Nightmare Scenario Revisited*

Against this background, the crux of the described Marrakesh dilemma can be brought to light: as the Marrakesh Treaty subjects the implementation of the model provisions laid down in Articles 4(2) and 5(2) MT to more thorough scrutiny in the light of the three-step test, it employs the three-step test in the problematic sense of further constraining L&Es that are already precisely defined. Article 11 MT does not fulfill the enabling function of Article 9(2) BC and Article 10(1) WCT in respect of specific national L&Es evolving from the application of Articles 4(2) and 5(2) MT. By contrast, it fulfills the constraining function that is known from Article 13 TRIPS and Article 10(2) WCT. As already pointed out, this feature of the Marrakesh Treaty reduces the legal certainty that could have followed from the precise delineation of permissible use privileges in Articles 4(2) and 5(2) MT. In addition, it means that the three-step test itself is not used as a flexibility tool in this context. With regard to Articles 4(2) and 5(2) MT, the test can only be applied to further restrict a use privilege that has been modeled on the international prototypes and, accordingly, is precisely circumscribed. Hence, the problem arises that, in respect of the model provisions of Articles 4(2) and 5(2) MT, the Marrakesh Treaty offers *neither legal certainty nor flexibility*.

The international copyright community should refrain from using this nightmare scenario as a template for a general Copyright L&Es Treaty. In comparison with the current international framework, a Copyright L&Es Treaty exposing specific L&Es to additional scrutiny under the three-step test would further restrict the room for the adoption of copyright limitations at the national level instead of enhancing flexibility. In particular, it is likely to erode the enabling function which the three-step test has in areas of crucial importance: the general right of reproduction (Article 9(1) and (2) BC) and the right of making available to the public (Articles 8 and 10(1) WCT).

<sup>63</sup> Cf. Senfleben, *supra* note 55; NATALI HELBERGER ET AL., LEGAL ASPECTS OF USER CREATED CONTENT (2009), <http://ssrn.com/abstract=1499333>; Stef van Gompel, *Unlocking the Potential of Pre-existing Content: How to Address the Issue of Orphan Works in Europe?*, 38 INT'L REV. INTELL. PROP. & COMPETITION L. 669 (2007); D. Brad Sherman, *Cost and Resource Allocation under the Orphan Works Act of 2006: Would the Act Reduce Transaction Costs, Allocate Orphan Works Efficiently, and Serve the Goals of Copyright Law?*, 13 VA. J. L. & TECH. 12 (2007); Marco Caspers & Lucie Guibault, *Baseline Report of Policies and Barriers of TDM in Europe*, FUTURETDM (2016), [www.futuretdm.eu](http://www.futuretdm.eu) and [www.ivir.nl](http://www.ivir.nl).

<sup>64</sup> As to the impact of fundamental rights on international policymaking in the field of copyright, see Hugenholtz & Okediji, *supra* note 3, at 30–32. Cf. Christophe Geiger, “Constitutionalising” Intellectual Property Law? *The Influence of Fundamental Rights on Intellectual Property in the European Union*, 37 IIC: INT'L REV. INTELL. PROP. & COMPETITION L. 371 (2006); P. Bernt Hugenholtz, *Copyright and Freedom of Expression in Europe*, in THE COMMUNICATION OF INFORMATION 239 (Niva Elkin-Koren & Neil W. Netanel eds., 2002); Sandro Macciachini, URHEBERRECHT UND MEINUNGSFREIHEIT (2000); Yochai Benkler, *Free As the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. REV. 355 (1999); Neil W. Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283 (1996).

## 3 DREAM

Fortunately, the described nightmare scenario is not the only template for a general Copyright L&Es Treaty that can be distilled from the Marrakesh Treaty. As an alternative to reliance on international model provisions, Article 4(3) MT states that a contracting party may fulfill the obligation of introducing appropriate L&Es to facilitate the availability of accessible format copies “by providing other limitations or exceptions in its national copyright law” in line with the three-step tests listed in Article 11 MT.<sup>65</sup> Article 5(3) offers the same alternative with regard to the mechanism of cross-border exchange. Article 12(1) MT adds that a contracting party may implement in its national law “other copyright limitations and exceptions for the benefit of beneficiary persons than are provided by this Treaty having regard to that contracting party’s economic situation, and its social and cultural needs, in conformity with that contracting party’s international rights and obligations.” As these provisions go beyond the specific use privileges reflected in the model provisions of Articles 4(2) and 5(2) MT, the three-step test can fulfill an enabling function in this context: if a national lawmaker wants to explore new avenues in the field of L&Es for blind, visually impaired, and print-disabled persons, this exploration is possible within the open-ended framework provided by the three-step test. Read in conjunction with Article 11 MT, Article 4(1) and (3) MT, for instance, establish the following international rule:

It is not an infringement of the right of reproduction, the right of distribution, and the right of making available to the public as provided by the WIPO Copyright Treaty (WCT) [and, optionally, also the right of public performance], to facilitate the availability of works in accessible format copies for beneficiary persons and permit changes needed to make the work accessible in the alternative format, provided that such use does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

In line with Article 4(3) MT, this rule combines the central elements of the international obligation set forth in Article 4(1) MT with the last two steps of the three-step test: the prohibition of a conflict with the normal exploitation and the prohibition of an unreasonable prejudice to legitimate interests. The first step of the three-step test – the obligation of “certain special cases” – does not apply in this context because the adoption of the Marrakesh Treaty shows unequivocally that the L&Es addressed in the Treaty are “certain special cases” in the sense of the three-step test. Otherwise, it would not have made sense to include the three-step test. Inevitably, the test would erode any limitation resulting from the implementation of the Marrakesh Treaty, if limitations for blind, visually impaired, and print-disabled persons could not even fulfill the basic threshold criterion of “certain special cases.”

The above rule derived from Article 4(1) and (3) MT and Article 11 MT has the merit of establishing a flexible framework by combining an entitlement to introduce L&Es for a broadly defined purpose (“facilitate the availability of works in accessible format copies”) with selected criteria of the three-step test. Following this approach, a general Copyright L&Es Treaty could apply an amalgam of open-ended assessment factors stemming from the three-step test and a general indication of legitimate purposes for the adoption of L&Es. Two objectives play a crucial role in this context: on the one hand, a general Copyright L&Es Treaty should be flexible enough to allow the copyright system to keep pace with rapid technological developments and rapidly changing social, cultural, and economic needs (discussed below in Section 3.1).<sup>66</sup>

<sup>65</sup> For a discussion of the practical effect of this “sui generis option,” see HELFER ET AL., *supra* note 7, at 46–47.

<sup>66</sup> As to this core feature of a general Copyright L&Es Treaty, see Hugenholtz & Okediji, *supra* note 3, at 42.

On the other hand, a general Copyright L&Es Treaty should offer the legal certainty necessary to enable contracting parties with a weak bargaining position to successfully defend L&Es in trade negotiations in which they are confronted with requests to abandon or further restrict use privileges (Section 3.2).<sup>67</sup>

### 3.1 Flexibility

To achieve a satisfactory result with regard to the parameter of flexibility, it would not be necessary to restructure the entire edifice of international copyright law. Instead, an international instrument on L&Es could clarify the relationship between the open-ended three-step test and existing international provisions that contain permissible use privileges, such as the right of quotation in Article 10(1) BC. At the same time, it could employ the catalogue of existing international provisions with permissible use privileges as a reference point for the development of new L&Es. The following text provides a blueprint for such an international norm:

Contracting Parties may, in their national legislation, provide for limitations and exceptions serving economic, social or cultural purposes, such as

- making quotations;<sup>68</sup>
- illustrating teaching;<sup>69</sup>
- reporting current events;<sup>70</sup>
- facilitating the availability of works in accessible format copies for blind, visually impaired or otherwise print-disabled persons;<sup>71</sup>
- [further references to specific L&Es recognized at the international level];
- [additional prototypes of specific L&Es which the Contracting Parties find desirable];

provided that the use does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

L&Es that are already recognized in international copyright law would remain unchanged under this provision. Further examples of permissible L&Es could be added to the catalogue. The proposed wording, however, would rest on the presumption that the specific L&Es listed in the catalogue, by definition, constitute “certain special cases” in the sense of the three-step test.<sup>72</sup> Accordingly, the requirement of certain special cases is no longer necessary. Instead, the L&Es listed in the catalogue serve as a reference point for the development of new L&Es to satisfy economic, social, or cultural needs. The catalogue of L&Es would fulfill the same function as the illustrative indication of legitimate purposes known from national fair use

<sup>67</sup> Cf. Kur, *supra* note 2, at 146–47.

<sup>68</sup> Cf. BC, *supra* note 4, art. 10(1).

<sup>69</sup> Cf. *id.* art. 10(2)

<sup>70</sup> Cf. *id.* art. 10bis(2).

<sup>71</sup> Cf. *id.* art. 4(1).

<sup>72</sup> This clarification can hardly be deemed a big step. In 1997, the study conducted by WIPO, *Implications of the TRIPS Agreement on Treaties Administered by WIPO*, at 22–23, WIPO Pub. No. 464(E) (1996), already noted that “[n]one of the limitations and exceptions permitted by the Berne Convention should, if correctly applied, conflict with the normal exploitation of the work and none of them should, if correctly applied, prejudice unreasonably the legitimate interests of the right holder. Thus, generally and normally, there is no conflict between the Berne Convention and the TRIPS Agreement as far as exceptions and limitations to the exclusive rights are concerned.” Arguably, this statement presupposes that all specific L&Es recognized in the Berne Convention are to be qualified as “certain special cases” in the sense of the three-step test. Otherwise, these Berne L&Es would already fail the first step of the three-step test and be in compliance for this reason.

legislation. Section 107 of the US Copyright Act, for instance, refers to purposes “such as criticism, comment, news reporting, teaching . . . , scholarship, or research.”<sup>73</sup>

In addition, the words “such as” in the proposed provision make it clear that the list of permissible L&Es serving economic, social or cultural ends is not closed. It is the very purpose of the provision to offer guidelines for the continuous adaptation of the limitation infrastructure to new circumstances. The three-step test is thus employed as an opening clause that allows national lawmakers to further develop the copyright system by devising new L&Es.<sup>74</sup> This aspect of the proposed provision is in line with the status quo reached under the WIPO Copyright Treaty. In the context of Article 10 WCT, the aforementioned Agreed Statement – formally adopted at the Diplomatic Conference together with the treaty text – makes it clear that the three-step test is not intended to pose obstacles to the evolution of new L&Es:

It is understood that the provisions of Article 10 permit Contracting Parties to carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws which have been considered acceptable under the Berne Convention. Similarly, these provisions should be understood to permit Contracting Parties to devise new exceptions and limitations that are appropriate in the digital network environment.

It is also understood that Article 10(2) neither reduces nor extends the scope of applicability of the limitations and exceptions permitted by the Berne Convention.<sup>75</sup>

Following in the footsteps of this Agreed Statement, the proposed provision would thus rely on the flexibility that can be derived from the open-ended wording of the three-step test and reinforce the enabling function which the test already has in the context of Article 9(2) BC and Article 10(1) WCT. As a result, the three-step test becomes an opening clause that allows the development of new L&Es in the light of rapid technological developments, and prevents the international treaty framework from becoming outdated soon. The proposed provision would offer the flexibility necessary to achieve these goals at the international and national level.

### 3.2 *Legal Certainty*

As to the remaining parameter of legal certainty, a more radical step would be necessary to avoid the nightmare scenario described above: Contracting parties would have to refrain from subjecting every element of a Copyright L&Es Treaty to scrutiny in the light of the three-step test. As explained above, it is inconsistent to use the three-step test in situations where the contracting parties have reached agreement on a specific form of implementing a copyright limitation, as in the case of Articles 4(2) and 5(2) MT. Commentators have expressed hope that Articles 4(2) and 5(2) MT will be deemed fully compliant with the three-step test. Laurence Helfer, Molly Land, Ruth Okediji, and Jerome Reichman, for instance, explain that:

<sup>73</sup> The list is understood as an open, non-exclusive enumeration. See LEON E. SELTZER, EXEMPTIONS AND FAIR USE IN COPYRIGHT: THE EXCLUSIVE RIGHTS TENSIONS IN THE 1976 COPYRIGHT ACT 19–20 (1978) (quoting Senate and House Committee Reports).

<sup>74</sup> For a more detailed discussion of the different purposes which a general Copyright L&Es Treaty should support, see Chapter 4 of this volume, by Reto Hilty and Valentina Moscon. Cf. also Martin R. F. Senftleben, *Comparative Approaches to Fair Use: An Important Impulse for Reforms in EU Copyright Law*, in *METHODS AND PERSPECTIVES IN INTELLECTUAL PROPERTY* 30 (Graeme B. Dinwoodie ed., 2013).

<sup>75</sup> See WCT, *supra* note 6, art. 10.

[T]he core obligations in Articles 4, 5, and 6 of the MT provide “safe harbor” options for E&Ls that allow beneficiary persons and authorized entities to create, share, and exchange accessible format copies across borders. A state that takes advantage of these safe harbors and enacts domestic E&Ls that follow the approach set forth in the Treaty should be deemed fully compliant with the [three-step test].<sup>76</sup>

Similarly, Annette Kur takes the position that compliance with the three-step test is more or less self-evident:

Of course, Article 4(2) as well operates under the condition that it is TRIPS compatible; however, different from Article 4(3), no express reference is made therein to Article 11. Neutral as it is in its actual legal effect, this regulatory detail seems to signal that TRIPS compliance is basically taken for granted, so that contracting parties espousing the model set out in Article 4(2) can feel safe about their international obligations.<sup>77</sup>

Indeed, it would come as a surprise if a WTO panel declared a national provision following the implementation prototypes of Articles 4(2) and 5(2) MT incompatible with the three-step test of Article 13 TRIPS. As the delegations at the Marrakesh Conference explicitly agreed on these model provisions, such a decision would imply that WIPO members erred in their assessment of the room available under the three-step test and, collectively, made the mistake of adopting excessive model provisions.

If it is true that this scenario is unlikely, it is only a small sacrifice to refrain a priori from rendering the three-step test applicable to precisely defined L&Es, such as the model provisions in Articles 4(2) and 5(2) MT. In this way, the above-described nightmare scenario could be avoided, and a Copyright L&Es Treaty could achieve both objectives: flexibility and legal certainty. To ensure a sufficient degree of flexibility, the above-described provision derived from a combination of Article 4(1) and (3) MT with assessment factors of the three-step test should become the centerpiece of the international treaty. In addition, the Copyright L&Es Treaty could provide for model provisions similar to Articles 4(2) and 5(2) MT in all cases where the contracting parties can reach agreement on a concrete, exemplary mode of implementation at the national level. These model provisions, however, should not be exposed to scrutiny under the three-step test. Otherwise, the maximum legal certainty that could follow from the adoption of concrete implementation models would be eliminated.

#### 4 CONCLUSION

The Marrakesh Treaty contains different regulatory approaches that could serve as a starting point for the development of a general Copyright L&Es Treaty. While it is not advisable to expose precisely defined L&Es to additional scrutiny in the light of the three-step test (the nightmare scenario following from the application of the three-step test to Articles 4(2) and 5(2) MT), the combination of open-ended assessment factors stemming from the three-step test with broadly defined obligations to introduce L&Es (the dream scenario following from the application of the three-step test in the context of Articles 4(3) and 5(3) MT) could lead to a treaty framework that is flexible enough to allow international and national copyright legislation to keep pace with rapid technological developments and rapidly changing social, cultural, and economic needs. To add maximum legal certainty, the flexible international norm evolving

<sup>76</sup> HELFER ET AL., *supra* note 7, at 70–71.

<sup>77</sup> Kur, *supra* note 2, at 149.

from the latter approach could be supplemented with concrete model provisions that show permissible ways of implementation – without precluding the option of departing from the model provisions and adopting different L&Es at the national level that satisfy the open-ended criteria of the overarching flexible international norm.

It is important to note, however, that the three-step test must not be declared applicable to international model provisions that are intended to serve as national implementation templates. Otherwise, the application of the test will frustrate the objective of legal certainty. Model provisions should constitute true “safe harbours”<sup>78</sup> in the sense that national legislators should be able to rely on these implementation templates without any fear of exposure to challenges based on incompliance with the three-step test. In this way, it would be possible to realize both objectives that are central to a Copyright L&Es Treaty: flexibility and legal certainty.

<sup>78</sup> As to the use of safe harbour terminology in the context of the Marrakesh Treaty, see HELFER ET AL., *supra* note 7, at 43, 56.