

## Remedies, Enforcement and Territoriality

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Thank you to everyone at the Kernochan Center for inviting me to participate and for organizing this symposium. Like Sam Ricketson, I knew and was very fortunate to work with Jack Kernochan, and I am a better copyright lawyer because of him. As with all practicing attorneys, I begin with this caveat: the views I am expressing today are my own and should not be associated with or attributed to any of my clients.

What I was asked to speak about on this panel are the challenges confronting authors, producers, and publishers on copyright enforcement, as well as what the treaties require and permit regarding enforcement. I will focus on five key points.

The first point is what the treaties require and permit regarding enforcement. As has been pointed out by those much more expert than I (Jane and Sam, in their book), the Berne Convention's treatment of enforcement is pretty thin. There are references in Berne's Article 13 (for recordings) and Article 16 (for works) with regard to the seizure of infringing copies, including foreign copies.<sup>1</sup> But there is nothing else in Berne specific to enforcement remedies. The WTO TRIPS agreement in Articles 41 through 61 is obviously much more robust on enforcement, covering a wide range of civil, administrative and criminal remedies that member countries must implement into their legal regimes.<sup>2</sup>

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1. 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), <https://perma.cc/A8MA-9CGV>.

2. Agreement on Trade-Related Aspects of Intellectual Property Rights, arts. 41-61, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299; 33 I.L.M. 1197 (1994).

Then, of course, there are the WIPO digital treaties, which picked up—verbatim—some of the language incorporated in Article 41 of TRIPS, requiring member countries of the WCT or WPPT to have in their legal regimes “effective action” including “expeditious remedies”, and that these must “constitute a deterrent.”<sup>3</sup> So, there is not a lot of specificity in the digital treaties of what these remedies look like, and more to the point, rights holders would be very lucky that whatever they are, they would exist in all of these treaty countries because there are no dispute mechanisms to force implementation of remedies in the digital treaties.

My first point though is about the mandated treaty remedies and what is effective. Let me begin with something that has not been discussed much today, which is criminal enforcement. In a lot of marketplaces in many countries, the significant harm to authors and producers is piracy undertaken by organized crime syndicates making very large sums of money. This is a rough-and-tumble world. In the years that I have done this work, I have had one colleague killed by these groups and several others who have been targeted and shot at for trying to stop piracy, and the perpetrators were, in most of these instances, corrupted government officials engaged in criminal syndicates. You would no more expect a rights holder in the United States to go after an organized crime syndicate with civil remedies than you would in any other country. That is why government intervention in the form of criminal enforcement is an essential part of effective enforcement. Whether it is the old hard copy piracy world or the digital piracy world, there is no difference in what is effective and that is targeting operators and owners of the large pirate sources; whether they are BitTorrent or streaming sites or pay-per-download sites that still exist in many counties and many marketplaces, these are what needs to be the focus of criminal enforcement. TRIPS Article 61 requires WTO member countries to have criminal remedies for copyright piracy “on a commercial scale” and these types of operators and organized crime syndicate operations are self-defining as on a commercial scale. The penalties must also include imprisonment and fines that provide a deterrent not just a cost of doing business penalty.<sup>4</sup>

The real problem of course in many countries is, even if these remedies exist on paper, they do not exist in reality because of a lack of government will-power or resources—for example, in poor countries that do not have any enforcement resources so IP enforcement is certainly not a priority. Further, in many countries where some of my clients are in the marketplace—for example, in Eastern and Central Europe—there is wide-spread corruption, so enforcement authorities are just not going to engage in effective enforcement, and sometimes it is the government itself that is part and parcel at the center of the large-scale commercial piracy activities.

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3. *Id.* at art. 41.

4. *Id.* at art. 61.

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My second key point, as I move from the very bleak to the little less bleak in the options for rights holders to protect their rights, is civil enforcement. TRIPS Article 41, pertaining to civil remedies, includes the identical language requiring such remedies to be "effective, expeditious and deterrent."<sup>5</sup> Articles 42 through 50 talk about the range of required civil and administrative remedies that WTO member countries must incorporate into their national laws, civil codes, customs codes, and administrative codes.<sup>6</sup> But what might have been effective in the hard copy, physical piracy world does not necessarily translate into an effective remedy for the digital world. For example, the customs provisions in Articles 51 through 60 may be effective for trademark protection, but not so much for copyright and especially digital copyright material.<sup>7</sup>

Including the proper civil and administrative remedies into national laws does not, of course by itself, result in any improvements. It is not late-breaking news to tell you how slow, ineffective, and burdensome civil remedies can be, especially against large-scale piratical enterprises. Plus, civil enforcement, puts the burden of enforcement solely on rights holders, requiring them to engage in enforcement in foreign countries, which is costly and not often successful. Plus, the treaties do not require, and in fact are silent, on any third-party liability which is the more effective way to engage in civil enforcement. One part of civil enforcement is notice and takedown which was never intended to be an enforcement mechanism per se, just a tool in the toolkit with other effective remedies, but one that helps to promote cooperation between rights holders and the platforms. Even that has not always worked out as planned. That is because repeat infringer policies, a prerequisite to the so-called safe harbors from liability, are often ineffective. Also, many countries have no third party liability at all or, as in the United States (as the result of litigation) have created a high hurdle for liability whether in the form of vicarious or contributory liability (or, after the *Grokster* case<sup>8</sup>) for inducement liability.

There are also administrative remedies, which as an alternative civil remedies are usually a lot less expensive than other remedies. But, again, a lot of these administrative remedies work better in a physical world than in the digital world. For example, revoking a vendor's license to sell materials on a street corner when found to have infringing materials works better in the physical copy world, as does using the tax authorities in some instances. In fact, civil actions are generally more effective against unauthorized software end-users, which generally means that an unlicensed end-user becomes a licensed user. But this remedy does not translate as well for other copyrighted materials such as books, film, music and video games. What would put more vigor into civil enforcement actions, if required by treaties or agreements, would be compensatory and statutory damages.

My third point—after criminal remedies and civil and administrative remedies—is to look to cooperative and voluntary actions between rights holders and

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5. *Id.* at art. 41.

6. *Id.* at arts. 42-50.

7. *Id.* at arts. 51-60.

8. *MGM Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 919 (2005).

disseminators and users. There is not a lot I can say about these in my remaining three minutes on this panel, other than to say that to some degree they do work. For example, the conversations that began years ago among rights holders and the ISPs, platforms, advertisers and financial supporters of online sites and services have certainly yielded some positive results and improvements for rights holders' protection of works online. These are not treaty required actions, nor are they even mentioned in the treaties, so not engaging in cooperative and voluntary actions obviously does not invoke treaty compliance problems.

There are also technological protections and commercial factors that have worked. The most obvious of these is technical protection measures ("TPMs"). TPMs have allowed rights holders to deliver to consumers more works and recordings in more formats and at various price ranges (including for free) than at any time in history. So, this is an economic form of voluntary "self-help"—to quote Giuseppe Mazziotti—a self-help remedy. And it really works effectively.

Point four is special provisions and problems regarding enforcement, which are worth noting in my last few thoughts here. The first of these is camcording (copying films without authorization in theaters and making copies and uploading them online). Camcording is not mentioned in any of the copyright treaties, but has been the subject of conversation in recent trade agreements. For example, it will hopefully get incorporated into NAFTA 2.0. Why? Because Mexico is the largest supplier of unauthorized films that are uploaded on the Internet in the world—a total of eighty-five major motion pictures (owned by the American studios) were camcordered in Mexico last year. And Mexico does not have any provisions to effectively address camcording.<sup>9</sup> Mexico does have a related and very weak provision, but I do not have time today to describe it; suffice to say, it does not work.

The second special provision would be adding language in national laws to penalize aiding and abetting as a criminal matter; this would certainly be an improved enforcement tool. Such a provision is not unprecedented: it is included in the CETA, the Canadian and European Union Trade Agreement, and is something that was included in the negotiated Trans-Pacific Partnership (the TPP agreement) before the U.S. withdrew from the TPP.<sup>10</sup>

A third special provision is one Giuseppe Mazziotti has already mentioned: remedies directed at predatory foreign websites. Special remedies are needed against these commercial infringing sites from outside the host countries because the host countries are not taking action. Actions can include either geo-blocking or web-blocking in countries that do want to engage in enforcement. There are now over—I think—twenty countries that have provisions in their laws that permit web-blocking. The United States is not one of them, absent a long-drawn court proceeding. Still another tool in that vein is to undertake domain name seizures.

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9. Michael White, *Hollywood: Organized Crime Goes to the Movies*, BLOOMBERG, (Apr. 7, 2011, 5:00 PM), <https://perma.cc/6MKP-E6N2>.

10. Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part, Sept. 14, 2016, 2016/0206 (NLE).

A fourth special provision is one that concerns the motion picture, television and live sports industries. These are the so-called Kodi boxes which are also sometimes referred to as illicit streaming devices ("ISDs"). These devices are legal as naked devices, but are altered from a legal box to an illegal one to allow a buyer to get a live streaming of content using apps or on-demand services. These devices are made and sold in China, often for export, and are distributed in India, Mexico and many other countries. The devices are sold either pre-loaded with apps that circumvent technologies to allow you to get into paid, subscriber content, whether it's Netflix, or cable systems, or whatever, or they are sold "clean" and the circumvention apps are available for free on the Internet. This is a fast-growing enforcement problem for the motion picture and television industries.

My fifth and final point on enforcement is a focus on improving the existing treaty obligations. We heard from Sam Ricketson and others about how difficult the Berne Convention revisions are, and that even so-called special agreements to Berne (such as the WCT and the WPPT) are nearly impossible to negotiate and adopt. Remember, the digital treaties—the WCT and the WPP—are now over twenty years old, having been completed in December of 1996.<sup>11</sup> So getting new multi-lateral agreements is a long, slow road to change.

So what is the solution for improving treaty obligations? The solution is not copyright treaty changes, but focusing on improving enforcement obligations in new Free Trade Agreements and regional trade agreements, where like-minded countries can get together and make some progress forward to address technological changes and other things that already exist in their national laws, or are close to being adopted in their national laws. One example is the KORUS, the US-Korea FTA which was completed in 2012, and which is essentially the high watermark of protections at least for authors and producers at the moment.<sup>12</sup> Another avenue could have been the TPP, which as I mentioned, is carrying on now without the United States as a member, but with eleven other countries. And, we will see what happens between the U.S., Mexico and Canada with the re-negotiations of NAFTA and any new enforcement obligations in that agreement.

Finally, in this regard, a word about diplomacy. When all else fails—and no jokes with this administration, as there is not much to joke about—but diplomacy actually does work. Here is the dynamic: much more can be accomplished if negotiations are limited to two countries trying to improve their trade relations – whether focusing on trade benefits or trade sanctions for inadequate copyright laws or enforcement regimes. What will often result is one country will agree to improve its national laws to address changes sought by the other, in exchange for other trade benefits. That is good diplomacy – building relationships. Yet, when many countries try this same effort in multi-lateral negotiations, these efforts fail. It is just easier, to make changes bilaterally, on a law-by-law or practice basis to

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11. Julie S. Sheinblatt, *The WIPO Copyright Treaty*, 13 BERKLEY TECH. L.J. 536 (1998).

12. Free Trade Agreement between the United States of America and the Republic of Korea, S. Kor.-U.S., June 30, 2007, 125 Stat. 428.

improve protection and enforcement for authors and producers, if countries do it directly, and use diplomacy to focus attention on specific problems.

Thank you.