Journal of the Copyright Society of the USA – Vol. 57 (2010)

A GERMAN APPROACH TO FAIR USE: TEST CASES FOR TRIPS CRITERIA FOR COPYRIGHT LIMITATIONS?

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I. INTRODUCTION

How do diverse jurisdictions approach transformative uses of copyright-protected materials? With, we shall see, infringement analysis as well as a variety of limitations and exceptions. In particular, we shall review case law in which German courts broadened infringement analysis, as well as the exception for quotation, in order to assure constitutionally protected freedom of expression. But should such an overriding approach be subject to TRIPs criteria for limitations and exceptions? We shall argue that it should not, proposing rather common-sense solutions in the cases.

II. INFRINGEMENT ANALYSIS VS. LIMITATIONS FOR TRANSFORMATIVE USES

What is a creator, borrowing from a prior work, to do about any copyright in that prior work? In all jurisdictions, if sued, transformative users may plead non-infringement or, in the alternative, limitations or exceptions. On the one hand, non-infringement means that the plaintiff cannot prove a copyright claim; on the other, a limitation or exception, if successfully raised, fully or partially exempts the defendant even from a good claim. At least in principle, the United States and other jurisdictions follow comparable approaches to infringement analysis.[1] Albeit in slightly varying terms, they tend to distinguish unprotected facts, ideas, etc., from protected expression. But the United States has been, until recently, unique in its open-ended limitation of fair use.[2]

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* Attorney, Los Angeles: http://www.pgeller.com. This article started as a talk given at the program *Examining the Derivative Works Right in the Face of Fair Use* held by the University of San Francisco Law School on November 1, 2008. I thank Adolf Dietz for his comments on my analysis of the German materials and Laurence Helfer for his comments on my analysis of the international framework, but I take full responsibility for what is written here.

[1] For a comparative analysis, see Paul Edward Geller, *Hiroshige v. Van Gogh: Resolving the Dilemma of Copyright Scope in Remedying Infringement*, 46 J. COPYRIGHT SOC'Y 39 (1998).

[2] *See* 17 U.S.C. § 107 (2006). Israel has recently adopted the doctrine of fair use to limit, respectively, economic rights and the moral right of integrity. Copyright Law, 2007 §§ 19, 50 (Isr).

Start with infringement analysis. The estate of Margaret Mitchell, the author of *Gone with the Wind*, brought suit for infringement of copyright in *Gone with the Wind* by the novel *The Blue Bicycle*. However, in the United States, a trial court simply refused to grant a preliminary injunction: it found that the two works differently developed stock characters and standard plot sequences in distinct settings.[3] In the French case involving the same novels, infringement findings were more volatile: a finding of non-infringement by a first-instance court was reversed on appeal to the intermediate court, whose reversal was then overturned by the highest French court of appeal.[4] Finally, the court on remand found that the materials from *Gone with the Wind* had been so transformed in *The Blue Bicycle* that insufficient similarities remained to constitute infringement.[5]

Switch now to limitations and exceptions. Consider a parody of *Gone with the Wind*. In the United States, the Mitchell estate sued for infringement by the parody *The Wind Done Gone*. The court of appeals overturned a preliminary injunction of that parody, considering it to be excusable under the U.S. limitation of fair use.[6] By contrast, in France, the parodist could have invoked a specific exception for critically transformative works, namely for any "parody, pastiche, and caricature," which a court would have to consider in the light of "the laws of this genre."[7]

The Berne Convention has expressly neither allowed nor disallowed limiting copyright with regard to transformative uses, but it does recognize specific exceptions such as that for quotation.[8] Arguably, the Berne silence on transformative uses implies that member countries have discretion in dealing with such uses, and it explains how some jurisdictions have come to approach parodies through infringement analysis, some through doctrines such as fair use, and some with specific exceptions.[9]

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[3] Trust Co. Bank v. Putnam Publ'g Group Inc., 5 U.S.P.Q.2d 1874 (C.D. Cal. 1988).

[4] Tribunal de grande instance [TGI] Paris, 3e ch., Dec. 6, 1989, CAHIERS DU DROIT D'AUTEUR, May 1990, at 21, *rev'd*, Cour d'Appel [CA] Paris, 1re ch., Nov. 21, 1990, 147 REV. INT'L DU DROIT D'AUTEUR [RIDA] 319 (1991), *rev'd* Cassation [Cass.] 1e civ., Feb. 4, 1992, 152 RIDA 196 (1992).

[5] CA Versailles, chs. réuns., Dec. 15, 1993, 160 RIDA 255 (1994).

[6] SunTrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001).

[7] Code la Propriété Intellectuelle art. L. 122-5(4) (Fr.).

[8] *See* Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as last revised at Paris, July 24, 1971 [Berne Convention], art. 10, 828 U.N.T.S. 221.

[9] *Compare* Alberto Musso, *Italy* § 8[2], *in* 2 INTERNATIONAL COPYRIGHT LAW AND PRACTICE ITA-70–ITA-71 (Paul Edward Geller ed., updated annually, 2009) (explaining analysis of parody as determining whether one work based on another is an infringing derivative work or not), *with* Alain Strowel, *Belgium* § 8[2][a][v], *in* 1 INTERNATIONAL COPYRIGHT LAW & PRACTICE, *supra* note 9, at BEL-56 (explaining a specific exception for par-

If we ask how German copyright law deals with parody, we encounter the doctrine of *freie Benutzung*. To avoid any initial confusion with "fair use," we shall translate this term as "free utilization."[10] The doctrine of free utilization was originally intended as a conceptual tool, akin to the idea-expression dichotomy, to be used in infringement analysis.[11] We shall examine a shift in German case law, in which this doctrine has lately approached the U.S. limitation of fair use.[12]

III. THE GERMAN DOCTRINE OF FREE UTILIZATION TRADITIONALLY APPLIED

The German doctrine of free utilization helps courts to respond to the question: What reworkings or transformations of prior protected works are, or are not, subject to the prior authors' rights? In his classic commentary on German copyright law, Professor Eugen Ulmer answered: Any later work that takes, and clearly copies, the essential aspects or traits of a prior work is subject to copyright in that prior work. The doctrine of free utilization represents a corollary: No infringement is to be found if these essential aspects or traits are sufficiently attenuated, or faded away, within the later work.[13]

Easy cases arise when prior and later creators recount the same historical event or paint a portrait of the same person, albeit in different literary or artistic forms. Here we see implicated the dichotomy, which is recognized in virtually all copyright laws, albeit misleadingly, between unprotected facts and protected expression.[14] Hard cases arise when prior works lead later authors to make later works structurally based on these

ody, etc., but one which requires "fair practice" on behalf of the party invoking it).

[10] Urhebergesetz § 24(1) (Ger.) ("A self-standing work, which has been created through the free utilization of the work of another, may be released and exploited without the authorization of the author of the utilized work.").

[11] For a comparative analysis, see IVAN CHERPILLOD, L'OBJET DU DROIT D'AUTEUR (1985).

[12] Like many civil-law countries, Germany has a three-tiered court system. A case usually starts at a *Landgericht* [LG], a first-instance trial court, and may be appealed to an *Oberlandesgericht* [OLG], or in Berlin to the *Kammergericht* [KG], on disputed issues of fact and of law. In Germany, the highest court of appeal is the *Bundesgerichtshof* [BGH], the Federal Court of Justice, except for constitutional issues that go to the *Bundesverfassungsgericht* [BVerfGE], the Federal Constitutional Court.

[13] *See* EUGEN ULMER, URHEBER- UND VERLAGSRECHT 265-78 *passim* (3d ed. 1980).

[14] For a critical analysis, reformulating the fact-expression dichotomy to make it less misleading, see Paul Edward Geller, *US Supreme Court Decides the* Feist *Case*, 22 INT'L REV. INDUS. PROP. & COPYRIGHT L. [IIC] 802 (1991), 150 RIDA 115 (1991).

prior works: for example, Shakespeare took plots from Italian Renaissance stories. Here the German doctrine of free utilization "often serves functions parallel to those served by the doctrine which distinguishes between idea and expression and which thus limits the scope of protection in infringement analysis."[15]

Professor Ulmer admitted that, in applying the doctrine of free utilization to hard cases, "literary and artistic evaluations are not to be avoided."[16] A court then has to ask to what extent, relative to plaintiff's prior work, defendant's later work stands on its own, while creatively transforming the materials taken from the prior work. Professor Ulmer gave examples of such hard cases, notably new versions, sequels in which previously created literary characters are merely evoked by name and superficial characteristics, and parodies.[17] In the case of the film *The Man Who Was Sherlock Holmes*, the German Federal Court of Justice did not find infringement, but rather free utilization: the film, it noted, had Sherlock Holmes and Dr. Watson act out different roles in new stories with a comic tenor.[18] Subsequent German decisions have been divided with regard to whether takings of literary characters constituted free utilizations.[19]

It is not clear that the "evaluation" called for in hard infringement cases always has to be strictly "literary and artistic." One German decision allowed some use of *Harry Potter* materials and declined to do so with regard to other uses of such materials. Where fragments from *Harry Potter* works appeared piece-meal and often only paraphrased in cards used in teaching, the court found their utilizations to be free. By contrast, where *Harry Potter* stories were retold in digested and simplified forms, the court found infringement, expressing its skepticism of any disclaimer that the stories had to be read themselves. Rather, the court asked: Did the *Harry Potter* works have to be read to enjoy the materials as used in this case? If so, no infringement; if not, infringement.[20]

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15 Adolf Dietz, *Germany* § 8[2][b][ii], *in* 2 INTERNATIONAL COPYRIGHT LAW & PRACTICE, *supra* note 9, at GER-121.

16 ULMER, *supra* note 13, at 276.

17 *Id.* at 277.

18 BGH, Nov. 15, 1957, 1958 GEWERBLICHER RECHTSSCHUTZ UND URHEBERRECHT [GRUR] 354.

19 *Compare* BGH, April 29, 1999, 1999 GRUR 984, *and in English in* 31 INT'L REV. INDUS. PROP. & COPYRIGHT L. [IIC] 1050 (2000) (upholding a finding of infringement in the adaptation of characters from Doctor Zhivago), *with* KG Berlin, May 6, 2003, 2003 ZEITSCHRIFT FÜR URHEBER- UND MEDIENRECHT [ZUM] 867 (finding free utilization in the adaptation of the stock character of an investigative journalist in crime stories).

20 LG Hamburg, Dec. 12, 2003, 2004 GRUR-RR 65.

The doctrine of free utilization then normally applies in German infringement analysis. Why then did Professor Ulmer stress the need for evaluation in hard cases? In principle, in infringement analysis, courts are to avoid such evaluation by asking merely whether one work is sufficiently differentiated from another to avoid infringement. However, the U.S. test for fair use leads off with an evaluative inquiry into "the purpose and character of the use" made of a prior work in a later one.[21] We shall now turn to German developments that suggest just how far, in hard infringement cases, courts may inevitably find themselves driven into such a value-based inquiry.

IV. CONSTITUTIONAL CONSIDERATIONS IN CONSTRUING LIMITATIONS

In a series of cases of transformative uses, German courts have referred to guarantees that the German Constitution provides for freedom of expression.[22] In these cases, as we shall see, not only did German courts take account of the place of copyright in the constitutional order of legal norms, but they had to fashion remedies as between private parties.[23] For these reasons, their decisions may furnish useful lessons for applying TRIPs criteria to copyright limitations and exceptions.[24]

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21 17 U.S.C. § 107(1) (2006).

22 Grundgesetz art. 5 (Ger.) ("(1) Every person shall have the right freely to express and disseminate his opinions in speech, writing, and pictures and to inform himself without hindrance from generally accessible sources. Freedom of the press and freedom of reporting by means of broadcasts and films shall be guaranteed. There shall be no censorship. (2) These rights shall find their limits in the provisions of general laws, in provisions for the protection of young persons, and in the right to personal honor. (3) Art and scholarship, research, and teaching shall be free. Freedom of teaching shall not release any person from allegiance to the constitution.").

23 For an overview of other, but comparable, European cases, see 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 287 (Jonathan Griffiths & Uma Suthersanen eds., 2005).

24 Since the European Court of Human Rights provides relief only against sovereign states, its case law might not be as instructive. For further analysis, see P. Bernt Hugenholtz, *Copyright and Freedom of Expression in Europe*, *in* EXPANDING THE BOUNDARIES OF INTELLECTUAL PROPERTY: INNOVATION POLICY FOR THE KNOWLEDGE SOCIETY 343 (Rochelle Cooper Dreyfuss et al. eds., 2001); Laurence R. Helfer, *The New Innovation Frontier? Intellectual Property and the European Court of Human Rights*, 49 HARV. INT'L L.J. 1 (2008).

A. The Alcolix *and* Asterix Persiflagen *Cases: Cartoon Parodies*

To understand the first set of cases, we need to understand who Asterix is. He is the hero of a comic-strip series popular in France. The series is set some 2,000 years ago when the Romans were conquering native French Celtic tribes. By his wit and daring, the diminutive hero Asterix leads his tribe in holding out against the Romans. He is helped by tribe members such as Obelix, who rather than being clever is strong, and so forth. Of course, parodies of comic strips are not new: in the United States, for example, the *Air Pirates* comics parodied Disney comics, but without being excused as fair use.[25] The German parodies of Asterix portrayed the French Celtic tribe as a band of depraved delinquents, often placing them in modern settings. Their penchant for drink was evoked in the title of one parody: *Alcolix*.

Remember that, in a much older case, the German Federal Court of Justice had declined to protect copyright in the literary character of Sherlock Holmes.[26] In the *Alcolix* and companion *Asterix Persiflagen* cases decided in 1993, the Federal Court of Justice started by affirming that graphically portrayed characters, such as Asterix and Obelix, were indeed protected by copyright.[27] The traditional inquiry into free utilization would have led to the question: Are the essential aspects or traits of such graphic works sufficiently attenuated, or faded away, so that no infringement may be found? In the parodies accused of infringement, however, just like Mickey Mouse and his friends in the *Air Pirates*, Asterix, Obelix, and their friends appeared visually more or less as they did in the claimants' comic strips.[28] Thus the traditional test of free utilization would not be passed. A finding of infringement would logically follow.

The Federal Court of Justice, however, broadened the test for free utilization in the *Alcolix* case. It asked whether the *Asterix* characters may be seen as sufficiently attenuated in the context of the parody. It spoke in terms of distance, more literally, some standing back, relative to the prior work that the later work creatively effectuated. Before completing inquiry into such contextual attenuation or distance, the Court invoked article 5 of the German Constitution, which expressly protects freedom of expression,

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[25] Walt Disney Prods. v. Air Pirates, 581 F.2d 751 (9th Cir. 1978), *cert. denied*, 439 U.S. 1132 (1979). *Quaere* whether this case would have had the same outcome in the light of later precedent. *See* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994).

[26] BGH, Nov. 15, 1957.

[27] BGH, March 11, 1993, 1994 GRUR 206 and 191, 1993 ZUM 534 and 537, *and in English in* 25 Int'l Rev. Indus. Prop. & Copyright L. [IIC] 605 and 610 (1994) (*Alcolix* and *Asterix Persiflagen* cases, respectively).

[28] For some of the covers of the comic books, see Parodien, http://www.asterix-fan.de/cb/pa/parodie.htm (last visited June 1, 2010).

specifically freedom of art. It made clear that, unless liberally construed, the doctrine of free utilization might not leave creators enough freedom to satisfy that constitutional guarantee. With such a construction mandatory, the Court remanded the case to the intermediate court to complete inquiry into the contextual attenuation of the characters. It held that such attenuation and resulting distance has to be assessed from the perspective of readers conversant with both the parody and the prior work.[29]

The companion case of the *Asterix Persiflagen* dealt with a variety of fact situations and turned out differently. Where a title page of a parody was considered, there was no context to soften the impact of the copying, and an injunction was affirmed. Other findings varied, depending largely on assessments of contextual attenuation. Some issues were left to be resolved on remand.[30]

B. The Germania 3 *Case: Brecht Excerpts* in Extenso

Now we come to a landmark German case decided in 2000. At issue were excerpts taken from the works of the Marxist playwright Bertolt Brecht. In the 1950s, protests and uprisings had shaken the Marxist regime in Eastern Germany. To dramatize Brecht's dilemmas at the time, Heiner Müller had his play *Germania 3* feature large passages excerpted from Brecht's works. The intermediate court enjoined the publication of the play *Germania 3* on the grounds that such extensive excerpts from Brecht's works were infringing. The court did not excuse the excerpts under the exception for quotation.[31]

The German Federal Constitutional Court heard a challenge to this decision. Under the conventional wisdom of the civil law, any specific exception to authors' rights would be restrictively construed. In this case, the Constitutional Court recognized that the specific exception for quotation, under a traditional reading, would indeed not excuse the extensive excerpts in question. Traditionally, a quotation may only be excused if it is no larger than necessary to serve its illustrative or related purpose: in Berne terms, a quotation must be "compatible with fair practice," and its extent may "not exceed that justified by" its purpose.[32] However, in *Germania 3*, the extensive Brecht excerpts did not illustrate or unpack any argument or theme of the play. The court rather understood them as a collage of texts that served a dramatic role in the play.[33]

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[29] BGH, March 11, 1993, 1994 GRUR 206, 1993 ZUM 534, *and in English in* 25 INT'L REV. INDUS. PROP. & COPYRIGHT L. [IIC] 605 (1994).

[30] BGH, March 11, 1993, 1994 GRUR 191, 1993 ZUM 537, *and in English in* 25 INT'L REV. INDUS. PROP. & COPYRIGHT L. [IIC] 610 (1994).

[31] OLG Munich, March 26, 1998, 1998 ZUM 417.

[32] Berne Convention art. 10(1).

[33] BVerfGE, June 29, 2000, 2001 GRUR 149, paras. 7, 10.

Accordingly, the Constitutional Court reasoned that specific statutory exceptions to copyright may, in some cases, have to be liberally construed to avoid tensions with constitutional guarantees such as freedom of art that, in the case at bar, amounted to the author's freedom to develop and disseminate a new work.[34] At one point, the German court anticipated one factor that U.S. courts have to take into account in fair-use analysis, noting that the expansion of the exception for quotation could impose risks on a prior author of "significant economic disadvantages, for example, market deterioration."[35] We see account taken there, albeit a bit differently, of the ultimate fair-use factor: "the effect . . . upon the potential market for . . . the copyrighted work."[36] Nonetheless, the Constitutional Court, to assure freedom of art in this case, reversed the decision before it, thus dissolving the pending injunction, and remanded the case for further adjudication.[37]

C. The Gies-Adler *Case: Political Caricature*

In 2003, the German Federal Court of Justice heard the *Gies-Adler* case. At issue was an artist's rendition of the German national symbol, the eagle placed, for example, on the former Federal Parliament building. A collecting society, asserting the artist's copyright in his version of the federal eagle, petitioned for an injunction of a caricature of the eagle in that form. However, the intermediate court refused to approve any injunction of the caricature.[38]

In reviewing this decision, the Federal Court of Justice started by elaborating the methodological lesson of the *Germania 3* case. The Court of Justice reasoned that statutory law had to be construed in conformity with the Constitution, applying the constitutional guarantee of freedom of the press in this case. The Court then considered the context of the caricature, namely a journalistic article critical of national policy. In that context, it found enough of a change of form from the artist's version of the federal eagle to the caricature to deem the caricature a free utilization. It accordingly affirmed the intermediate court's refusal to enjoin publication.[39]

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[34] *Id.* paras. 10-23 *passim*.

[35] *Id.* para. 24.

[36] 17 U.S.C. § 107(4) (2006).

[37] BVerfGE, June 29, 2000, para. 32.

[38] OLG Cologne, May 5, 2000, 2000 NEUE JURISTISCHE WOCHENSCHRIFT 2212.

[39] BGH, March 20, 2003, 2003 GRUR 956, *and in English in* 35 INT'L REV. INTELL. PROP. & COMPETITION L. [IIC] 984 (2004).

V. TO WHAT LIMITATIONS MAY TRIPS ARTICLE 13 APPLY?

Article 13 of the TRIPs Agreement sets out criteria for copyright limitations and exceptions as follows: "Members 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."[40] To test such criteria, we shall ask: May limitations of copyright, as we just found them construed to assure freedom of expression, be subject to these TRIPs criteria? We shall address this question only as it arises in cases of transformative uses.[41]

A. Limitations of Copyright vs. Limitations and Exceptions to Copyright

Elsewhere we have distinguished between definitional limitations *of* copyright, as well as constitutional limitations *of* copyright, on the one hand, and limitations or exceptions *to* copyright, on the other.[42] The TRIPs text suggests this distinction in reserving definitional limitations of copyright: article 6 leaves intact the first-sale or exhaustion doctrine, while article 9(2) confirms both the exclusion of ideas, procedures, etc., and the protection of creative expression. Both articles 6 and 9(2) apply independently of article 13, which appears in the treaty later on to speak of "limitations or exceptions" to copyright, but which does not refer back to prior

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[40] Agreement on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods [TRIPs Agreement], art. 13 (Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed Apr. 15, 1994), GATT Doc. MTN/FA II-A1C, 33 I.L.M. 81 (1994).

[41] We shall not consider underlying issues of public international law, notably the following question: May a W.T.O. dispute-settlement panel overrule a principle that is constitutionally decisive in a given class of cases under a member's national law? For further analysis, see Andres Moncayo von Hase, *The Application and Interpretation of the Agreement on Trade-Related Aspects of Intellectual Property Rights*, *in* INTELLECTUAL PROPERTY AND INTERNATIONAL TRADE: THE TRIPS AGREEMENT 83, 118-22 (Carlos M. Correa & Abdulqawi A. Yusuf eds., 2d ed. 2008); Henning Grosse Ruse-Khan, *Proportionality and Balancing Within the Objectives for Intellectual Property Protection*, *in* INTELLECTUAL PROPERTY AND HUMAN RIGHTS 161, 191-93 (Paul L.C. Torremans ed., enhanced ed. 2008); Xavier Seuba, *Human Rights and Intellectual Property Rights*, *in* INTELLECTUAL PROPERTY AND INTERNATIONAL TRADE, *supra* note 41, at 387. Note that, since constitutional guarantees of freedom of expression vary from country to country, it remains unclear how our argument here might play out globally. For further analysis, see Michael Birnhack, *Global Copyright, Local Speech*, 24 CARDOZO ARTS & ENT. L.J. 491 (2006).

[42] *See* Paul Edward Geller, *Rethinking the Berne-Plus Framework: From Conflicts of Laws to Copyright Reform*, 2009 EURO. INTELL. PROP. REV. [EIPR] 391, at 394-95.

provisions. We shall argue that, in cases of transformative uses, definitional and constitutional limitations of copyright are not subject to the criteria set out in article 13.[43]

To start, we need to consider how the idea-expression dichotomy may apply within a copyright action. In theory, one can view this dichotomy as a part of some larger subject-matter exclusion or else as a doctrinal device for analyzing infringement.[44] This dichotomy may have both functions: at the threshold of suit, it may preclude the copyright protection of technologies that are subject to patent and related laws; in infringement analysis, it may help to disentangle expression that aesthetic themes or techniques generate in routine or slavish fashions, on the one hand, from expression with sufficient creative input to attract copyright, on the other.[45] In practice, whichever of these complementary approaches applies, the idea-expression dichotomy defines our response to the following key question, case by case: Is suit brought on protectible subject matter or, more particularly, for taking protected materials? By parity of logic, to the extent that the German doctrine of free utilization has functions equivalent to those of the idea-expression dichotomy, it also has to be characterized as a definitional limitation of copyright.[46]

How then, in TRIPs terms, to understand our distinction between such definitional and other limitations *of* copyright versus limitations or exceptions *to* copyright? Article 9(2) of the TRIPs Agreement sets out the idea-expression dichotomy as a categorical limitation of copyright:

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[43] For our source of the notion of the definitional as well as constitutional limitation of copyright, see Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. REV. 1180, 1186-88 (1970).

[44] *Compare* Pamela Samuelson, *Why Copyright Excludes Systems and Processes from the Scope of Its Protection*, 85 TEX. L. REV. 1921, 1951-55 (2007) (understanding "idea" as but one of many terms in a larger subject-matter exclusion of processes, systems, methods, etc., subject to patent and related laws), *with* Nimmer, *Does Copyright Abridge the First Amendment*, *supra* note 43, at 1189-93, *and* David Nimmer et al., *A Structured Approach to Analyzing the Substantial Similarity of Computer Software in Copyright Infringement Cases*," 20 ARIZ. ST. L.J. 625, 640-49 (1988) (explaining that ideas, even if merged with expression, are to be abstracted or filtered out in infringement analysis).

[45] *See* Paul Edward Geller, *Beyond the Copyright Crisis: Principles for Change*, 55 J. COPRIGHT SOC'Y 165, 180-83 (2008). This article is an earlier version of a work in progress which, as updated, is posted, with links to illustrative materials, at http://www.criticalcopyright.com/principles.htm (last visited June 1, 2010).

[46] *See generally* ULMER, *supra* note 13, at 275 (explaining that the doctrine bears on "the scope, as well as on the limits, of protection"). *See, e.g., supra* text accompanying notes 3–30 (comparing U.S., French, and German cases on point).

doctrinally, this dichotomy tells us what copyright does not and does protect in general; jurisprudentially, it helps us disentangle unprotected from protected materials in the cases.[47] Only once the scope of copyright is delimited, notably as it is claimed in the pleadings and adjudicated in concrete cases, could the criteria of article 13 of the TRIPs Agreement come into play as parameters for any "limitations or exceptions to exclusive rights" invoked in the cases. Logically, any definitional limitation of copyright is thus necessarily prior to, and independent of, specific limitations or exceptions to copyright; otherwise, there would be no certain scope of copyright from which such limitations and exceptions could reliably derogate. Accordingly, article 9(2) of the TRIPs Agreement independently recognizes the idea-expression dichotomy, which definitionally limits the scope of any action for copyright infringement. By contrast, article 13 of the TRIPs Agreement applies only to "special" limitations, as well as exceptions, from which copyright defenses are drawn.[48]

In principle, copyright may not be given greater scope than would be consistent with any overriding law in the overall legal system out of which copyright arises. For example, U.S. commentators acknowledge that the guarantee of free speech, found in the First Amendment of the U.S. Constitution, must prevail in any tension with copyright law, while U.S. judges admit such primacy, giving lip-service to the idea-expression dichotomy and the doctrine of fair use as doctrinal devices that help minimize such tensions.[49] In the German cases treated here, not only did the judges actually apply constitutional guarantees of freedom of expression to hard cases, but they frankly admitted the resulting need to rethink the limiting doctrine of free utilization with which German judges had previously been analyzing infringement, as well as the exception for quotation which had previously been restrictively applied.[50] It is to such paradigmatic and concrete examples of applying definitional or constitutional limitations that TRIPs dispute-settlement panels may look in declining to apply article 13

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47 *See generally* DANIEL GERVAIS, THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS 130-32 (2d ed. 2003) (stressing that article 9(2) should be interpreted both negatively and positively, as excluding ideas, procedures, methods, algorithms, systems, etc., and as completing the enumerative Berne definition of protected works).

48 For further analysis, see Abraham Drassinower, *Exceptions Properly So-Called*, *in* LANGUAGE AND COPYRIGHT 205 (Ysolde Gendreau & Abraham Drassinower eds., 2009).

49 For an insightful U.S. commentary, see Jed Rubenfeld, *Freedom of Imagination: Copyright's Constitutionality*, 112 YALE L.J. 1 (2002). For dicta in the cases, we limit ourselves to the U.S. Supreme Court: Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 556-58 (1985); Eldred v. Ashcroft, 537 U.S. 186, 218-21 (2003).

50 *See supra* text accompanying notes 25–39.

to any limitation of copyright. Commentators have already begun to develop analyses to help decision-makers disentangle, from the grasp of article 13, such overriding limitations as exempt transformative uses from some or all copyright remedies.[51]

What about the *Germania 3* decision, in which the German Federal Constitutional Court ostensibly broadened the exception for quotation? Recall that the Constitutional Court here found that, in the play *Germania 3*, extensive excerpts from Brecht's works had been put together into a collage and thus formed a creatively expressive part of the play.[52] This decision could then be read as construing the exception for quotation as operating, in this case as it may in others, to protect the same interests in freedom of expression as motivate judicial applications of the idea-expression dichotomy. This reading effectively rests on the aesthetic judgment that critical ideas conveyed by the play *Germania 3* merged with the expressive collage of its extensive excerpts in the context of the play and under the circumstances of the case.[53] Beyond this focused reading of the *Germania 3* decision, our overall argument applies *a fortiori*: If definitional limitations of copyright such as the idea-expression dichotomy escape the criteria of article 13 of the TRIPs Agreement, so do constitutionally construed exceptions for transformative uses.[54]

However, that argument leaves open the question: What types of limitations and exceptions remain subject to article 13 of the TRIPs Agreement? It does not suffice to answer: Those limitations and exceptions which allow non-transformative uses, that is, uses of routinely generated or slavish copies, do not escape article 13. True, a W.T.O. dispute-settlement panel did disallow such an exception for non-conformity with article 13 to the extent that this exception allowed bars and restaurants to play

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51 For examples, see Pamela Samuelson, *Unbundling Fair Uses*, 77 FORDHAM L. REV. 2537 (2009); Christophe Geiger, *The Constitutional Dimension of Intellectual Property*, *in* INTELLECTUAL PROPERTY AND HUMAN RIGHTS, *supra* note 41, at 101.

52 BVerfGE, June 29, 2000, paras. 7 and 10.

53 For a comparable argument applied to rather different cases, see Nimmer, *Does Copyright Abridge the First Amendment*, *supra* note 43, at 1196-200.

54 Note that, in this decision, the Constitutional Court articulated concerns that the expansion of the exception for quotation might, in some cases, impose risks on prior authors of "significant economic disadvantages, for example, market deterioration." BVerfGE, June 29, 2000, para. 24. The Constitutional Court ostensibly broached this risk to indicate that remedies may, in easy cases, be judiciously fashioned to moot tensions between the constitutionally guaranteed freedom of expression and the task of copyright law to assure markets for works. But the tenor of its decision here precludes concluding that, doctrinally, the constitutional guarantee would not, in a hard case, prevail over market considerations.

recorded music publicly for patrons without remunerating right-holders.[55] But our analysis suggests the question: Would invoking some constitutional basis, for example, a human or fundamental right to education, suffice to move even an exemption for non-transformative uses, say, for making copies for a class, out of the purview of article 13? No satisfactory answer can here be ventured to this question, for the simple reason that so-called human rights are too variegated to draw categorical consequences from them *a priori* for copyright law.[56] Further inquiry is needed to take our analysis beyond the universe of cases, that is, transformative uses, with which we started.

B. Likely Tensions of Overriding Limitations with TRIPs Criteria

At what points would definitional or constitutional limitations of copyright exempting transformative uses be most likely to enter into tensions with, but nonetheless not be subject to, criteria that article 13 of the TRIPs Agreement sets out? Recall these criteria: "certain special cases" that neither "unreasonably prejudice the legitimate interests of the right holder" nor "conflict with a normal exploitation of the work."[57] The Max Planck Institute has garnered the support of leading scholars in favor of reading these criteria together, of privileging "interests deriving from human rights and fundamental freedoms," and of taking account of the "interests of original rightholders," that is, of authors.[58]

On that basis, let us quickly review the most likely tensions. To the extent that a court tailored its application of a definitional or constitutional limitation to the case at bar, for example, at the level of infringement analysis or of remedies, the criterion of "special cases" would be satisfied.[59] To the extent that definitional or constitutional limitations allowed later authors freely to rework and to transform materials created by prior authors, the criterion of non-prejudice to "the legitimate interests"

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[55] World Trade Organization [W.T.O.], Report of the Panel, United States – Section 110(5) of the US Copyright Act, WT/DS160/R, June 15, 2000, *available at* http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds160_e.htm (last visited June 1, 2010).

[56] For further analysis, see LAURENCE R. HELFER & GRAEME W. AUSTIN, HUMAN RIGHTS AND INTELLECTUAL PROPERTY: MAPPING THE GLOBAL INTERFACE (forthcoming 2011), Preface, Table of Contents, and Concluding Chapter *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1612362 (last visited June 8, 2010).

[57] *See supra* text accompanying note 40.

[58] Max Planck Institute, *Declaration on a Balanced Interpretation of the "Three-Step Test" in Copyright Law*, 39 INT'L REV. INTELL. PROP. & COMPETITION L. [IIC] 707, 711-12 (2008), *available at* http://www.ip.mpg.de/shared/data/pdf/declaration_three_step_test_final_english.pdf (last visited June 1, 2010).

[59] *See supra* text accompanying notes 44–54 and note 54 itself.

of at least future authors would be satisfied.[60] There remains that criterion of non-prejudice as applied to "the legitimate interests" of other authors or of successors in interest of any author, as well as the criterion which precludes any conflict "with a normal exploitation of the work." We have already mentioned the W.T.O. decision which found that an exception to copyright for playing music publicly did not meet these criteria because it was too widely invoked in a given field of use, could result in significant economic prejudice in that field, and was not coupled with any remuneration scheme.[61] Accordingly, a definitional or constitutional limitation of copyright for transformative uses would be most likely to enter into tension with "interests" of right-holders other than authors or with "normal exploitation." However, following our argument, such a limitation should not be subject to these criteria.[62]

To illustrate the structural consequences of our reading of article 13 of the TRIPs Agreement, turn to a model copyright code which a group of copyright scholars has proposed for the European Union.[63] Article 5 of the so-called Wittem Code very nicely sorts out copyright limitations and exceptions according to basic aims that include, in article 5.2 to 5.3, freedom of expression and information, as well as social, political and cultural objectives. Footnote 48 for all of article 5 provides in part: "The categories do not however prejudice as to the question, what interests do, or should, in a particular case or even in general, underlie the limitation": in cases of transformative uses, ostensibly, definitionally or constitutionally protected interests may compel such limitations. Then the Wittem Code, in article 5.5, flexibly allows "[a]ny other use that is comparable to the uses enumerated in art. 5.1 to 5.4(1)," but it says nothing about such analogous transformative uses as definitionally or constitutionally protected interests would motivate exempting. Indeed, article 5.5 would seem to subject even an exemption of such uses to the TRIPs-derived criteria which its last

60 *See generally* Geller, *Beyond the Copyright Crisis*, *supra* note 45, at 179-92 and 195-98 *passim* (analyzing relations between creators' freedoms of expression and rights to control dissemination of derivative works). *But cf.* Graeme Austin & Amy Zavidow, *Copyright Law Reform Through a Human Rights Lens*, *in* INTELLECTUAL PROPERTY AND HUMAN RIGHTS, *supra* note 41, at 256, 276-77 and 282-83 (invoking economic and moral considerations against any restriction of the derivative-work right).

61 W.T.O., Report of the Panel, United States – Section 110(5) of the US Copyright Act, WT/DS160/R, June 15, 2000, *supra* note 55, paras. 6.133, 6.211, 6.266.

62 *See generally* Max Planck Institute, *Declaration*, *supra* note 58, at 711 ("Limitations and exceptions do not conflict with a normal exploitation of protected subject matter, if they . . . are based on important competing considerations.").

63 Wittem Group, European Copyright Code [Wittem Code], http://www.copyrightcode.eu (last visited June 1, 2010).

clause imposes. These would preclude, not only unreasonable "prejudice" to a right holder's "legitimate interests," but any "conflict with the normal exploitation" of a work.[64]

We have here an anomaly in the overall structure of the limitations and exceptions that the Wittem Code contemplates. For example, its article 5.2 proposes allowing "uses for the purpose of freedom of expression and information," including "use by way of quotation of lawfully disclosed works." The corresponding footnote 50 explains: "Although quotations normally will only imply partial use of a work, it may in certain cases be permitted to quote the entire work." Given the Berne parameters of the exception for quotation,[65] it is hard to see how either quotes *in extenso* or analogously exempted uses, for example, in appropriation art, may be allowed, as they were in the German cases treated here, without invoking some constitutionally protected freedom of expression.[66] Here then is the structural anomaly in the Wittem Code: while its article 5.2 would not subject any limitation or exception for quotation to TRIPs criteria, its article 5.5 could justify disallowing an analogous exemption for non-conformity with just such criteria even if that exemption were definitionally required or constitutionally grounded.[67]

There is a further problem with incorporating article 13 of the TRIPs Agreement into legislation addressed to citizens. This TRIPs provision, in its first word, speaks to "Members" which are public entities, but it is not addressed in specifically self-executing terms to private parties. Article 13 rather contains vague instructions of public international law for sovereign states with regard to their lawmaking; it does not articulate any clear principle or rule of private law.[68] Most notably, article 13 refers to "a normal exploitation of the work," thus introducing a term of uncertain meaning

64 *See also id.* n.55 (stating: "Note that art. 5.5 does not allow new limitations by blending the criteria of articles 5.1 to 5.3.").

65 *See supra* text accompanying notes 8 and 32.

66 *See supra* text accompanying notes 31–39.

67 This anomaly would seem harmless to us if we shared the hope that, in fashioning remedies, courts could reasonably defuse virtually all tensions between constitutional guarantees of free expression and the TRIPs criteria for limitations and exceptions. For such a position, see Allison Firth, *'Holding the Line' – The Relationship Between the Public Interest and Remedies Granted or Refused, Be it for Breach of Confidence or Copyright*, *in* INTELLECTUAL PROPERTY AND HUMAN RIGHTS, *supra* note 41, at 421. At best, such equitable solutions might be feasible in easy cases, but not in hard cases. *See supra* note 54.

68 For further analysis of the public-law character of the TRIPs Agreement, see Paul Edward Geller, *Intellectual Property in the Global Marketplace: Impact of TRIPs Dispute Settlements*, 29 INT'L LAW. 99 (1995). For critical analysis of E.U. incorporation of the TRIPs criteria into legislation, see Guido Westkamp, *The "Three-Step Test" and Copyright Limitations in Europe: Eu-*

for ordinary citizens who are subject to private law, but who are not normally initiated into the cabals of the dismal science.[69] We question, as well, whether copyright law can remain cogent for the citizens subject to it when courts have to speculate about the meaning of such open-ended terms as "normal exploitation" in private cases.[70]

VI. HOW TO MAKE LIMITATIONS LESS CHILLING?

With the desideratum of cogency for citizens in mind, return to our question: What is a creator, borrowing from a prior work, to do about any copyright in that prior work? Consider, for example, an artist who parodies or otherwise appropriates the work of another. Or consider a playwright who weaves extensive excerpts from another's works into his own. These are, effectively, creators such as those brought before German courts in the cases with which we started.[71] Such creators, asking whether their uses are legitimate, face a growing labyrinth of copyright limitations and exceptions.[72]

A. The Chilling Effects of Complicated and Sophisticated Copyright Laws

What risk do we run in complicating copyright limitations and exceptions helter-skelter? Or in having their meanings turn on sophisticated legal doctrines or economic analyses? The risk of compelling creators to take local copyright statutes constantly into account, or to keep their lawyers on the phone, while they transform others' works. These lawyers, especially if confronted by their clients' imminent online release of resulting transformative works, should in turn be consulting copyright laws worldwide, while second-guessing how judges in different jurisdictions

ropean Copyright Law between Approximation and National Decision Making, 56 J. COPYRIGHT SOC'Y 1 (2009).

69 For critical analysis, see Jerome H. Reichman, Marching to a Three-Step Tune (Comments, Program on the International Harmonization of Copyright Limitations and Exceptions, Cardozo School of Law, Mar. 30-31, 2008) (on file with author); Moncayo von Hase, *supra* note 41, at 119 ("*normal exploitation* . . . is too vague a concept").

70 *See, e.g.,* Tribunal Fédéral, June 26, 2007 (Switz.), 2007 REV. DU DROIT DE LA PROP. INTELL., DE L'INFO. ET DE LA CONCURRENCE [SIC] 815, *and in English in* 39 INT'L REV. INTELL. PROP. & COMPETITION L. [IIC] 990 (2009) (considering, but rejecting, a challenge based on article 13 of the TRIPs Agreement and brought with regard to an exception and remuneration scheme in the case of digital information services).

71 *See supra* text accompanying notes 25–39.

72 For a key example, see Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonization of certain aspects of copyright and related rights in the information society, art. 5, 2001 O.J. (L 167).

might analyze infringement and apply open-ended doctrines such as free utilization and fair use.[73] In short, to the extent that the law leaves the paths of creators strewn with its own complexities and subtleties, it risks having a chilling effect on the very creativity that it seeks to foster.

We copyright lawyers may well respond: How can judges do justice to the wealth of cultural creation without complicated legislation and sophisticated doctrines? Indeed, as Professor Ulmer noted, in hard infringement cases involving transformative works, courts may have to make value judgments.[74] For example, courts may have to ascertain whether aspects and traits taken from a prior work were essential to the prior work, appreciate any new sense these aspects or traits take on when transformed into a later work, and assess how far this later work aesthetically stands on its own. In hard cases, as we have seen, courts may well also ask whether constitutional guarantees compel exempting such takings from some or all remedies. If we turn to U.S. fair-use analysis, we see courts making economic assessments with regard to the market impacts of such takings. The TRIPs Agreement, in article 13, has internationalized such considerations with its notion of "a normal exploitation of the work."[75]

B. Simplifying the Gist of Copyright Law for Creators

We shall now point toward one path out of the labyrinth.[76] In cases of limitations of copyright allowing transformative uses, courts need not be put before the option: to enjoin or not to enjoin? Considering a parody of the song *Oh, Pretty Woman*, the U.S. Supreme Court opined that "the goals of the copyright law, 'to stimulate the creation and publication of edifying matter,' . . . are not always best served by automatically granting injunctive relief," and it approved authority to the effect that, in cases of transformative uses, "the copyright owner's interest may be adequately protected by an award of damages for whatever infringement is found."[77] Recall that, in its *Germania 3* decision, the German Federal Constitutional Court, to assure freedom of expression, overturned an injunction prohibiting the use of extensive quotes arranged into a textual collage, and it then

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[73] For analysis of the volatile U.S. case law concerning fair use, see David Nimmer, *"Fairest of them All" and Other Fairy Tales of Fair Use,* 66 LAW & CONTEMP. PROBS. 263 (2003).

[74] ULMER, *supra* note 13, at 276.

[75] *See respectively* 17 U.S.C. § 107(4) (2006); TRIPs Agreement art. 13.

[76] For proposals for simplifying exceptions that the present analysis does not treat, see Geller, *Beyond the Copyright Crisis*, *supra* note 45, at 173-92 *passim*.

[77] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 578 n.10 (1994). *See also* eBay, Inc. v. MercExchange, L.L.C., 547 U.S. 388, 392-93 (2006) (confirming this approach).

remanded the case to a lower court, leaving it free to rule on any monetary award.[78]

How to clear this path to such overriding limitations of copyright for transformative uses? Elsewhere we have outlined the following methodology based on the comparative analysis of converging U.S. and European approaches:[79] A court may start by asking: Has the taking which the plaintiff has challenged as infringing been achieved by slavish or routine copying or by creative reworking or transformation? To make its finding on point, the court may further ask: Could defendant's work or purportedly transformative use have been generated by the rote use of techniques and, if not, is it more than marginally creative? If defendant's copying is merely imitative or mechanical, it should, absent other defenses, be enjoined; if the outcome of the copying is a new creation or at least a significantly transformative use, it should not be enjoined. With that decision on injunctive relief behind it, the court may proceed to assess and award damages foreseeably flowing from defendant's infringing uses. In the event of any commercial success of a transformative use, the court may award an equitable share of profits reasonably imputable to defendant's actionable taking. In some hard cases, constitutional guarantees of freedom of expression may justify resolving doubts in defendant's favor.[80]

What message should copyright law then deliver to creators and to other transformative users? Effectively, we just proposed this gist for copyright law: If you are creative in transforming another's work, the courts will neither stop you nor deprive the public of your new works or uses. Thus, creators and other users would be freed to proceed on the courage of their transformative drives, but would nonetheless be well advised to obtain licenses for takings that, though reworked, could foreseeably cause damages or hopefully make profits.[81] Applying rarely, constitutional guarantees need not enter into the expectations of transformative users, but rather permit judges to keep the impact of copyright law within the parameters of the overall order of legal norms.

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78 BVerfGE, June 29, 2000, para. 32. *See also supra* notes 54 and 67 (further unpacking the doctrinal and remedial consequences of this decision).

79 *See* Geller, *Hiroshige v. Van Gogh*, *supra* note 1, at 59-66; Geller, *Beyond the Copyright Crisis*, *supra* note 45, at 183-89.

80 In this last point, we give a procedural slant to the German approach followed in the cases which we earlier canvassed. *See supra* text accompanying notes 22–39.

81 As argued elsewhere, this approach would also moot many cross-border conflicts of laws that would otherwise trouble the global dissemination of works incorporating transformative uses. *See* Geller, *Rethinking the Berne-Plus Framework*, *supra* note 42, at 394-95.

VII. CONCLUSION

Albeit with differing doctrinal devices and legislative provisions, copyright laws all allow transformative uses of works they protect. To start, we reviewed how German courts, to assure constitutionally protected freedom of expression, broadened infringement analysis as well as the exception for quotation. Further, we argued that neither the idea-expression distinction nor constitutionally grounded constructions of copyright limitations or exceptions ought to be subject to TRIPs criteria. Finally, we proposed an approach to simplifying infringement analysis and remedies in order to make copyright law less chilling for creators and other transformative users.