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STUDY¹ ON TRANSFER OF THE RIGHTS OF PERFORMERS TO PRODUCERS
OF AUDIOVISUAL FIXATIONS – MULTILATERAL INSTRUMENTS;²
UNITED STATES OF AMERICA;³ FRANCE⁴

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¹ The views expressed in the Study are those of the authors and not necessarily those of the Member States or the Secretariat of WIPO.

² The portion of the Study addressing multilateral instruments was prepared jointly by Professors Ginsburg and Lucas, as was the methodology section of Part Two on choice of law.

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PREFATORY NOTE

From the point of view of form, the individual contributions of the authors of this study fit into a plan which they decided upon together. Any differences that occur in the presentation are due essentially to the specific nature of certain developments. For instance, those in American law which have to do with the search for a basis to underpin the protection that performers can expect to be granted cannot be expected to have occurred in French law, where the matter is settled under the heading of the neighboring rights concept. Conversely, the status of salaried employees which French law accords to them performs raised difficulties that have no equivalent in American law.

The analysis, as requested, aims to be solely descriptive. It is not easy, however, to encompass the law applicable to performers for want of sufficient jurisprudential or indeed doctrinal sources. This is even more true of private international law, a discipline that has little time for certainties. The authors have done what they can, without stating that personal preferences, to point to the solution that they regard as best reflecting the law as it exists.

The study makes generous allowance for aspects of legal theory. There will of course be references to contractual practice in the audiovisual field (notably in the United States), but the authors have been at pains to exercise great caution in this respect, as they do not have access to reliable surveys.

I. SUBSTANTIVE RULES GOVERNING THE EXISTENCE, OWNERSHIP AND TRANSFER OF AUDIOVISUAL PERFORMERS' RIGHTS

A. NATURE AND EXISTENCE OF AUDIOVISUAL PERFORMERS' RIGHTS

(a) In Multilateral Instruments

(i) TRIPS Agreement

Art. 11 specifies, under certain circumstances, a rental right in copies of cinematographic works. "Authors" and their successors in title are the beneficiaries of this right. But TRIPS does not specify who are the authors of a cinematographic work. Whether audiovisual performers are co-authors appears to be a matter of Member State interpretation. See also WCT Art. 7 (authors' right under certain circumstances to authorize commercial rental of cinematographic works; authors not defined).

(ii) Berne Convention

Art. 14 *bis* sets out certain presumptions of authorship and ownership in cinematographic works. But it is not clear that, under Art. 14 *bis*, audiovisual performers would be considered co-authors of a cinematographic work. At most, the Convention leaves that determination to the Member States.

(iii) Rome Convention (1961)

The Rome Convention of October 26, 1961, on the Protection of Performers, Producers of Phonograms and Broadcasting Organizations frankly does not provide much information on the nature of the rights of the first-mentioned: Article 7 confines itself to stating that the protection introduced for them “shall include the possibility of preventing”⁵ a certain number of acts, without requiring the protection to be manifested by the grant of an exclusive right,⁶ whereas Articles 10 and 13 respectively grant producers of phonograms and to broadcasting organizations a “right to authorize or prohibit.” If one adds that the term of protection is set by Article 14 at 20 years (from the end of the year of fixation or, for performances not incorporated in phonograms, from the end of the year in which the performance took place), it has to be agreed that the progress made, while genuine, was relatively modest.

The Convention applies to audiovisual performances, and so one should not give into the temptation of believing that the “neighboring” status of performers in relation to producers of phonograms confines its scope to the field of mere sound. Not only does the definition of performers in Article 3a) include actors, but it refers to the performance of “literary or artistic works,” without distinguishing between them.

It has to be admitted, however, that the Convention protection deriving from Article 7 loses all its practical relevance to the audiovisual field on account of Article 19, which reads as follows: “Notwithstanding anything in this Convention, once a performer has consented to the incorporation of his performance in a visual or audiovisual fixation, Article 7 shall have no further application.” What that means in fact is that the performance will be deprived of all protection against “any use which is made of his fixed performance, whether the fixation was intended for cinema showing or on television.”⁷ This situation is different only in the case of “fixations made clandestinely or otherwise without their consent.”⁸

The origin of the provision lies in the cinema industry’s desire to avoid any overlapping of the rights of performers with those of producers.⁹ The resulting discrimination¹⁰ is generally criticized.¹¹

⁵ See also Article 14.1 of the TRIPS Agreement (“possibility of preventing”).

⁶ The solution was apparently adopted on the insistence of the British Delegation (according to H. Desbois, A. Françon and A. Kéréver, *Les conventions internationales du droit d’auteur et des droits voisins*, Paris, Dalloz, 1976, No. 281).

⁷ C. Masouyé, *Guide to the Rome Convention and to the Phonograms Convention*, WIPO, 1981, p. 65. Yet broadcasting organizations, for their part, remain protected with respect to broadcasts that use fixation of images or images and sound (X. Desjeux, *La Convention de Rome*, Paris, LGDJ, 1966, p. 145).

⁸ C. Masouyé, *op.cit.*, p. 66.

⁹ X. Desjeux, *op.cit.*, p. 145.

¹⁰ W. Nordemann, K. Vinck and P. W. Hertin, *Droit d’auteur international et droits voisins dans les pays de langue allemande et les États membres de la communauté européenne*, Brussels, Bruylant, 1983, p. 394 (“according to whom this is a far cry from the treatment given to musicians and reciters when their work is recorded on disc”).

¹¹ X. Desjeux, *op.cit.*, p. 147, who speaks of a “serious shortcoming.” See also C. Masouyé, *op.cit.*, p. 94, who doubts whether “a strict application of Article 19 is within the spirit of the Convention.”

(b) In the Law of the USA

(i) Characterization of Audiovisual Performers' Rights

Under the Copyright Act of the USA: The Copyright Act of the USA does not characterize audiovisual performers' contributions with respect to whether such contributions are copyrightable or not. There is no generally accepted understanding of the characterization of audiovisual performers' contributions as yet.

In Practice : Prevailing performer employment agreements ¹² include a standard clause granting all rights in the "results and proceeds" of personal service, but do not identify what legal regimes apply to those "results and proceeds."

– The Producer – Screen Actors Guild Codified Basic Agreement of 1995 (the "SAG Basic Agreement") does not seem to address the characterization question. In general, it uses language of very broad coverage to define what the producer may do in connection with the "photoplay," which is defined to include motion pictures. ¹³ The language gives the producer the right to use the photoplay containing the performers' performance in virtually unlimited ways through any and all media. The SAG Basic Agreement's grant of right language does not expressly treat the performer's contribution as covered by the copyright work-for-hire doctrine; neither do many other basic audiovisual industry agreements. ¹⁴ This may suggest that the industry does not consider audiovisual performance to be "works" under the Copyright Act.

– However, language found in motion picture performer employment contracts that entertainment law firms currently uses suggests that in practice law firms do not rule out the possibility that courts may regard performers' contributions, in whole or in part, as copyrightable. ¹⁵

¹² See, e.g., *Entertainment Industry Contracts* (Donald C. Farber, General Ed., Matthew Bender 2002), Form 11 - 1 Performer Employment Agreement with Commentary, Clause 10 Results and Proceeds.

¹³ See e.g., Schedule B, Clause 39 ("Rights Granted to Producer"), of the SAG Basic Agreement.

¹⁴ Such selected agreements include the 1994 - 1997 AFTRA National Code of Fair Practice for Network Television Broadcasting, extended to 2004 by a 2001 Memorandum (the AFTRA Network Code), the 2000 AFTRA Television Recorded Commercials Agreement (the AFTRA Commercial Code), the 2002 - 2004 AFTRA Interactive Media Agreement, and the AFTRA Sound Recordings Agreement.

¹⁵ Form provided by Robert D. Cooper, Esq. of Morrison & Foerster LLP Century City Office Rights. All work performed by Actor and all rights, title and interest thereto, including, without limitation, all copyrights (including renewals, extensions, revivals and resuscitationst hereof), shall be the sole property of and shall be credited to Producer. To the extent possible or required under the applicable laws, including, without limitation, the US Copyright Act, the results, products and proceeds of any and all services (collectively, "Results and Proceeds") produced or worked upon by Actor shall be considered "Works Made For Hire," specially ordered and commissioned by Producer for use as part of a motion picture or other audiovisual work. In the event that under any current or future copyright law of any jurisdiction, any of the rights in or to the Results and Proceeds are subject to a right of termination or reversion, to the extent and as soon as legally permissible, Actor agrees to accord Producer rights of first negotiation for 30 days and late refusal for 15 days (to match any third party offer) in connection therewith. If such Results and Proceeds are not legally capable of being considered as Works Made For Hire, then in such event Actor hereby grants, transfers and assigns to Producer in perpetuity all right, title

Similarly, the grant of rights language in a sample actor employment agreement (low budget, non-union day player) in a widely-used motion picture industry handbook treats the actor's contribution as though it were copyrightable (and therefore subject to the works made for hire doctrine, under which all rights automatically pass to the employer).¹⁶

— A search of California federal and state judicial decisions revealed no instance in which a court characterized (or expressly recognized) the rights granted in a performer employment contract with a standard “results and proceeds” language as copyrightable. (California is the jurisdiction in which most of these contracts are localized.)

(ii) Scope of Rights Covered

Exclusive (Economic) Rights Covered

As a Matter of Copyright for Authors Under the Federal Copyright Act _____ :

Sec. 106(1) : the right to reproduce the work in copies and phonorecords

Comment: the reproduction right covers all media, analog or digital, now known or later developed, in which the work can be “fixed.” See 17 USC sec. 101, 102(a), 106.

Sec. 106(2) : the right to prepare derivative works

Comment: derivative works include any form in which the work can be “recast, transformed or adapted,” 17 USC. sec. 101. This means that the copyright holder's rights extend to adaptations on new media in which the work may later be expressed.

Sec. 106(3) : the right to distribute the work in copies or phonorecords

Comment:

Under the “first sale doctrine” codified in sec. 109, this right is “exhausted” after the first sale of a copy; thus the copyright owner may not control post-sale rental of videos. However, there is an exception to the “first sale doctrine” regarding phonorecords : the copyright holder may authorize or prohibit their rental even after the first sale.

[Footnote continued from previous page]

and interest, including, without limitation, copyright, and all extensions and renewals thereof, Actormay have in or to such results and proceeds throughout the universe.

Regarding the termination right to which this language refers, see *infra*.
¹⁶ Mark Litwak, *Contracts for the Film & Television Industry* 100 (Silmon-James Press 2nd Ed., 1999):

All said material, the copyright therein, and all renewals, extensions or revisions of copyright now or hereafter provided, shall automatically become the property of Producer, which shall be deemed the author thereof, it being agreed and acknowledged that all of the results and proceeds of Player's services hereunder are especially ordered and commissioned “work made for hire” within the meaning of the 1976 Copyright Act for the compensation provided in the Principal Agreement.

US courts have held that making works available to the public for downloading constitutes a “distribution of copies.”¹⁷

The first sale doctrine does not apply to digital transmission of copies, because digital transmission entails the making of additional copies, and the first sale doctrine applies only to a particular physical copy.¹⁸

Sec. 106(4) : the right to publicly perform a work (other than sound recordings)

Sec. 106(5) : the right to publicly display the work

Comment: These rights extend to on-demand digital transmissions, because a public performance or display includes a communication to the public “by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times,”¹⁹ 17 US C. sec. 101.

As a Matter of Performer’s Right Under the Federal Copyright Act:

Sec. 1101 of the Copyright Act covers only live musical performances. Sec. 1101 confers on performer the following rights (characterized as distinct from copyright):

- To fix the live musical performance in a phonorecord or in a music video:
 - Sounds of the live musical performance
 - Sounds and images (audiovisual) of the live musical performance
- To reproduce copies or phonorecords of the fixed performance
 - To transmit or otherwise communicate:
 - Sounds of the live musical performance
 - Sounds and images (audiovisual) of the live musical performance
 - To reproduce and distribute phonorecords (sound recordings) or copies (music videos) of the live musical performance
 - These rights apply no matter where the performance and/or fixation took place (e.g., not limited to the US), and apparently, without limit as to the date of the fixation (i.e., fixation right might outlast copyright).

¹⁷ See, e.g., *Playboy Ents. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993); *Playboy Ents. v. Webbworld*, 991 F. Supp. 543 (N.D. Tex. 1997).

¹⁸ See US Copyright Office report, <http://www.loc.gov/copyright/reports/studies/dmca/sec-104-report-vol-1.pdf> (August 29, 2001).

¹⁹ There is an additional exclusive right under copyright, sec. 106(6): the right to publicly perform sound recordings by digital audio transmission, but this does not pertain to audiovisual performances.

– Sec. 1101 does not preempt or limit performers' rights and remedies under state law, hence the federal fixation right may be cumulative with state protections of audiovisual performers' rights, e.g., by the right of publicity.

Under the State Law Right of Publicity:

– Definition of Right of Publicity :

The right of publicity "is the inherent right of every human being to control the commercial use of his or her identity"²⁰. Today the prevailing view seems to follow the view of Professor McCarthy and the Restatement (Third) of Unfair Competition : its subject is a human being, its object consists of the individual's identifying characteristics, such as name, voice or likeness, and his non-copyrightable live performance, and it protects the commercial interest in controlling the commercial use of the identifying characteristics and live performances."²¹

– Legal Basis for the Right :

The right of publicity is a state law right (not a federal law right). Its contours therefore may vary across the 50 States, though, in the context of audiovisual works, California law may predominate. The right may be statutory-based, or may derive from common law decision-making, or both. As of the March 2002 publication of McCarthy's Treatise, "under either statute or common law, the right of publicity is recognized as the law of twenty-eight states."²² But even in those states that have not explicitly recognized a right of publicity, "either common law or statutory law in almost every state protects certain individuals from the unauthorized exploitation of their identity."²³ Thus while the other states may not expressly recognize a right of publicity, they seem to have laws practically achieving at least some protection against unauthorized commercial use of a performer's name or likeness. The actual scope of protection varies from state to state; this study will, however, focus on California, as that state is the principal state in which audiovisual works are produced in the U.S. In California the right of publicity consists of both statutory and common law rights. 24

²⁰ M. Thomas McCarthy, *The Right of Publicity and Privacy* 1-2.1 (West Group 2nd Ed., 2002) .

²¹ Julius C. S. Pinckaers, *From Privacy Toward A New Intellectual Property Right in Persona : The Right of Publicity* (United States) and *Portrait Law* (Netherlands) *Balanced with Freedom of Speech and Free Trade Principles* 30 (Kluwer Law International 1996) .

²² McCarthy, *supra*, at 6-8.

²³ Lloyd L. Rich, *Right of Publicity* (2000), at <http://www.publaw.com/rightpriv.html>.

²⁴ See McCarthy, *supra*, generally sections 6:10 to 6:49. The cases cited by McCarthy therein include, for example, *Gilly v. Curtis Publishing Co.*, 38 Cal . 2d 273, 239 P2d 630 (1952), and *Gilly v. Hearst Publishing Co.*, 38 Cal . 2d 224, 253 P2d 441 (1953), both before the California Supreme Court . Particularly, for reference of cases in California see McCarthy, *supra*, section 6:20 " *California common law right of publicity* ."

The core statutory provisions for the right of publicity are California Civil Code Sec. 3344(a) and 990(a)²⁵

California Civil Code Sec. 3344(a) provides in relevant part : “any person who knowingly uses another’s name, voice, signature, photograph, or likeness, in any manner, . . . for purposes of advertising or selling, . . . without such person’s prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof.”²⁶

California’s common law right of publicity protects more than Civ. Code Sec. 3344. For example, where the statute was held not to extend to imitations of a well-known singer’s voice, the common law was deemed to extend to “soundalikes” and “lookalikes.”²⁷ The *Wendt* court noted that the “common law right of publicity protects more than the knowing use of a plaintiff’s name or likeness for commercial purposes that is protected by Cal. Civ. Code Sec. 3344. It also protects against appropriation of the plaintiff’s identity by other means.”²⁸

– Who is Protected :

“The right of publicity is not merely a legal right of the ‘celebrity,’ but is a right inherent to every one to control the commercial use of identity and persona and recover in court damages and the commercial value of an unpermitted taking.”²⁹ The majority view in the United States is that every person enjoys a right of publicity.³⁰ Hence under the majority view, performers protected are not limited to live music performers; rather every performer, including those contributing merely voice (dubbing), in an audiovisual fixation, is protected.

– Subject Matter of Protection:

In general, it is the “persona” of a person that is protected under the right of publicity.³¹ “The term ‘persona’ is increasingly used as a label to signify the cluster of commercial values embodied in personal identity as well as to signify that human identity ‘identifiable’ from defendant’s usage. There are many ways in which a ‘persona’ is identifiable : from name, nickname and voice, to picture or performing style and other indicia which identify the ‘persona’ of a person.”³²

²⁵ Cal. Civ. Code Sec. 990 was effective from 1985 until 1999, when it was renumbered to Civ. Code Sec. 3344.1 and was revised. For the text of this section, see McCarthy, *supra*, at 6-87 to 6-90.1, as well as 6-93 to 6-99. This section deals with deceased persons’ right of publicity issues and does not bear much relevance to the discussions in this Study and consequently is not addressed here. See in general, McCarthy, *supra*, sections 6:21 –6:24, 6:47 –6:49.

²⁶ *Wendt v. Host International, Inc.*, 125 F.3d 806, 809 (9th Cir. 1997)

²⁷ See, e.g., *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988) (vocal imitation of singer Bette Midler); *White v. Samsung*, 971 F.2d 1395 (9th Cir. 1992) (robot dressed to evoke performer Vanna White).

²⁸ *Wendt*, *supra*, 806, 811.

²⁹ See McCarthy, *supra*.

³⁰ *Id.* at 48.

³¹ McCarthy, *supra*, at 4-74 to 4-74.1.

³² McCarthy, *supra*, at 4-74.

The Supreme Court has recognized that the right of publicity can cover a performance. In *Zacchini v. Scripps -Howard*,³³ the Supreme Court upheld against a first amendment challenge the application of the Ohio right of publicity to the unauthorized broadcast of a circus performer's "entire act" (of being shot out of a cannon). The Court held: "Thus, in this case, Ohio has recognized what may be the strongest case for a 'right of publicity' involving, not the appropriation of an entertainer's reputation to enhance the attractiveness of a commercial product, but the appropriation of the very activity by which the entertainer acquired his reputation in the first place."³⁴

– Rights Protected :

Because it gives the performer control over the commercialization of the performer's *persona*, it would follow that the application of the right of publicity to performers' contributions is not dependent on the medium or manner by which the performer's *persona* is commercially exploited. Consequently, the right of publicity would be capable of covering rights proposed by the WIPO Audiovisual Performers Treaty (WAPT).³⁵ Because the performer can control the commercialization of his/her *persona*, this right is exclusive in nature. The performer may assign the right, or may grant exclusive or non-exclusive licenses to commercialize her name, likeness, or *persona*.³⁶

Duration of Audiovisual Performers' Economic Rights

– Under Federal Copyright Law

Under section 302 of the 1976 copyright act, copyright in a work of authorship created on or after 1/1/78 endures for the life of the author, plus 70 years. In the case of a joint work, copyright endures for 70 years from the death of the last surviving joint author. Copyright in works for hire endures for 95 years following publication.

For works published between 1923 and 1977, inclusive, copyright endures for 95 years from publication. If the work was first published in the USA before 1964, however, a failure to effect a registration and renewal of copyright by the end of the first 28 years following publication means that the work is now in the public domain in the USA.

³³ 433 US 562. See Pinckaers, *supra*, at 44.

³⁴ Pinckaers at 44.

³⁵ The WAPT proposes the following rights for performers:

Article 6: rights in unfixed performances (which follow the pattern of Article 6 of the WPPT)

Article 7: right of reproduction of fixed performance.

Article 8: right of distribution of copies of fixed performance

Article 9: right of rental of fixed performances

Article 10: right of making available fixed performances of fixed performances

Article 11: right of broadcasting and communication to the public of fixed performances

³⁶ See McCarthy, *supra*, chapter 10.

- Under Federal Musical Performer's Fixation Right (17 U.S.C. sec. 1101)

It appears that the right to prohibit the dissemination by transmission or distribution of copies of unauthorized fixations of musical performances is unlimited as to duration.

- Under State Law Right of Publicity

- The duration of the right of publicity differs as to the states. In some states, the right expires with the life of the celebrity, in others a statute specifies a term of years post mortem, in other states, the right may be perpetual. t

- The March 2002 publication of the McCarthy Treatise indicates the following:³⁷

1. States where the right expires when the individual dies : New York and Wisconsin.

2. States where the right lasts for a specified post mortem term: ³⁸ California (70 years), Florida (40 years), Illinois (50 years), Indiana (100 years), Kentucky (50 years), Nevada (50 years), Ohio (60 years), Oklahoma (100 years), Tennessee (10 years), Texas (50 years), Virginia (20 years), and Washington (two tiered with duration depending on whether the person's identity has "commercial value." If it does not, the post mortem duration of the right is ten years. If it does, the *post mortem* duration is 70 years. ³⁹)

3. States where the right appears to be perpetual : Nebraska (the law in that state failed to define any duration, while this post mortem right is recognized).

4. States where a post mortem right is recognized but whether there is a defined duration is unclear : Connecticut, Georgia, New Jersey, Utah.

Relationship of State Law Publicity Rights to Rights Under Federal Copyright:

The federal Copyright Act explicitly preserves state law rights regarding the fixation, reproduction, distribution, and communication to the public of live musical performances, see discussion *supra*. Outside that context, however, there may be some doubt as to whether audiovisual performers may assert state law publicity rights in their contributions to audiovisual works. This is because the Copyright Act "preempts" state law claims regarding copyrightable subject matter, and that affords rights "equivalent" to rights under copyright. See 17 USC. sec. 301. As we have seen, the rights covered by the right of publicity overlap with the exclusive rights under copyright to reproduce, distribute and publicly communicate the work. The preemption issue therefore would turn on the characterization of the performers' contributions as works of authorship under the Copyright Act. The audiovisual work to which the performers contribute is of course a work of authorship, but the status of the contributions remains unresolved. One court has ruled the contributions of baseball

³⁷ See generally, McCarthy, *supra*, at 9 -44 to 9 -59.

³⁸ These durations are provided by state statutes. See McCarthy, *supra*.

³⁹ McCarthy, *supra*, at 9 -58.

playerstoanaudiovisualfixationoftheirperformanceofthegametobewithinthematterofcopyrightforpurposesofapplicationofthestatutorypreemptionprovision. ⁴⁰One factorinfluencingthecourt’sdeterminationmayhavebeentheexistenceofacollective bargainingcontractbetweentheballplayersandthesportsteam-ownersoftherightsinthe audiovisualtransmissions. Arguably, the players, having failed to secure broadcast rights throughcollectivebargaining, soughttooverride theresultsoftheircontractsbyinvoking theirrightsofpublicity. As a result, insteadoffindingtheirpublicityrights preemptedbythe copyrightact, the court perhaps should simply have found that the players had contractually grantedwhateverpublicityrightstheyhad. Whetherjustifiedasamatterofcopyrightlaw, or ofcontractlaw, in either event, the decision in the baseball players’ case would apply at least aswelltothecontributions offactorsfixedinanaudiovisualwork. Thus, even assuming that staterightofpublicitystatutesorcommonlawcoveredalltheproposedWAPRights, there remainsseriousdoubtastotheirenforceabilityagainstaudiovisualproducersortheir grantees.

MoralRightsforAudiovisualPerformers

CopyrightLaw

Moralrightsarenotspecificallyguaranteedtoaudiovisualperformersinthefederal copyrightlawoftheUSA. Thecopyrightlawhasnoapplicableprovisionsontherightsof performerstobecreditedasthecreatorsoftheirperformances. Totheextentthecopyright lawprovidesasourceforintegrityrightsinaudiovisualworksthroughenforcementofthe derivativeworksrightagainstunauthorizedalterations,therightislimitedtocopyright owners: ifperformersarenotowners, theyhavenocopyrightclaim. Bythesametoken, if performers’contributionsarenocopyrightable, theyhavenocopyrightclaim.

OtherLaws

Existinglaws, otherthancopyrightlaw, mayprovidemeaningfulprotectionto performers.

– *TheFinalReportoftheAdHocWorkingGroupontheAdherenceoftheUSAtotheBerneConvention* concludes that, onthewhole, U.S.lawaffordsmeaningfulequivalents tomoralrights. ⁴¹

▪ SectionB“Conclusion”oftheFinalReportstates: “Giventhesubstantial protectionnowavailablefortherealequivalentofmoralrightsunderstatutoryandcommon lawinthe US, the lackofuniformityinprotectionofotherBernenations, theabsenceof moralrightsprovisionsinsomeoftheircopyrightlaws, andthereservationofcontrolover remedies toeachBernecountry, theprotectionofmoralrights intheUnitedStatesis compatiblewiththeBerneConvention.” ⁴²

⁴⁰ See *Baltimore Orioles v. Major League Baseball Players Ass’n*, 805F.2d663(7th Cir.1986).

⁴¹ See *Final Report of the Ad Hoc Working Group on USA Adherence to the Berne Convention*, (the “Final Report”), reprinted in 10 Colum. VLAJL & ARTS 513, 547 (1986).

⁴² Final Report, *supra*, at 547.

▪ Concerning the source of law for the protection of moral rights in the USA, the Final Report, in section E.1 headed “Source of Protection,” concedes that “[o]ur Copyright Act and section 43(a) of the Lanham Act do not protect all the moral rights specified by Berne.”⁴³ However, the Final Report suggests that “[i]t appears that state law can fill in the gaps in federal protection of moral rights.”⁴⁴

– Lanham Act 43(a) : This section is a particularly important source of law for the protection of moral rights in the USA. This section prohibits, among other things, false designations of origin. “The Lanham Act has been perceived as the primary source of attribution rights under United States law.”⁴⁵

▪ *Gilliam v. ABC*⁴⁶ holds that broadcasting a program designated as having been written and performed by a group, but which has been edited without consent into a form that departs substantially from the original work, violates the writer/performer’s rights against false designation of origin under the Lanham Act section 43(a).

▪ *Smith v. Montoro*⁴⁷ holds that a film actor has a right under Lanham Act 43(a) against “reverse passing off”; in that case, the actor’s name was removed from the film’s credits, and another (fictitious) actor’s name was put in its place.

▪ Note: On January 23, 2003 the Supreme Court of the USA granted certiorari in *Dastar v. Twentieth Century Fox*.⁴⁸ The petitioners have contended that application of the Lanham Act as a source of attribution rights is inappropiate as a matter of trademark law, and conflicts with copyright. Argument in the case was heard on April 2, 2003; a decision is expected by the end of June 2003. SAG (and the Writers Guild and the Directors Guild) have filed an *amicus* brief urging the court not to interpret the Lanham Act in a manner inconsistent with the USA’s international obligations regarding moral rights.

– Contracts:

The SAG Basic Agreement provides the minimum requirements for producer to credit performers, coupled with remedies, including liquidated damages and correction of prints, if such requirements are not met.⁴⁹

Note: Under the SAG Basic Agreement, if a performer waives in favor of the producer any term under that Agreement, including those dealing with screen credit, the waiver will not become effective unless the SAG gives its consent.⁵⁰

⁴³ Final Report, *supra*, at 548.

⁴⁴ Final Report, *supra*, at 549.

⁴⁵ Id.

⁴⁶ *Gilliam v. American Broadcasting Companies, Inc.*, 538 F.2d 14 (2d Cir. 1976).

⁴⁷ *Paul Smith v. Edward L. Montoro and Film Ventures International, Inc.*, 648 F.2d 602 (9th Cir. 1981).

⁴⁸ *Twentieth Century Fox Film Corp. v. Dastar Entm’t Distrib.*, 34 Fed. Appx. 312 (9th Cir. 2002, unpublished).

⁴⁹ SAG Basic Agreement, Clause 25. Screen Credits.

⁵⁰ SAG Basic Agreement, Clause 11.C.

Rights to Remuneration

– Definition:

This right refers to a statutory right imposed on equitable remuneration in contrast to “exclusive rights” which entitle their holders not only to be paid, but to grant or withhold authorization.

– Federal Law:

The law of the USA does not provide for equitable remuneration either to authors of audiovisual works or to audiovisual performers. The Copyright Act does set out certain remuneration rights (compulsory licenses) with respect to certain works. Any effect the current compulsory licenses have on audiovisual performers is, at the most, indirect. The compulsory licenses for cable and satellite retransmissions, Copyright Act secs. 111, 119, remunerate the copyright holders of the audiovisual works so communicated. Were audiovisual performers copyright holders, they would receive a share of the compulsory license fee.⁵¹

Regarding the compulsory licenses for cable and satellite retransmissions under secs. 111 and 119 of the Copyright Act: in practice, pursuant to selected collective bargaining agreements, it appears that performers sometimes get compensation for exhibition of their performance over cable as a distinct source.⁵² Satellite retransmission does not seem to be recognized as a distinct compensation source for the computation for performers.⁵³

⁵¹ Other remuneration rights, with little if any application to audiovisual performers, include those set out at 17 USC secs. 114, 1003–1007. Section 114 provides rights to receive remuneration to audioperformers, if they own or control the copyright of the sound recordings, for non-interactive digital communications. The nature of the remuneration is royalties under a compulsory license. For a detailed account, see Goldstein, *Copyright* (2nd Ed.), at S5:14–S5:17. Chapter 10 of the Copyright Act: Subject to any applicable provision therein: This chapter requires the importer or manufacturer of digital audio recording device or digital audio recording medium to pay a royalty on the manufacturing and distribution of such devices in the United States. The amount of payment is 2 percent of the transfer price. Only the first person to manufacture and distribute or import and distribute such devices shall be required to pay the royalty with respect to such device. The payments shall be deposited with the Treasury of the United States. Audioperformers whose sound recordings have been embodied and distributed in the US, if they are the interested copyright party, are entitled to distribution of the royalty so collected.

⁵² See, e.g., AFTRA Commercial Code, Art. 35 “CABLE.” This AFTRA agreement sets forth compensation rates for cable transmission of television commercials. See also, AFTRA Network Code, Exhibit D2(b) and Exhibit E2(b), Pay Television (also known as PayCable; see Exhibit D2(b)).

⁵³ It seems that satellite transmission is not treated as a distinct source for the computation of compensation to be collected for performers, but usually pooled with certain other media the income from which forms a single recognized source of revenue. For example, in the AFTRA Interactive Media Agreement, for an additional payment the Producer may exploit the performer’s service over “Remote Delivery,” which is defined as, in relevant part, “any system by or through which Interactive Programs may be accessed by consumers from a location that is remote from the central processing unit on which such Interactive Programs are principally stored, such as a non-line service, a delivery service over... satellite...” In the SAG Basic

– Contract Practice:

Collective bargaining contracts provide to performers compensation that bears characteristics similar to the “remuneration” under the “right to remuneration.”

▪ Screen Actors’ Guild (SAG) Basic Agreement of 1995:

“i. The SAG basic agreement provides “residuals” to performers. “Residuals” are used in addition to/ opposed to minimum upfront “rates” paid to performers.

“ii. Definition of “Residuals” in the motion picture industry: “Generally, residuals are percentage participations for the exhibition of films or other program on television, e.g., payments (as to an actor or writer) for each re-run after the initial showing and pursuant to a union agreement. Residuals are generally based on the number of times a film is exhibited on television or as a percentage of revenues from television exhibition and is generally considered a distribution expense for the film’s distributor.”⁵⁴

“iii. Information provided on SAG’s website concerning films indicates that, “[f]or distribution beyond the theatrical market, residuals will be due to the principal performers. Residuals are the amounts that are paid, each calendar quarter, to principal performers when the film is distributed. Residuals are generally based on a percentage of Distributor’s Gross Receipts.”⁵⁵ “The total percentage is then divided up among the performers based on the time they worked on the film and their salary.”⁵⁶ SAG basic agreement provides complicated

[Footnote continued from previous page]

Agreement, Pay Television includes, in pertinent part, the “exhibition of theatrical motion pictures through a television receiver of comparable device by means of... satellite... for which the viewing audience pays to receive the program by making a separate payment for such specific program.” (Art. 5.2D(2), para. 3)

⁵⁴ See *John C. Cones, Film Finance & Distribution: A Dictionary of Terms* 441–442 (Silman-James Press 1992)

⁵⁵ See SAG Basic Agreement Article 5.2. For the convenience of reference, the following chart is reproduced from *Screen Actors Guild Film Contracts Digest*, at <http://www.sag.org/lowbudget.html>, under the paragraph heading Exhibition/Residuals under the Basic Agreement:

<i>MEDIA</i>	<i>PERCENTAGE OF DGR</i>
Free Television	3.6%
Videocassettes/discs	4.5% of 1st million, 5.4% thereafter
Basic Cable	3.6%
Pay Cable	3.6%

⁵⁶ See *Screen Actors Guild Film Contracts Digest*, at <http://www.sag.org/lowbudget.html>, under the paragraph heading Exhibition/Residuals under the Basic Agreement. For a definition of residuals in the television industry, see Residuals, at <http://www.museum.tv/archives/etv/R/htmlR/residuals/residuals.htm>, where it is provided,

[Footnote continued on next page]

formula to calculate the residual allocable to each performer.⁵⁷ For productions initially released on television, rerun fees need to be paid in accordance with the SAG Television Agreement.⁵⁸

“iv. The “residuals” provided in the SAG basic agreement bears some characteristics similar to the “remuneration” under the “right to remuneration.” They both are related to the media and frequency of use.”

▪ American Federation of Television and Radio Artists (AFTRA) selected basic agreements: AFTRA Network Code, AFTRA Commercials Code and AFTRA Interactive Media Agreement

“i. In general, performers are guaranteed minimum rates according to, among others, the media over which their services are used and the frequency of use.”⁵⁹

(c) American Federation of Musicians (AFM) selected basic agreements

“i. Similar as under the AFTRA agreements, performers are paid additional compensations for repeated use of their services.”⁶⁰

Rights Subject to Mandatory Collective Management

Of the rights of audiovisual performers concerned in this study, no such right seem to be subject to mandatory collective management in the United States.

[Footnote continued from previous page]

“Residuals are payments made to actors, directors, and writers involved in the creation of television programs or commercials when those properties are rebroadcast or distributed via a new medium. These payments are also called “reuse fees” or “royalties.” For example, when a television series goes into syndication, the writers, actors and directors who work on a particular episode are paid a percentage of their original fee each time that episode is rebroadcast. This also includes reuse through cable, pay television, and video cassette sales.”

⁵⁷ See SAG basic agreement Article 5.2B. Distribution Formula.

⁵⁸ See note under paragraph heading Exhibition/Residuals under the Basic Agreement, at <http://www.sag.org/lowbudget.html>.

⁵⁹ For examples, see, AFTRA Network Code, Exhibits A (Prime Time Supplement) and D (“Supplemental Markets”); AFTRA Commercial Code, Arts. 34. Program Commercials – Compensation for Use; 35. Cable; and 36. Internet. See also, AFTRA Interactive Agreement, Art. 15. Reuse of Material.

⁶⁰ For example, see, AFM Basic Theatrical Motion Picture Agreement, Art. 16 Supplemental Markets, particularly subpara. 16(b), as well as Exhibit A Theatrical and Television Motion Picture Special Payments Fund Agreement; AFM Basic Television Motion Picture Agreement, Art. 14 Supplemental Markets, as well as Exhibit A Theatrical and Television Motion Picture Special Payments Fund Agreement; AFM Television and Radio Commercial Announcements Agreement, Art. XIV: Use/Reuse; AFM Basic Cable Television Agreement, Art. 10 Re-Use; AFM Non-Standard Television (Pay-TV) Agreement, Art. 10 Reuse.

(c) European Directives

Council Directive 92/100/EEC of 19 November 1992, on rental right and lending right and on certain rights related to copyright in the field of intellectual property⁶¹ calls upon Member States to grant performers protection that goes beyond that provided for in the 1961 Rome Convention and admits of no limitation in the audiovisual field.⁶²

Articles 6 to 9 grant them respectively a fixation right, a reproduction right, a right of broadcasting and communication to the public,⁶³ and a distribution right. Each of these prerogatives has the attributes of an exclusive right, subject to legal licensing against equitable remuneration, provided for in Article 8.2 for the broadcasting and communication to the public of phonograms published for commercial purposes, it being made clear that Member States are free to go further on this point, as the 20th clause of the preamble to the Directive expressly states.

As this is one of its main objectives (confirmed by its title), the Directive also grants authors and the owners of neighboring rights a rental right and a lending right.⁶⁴ These two rights are normally exclusive rights but, in the case of the lending right, Article 5.1 allows Member States to derogate from that principle “provided that at least authors obtain a remuneration.”

Article 5.2 contains a similar provision concerning specifically films (and also phonograms and computer programs), according to which States that do not apply the exclusive lending right “shall introduce, at least for authors, a remuneration,” which does not actually add much to Article 5.1.⁶⁵

The duration of protection is laid down in Article 12 by reference to the Rome Convention, which provides for a duration of 20 years (that being expressly provided for the producers of first fixations of films).

The Directive says nothing of the moral rights of those concerned.

Directive 2001/29 of May 22, 2001, on the Harmonization of Certain Aspects of Copyright and Neighboring Rights in the Information Society,⁶⁶ which is in the process of being written into the legislation of Member States, deserves mention, as it refers to the question of neighboring rights, which for the first time it places on the same footing as copyright, specifying in its Article 2 that the reproduction of works like the fixation of the performances of performers, phonograms, fixations of films and fixations of the broadcasts of broadcasting organizations may be temporary or permanent, by any means and in any form.

⁶¹ O.J. No. 346/61, November 27, 1992.

⁶² The Directive moreover grants the same right to those that it describes as “producers of the first fixations of films.”

⁶³ Except, Article 8.1 specifies, drawing inspiration from Article 7.1(a) of the Rome Convention, “where the performance is itself already a broadcast performance or is made from a fixation.”

⁶⁴ Articles 1 and 2.

⁶⁵ J. Reinbothe and S. von Lewinski, *The E.C. Directive on Rental and Lending Right and on Piracy*, London, Sweet and Maxwell, 1993, p. 82.

⁶⁶ O.J.L. 16.7/10, June 22, 2001.

Interms very closeto those used by Article 10 of the WIPO Treaty on the Performances of Phonogram Producers, Article 3.2 accord to performers “the exclusive right to authorize or prohibit the making available to the public, by wire or wireless means, in such a way that any person may access them from a place and at a time individually chosen by them (...) of fixations of their performances,” which also belong to the other owners of neighboring rights, including “producers of the first fixation of films.”

(d) French law

It should be mentioned first and foremost that French law does not adopt the terminology of the international conventions (for which performers are “*artistes interprètes ou exécutants*”), preferring to confine itself to “*artistes-interprètes*.”⁶⁷

Case law in France first set about seeking protection for performers in the field of civil liability.⁶⁸ It was not until the law of July 3, 1985, consolidated today in Articles L.211-1 *et seq.* of the Intellectual Property Code, that neighboring rights were established as exclusive rights, making it possible for the 1961 Rome Convention to be ratified.⁶⁹

(i) Nature

Indisputably, performers’ rights have an identity of their own in French law, and should not be confused with copyright.

Nevertheless, the borderline is not as hermetic as it might seem. Performers, whose personal contribution is essential, are the closest neighbors of authors, so close indeed that the question has arisen in the past of protecting their performances as original works derived from the preexisting work. The *Courdecassation*, after some hesitation,⁷⁰ ruled out this possibility, however.⁷¹ As the parties involved subsequently won recognition of an exclusive right, the issue now seems finally settled. And yet the possibility of its coming up for discussion again cannot be ruled out. For instance, one might wonder whether certain performers are not going to seek the option of copyright protection to avoid having their performances fall into the public domain when the 50-year period provided for in Article L.211-4 expires. From that point of view, the *Courdecassation* ruling⁷² upholding an Appeal Court’s decision to accord the status of performer to a person who had participated in

⁶⁷ Similarly, the producers of “first fixations of films” referred to in the 1992 Directive mentioned are designated as producers of “videograms,” and “broadcasting organizations” as “audiovisual communication enterprises.”

⁶⁸ See mainly Cass. 1st civ., March 15, 1977, *SPEDIDAME: RIDA3/1977*, p. 141. Cass. 1st civ., November 5, 1980, *SNEPA v. Radio-France: RIDA2/1981*, p. 158, and, on further appeal, Cass. 1st civ., January 25, 1984: *RIDA3/1984*, p. 148.

⁶⁹ Law No. 88-234 of March 9, 1988.

⁷⁰ Cass. 1st civ., January 4, 1964, *Furtwängler: JCP 1964, II, 13712*, mentioning “the right of the performer in the work constituted by his performance,” which clearly seemed to open the way to copyright.

⁷¹ Cass. 1st civ., March 15, 1977, *supra*.

⁷² 1st civ., July 6, 1999: *D.2000, 209, 2nd esp.*, conclusion J. Sainte-Rose.

the shooting of a publicity film, pointing out that, even though the actress had a “Brole,” she made an original and personal contribution as an actress, is likely to entail the debate. Some will not fail to use it to argue that the originality of the performer’s contribution could justify as well afford entitlement to the status of co-author of the film.

In any event, analysis of the rights of performers has to take due account of the rules covering copyright, which in French law at least has served as a model, notably as far as moral rights and contracts are concerned, in order to fill the gaps in an incomplete set of provisions, in the interest of favoring equally two categories that both have a claim on protection by law.⁷³

One essential characteristic of French law should moreover be mentioned. In terms of Article L.762-1 of the Labor Code, the performer is presumed to have the status of salaried employee, regardless of the manner and amount of his remuneration, a presumption which at least in practice is beyond dispute.⁷⁴ The logic of intellectual property has to be conjugated with that of labor law, which is a frequent source of difficulties, as the law does not always make a clear choice.⁷⁵ We shall judge the consequences in the context of private international law.⁷⁶

(ii) Content

Following the same line as Article 1.2 of the Rome Convention, copied by Article 1.2 of the WIPO Performances and Phonograms Treaty, Article L.211-1 of the Intellectual Property Code states the principle that “neighboring rights shall not prejudice authors’ rights,” deducing that none of the provisions on them “shall be interpreted in such a way as to limit the exercise of copyright by its owners.” Generally this provision is looked upon as no more than a “symbolic” proviso.⁷⁷

Economic rights

The first paragraph of Article L.212-3 of the Intellectual Property Code requires the authorization of the performer for the “fixation of his performance, its reproduction and communication to the public as also for any separate use of the sounds and images of the performance when both the sounds and the images have been fixed.”

We shall come back to the meaning of that final clause of the provision later on.⁷⁸

⁷³ In this respect see F. Pollaud-Dulian, note on Cass. 1st civ., March 6, 2001 : *JCP* 2002, II, 10014.

⁷⁴ X. Daverat, *L’artiste-interprète*, Thesis, Bordeaux I, 1990, No. 230.

⁷⁵ See for instance, on the matter of whether the payments made to performers are in the nature of a salary or constitute intellectual property royalties, A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, Paris, Litec, 2nd Ed., 2001, Nos. 826 and 871.

⁷⁶ See *infra*, Part Two –IV–B–2.

⁷⁷ Reply of the Minister of Culture to the Special Senate Commission, report drawn up in the name of the Special Senate Commission by M. Jolibois, No. 212, annex to the reports of the session of January 24, 1985, vol. 1, p. 131. In this connection, for Article 1 of the Rome Convention, see C. Masouyé, *Guide to the Rome Convention and to the Phonograms Convention*, WIPO, 1981, p. 15.

⁷⁸ *Infra* Part III–D–2.

Unlike phonogram and videogram producers and audiovisual communication companies, performers do not expressly enjoy rental rights and lending rights. The French authorities maintain that this prerogative may be deduced from application of what is known as the “right of intended purpose,”⁷⁹ but, apart from the fact that the theory itself is questionable,⁸⁰ it is doubtful that it can be extended to neighboring rights, which leads some to think that in this respect the 1992 Directive mentioned earlier has not been properly transposed into French law.⁸¹

Moreover performers, like the owners of copyright and other owners of neighboring rights, are entitled to the remuneration for private copying provided for in Articles L.311-1 *et seq.*

The economic rights of performers in practice lend themselves to collective management. There are two societies in France that manage such rights, ADAMI (Society for the Administration of the Rights of Performing Artists and Musicians) and SPEDIDAM (Collection and Distribution Society for the Rights of Music Performers and Dancers); the former manages the rights of the performers named on the labels of audio works and in the credits of audiovisual works, while the latter manages the rights of performers whose names do not appear on the label of the phonogram or in the credits of the videogram or live broadcast. s

In principle collective management is not mandatory. This situation is different with cable distribution, however. Under Article L.217-2 of the Intellectual Property Code, which is a transposition of Articles 9 and 10 of Directive 93/83 of 27 September 1993 on the coordination of certain rules of copyright and rights related to copyright applicable to satellite broadcasting and cable transmission,⁸² exclusive rights in the simultaneous, complete and unchanged cable retransmission of a performer’s performance may be exercised only by an approved collective management society, except in the case of rights licensed to an audiovisual communication enterprise. It is for the owner of the rights, if he has not already done so, to designate the society that he intends to entrust with the exercising of those rights. The society, to which the choice is notified in writing, “may not refuse,” and it has to be mentioned in the contract authorizing the broadcasting of the work on the national territory; it is the actual exclusive right that it receives, even though Article L.217-3 provides in general terms, in order to settle disputes regarding the authorization of the simultaneous, complete and unchanged cable retransmission of a work, a mediation procedure according to formalities specified in Articles R.324-1 to R.324-12.

⁷⁹ This theory, developed in the copyright field, accord to the author, as an exclusive right of reproduction, the right to control not only the methods used for the marketing of copies, but also, further downstream, certain uses made by acquirers or holders (F. Pollaud-Dulian, *Ledroit de destination, Les sort des exemplaires en droit d’auteur*, Paris, LGDJ, 1989).

⁸⁰ A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 250 *et seq.*

⁸¹ A. and H. -J. Lucas, *op.cit.*, No. 824. – J. Reinbothe et S. von Lewinski, *The E.C. Directive on Rental and Lending Right and on Piracy*, see note 61 above, p. 145. It is indeed true that, under the rules of the Court of Justice of the European Communities, judges are obliged to interpret French law in the light of the Directive (P. -Y. Gautier, *Propriété littéraire et artistique*, Paris, PUF, *Thémis*, 4th Ed., 2001, No. 96, p. 160, note 1).

⁸² O.J.L248/15, October 6, 1993.

Finally account has to be taken of the first paragraph of Article L.214-1 which, adopting the solutions set forth in Article 12 of the Rome Convention and Article 8.2 of the 1992 Directive, provides that, by derogation, certain uses of commercial phonograms are not subject to authorization by the performers and producers. The first situation provided for is that of "direct communication in a public place," except where the use is in "an entertainment." The second has to do with the broadcasting or the "simultaneous and integral" cabled distribution of the broadcast.

In neither situation does the user have to request authorization, but he does have to pay "equitable remuneration," divided half and half between the performers and the phonogram producers.⁸³ According to Article L.214-1, paragraph 4, this remuneration is determined by agreements, each having a duration of one to five years, between the organizations representing the performers, the phonogram producers and the users. In the absence of agreement, it has been necessary to refer the matter to the Committee provided for in Article L.214-4.

Article L.214-5 provides that the equitable remuneration is collected on behalf of the entitled persons by one or more societies for the collection and distribution of rights. In fact performers and producers have set up a joint society, the Society for Collection and Equitable Remuneration for the Communication to the Public of Commercial Phonograms (SPRE).

The scope of this legal license presents a certain number of difficulties which have generated an abundance of case law which has not yet completely established itself. As far as those occurring in the audiovisual field are concerned, it is essentially a question of determining whether the legal license applies where the medium used for the broadcasting is not the actual commercial phonogram but a videogram (defined by Article L.215-1 as the "initial fixation of a sequence of images whether accompanied by sounds or not") incorporating the phonogram. The courts have tended to reply in the negative,⁸⁴ waiting as they are for the controversy to be finally settled, in the coming weeks or months, by the *Cour de cassation*.

Moral right

Article L.212-2 of the Intellectual Property Code provides that "a performer shall have the right to respect for his name, his capacity and his performance," and that "this inalienable and imprescriptible right shall attach to his person." The notion of rights neighboring on copyright takes on its full meaning here, even if the moral rights of performers do not include the right of disclosure.⁸⁵ In a ruling on principle, the *Cour de cassation* ruled that the inalienability of the right to respect "is at variance with the performer abandoning to the licensee, in advance and in general terms, the exclusive appreciation of whatever use, dissemination, adaptation, withdrawal, addition and change he might decide to make" in support of its refusal to allow a clause to be enforced under which a well-known singer in the

⁸³ Article L.214-1, para. 5.

⁸⁴ Paris CA, 1st ch., October 26, 1999 : *RIDA* 2/2000, p. 352, appeal dismissed by Cass. 1st civ., January 29, 2002 : *RIDA* 3/2002, p. 359. Paris CA, 4th ch., May 9, 2001 : *RIDA* 1/2002, p. 288.

⁸⁵ See in this connection P. Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, e, No. 95-1, p. 157. Paris TGI, 3^e ch., October 2, 2001 : *Propriétés intellectuelles* October 2002, No. 5, p. 40, comment by A. Lucas.

case in point had “granted a general exploitation license which implied the possibility of separating the works collected in the various albums and making compilations that featured several performers.”⁸⁶

At best one can wonder, in the event of conflict between the moral rights of the author and those of the performer, where a choice has to be made, whether the idea of the prima cy of the former does not seem more natural. In support of this one could quote the ruling that refused to accede to the demand of the cellist Rostropovitch that deletions in a cinematographic work be ordered, albeit admitting that the nature of his performance had been altered, on the ground that “violation of the performance, as described, should never warrant a censure that in itself would infringe the rights of the author of the film,” and at the same time ordering a measure (the insertion of a warning 87 after the credits) to be construed as guaranteeing the moral rights of all those concerned.

B. INITIAL OWNERSHIP OF AUDIOVISUAL PERFORMERS' RIGHTS

(a) Law of the USA

Although the copyright work for hire doctrine treats employers as initial owners, see 17 USC secs. 101, 201, we will examine works made for hire as a kind of transfer of copyright by operation of law, see *infra*.

As a matter of copyright law, co-authors are joint owners of the work of authorship, and, absent a contract to the contrary, share equally in the profits of the work's exploitation. Each co-author may separately license non-exclusive rights in the work, subject to a duty to account for profits to the other co-authors; to grant exclusive rights, all co-authors must agree.⁸⁸ This means that if audiovisual performers are considered co-authors of the audiovisual work, then, absent a contract to the contrary, they have an equal share in the work's profits, and must agree to its exclusive licensing. This appears rarely if ever to be the the case, probably because of the prevalence of contracts, notably the SAG agreement. Alternatively, audiovisual performers do not exercise this kind of control over the audiovisual work because they are not considered co-owners in the first place.

As a matter of the right of publicity, each performer would be the initial owner of the right to exploit her name and image, but absent a contract to the contrary, would not be a co-owner of rights in the audiovisual work to which she contributes her performance.

⁸⁶ Cass. soc., July 10, 2002: *RIDA* 1/2003, p. 339.

⁸⁷ Paris TGI, 1st ch., January 10, 1990: *RIDA* 3/1990, p. 368.

⁸⁸ See, e.g., Melville B. Nimmer and David Nimer, *Nimmer on Copyright* 6-34 (Matthew Bender, 2002).

(b) French law

Even though Article L.212-1 of the Intellectual Property Code does not state, it is clear that the “person” susceptible of being invested with the performers’ rights cannot be other than a natural person. The mechanics of a collective work, which enable the entrepreneur who has taken the initiative of creating a work to be invested with copyright under certain conditions,⁸⁹ cannot, the law being silent, be transferred elsewhere.

As in copyright, the salaried employee status of the performer has no effect on the attribution of rights.⁹⁰ As for the status of civil servant, this is still a matter of debate.

C. TRANSFER OF AUDIOVISUAL PERFORMERS’ RIGHTS⁹¹

(a) Multilateral Instruments

(i) Berne Convention (1971 Paris Act)

– Article 14 *bis*(2) and (3) announce a presumption of transfer of rights by certain co-authors of a cinematographic work (these may or not include the performers) to the producer of a cinematographic work. These provisions have also aptly been criticized by Professor Ricketson as “the most obscure and least useful in the whole convention.”⁹² The summary that follows, as well as the subsequent analysis of Art. 14 *bis* with respect to choice of law rules (see *infra*), amply bear out Prof. Ricketson’s jaundiced assessment.

Background: The Berne Convention has not been able to achieve a uniform system applicable to the transfer of copyright or related rights to the producer of films. Essentially, the Berne Convention leaves intact the different national systems dealing with copyright ownership in cinematographic works.⁹³

There are two leading kinds of national systems that deal with ownership in films.

⁸⁹ Articles L.113-2, para. 3 and L.113-5.

⁹⁰ Cass. 1st civ., March 6, 2001: *JCP* 2002, II, 10014, note by F. Pollaud-Dulian.

⁹¹ This section corresponds to the following Term of Reference: Provision on Transfer of Rights in International Treaties, bilateral and Regional Legal Instruments, and National Legislation 1. Describe in detail the existing provisions, in international treaties and bilateral and regional legal instruments, on transfer of copyright and related rights, to the producer of an audiovisual fixation, including provisions on presumptions of transfer and presumptions of legitimation.

⁹² See Sam Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986*, sec. 10.33. See generally Chap. 10, Cinematographic works, in particular sections 10.9, 10.10, 10.26 – 10.42, and 10.44 (Centre for Commercial Law Studies, Queen Mary College, University of London 1987).

⁹³ Ricketson, *supra*, at 589.

- “Film Copyright” System: The common law nations adopt the so-called “film copyright system.” Copyright ownership is conferred on the producer.⁹⁴
- Many civil law systems accord copyright protection to the author or intellectual creator of the film (which usually include, for example, the author of the script; the author of the adaptation; the author of the dialogue; the author of the musical composition, and the director⁹⁵), but vest the rights of exploitation of the film belonging to each co-author in a single person, usually the producer.⁹⁶ Two approaches predominate under these systems:
 1. The “Legal Assignment” System: This approach imposes a legal assignment of the co-authors’ rights. This system has the same end result as the film copyright system, but initial ownership of copyright vests only in the natural persons who were the co-authors of the film.⁹⁷
 2. The “Presumption of Assignment” System: This system provides that rights of the co-authors are presumed to be transferred from individual co-author(s) of the film to the producer, but authors may contract out of such presumed assignments.⁹⁸ This is essentially a rebuttable presumption of transfers system.
 - Articles 14 *bis*(2) and (3) of the Berne Convention seem to follow the rebuttable presumption of transfers system, and leave intact the *status quo* of the nation that adopt different copyright ownership systems concerning films.⁹⁹

These articles provide:¹⁰⁰

“1. The question of who is the owner of copyright in a film is left to domestic legislation of the member states; as a result, Berne does not require member states to include performers among the authors of cinematographic works, but, by the same token, should a member state deem performers to be co-authors, Berne does not disturb that characterization.

“2. The presumption of transfer rules apply only to those countries that adopt a rebuttable presumption of transfers system. The film copyright and legal assignment countries are explicitly excluded from the scope of these articles.

“The presumption of transfer does not cover: authors of scenarios, dialogues or musical works created for the making of the film, nor the director of the film. Thus, as Prof. Ricketson observes, “only a residual category of authors will be covered by the

⁹⁴ Id. at 556.

⁹⁵ Id. at 556.

⁹⁶ Id. at 573.

⁹⁷ Id. at 573.

⁹⁸ Id. at 573 -574.

⁹⁹ Id. at 589.

¹⁰⁰ See Id., 580 -581.

presumption.” Prof. Ricketson also notes that national law might regard actors as included among these residual co-authors.¹⁰¹

“3. For the presumption to apply, the authors should have made their contributions pursuant to an agreement whose form would be prescribed by the law of the country of the producer’s headquarters. The “curiously convoluted”¹⁰² treatment of that agreement as a matter of conflict of law will be examined *infra* Part TWO of this Study.”

Summary: Article 14 *bis* of the Berne Convention does not impose supranational substantive rules regarding the transfer of ownership of copyright from the creative contributors in cinematographic work. Rather, it largely delegates that determination to member state law, instead providing a limited (and confusing) set of choice of law rules. These will be addressed in Part TWO of this study.

(ii) Rome Convention (1961)

The Rome Convention concerns itself with the matter of the transfer of the rights of performer only to preserve their “ability to control, by contract, their relations with broadcasting organizations.”¹⁰³ The “by contract” part includes collective bargaining and the rulings of an arbitration board where arbitration is the method of settlement normally applied between performers and broadcasting organizations.¹⁰⁴ In particular, contracts entered into by those bodies and associations aiming to establish tariffs should apply to all performers regardless of their salaried employee status and their nationality.¹⁰⁵

(b) Law¹⁰⁶ of the USA

(i) Legal Provisions Regarding Contracts

General Principles Regarding Transfer

– A transfer of exclusive rights under copyright must be in writing and signed by the grantor. 17 USC sec. 204(a). A grant of non-exclusive rights may be oral or inferred from conduct.¹⁰⁷ In the USA, “transfer” of copyright includes an assignment of all rights or an

¹⁰¹ Ricketson at sec. 10.35(2).

¹⁰² *Id.* at sec. 10.32.

¹⁰³ Article 7.2, para. 3.

¹⁰⁴ C. Masouyé, *GuidedelaConventiondeRomeetdelaConvention Phonogrammes*, WIPO, 1981, p. 50 [in the French version].

¹⁰⁵ W. Nordemann, K. Vinckel P. W. Hertin, *Droit d’auteur internationale et droits voisins dans les pays de langue allemande et les États membres de la communauté européenne*, see note 6 above, p. 366.

¹⁰⁶ See Term of Reference:

2. Describe in detail the existing provisions on transfer of copyright and related rights, and in particular by performers, to the producer of an audiovisual fixation contained in the national legislation of the United States of America.

¹⁰⁷ See, e.g., *Effects Assoc. v. Cohen*, 908 F.2d 555 (9th Cir. 1990).

exclusive license of any exclusive right (or subdivision of a right) under copyright.¹⁰⁸ In the case of a joint work, any co-owner may individually license non-exclusive rights in the work, subject to a duty to account to the other co-owners;¹⁰⁹ a grant of exclusive rights, however, requires the other co-owners' agreement.¹¹⁰

As applied to audiovisual works, these copyright ownership rules mean that, in the absence of a contract to the contrary, any co-author (including a performer, if performers are considered co-authors) may herself exploit the work, or may permit others to do so, but may not grant exclusive rights without the accord of all other co-authors. As a practical matter, it is unlikely that a performer will in fact be able unilaterally to exploit the audiovisual work, for any of the following reasons:

- The performer is not considered a co-author in the first place;
- The work-for-hire doctrine (see *infra*) would supercede any copyright interest the performer might have had;
- The performer will have granted any pertinent rights by contract.

– A transfer of fixation, transmission and distribution rights under the federal musical performers' fixation right (sec. 1101) requires "the consent of the performer or performers involved" but does not specify whether that consent must be in writing, nor whether all performers must agree.¹¹¹ To the extent the musical performers' rights is assimilated to copyright, copyright transfer rules would apply. But there appears to be no judicial interpretation of these issues.

– Many state right of publicity statutes require written consent to the commercial exploitation of name and image.¹¹² The requirement of a writing appears to apply whether the grant is exclusive or non-exclusive.

Transfer by Operation of Law

As a Matter of Copyright

– Copyright Act Sec. 201(e) explicitly contemplates transfer of copyright as part of a bankruptcy or reorganization, while it appears to rule out the possibility of transfer by eminent domain.¹¹³

– State community property rules: different states' laws seem to have differing scope of application of the community property rule.

¹⁰⁸ See 17 USC sec. 101 Definitions.

¹⁰⁹ See, e.g., Paul Goldstein, *Copyright* (2nd Ed.), sec. 4.2.2.

¹¹⁰ See, e.g., Nimmer on Copyright, sec. 6.11.

¹¹¹ Accord, Paul Goldstein, *Copyright* sec. 15.6.1 ("chapter 1 is strikingly thin on operational detail").

¹¹² See McCarthy, *supra*, at 10-41 to 10-42. It provides, in pertinent part, "[t]he privacy and publicity statutes of six states provide that a consent or license of the statutory right must be in writing. The statutes of three states simply state that a 'consent' is necessary, thus implying that it may be either oral or written. Florida's statute expressly permits 'written or oral' consent, and Nebraska's statute permits an express or implied consent."

¹¹³ *Id.*

Title shared: A California appellate court, in deciding *In re Marriage of Susan M. & Frederick L. Worth*, 241 Cal. Rptr. 135, 195 Cal. App. 3d 768 (1st Dist. 1987), held that copyrights in works written during the marriage are community property. A consequence of this holding is that a spouse becomes a joint copyright owner and enjoys the rights thereof.

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Title not shared: In a community property dispute arising in Louisiana, *Rodrigue*, 218 F.3d 432 (5th Cir. 2000), the Court of Appeals for the Fifth Circuit held that the author-spouse would continue to hold the copyright, but that his wife was to share only “earnings and profits” from the copyright work.¹¹⁵

– Copyright Act Sec. 201(d) explicitly accommodates transfers of the decedent’s copyright under state intestacy rules.¹¹⁶

– Works Made for Hire (aka “works for hire”)

A “work for hire” is defined in Article 101 of the Copyright Act. Under the work for hire doctrine, the employer, rather than the person employed to create a work (or, with respect to certain specially ordered or commissioned works, the commissioning party, so long as creator and commissioner have both signed a writing declaring the work to be “for hire”) is deemed the statutory “author” of the work. Audiovisual works are among these specially ordered or commissioned works. The “employer for hire” is vested by law with the status of author and copyright owner of the resulting work.

Practical difference between copyright ownership acquired under the works for hire doctrine and acquired by a voluntary transfer: Under the Copyright Act of 1976, the transferor may terminate a transfer of copyright after a period of time prescribed by the Copyright Act,¹¹⁷ but there is no termination of transfers of rights in a work made for hire. On termination, see *infra* “Limitations on the Scope or Effect of Transfers.”

As a Matter of Audiovisual Performers’ Rights outside copyright (California Federal and State Cases)

– Bankruptcy: Under the federal Bankruptcy Code, a debtor performer’s compensations (e.g., royalties) from personal services contracts performed before petition for bankruptcy protection are included in the bankruptcy estate. By contrast, post-petition services are excluded from the Chapter 7 (Liquidation) or Chapter 11 (Reorganization) estate. Therefore, creditors cannot reach such earnings in Chapter 7 or Chapter 11 cases. Furthermore, under the Bankruptcy Code, a contract for personal services is excluded from the estate under Chapter 7 or Chapter 11. However, a debtor performer’s post-petition earnings from personal service contracts will be part of the bankruptcy estate under

¹¹⁴ Id.

¹¹⁵ Id.

¹¹⁶ Robert A. Gorman and Jane C. Ginsburg, *Copyright, Cases and Materials* 335 (Foundation Press 6th Ed. 2002)

¹¹⁷ See Gorman and Ginsburg, *supra*, at 377.

Chapter 13.¹¹⁸ See *In re Carrere*, 64 B.R. 156, 158 (Bankr. C.D. Cal. 1986). This line of reasoning is in harmony with that of the court in New York. See *In re Carrere*, supra, citing *In re Noonan*, 17 Bankr. 793 (Bankr. S.D. N.Y. 1982).

– Community Property: The general definition is broad. Section 760 of the Family Code of California provides that “[e]xcept as otherwise provided by statute, all property, real or personal, wherever situated, acquired by a married person during the marriage while domiciled in this state is community property.” For interests of spouses in community property, Section 751 of the Family Code provides that “[t]he respective interests of the husband and wife in community property during continuance of the marriage relation are present, existing, and equal interests.”

In *Commissioner v. Cavanagh*, 125 F.2d 366 (9th Cir. 1942), the husband was a motion picture actor in California, separated from his wife. The Ninth Circuit found that “the earnings of the husband in the year 1935, when he was domiciled in the State of California, and when the marriage between the parties was in existence, constitute community property under the law of California, there being no judicial dissolution of the marriage, nor any agreement changing the community property status of the parties, . . .” In so holding, the court did not distinguish the source of earnings of the actor husband. That seems to suggest that all proceeds earned by an audiovisual actor acquired during marriage in California are subject to community property.¹¹⁹

– Intestacy: As of this study, there does not seem to be a California case addressing the transfer of a performer’s rights (or income thereof) by way of intestacy.

Irrebuttable Presumption of Transfer

As a Matter of Copyright:

Works for hire might be conceptualized as an irrebuttable presumption of transfer of authorship status. Authorship *status*, however, should be distinguished from copyright *ownership*; though the copyright act vests employers with ownership of copyright in works made for hire, the employer and employee can agree, in writing that both parties intend to transfer ownership to the employee-creator, see 17 USC sec. 201(b).

¹¹⁸ Section 1306(a) of the Bankruptcy Code provides, in pertinent part, that “Property of the estate includes, in addition to the property specified in section 541 of this title . . . (2) earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 11, or 12 of this title, whichever occurs first.”

¹¹⁹ But see *Garfein v. Garfein*, 16 Cal. App. 3d 155 (Cal. Ct. App. 1971) (holding that earnings of the wife, an actress, while she was living separately from her husband, were the separate property of the wife).

Asa Matter of Performers' Rights Outside Copyright:

The law of the USA does not seem to recognize a concept of irrebuttable presumption concerning the transfer of non-copyright rights by audiovisual performers. In other words, the transfer will be operated by contract, not by law.

Rebuttable Presumptions of Transfer

As a Matter of Copyright:

Nimmer has characterized the work made for hire doctrine as "an implied assignment of rights from the employee to his employer."¹²⁰ The parties may, however, rebut the implication of an assignment by explicitly returning, through a "written instrument signed by them," all or some of the rights to the employee-creator, 17 USC sec. 201(b).

The Copyright Act does not set out other presumptions of transfer of copyright ownership.

We have found no California federal or state court cases addressing the question of a presumption of transfer of copyright.

As a Matter of Audiovisual Performers' Right:

Sec. 1101 of the Copyright Act provides no details as to the grant of consent to fix, transmit, or distribute copies of the fixation of a live musical performance. Arguably, in the absence of a work made for hire provision, or of reference to the employment status of the performers, it is the performers themselves, and not their employer, who are vested with the consent-granting right. Because no California federal or state court cases seem to deal explicitly with presumptions of transfer of copyright or related rights by employed audiovisual performers, this too remains an open question.

Proposal from the Delegation of the USA for WAPT

According to a WIPO report issued in 1999, http://www.wipo.org/eng/meetings/1999/sccr_99/sccr2_11.htm, numbered paragraph 71), the Delegation of the USA emphasized that "its proposal for a rebuttable presumption of transfer was supported by the performers and producers in its country because it was believed to be in the best interest of both." The proposal of the United States of America was the result of a long process of consultation.¹²¹

See the draft Substantive Provisions of A Treaty for the Protection of Performers in Audiovisual Works submitted by the Delegation of the USA to the WIPO Standing Committee on Copyright and Related Rights on November 3, 1999. Draft Article 12

¹²⁰ Nimmer on Copyright, Sec. 106.

¹²¹ See WIPO Standing Committee on Copyright and Related Rights Report, May 11, 1999, paragraph 20, at http://www.wipo.org/eng/meetings/1999/sccr_99/sccr2_11.htm.

submitted by the Delegation of the USA provides: “Once a performer has consented to the fixation of his or her performance in an audiovisual work, he or she shall be deemed to have transferred all exclusive rights of authorization granted under this Treaty with respect to that particular audiovisual work to the producer of that work and its successors in interest, subject to written contractual clauses to the contrary. The foregoing sentences shall not apply to any rights of remuneration a performer may have under the law of any Contracting Party, nor shall it require a Contracting Party to establish any such rights of remuneration.”

(ii) Contract Practice

Selected guild agreements indicate that some of them provide explicit grant of rights language, while some do not seem to.¹²² None of these agreements seem to characterize the contributions of performers, i.e., whether copyrightable or otherwise. While guild agreement terms and conditions apply across all transactions concerning members, in practice individual performers will also enter into individual agreements in most cases. Such

¹²² That may result from the guild agreements’ principal objective of guaranteeing minimum work condition and minimum compensation for performers. *Infra*

“a. Screen Actors Guild Basic Agreement
The SAG Basic Agreement contains explicit grant of rights language. The language indicates that the grant of right is a transfer of right overall in duration known or hereafter devised in perpetuity. The SAG Basic Agreement does not characterize the rights being transferred, i.e., whether copyrightable or otherwise.

“b. AFTRA Selected Agreements

“i. AFTRA Television Code
“No explicit grant of rights language is found in the AFTRA Television Code. But because of the media and respective compensation specified therein, presumably the performers grant the right to use their services in such media and there is no time limit. It appears to be a buttable presumption of transfer of rights.

“ii. AFTRA Commercial Code
“This Agreement does not seem to contain explicit grant of rights language either. Rather, in Article 17A it says that “[t]he rights granted to Producer in commercials shall be limited to the right to use, distribute, reproduce and/or exhibit such commercial over television.” It appears also to be a buttable presumption of transfer of rights. The media, by the nature of this agreement, are limited to television use.

“iii. AFTRA Interactive Media Agreement
“This Agreement contains an explicit grant of rights language in Article 14A. In pertinent part: “In consideration of the Total Applicable Base Compensation paid hereunder, Producer will have the right to exploit the results and proceeds of Principal Performers’ services in the Program for which the Performer was employed in all Interactive Media as defined in Section 3.F(i) and, if Producer pays the additional compensations specified in Section 17.C, Producer’s rights shall include Remote Delivery and/or Integration as defined in Section 3.D and 3.F(ii), *supra*.”

“iii. AFTRA Recording Agreement
“This Agreement does not seem to contain grant of rights language. Similarly to the Network Code, because of the usage and compensation provided therein, this appears to be a buttable presumption of transfer arrangement.

agreements may contain terms and conditions that are not in conflict with the guild agreements (otherwise the guild agreements prevail), and provide more performer -favorable terms than provided by the guild terms.

Grants of rights language that practitioners use in performer employment contracts in the motion picture and television industry are extremely broadly written to cover the broadest possible scope, duration, and geographic extent of rights.

The following features are typical:

- The engagement will be deemed to be on an "employee for hire" basis and all the results and proceeds of the performer's services will be deemed "work for hire." Producer thus is deemed the employer for hire and hence the initial owner of all the results and proceeds of the performer's services and all rights therein. In case for any reason the producer cannot own the rights on a "work for hire" basis, then all rights are deemed transferred to producer in perpetuity.

- The grant of rights covers any and all rights in the performer's services. That is sufficiently broad to cover copyright, if such contributions are considered copyrightable. Usually the language will be worded to indicate that the grant of rights is including but not limited to copyright.

- To accommodate the possibility that the performer's contributions might be considered to be a transfer of copyright rather than work for hire, and therefore subject to the termination right of authors under the Copyright Act (see *infra*), there usually will be language providing the producer a right of first negotiation/first refusal or similar right. Such language will grant the producer an opportunity to engage in exclusive negotiations with the author regarding the repurchase of the terminated rights and, in case there are third party buyers, repurchases such rights by matching up offers made by third party buyers.

- The contract will provide that the performer waives in favor of the producer his or her moral rights in any and all jurisdictions in the world in perpetuity.

- The grant of rights will cover all forms of exploitation, in any and all media now known or hereafter developed.

- The geographic extent of the grant will be "the universe" [thus removing any ambiguity as to the application of the grant to such eventualities as communication to locations at (or under) sea outside any country's international boundaries, as well as to space stations, and even other planets].

- The grant of rights language in a performer employment agreement may also cover rights not available under the law of the USA, but that may come within the scope of other countries' law, e.g., the European rental and lending rights.

(iii) Limitations on the Scope or Effect of Transfer

Public Policy or Ordre Public

The law of the USA does not seem to limit the transfer of audiovisual performers' rights for public policy considerations, except to the extent that copyright termination rights may apply under sections 203 and 304(c) of the Copyright Act, see *infra*.

Restrictions Derived from Contract Law

– Limit on Transfers of Future Rights

Should a grant of rights in a contract entered into before the advent of new technologies or media be deemed to cover the new medium? If the language unambiguously covers "all media now known or later developed," the grantee will be the beneficiary of the new form of exploitation. Where the granting language is ambiguous, however, courts of the USA interpreting grants of copyright have not adopted a uniform approach to resolve that ambiguity. Although the dispute concerns transfers of copyright, the courts do agree that the question of interpretation of the scope of the grant is a matter of state contract law, rather than of federal copyright law. See, e.g., *Bartsch v. MGM*, 391 F.2d 150 (2d Cir. 1968). As a result, the approaches adopted would appear to apply both to grants of copyright, and to grants of rights of publicity.

In *Reyv. Lafferty*, 990 F.2d 1379 (1st Cir.), *cert. denied*, 510 US 828 (1993), one party licensed the other to produce TV episodes based on children's books "for television viewing." At the time the rights were granted, video cassette technology was not in existence. The issue was whether videos had been covered by the grant of rights "for television viewing." The court gave a description of how courts address "new uses" of licensed copyrighted works, "i.e., novel technological developments which generate unforeseen applications for a previously licensed work." Normally courts start with the effort to find "indicia of general intent" according to the language (e.g., the grant of "complete and entire" motion picture rights), the surrounding circumstances, and trade usage. Where no indicia of general intent are found:

"Preferred Method:" The court will presume that at least the possibility of non-specific "new uses" was foreseeable by the contracting parties at the time the licensing agreement was drafted; accordingly, the burden of specifying any particular "new use" is apportioned equally between licensor and licensee.

An alternative interpretive method is to assume that a license of rights in a given medium (e.g., "motion picture rights") includes only such uses as fall within the unambiguous core meaning of the term. Thus any rights not expressly (in this case meaning unambiguously) granted are reserved.

The *Lafferty* court observes that "[t]hese fine-tuned interpretive methods have led to divergent results in cases considering the extension of television rights to new video forms."

– By contrast, in *Boosey & Hawkes v. Disney*, 145 F.3d 481 (2d Cir. 1998), the court placed the burden on the granting authority to retain rights in new modes of exploitation, at least when the new mode was foreseeable at the time the contract was concluded. The court

expressed concern that resolving the ambiguity in favor of the granting author would produce “antiprogressive” results, in that it could discourage grantors’ investment in new modes of exploitation.

Statutory Termination Right (Copyright) ¹²³

Sec. 304(c) governs termination of transfers made before January 1, 1978 of the extended renewal term of statutory copyright. Termination may be effected at the end of the initial 28 -year term; at the end of 56 years from publication, or, in the event that no termination was made 56 years from publication, then a last opportunity to terminate as of 75 years from publication

Sec. 203 governs termination of transfers as well as nonexclusive licenses made on or after January 1, 1978 of any right under copyright. This right vests 35 years after the conclusion of any contract entered into as of January 1, 1978.

The author retains the termination right “notwithstanding any agreement to the contrary,” sec. 203(a)(5), 304(c)(5) ¹²⁴

However, “[t]he right of termination would not apply to ‘works made for hire’” ¹²⁵ regardless of whether the work was first published before 1978 (and therefore comes under sec. 304(c)) or whether the transfer was effected in or after 1978 (and thus comes under sec. 203).

Termination of transfers of rights in a joint work may be effected by a majority of the joint authors, 17 USC sec. 203(a)(1). Under sec. 304, each joint owner may separately terminate his or her share.

If actors’ contributions to an audiovisual work are considered copyrightable *and not* works made for hire, then, for audio visual works published before 1978, it would appear that individual actors could endeavor to terminate their transfers of rights in their performances. It does not appear that this has ever occurred; at least we have found no instance in reported California and New York federal and state cases of attempted termination by performers under sec. 304(c) of copyright interests. This might suggest either that their performances have always been treated as works for hire, and/or that their performances have not been considered copyrightable. In this respect, it may be noteworthy that SAG’s basic agreement (1995) does not provide a right to terminate the grant of right by the performers.

¹²³ It is not clear whether the termination right would apply to a musical performer’s grant of consent to transmit or distribute copies of a live performance under sec. 1101.

¹²⁴ Belated characterization of a work as “for hire” has been ruled an “agreement to the contrary” that did not preclude the author’s exercise of the termination right. See *Marvel v. Simon*, 310 F.3d 280 (2d Cir. 2002).

¹²⁵ See Gorman and Ginsburg, *supra*, at 374, citing House Report, H.R. Rep. No. 94 -1476, 94th Cong., 2nd Sess. 124 -28 (1976).

As for transfers made on or after January 1, 1978, the first termination opportunity will arise in 2013 (with a maximum ten-year notice period beginning in 2003). It would be very difficult, even if factors' contributions were copyrightable and not "for hire," for audiovisual performers in fact to effect termination because it may not often be possible to assemble a majority of co-authors to effect the termination.

(c) European Directives

There is no European Directive that deals across the board with the aspect of contractual law that concerns copyright and neighboring rights.

We should however take a look at the Directive of November 19, 1992,¹²⁶ mentioned earlier. It contains for one thing provisions on the transfer of the rental right. Article 4 provides that the performer who assigns this right to the phonogram or film producer retains the right to receive "equitable remuneration," which he cannot renounce, for doing so.

Article 2.5 provides moreover that the conclusion of a contract, either individual or collective, for the production of a film implies, "subject to contractual clauses to the contrary," the presumption of transfer to the producer of the rental rights of the performers concerned, on condition that they receive the equitable remuneration under Article 4. It is recognized that the expression "contract" does not in this instance presuppose the written form.¹²⁷

Finally, Article 2.7 provides that Member States "may provide that the signing of a contract concluded between a performer and a film producer concerning the production of a film has the effect of authorizing rental, provided that such contract provides for an equitable remuneration within the meaning of Article 4." The significance of this provision, which at the outset seems to be a repetition of Article 2.5, becomes clear if one considers the fact that, in the minds of the writers of the Directive, it aims to perpetuate the French system deriving from Article L.212-4 of the Intellectual Property Code,¹²⁸ which makes the operation of the presumptions subject to the writing of a written document which, at least according to a certain trend among legal writers, imparts an irrefutable character to the presumption.¹²⁹ It has been argued that its applications should therefore be confined to France,¹³⁰ but the strict terms of the text, which expressly addresses "Member States," does not seem to allow such a restrictive interpretation.

The Directive also and above all attracts attention in addressing the question of the transfer of rights other than the rental right (right of fixation, right of reproduction, right of broadcasting and communication to the public, right of distribution). On the one hand, the same Article 2.7 adds at the end that "Member States may also provide that this paragraph shall apply *mutatis mutandis*" to those rights. Apart from that, the 19th paragraph of the

¹²⁶ *Supra*.

¹²⁷ J. Reinbothe and S. von Lewinski, *The E.C. Directive on Rental and Lending Right and on Piracy*, see note 61 above, p. 57.

¹²⁸ J. Reinbothe and S. von Lewinski, *op.cit.*, pp. 60 and 146.

¹²⁹ For a critical discussion of this view, *infra*.

¹³⁰ J. Reinbothe and S. von Lewinski, *op.cit.*, p. 111.

preamble states that Member States are not prevented from providing for the rebuttable presumption under Article 2.5. Specifically, that means that, if a Member State makes use of that faculty, it has under the text in question reserved the possibility of contractual clauses to the contrary, and to impose the obligation of payment of equitable remuneration.¹³¹

(d) French law

First it must be pointed out that French law refers only to “assignments” in copyright, without ever subscribing to the distinction between “assignment” and “licensing.” The prevailing trend in legal literature is however to consider that such a distinction is nevertheless called for, but the issue is a controversial one.¹³² One is bound to observe, in any event, that Articles L.212-2 and L.212-3 of the Intellectual Property Code confine themselves to mentioning the need for “authorization” in connection with the transfer of the rights of performers, which does not add much to the discussion.

It should also be mentioned, if only to avoid having to revert to it, that assignment exists which arise out of the traditional workings of family law and business law. In the first category we would mention the rules of the Civil Code on the movement of estates in the absence of an expression of the deceased’s will, which can be applied without difficulty to the rights of performers, or alternatively Article L.121-9, which provides that the exploitation monopoly of authorship remains specific to the spouse who is the author, even if married under a community-property regime (unlike copyright royalties, which belong to the bulk of the estate), which provision seems susceptible of application to the neighboring rights of performers.¹³³ In the second category one might be tempted to mention Article L.132-30, which organizes the apportionment of rights in the event of disposal of all or part of the audiovisual producer’s business: this text is aimed only at authors, however, and it is hard to see, in view of the fact that it falls outside the scope of ordinary legislation, how it could be applied to performers. On the other hand one does, in the event of assignment of a business, have to reserve the free operation of the legal rules on the maintenance of current work contracts.

In other respects, the rules governing transfers of rights need to be explained in the interest of greater clarity, by distinguishing those destined for general application from those specific to the contract concluded for the making of an audiovisual work.

¹³¹ J. Reinbothe and S. von Lewinski, *ibid.*

¹³² On the whole of this problem, see A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 682.

¹³³ See in this connection, with regard to “performance royalties” paid to a singer, Paris CA, 4th ch., April 22, 1982, *Léo Ferré*: RIDA 3/1982, p. 176.

(i) General rules applicable to the transfer of performers' rights

Article L.212-3, paragraph 1, provides for "written authorization" by the performer. The transfer cannot take place as a result of implicit assignment, therefore, contrary to what the *Cour de cassation* has ruled in the past.¹³⁴

Unlike other legislation, French law has not made use of the faculty offered by Article 8 of the Rome Convention, and contains no specific rule for choirs, orchestras and stage performances, which allows it to be content with the consent of soloists, conductors and directors and are representative of the other performers. In the case of performances executed as an ensemble, each of those involved has to consent to the assignment, and the musicians are not obliged to exercise their rights by common consent.¹³⁵

There is nothing in the law, as far as assignments granted by performers are concerned, that corresponds to the first paragraph of Article L.131-3, which makes the transfer of authors' rights subject to certain information that allows the scope of the assignment to be clearly demarcated. And yet we have observed that case law tends to draw inspiration from the same principles.¹³⁶ Applying the same logic, it does seem that the rule according to which assignments have to be interpreted restrictively and in the favor of the assignor, which is laid down for copyright by Article L.122-7, should really be applied. A number of rulings have drawn inspiration from it in any case. For instance, it has been ruled that authorization given by performers for a film does not apply to the television adaptation made from it,¹³⁷ or again that the performers' authorization of the incorporation in a video music production of a phonogram in which his performance is fixed has to be express, and may not be inferred from his signature of a "sessionsheet," which in no way relates to the reproduction of the fixation.¹³⁸

(ii) Rules specific to the contract concluded for the making of an audiovisual work

The first paragraph of Article L.212-4 provides that "the signature of a contract between the performer and a producer for the making of an audiovisual work shall imply the authorization to fix, reproduce and communicate to the public the performance of the performer."

¹³⁴ Cass.1st civ., March 15, 1977: *RIDA*3/1977, p.141, recognizing the existence of a "consistent general practice."

¹³⁵ Paris TGI, 3rd ch., May 13, 1994: *RIDA*4/1994, p.499.

¹³⁶ See for instance Paris CA, 4th ch. A, May 14, 2002, *Société AB Disques v. Société BMG France and SPEDIDAM : Propriétés intellectuelles*, April 2003, No. 7, comment by A. Lucas, who decides that by agreeing to their performances at concerts organized by a television channel being "recorded for broadcasting purposes," Theonius Monk and Bill Evans had not authorized the making of phonograms from the recordings. As the principle involved is one of exclusive rights, it has to be assumed, in the absence of an express mention, that the assignments invoked did not take place.

¹³⁷ Paris CA, 4th ch., December 18, 1989: *D.*1991, summary p.100, comment by C. Colombet.

¹³⁸ Paris CA, 1st ch., January 11, 2000: *RIDA*1/2001, p.286. See also, specifically on the "speciality principle" according to which "a performers' performance may not be put to any use other than that which has been authorized," Toulouse TGI, 1st ch., June 15, 2000: *Com. com. électr.*2002, observation 96, note by C. Caron.

This solution has been justified by the same arguments as those that led to audiovisual producers being granted the benefit of a presumption of assignment on the part of authors, on the understanding that the latter could not be treated worse than performers. ¹³⁹

There is some debate over the question whether performers who sign a contract for the recording of the original soundtrack of a film are participants in the making of the audiovisual work. On the side of the affirmative view, it could be argued that Article L.212-4 contains an exception to the principle set by Article L.212-3, which makes any secondary use of performers' performances subject to his authorization, that the exception has to be interpreted strictly in accordance with the general principles of interpretation and that, by providing that the contract has to be concluded for the making of an audiovisual work, the text requires the actual subject matter of the contract to be the making of the audiovisual work in terms of Article L.112-2.¹⁴⁰ Certain decisions have fallen in line with this interpretation. ¹⁴¹ Others, on the other hand, consider that the performer whose record is a soundtrack does participate in the making of the audiovisual work. ¹⁴²

Is the presumption of assignment beyond dispute? Legal writers are divided on this. Some say that it is, basing their argument on the indicative ("vaut autorisation"), which in French legal language normally has the value of the imperative. ¹⁴³ Others object that there is no reason for preventing the parties concerned from agreeing to do without the assignment

¹³⁹ Report drawn up in the name of the National Assembly's Commission of Laws, No. 2235, Annex to the minutes of the meeting of June 26, 1984, p. 43.

¹⁴⁰ Which defines audiovisual works as "consisting of sequences of moving images, with or without sound."

¹⁴¹ Paris CA, 21st ch., November 10, 1992, *Société Editions 23 v. Guidoni* : RIDA 2/1994, p. 223 ("even if it were to be incorporated in the original soundtrack of a film, the song performed by Jean Guidoni did not belong to the audiovisual domain because it was susceptible of dissociation from the images projected, in which the performer in question did not appear"). Versailles CA, 1st ch., October 19, 1995, quoted by I. Wekstein, *Droits voisins du droit d'auteur numérique*, Droit@Litec, 2002, No. 31. Versailles CA, 1st ch. A, February 24, 2000, *Société Une Musique v. Société TF1 Films Production et autres* : Juris Data No. 143815 ("in this instance, fixation of the work of the performers occurred only by means of sound, and the mere fact that they had performed a work with a view to the making of the original soundtrack of a film is not sufficient to give their work the status of audiovisual work, and hence to make it subject to the special provisions of Article 212-4 of the Code").

¹⁴² Paris CA, 4th ch. A, January 18, 2000, *SNAM and SPEDIDAM v. Société Arena Filmset autres* : Juris Data No. 121617 ("the performance of the musicians involved, namely the performance of the musical soundtrack of the films, was provided for purposes of the making of those audiovisual works (...) it being of little importance, contrary to what the appellants maintain, that the musicians concerned do not appear in the picture, as the law makes no distinction of that kind"). Paris CA, 4th ch. A, February 26, 2003, *SPEDIDAM and SNAM v. Société Gaumont and others* ("the performance of the performer, consisting in the performance of the musical soundtrack of the film, was provided with a view to the making of an audiovisual work within the meaning of Article L.112-2-6 of the Intellectual Property Code").

¹⁴³ X. Daverat, *L'artiste-interprète*, Thesis, Bordeaux I, 1990, p. 689. P. -Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, No. 102, p. 167. T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d'auteur et du droit international privé*, Thesis, Paris II, 2000, No. 107.

machinery or to limit its scope (for instance with respect to either duration or territory concerned).¹⁴⁴ It is true that this discussion is somewhat theoretical, as performers are not usually in a position to impose their views on producers.

It goes without saying that the presumption can only operate when there is a written contract.¹⁴⁵ Should there be the slightest doubt in this respect, it would be sufficient to mention that Article L.212-4 refers to the “signature” of the contract. It goes without saying also that the performer has to be party to that contract.¹⁴⁶

The second paragraph of Article L.212-4 provides that the contract “shall lay down separate remuneration for each mode of exploitation of the work.”¹⁴⁷ Remuneration may consist of a lump sum or fee,¹⁴⁸ but the fee does have to be “broken down” by mode of exploitation.

The law does not define what should be understood by mode of exploitation. In practice, contracts make a distinction between exploitation in cinema in the commercial and non-commercial sectors and in all places in which the public gathers, exploitation by television, exploitation on all telecommunication networks and exploitation by sale or rental of publicly available media.¹⁴⁹

As a matter of form is involved which is intended to protect the performer and assure him of “effective remuneration,”¹⁵⁰ it would seem logical to decide that the presumption of assignment cannot extend to modes of exploitation that have not been specifically mentioned in the contract.¹⁵¹

¹⁴⁴ B. Edelman, *Droits d’auteur, droits voisins, droit d’auteur et marché*, Paris, Dalloz, 1993, No. 230. A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 868. I. Wekstein, *Droits voisins du droit d’auteur numérique*, *supra*, No. 38. Presumably also see in this connection Paris CA, 4th ch. A, January 18, 2000, *supra*, which refuses to recognize that the presumption can be overcome by “attendance sheets” signed by the performers, but only on the ground that the producer has not signed them.

¹⁴⁵ Paris CA, 4th ch. A, January 18, 2000, *supra*, pointing to the absence of “contracts meeting the requirements of forms specified as imperative by Article L.212-4 of the Industrial Property Code, that is, the production of a written document bearing the parties’ signatures.” Paris CA, 4th ch. A, February 26, 2003, *supra*, finding that the performer had not concluded “a contract meeting the requirements of Article L.212-4 of the Intellectual Property Code with the producer, as the attendance sheet which limited his contribution to the soundtrack of the film concerned could not be substituted for one.”

¹⁴⁶ See Cass, 1st civ., July 16, 1992: *RIDA* 1/1993, p. 177, ruling out the contract concluded directly between the producer and the show organizer.

¹⁴⁷ It will be noticed that French law does not expressly lay down the requirement of “equitable” remuneration, contrary to what Article 2.7 of the 1992 Directive seem to expect (*supra*).

¹⁴⁸ Whereas in copyright it has in principle, according to Article L.131-4, to be proportional to the “revenue from sale or exploitation of the work.”

¹⁴⁹ I. Wekstein, *Droits voisins du droit d’auteur numérique*, see note 137 above, No. 34.

¹⁵⁰ T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d’auteur en droit international privé*, see note 139 above, No. 328.

¹⁵¹ See in this connection P. -Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, No. 102, p. 167 (according to whom the performer retains his neighboring right and the producer risks becoming an infringer).

Article L.212 -5 gives rise to some doubt, however, by providing that, if neither a contract nor a collective agreement mention the remuneration for one or more modes of exploitation, the amount is determined by reference to the schedule established under specific agreements concluded, in each sector of activity, between the employees' and employers' organizations representing the profession,¹⁵² while Article L.212 -9 adds that, failing agreement, the types and bases of remuneration are determined, for each sector of activity, by a committee.¹⁵³ In any event, an agreement was reached on June 7, 1990, between organizations of film producers and performers' unions, which was made binding on any cinematographic work production company by a decree of October 17, 1990.¹⁵⁴

It is not easy to work out the implications of this arrangement for the forms imposed by the second paragraph of Article L.212-4. Two points seem to escape all discussion. First the stipulation of a "non -broken-down" lump sum would purely and simply prevent the presumption of assignment from operating. Then, once the parties have provided for a mode of exploitation, but without specifying the corresponding remuneration, it can be determined by reference to collective agreements or to the decisions of the Committee under Article L.212-9, on condition that they exist of course. What is more delicate is the question whether recourse to collective agreements or to the decisions of the Committee makes it possible to extend the presumption of assignment to modes of exploitation that have not been anticipated by the parties.¹⁵⁵ One judgment¹⁵⁶ replied in the affirmative when it ruled that the absence of separate remuneration for each mode of exploitation did not prevent the operation of the presumption of assignment inasmuch as legislation had itself, with the provisions of Articles L.212-5 *et seq.* of the Intellectual Property Code, substituted for a possible omission by the parties on that point, from which it followed that such an omission affected neither the validity nor the effectiveness of their agreement.¹⁵⁷

¹⁵² Here performers are openly treated as employees and producers as employers.

¹⁵³ On the operation of the Committee, which is composed of a magistrate from the judiciary, a member of the *Conseil d'État*, a qualified person designated by the Minister of Culture and equal numbers of representatives of employees' and employers' organizations: see Intellectual Property Code, Article R.212-1 *et seq.*

¹⁵⁴ O.J., December 1, 1990. This agreement provides for a minimum initial fee and a salary complement equal to two per cent of the "net revenue collected by the producer after amortization of the cost of the film," distributed among the parties concerned as a prorata of their initial salary, but without taking into account the share of initial fees that are more than seven times the minimum fee in force. It provides that within the six months following the first exploitation of the work, and thereafter every year, the producer has to provide the collecting society with an account of the proceeds, together with the payments. The cost of the film and the net exploitation revenue are defined in an annex to the agreement. It is only once the amortization has been noted under the condition that performers can make their claims.

¹⁵⁵ See I. Wekstein, *op.cit.*, No. 34, who doubts that the usual clause in individual contracts, whereby the assignment is extended to "other known or hitherto unknown modes of exploitation" is consistent with the forms under Article L.212-4.

¹⁵⁶ Paris CA, 4th ch. A, January 18, 2000, *supra*.

¹⁵⁷ Compare Paris CA, 4th ch. A, February 26, 2003, *supra*, which finds for no presumption in the absence of a written contract, and refuses to infer assignment from the stipulation of complementary remuneration accompanied by a mention, on the paysheet of the person concerned, of "addition to salary: 15 fees."

The *Courdecassation* has moreover reinforced the formalism by ruling that the remuneration payable to the performer for the assignment of his rights has to be separate from the remuneration for his artistic performance given by virtue of his work contract.¹⁵⁸

Something that also has to be mentioned is the detail in Article L.212-3 of the Intellectual Property Code according to which the performer's written authorization is required "for any separate use of the sounds or images of his performance where both the sounds and images have been fixed." At first sight the provision seems unnecessary. Is it not obvious that these separate uses referred to in the text implies reproduction or communication to the public, both being subject to such authorization by the performer? The explanation is that the legislation wanted to limit the presumption of assignment written into Article L.212-4 to exploitation of the audiovisual work as such, and revert to the general provision in Article L.213-1 for these separate exploitation of the sounds and the images.¹⁵⁹

Finally, it should be borne in mind that, in a departure from the principle according to which contracts concerning authors' rights do not as a general rule give rise to any publicity requirement, Article 33 of the Cinema Industry Code provides that "agreements constituting restrictions on the free disposal of all or some of the present and future elements and products of a film" should give rise to publicity in the Public Cinematography and Audiovisual Register.¹⁶⁰ The formality will make it possible to settle any conflicts that might arise between assignees who derive their rights from the same person. Apart from that, lack of registration will carry the penalty of the assignment not being binding on third parties.¹⁶¹ In principle consultation of the Register is sufficient, and third parties are under no obligation to refer to the original contract.¹⁶²

(e) Allocation of Film Copyright in Multinational Co-Productions

(i) The Practice¹⁶³

In multinational co-productions, allocation of the interest in the production and the copyright of the film are arranged through contracts. The allocation, in principle, corresponds to each producer's financial contributions. Assume each producer has a different nationality:

¹⁵⁸ Cass. soc., February 10, 1998: *Bull. civ. V*, No. 82; *JCPE* 1999, p. 1484, comment by M.-E. Laporte-Legeais.

¹⁵⁹ See in this connection J. Vincent, *Droit des artistes - interprètes: Cah. dr. auteur*, September 1988, p. 7.

¹⁶⁰ See for instance Cass. soc., March 30, 1999: *JCP* 1999, IV, 1977; *Bull. civ. V*, No. 110 (awarding an actress a percentage of proceeds).

¹⁶¹ Cin. Ind. Code., Article 33, last paragraph. For instances of application see Paris CA, 4th ch., July 10, 1991: *D.* 1992, summary p. 72, comment by T. Hassler. Paris CA, 5th ch., February 22, 1991: *D.* 1992, summary 75, comment by T. Hassler (with bad faith the only reservation).

¹⁶² Cass. 1st civ., November 18, 1997: *JCP* 1998, IV, 1026; *Bull. civ. I*, No. 316. But see, on referral, Versailles CA, June 20, 2000: *RIDA* 1/2001, p. 231, with comment by A. Kéréver, who favors the forcible applicability to the sub-license of the contract clauses not referred to in the extracts supplied by the curator of the register.

¹⁶³ Information concerning the practice in this field is furnished by courtesy of Mr. Axel Ausder Muhlen, Vice President and Senior Counsel, of the Motion Picture Association of America.

- In the production phase, each producer is a tenant in common, owning an interest in the production proportionate to his financial contributions bearing on the overall budget of the production.
- When the production is completed, ownership of the copyright in the film is, in principle, divided as below:

Each producer obtains title to the film's copyright in his home country; and

The rest of the world will be divided in a way that at each producer will own the film's copyright in a territory where the film's anticipated revenues plus anticipated revenues in the producer's home country relative to the anticipated global revenues of the film will correspond to the percentage of that producer's financial contributions in the overall production budget.¹⁶⁴

- As a result the ratio of a producer's anticipated revenues from the film relative to the film's global revenues stays the same as the ratio of his financial contributions bearing on the overall production budget.

(ii) The Implication:

It is common place for producers from "film copyright," "legal assignment" and "presumption of assignment" countries to produce films together. The producers' ability to divide ownership of the film's copyright in multinational productions, as described above, suggests that the producers perceive that differences under the respective systems' treatment of the transfer of performers' rights should be reconcilable for practical purposes. We will explore in Part TWO whether all substantive differences in national laws regarding audiovisual performers' rights may be resolved by contract, or whether different countries' private international law rules may instead render the assessment more complex and unpredictable.

II. INTERNATIONAL PRIVATE LAW RULES FOR DETERMINING THE LAW APPLICABLE TO TRANSFER

A. GENERAL METHODOLOGICAL ISSUES

This is a study of the substantive and international private law rules applicable to the transfer of the rights of audiovisual performers. As a result, it might appear that the law of the contract between the performers and the producer will govern all relevant matters. The private international law inquiry would be limited to determining if the parties had chosen a national law to govern their contract, and if not, to localizing the contract in order to identify the national law with the greatest connection to the parties and their transaction.

¹⁶⁴ The allocation is thus territory-specific, not media-specific.

In fact, there are two central questions to this Study, from the point of view of private international law: in the absence of choice of law rules prescribed by international treaties (or to the extent these rules do not resolve all questions), (1) the determination of the national law applicable to the transfer of rights from audiovisual performers to producers, and (2) the *scope of application* of this law. This is because the rights the contracts grant may be subject to mandatory territorial protections or limitations which may not be eluded simply by submitting the contract to another country's law. For example, a French law contract that purports to grant worldwide rights cannot grant rights that do not exist in a particular foreign jurisdiction. French law cannot create rights on Bulgarian soil. Similarly, a US law contract cannot grant rights for exercise on French territory, when those rights, however transferable in the USA, are inalienable in France.

This also raises the question whether the law applicable to determine initial ownership (and therefore to assess whether the transferor had any rights to transfer) is the law of the country of origin of the audiovisual work (or the law with which the audiovisual work has the "most significant relationship"), or the law of each country for which rights are granted.

That said, if the transfer grants the right to transmit the work from one country into multiple territories, should the validity and scope of the transfer, both as to the substance of the rights granted, and as to the initial ownership of the grantor, be judged according to the law of each country of receipt of the transmission, or only according to the law of the country from which the transmission originated (which may well be the law of the contract)? The problem may be particularly acute when the transmission in question is made by satellite, or over the Internet. Suppose, for example, that an Internet transmission originating in France and authorized pursuant to a French law contract, is received, *inter alia*, in Bulgaria. If the substantive copyright and neighboring rights law of France is competent regardless of the places of receipt, then French law may as a practical matter be creating rights on Bulgarian soil. As worldwide transmission rights, including by satellite and Internet, are likely to become increasingly important to the exploitation of audiovisual works, the question of whether the substantive rights issues should be conceptualized as calling for the application of the copyright and neighboring rights laws of every country of receipt, or instead as implicating only the law of the country of the origin of the transmission, may well require resolution. Because the resolutions that different countries offer may themselves differ, however, the problem of "how many national laws of the substantive right" should be competent may ultimately require determination on a multilateral level.

Assuming, however, that the competent law of the substance of the right is the law of each territory of receipt or of the exploitation, then the initial "law of the contract" formulation need to be modified to provide that the law of the contract governs with respect to issues characterized as "contract," but that the law of the country that gives rise to the "substance of the right" governs as to the nature and the scope of the rights granted for each territory. Under this approach, the "law of the contract" would also continue to govern issues of contract "form" rather than "substantive rights." Thus, to employ the formulation of the English courts, the law of the country whose substantive rights are at issue will determine whether the right can be granted at all, but the law of the contract will determine whether the grant was effectively made.¹⁶⁵

¹⁶⁵ See *Campbell Connelly & Co., Ltd. v. Noble*, Chancery Division (1963). In this case, the defendant composer assigned copyright in a composition of his to the plaintiff music publisher for the period of copyright "as far as it is assignable by law." The agreement in question,

[Footnote continued on next page]

In fact, however, the form/substantive right distinction may also fail because in at least some jurisdictions, some questions of “form” – such as the requirement that a grant be made in writing, and the level of detail that writing must demonstrate – may also be considered matters of substantive copyright or intellectual property law rather than of general contract law. This would mean that the law of the country of the “substance of the right” would be competent to determine both the alienability of the right, and the effectiveness of the granting language.

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As a result, despite the general rule that the law of the contract applies, in many instances it may be necessary to resort to *dépeçage* to determine the law(s) applicable to the full range of issues presented. Part of the task the authors of this Study undertake is to propose a general approach to determining the applicable law in the following situations:

- Initial ownership of rights when the contract purports to grant rights for multiple territories;
- Scope of rights granted when the contract purports to grant rights for multiple territories;
- Validity of the form of the contract purporting to grant rights for multiple territories;
- The role of the country of exploitation’s mandatory rules and Ordre public.

To that end, the following questions might be submitted to national experts. The questions are also set out in the Questionnaire appended to this study:

[Footnote continued from previous page]

executed on March 2, 1934, was a purely English contract. At the time of contract, the United States’ Copyright Act of 1909 provided that copyright durations should consist of two terms, 28 years each. The author was entitled to claim the second term free of prior grants, i.e., the renewal period, if he was still alive at the commencement of the second term, and had not assigned that term together with the first. In contrast, the English law provided for a single term of copyright. The defendant composer, despite the assignment language, assigned the second term of US copyright to a third party on September 15, 1959. The Plaintiff sued the defendant alleging that plaintiff had effectively assigned his renewal term copyright under the terms of the March 2, 1934, agreement.

The Chancery Division applied US law regarding whether the renewal term was assignable by the March 2, 1934, agreement, and if so, in what conditions. In referring to US case law interpreting relevant provisions of the 1909 Copyright Act, in particular a US Supreme Court case *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 US 643 (1943), the Chancery Division decided that the renewal term was assignable by the March 2, 1934, Agreement.

The Chancery Division then addressed the effectiveness of the assignment, an issue of contractual interpretation. As to this, however, the court applied English contract law rules (which, apparently – and unlike US law – did not require that the assignment of the second term be specifically set out).

¹⁶⁶ See, e.g., *Corcovado v. Hollis Music*, 981 F.2d 679 (2nd Cir. 1993) (US copyright law applies not only regarding application of renewal term termination right, but also to determine whether language allegedly granting renewal term rights was effective to make the grant).

1. Law Applicable to Determine Initial Ownership of Audiovisual Performers' Rights
 - (a) What country's (countries') copyright/neighborhood rights law determines whether the granting performer initially owned the rights transferred:
 - (i) The country of origin of the audiovisual work?
 - If so, how does your country's law determine what is the country of origin of the audiovisual work?
 - By reference to Berne Conv. Art. 5.4?
 - By reference to the country having the most significant relationship to the work's creation or dissemination?
 - Other? Please describe.
 - (ii) The country of residence of the performers? In the event of multiple countries of residence, the country in which the majority of featured performers resides?
 - (iii) The country designated by (or localized to) the contract of transfer?
 - (iv) Each country in which the work is exploited?
 - (v) When a contract grants the right to communicate or make an audiovisual work available via a transmission from one country to another (or others), how is the substantive copyright or neighborhood rights law underlying the initial ownership of the rights determined?
 - with reference to the country from which the communication originates?
 - or with reference to the country or countries in which the communication is received?
2. Law Applicable to Transfers of Rights
 - (a) Transfers by operation of law
 - (i) Does your country's law or case law give local effect to a transfer by operation of a foreign country's law?
 - by expropriation
 - bankruptcy
 - divorce; community property
 - intestacy
 - other (please explain)

(b) Transfer effected by contract

(i) When a contract grants the right to communicate or make an audiovisual work available via a transmission from one country to another (or others); is the substantive copyright or neighboring rights law underlying the grant determined:

- with reference to the country from which the communication originates?
- or with reference to the country or countries in which the communication is received?

(ii) What law governs issues going to the *scope and extent* of a transfer:

- The (single) law of the contract?
- The substantive copyright/neighboring rights laws of the countries for which the rights are granted?

(iii) What law governs issues going to the validity of the form of a transfer:

- The (single) law of the contract?
- The substantive copyright/neighboring rights laws of the countries for which the rights are granted?

(c) The Role of Mandatory Rules and *Ordre Public*

(i) Do mandatory rules (*lois de police*) automatically apply local law to local exploitations made under a foreign contract?

(ii) Describe the instances in which mandatory rules apply to transfers of rights by audiovisual performers.

(iii) Do local courts, having initially identified the applicability of the law of the foreign contract, nonetheless apply local law on grounds of public policy/ *ordre public* ?

(iv) Describe the instances in which the *ordre public* exception applies to invalidate transfers of rights by audiovisual performers

Because of the closer relationship between performers' rights in their performances, and authors (producers') rights in the audiovisual work, we also believe it important to ask the national experts to identify the extent to which (if any) each country's private international law rules regarding ownership and transfer of performers' rights follows or differs from that country's private international law rules on ownership and transfer of copyright.

Our review of the authorities thus far has also led us to identify two particular analytical problems which further development by national experts may help to clarify:

The Conflation of Form and Substance

One approach to determining the law applicable to govern the form of a transfer would be to inquire whether or not, with respect to each country for which rights are granted, that country characterizes the disputed matter of form as coming within the substance of the right. For example, the federal copyright law of the USA requires that transfers of exclusive rights be in writing, but generally does not dictate how specifically - drawn the scope of the grant must be. That is a matter of state contract law. Applying the above approach, for example, in an English contract granting worldwide exclusive rights, the validity and scope of the grant of rights for the USA would be governed by law of the USA as to the requirement that the contract be in writing and signed by the grantor, but by English law with regard to the specificity with which the scope of the grant must be articulated.

While highly deferential to the copyright/neighborhood rights policies of each territory for which rights are granted, the above approach has the significant disadvantage of unwieldiness and unpredictability. The greater the number of countries the transfer covers, the greater the uncertainty as to the grant's validity or scope. Several scholars have already voiced these kinds of objections to differentiating between the law of the contract and the law of the "substance" of the rights granted.¹⁶⁷ The criticized complexity of that distinction could increase exponentially were matters of form even partly assimilated to matters of substance for purposes of determining whether the law of the contract or the law of the affected territories applies.

What is the "Law of the Contract"?

Even assuming the "law of the contract" were to govern at least questions of form, if not of the substance of the rights transferred, it remains to determine what, in the (perhaps unlikely) absence of a contractual choice of law, is the law of the contract transferring rights from performer to audiovisual producers. As discussed in greater detail with respect to the 1980 Rome Convention on Contractual Obligations, as well as with regard to USA and French choice of law principles, the principal contenders for the law applicable to a contract are the law of the "characteristic performance" and the law of the country with the "most significant connection" to the parties and the obligation. In most cases, in fact, both rules are likely to point to the application of the law of the audiovisual producer's principal place of business. Some commentators contend, however, that the characteristic performance is in fact rendered by the performer; the law of the performer's residence accordingly should govern.¹⁶⁸ In the context of audiovisual works, such a rule could considerably complicate the work's international exploitation.

¹⁶⁷ See, e.g., Michel Walter, *Liberté contractuelle dans le domaine du droit d'auteur et des conflits de lois*, 87 RIDA 44 (1976); Jane Ginsburg, *The Private International Law of Copyright in an Era of Technological Change*, *Recueil des Cours* No. 273, 366-68 (1999) (discussing criticisms).

¹⁶⁸ See, e.g., Mireille van Eechoud, *Choice of Law in Copyright and Related Rights: Alternative to the Lex Protectionis*, 200-02 (Kluwer 2003).

B. MULTILATERAL INSTRUMENTS

(a) Berne Convention

As a preliminary matter, we note that the Berne Convention is a treaty only to the extent a member state deems that audiovisual performers are co-authors of the cinematographic work. Art. 14 *bis*(2)(a) provides that copyright ownership is governed by the law of the country where protection is claimed. According to the *WIPO Guide*, the law of each country of exploitation, rather than the law of the country of the film's origin, will determine who are the right holders for each importing country.¹⁶⁹ As applied to audiovisual performers, this would mean that audiovisual performers who are not considered co-authors in the country where the film was produced, might nonetheless be copyright owners in a country in which the film is exploited (and vice versa).

The presumption of legitimation set out in Art. 14 *bis*(2)(b), however, will enable the producer to exploit the film without the performers' hindrance even in those countries that (1) consider performers to be co-authors and (2) do not apply a presumption of transfer from the co-author to the producer. That said, the applicability of the presumption of legitimation turns on whether the performers have "undertaken to bring [their] contributions" to the making of the work. An Art. 14 *bis*(2)(c) subjects the form of that "undertaking" to two different applicable laws.

First, the law of the country of the film producer's principal place of business will determine whether the undertaking must be in writing. The writing may take the form of a collective bargaining agreement.¹⁷⁰ Second, even if the country of origin does not require a writing, the countries in which the film is exploited may require a written agreement (although those countries are also supposed to notify the WIPO Director General if their legislations require).¹⁷¹

(b) Rome Convention of October 26, 1961, on the Protection of Performers, Producers of Phonograms and Broadcasting Organizations

The 1961 Rome Convention contains no express rule that clarifies the question of the law applicable to contracts for the exploitation of the rights of performers. At best one can interpret paragraph (3) of Article 7.2, mentioned earlier, prohibiting Contracting States from depriving performers of "the ability to control, by contract, their relations with broadcasting organizations," as a reference to the law of autonomy, that is, the law chosen by the parties.¹⁷²

¹⁶⁹ See paragraph 14 *bis* 3.

¹⁷⁰ *WIPO Guide* at para. 14 *bis*.11.

¹⁷¹ The *WIPO Guide*, para. 14 *bis*.12, suggests that film producers should ensure that they enter into appropriate written agreement even if they are not necessary in the country of origin, to ensure the smooth exploitation of the film in other countries. In fact, it appears that only Portugal has made a declaration pursuant to 14 *bis*(2)(c) to require a written agreement, the notification of which was received on November 5, 1986. See note 18 at <http://www.wipo.int/treaties/documents/english/pdf/e-berne.pdf>, a WIPO website indicating contracting parties to the Berne Convention.

¹⁷² A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 1150.

On the other hand it is more instructive regarding the law applicable to the substance of the right, ruling out any involvement of the law of the country of origin. Unlike all the preliminary drafts, which endeavored to transpose the Berne Convention model, ¹⁷³ it dismisses the very concept, preferring to retain the option of a multitude of reference criteria. ¹⁷⁴

(c) Rome Convention of June 19, 1980, on the Law Applicable to Contractual Obligations

The Rome Convention of June 19, 1980, on the Law Applicable to Contractual Obligations ¹⁷⁵ lays down uniform rules within the European Community. It states in its Article 2 that it is of universal character, in the sense that any laws specified by it “shall be applied whether or not it is the law of a Contracting State.” It is planned to convert it into a Community instrument, ¹⁷⁶ probably in the form of a Regulation, and to moderate its substance. ¹⁷⁷

It is designed to apply to all contractual obligations, including therefore contracts for the exploitation of the rights of performers, ¹⁷⁸ the purpose being not only to determine the law applicable to the contract but also to demarcate the scope of that law.

(i) Determination of the law applicable to the contract

The Rome Convention contains general provisions governing contracts as a whole, including contracts for the exploitation of copyright or neighboring rights, but also specific provisions on the determination of the law applicable to the individual employment contract, which would apply to the contracts concluded by salaried performers.

¹⁷³ T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d’auteur en droit international privé*, see note 139 above, No. 357.

¹⁷⁴ W. Nordemann, K. Vinck and P. W. Hertin, *Droit d’auteur international et droits voisins dans les pays de langue allemande et les États membres de la communauté européenne*, see note 6 above, p. 352. X. Desjeux, *La Convention de Rome*, see note 3 above, p. 151, note 4. T. Azzi, *op. cit.*, No. 362 (where he says that, ultimately, the search for a definition of the country of origin of performances in the Rome Convention seems, if not impossible, a matter for a diviner in comparison with the limp clarity of the provisions of Article 5(4) of the Berne Convention).

¹⁷⁵ O.J.L266/1, October 9, 1980.

¹⁷⁶ Which would among other things have the effect of placing the attribution of competence regarding interpretation within the jurisdiction of the Court of Justice.

¹⁷⁷ See the Green Paper submitted by the Commission in the view to the launch of a wide consultation of interest groups, COM(2002), 654 final, January 14, 2003.

¹⁷⁸ See, for a suggestion that the opportunity of the modernization of the Convention be used to introduce in its specific provisions of private international law on the contractual rights of authors, L. Guibault and P. B. Hugenholtz, *Study on the Conditions Applicable to Contracts Relating to Intellectual Property in the European Union*, Study commissioned by the European Commission, Institute for Information Law, Amsterdam, May 2002, p. 150.

General rules

Article 3.1 of the Convention states the principle that “a contract shall be governed by the law chosen by the parties.”

This freedom of choice allows the parties to “select the law applicable to the whole or a part only of the contract,”¹⁷⁹ and to agree at any time to “subject the contract to a law other than that which previously governed it.”¹⁸⁰ It seems to be largely exploited in practice, with the producer obviously being more often than not in a position to impose his own choice.

It does have its limitations, however. For instance, it is generally admitted that the choice in question has to be in this case a choice of national law and not an international convention,¹⁸¹ which, in the case of copyright and neighboring rights, is justified all the more by the fact that the potentially applicable international instruments are seriously incomplete.

In any event, Article 3.3 makes the following correction: “the fact that the parties have chosen a foreign law, whether or not accompanied by the choice of a foreign tribunal, shall not, where all the other elements relevant to the time of the choice are connected with one country only, prejudice the application of rules of the law of that country which cannot be derogated from by contract thereinafter referred to as “mandatory rules.” It is not a question of reserving the classical “*fraude à la loi*,” or fraudulent evasion of a statute or provision,¹⁸² as the intention of the parties is immaterial in this case, but the provision echoes that logic.¹⁸³ The expression “mandatory rules” certainly seems here¹⁸⁴ to refer to the rules relating to what is known as domestic public policy. The comment is no different if one considers the fact that in certain countries, notably France, the law makes a large number of public policy rules that protect authors and performers.

The choice of applicable law, Article 3.1 states, “must be expressed or demonstrated or derived with reasonable certainty by the terms of the contract or the circumstances of the case.” With regard to the “contractual environment,” the clue constituted by “acceptance of a standard-form contract governed by a specific legal system”¹⁸⁵ or by “reference to provisions of a given law without this law being designated in the aggregate is often mentioned.”¹⁸⁶ The

¹⁷⁹ Article 3.1, *in fine*.

¹⁸⁰ Article 3.2.

¹⁸¹ Green Paper, mentioned earlier, p. 25.

¹⁸² See, for reservation of the application of “*fraude à la loi*” in contractual matters concerning a copyright contract, Paris CA, 1st ch., February 1, 1999, *Anne Bragance : RIDA* 4/1989, p. 301, note by P. Sirinelli (“the parties were able, without fraud, to choose American law to govern their relations”).

¹⁸³ J. Raynard, *Droit d’auteur et conflits de lois*, Paris, Litec, 1990, No. 616.

¹⁸⁴ For other applications of the concept in the Rome Convention, see articles 6.1 and 7.1 below.

¹⁸⁵ Green Paper mentioned earlier, p. 23. See also T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d’auteur en droit international privé*, see note 139 above, No. 565, which gives the example of contracts entered into with management societies.

¹⁸⁶ Green Paper mentioned earlier, *ibid.* Cf. Paris CA, 1st ch., February 1, 1989, *Anne Bragance*, mentioned earlier, putting on the table the content of the clauses by which a French author signed her rights, referring notably to Article 202(b) of the American Copyright Law concerning “works made for hire,” implied that the parties had exploitation outside France in mind. TGI Paris, 3rd ch., March 22, 1993, *Claude Bolling v. Société Edition Modern New York*: *RIDA* 3/1993, p. 286, comment by A. Kéréver, who decides that the fact of the contract on the

“circumstances of the case” may for instance refer to the hypothesis of a “earlier contract in which there had been a deliberate choice of law” or of a contract forming “part of a series of operations.”¹⁸⁷ Clauses on the choice of jurisdiction or on arbitration are under discussion. 188
 In any event, the use of the phrase “with reasonable certainty” shows that the tacit choice may not be inferred from a single clue. ¹⁸⁹

In the absence of either express or tacit choice, Article 4.1 of the Rome Convention designates the law of the country with which the contract “is most closely connected.” This formula, which is inspired by the “proximity principle,” leads one to look for the “center of gravity” of the contract. ¹⁹⁰ However, to avoid the uncertainties of a “system of localization which comes close to that of proper law,” ¹⁹¹ Article 4.2 of the Convention has “prolonged the general principle of proximity” ¹⁹² with a general presumption stating that “the contract is most closely connected with the country where the party who is to effect the performance which is characteristic of the contract has, at the time of conclusion of the contract, his habitual residence, or, in the case of a body corporate or incorporate its central administration.”

Deciding on the “characteristic performance,” in relation to contracts for the exploitation of copyright and neighboring rights, raises difficulties that the Rome Convention, which contents itself with laying down general rules, does not deal with expressly. Prevailing French literature suggests criteria reflecting the specific characteristics of the contracts. For
 that reason the elements of the debate will be set forth in works devoted to the French private international law of literary and artistic property.

According to Article 4.5, the presumption provided for in Article 4.2 does not apply “if the characteristic performance cannot be determined” or “where it appears from the circumstances as a whole that the contract is more closely connected with another country.” The prevailing view is that the latter rule has to be contained within narrow limits, in the sense that the court has first to allow the presumption to operate, with the proximity principle coming into effect only if the law so designated is obviously unsuited to the case in point. 193

[Footnote continued from previous page]

exploitation of works in the United States and Canada being written in French and mentioning expressly that it conforms to French law establish the parties’ joint intention of making the contracts subject to French law.

¹⁸⁷ Green Paper mentioned, p. 24.

¹⁸⁸ Green Paper mentioned, *ibid.* For a fuller list of the clues likely to be taken into consideration, see J. Raynard, *Droit d’auteur et conflits de lois*, mentioned earlier, note 179, No. 601 *et seq.*

¹⁸⁹ Green Paper mentioned, *ibid.*, ruling out a “purely hypothetical choice deduced from excessively ambiguous contractual clauses.”

¹⁹⁰ Y. Loussouarn and P. Bourel, *Droit international privé*, Paris, Dalloz, 7th Ed., 2001, No. 378-6.

¹⁹¹ Y. Loussouarn and P. Bourel, *ibid.*

¹⁹² Y. Loussouarn and P. Bourel, *ibid.*

¹⁹³ In this connection see the ruling of the Dutch *Hoge Raad* of September 25, 1992, quoted by L. Guibault and P. B. Hugenholtz, *Study on the Conditions Applicable to Contracts Relating to Intellectual Property in the European Union*, mentioned earlier, p. 150. The Green Paper mentioned (p. 28) moreover contemplates eliminating the principle in Article 4.1, so as to emphasize the exceptional character better, or alternatively to draw on the Rome II draft on non-contractual obligations, which requires the offense to have a “substantially closer” connection with another law and that “there is no significant connection between that offense and the country whose law would be applicable.”

Specific rules applicable to contracts concluded by salaried performers

Article 6 of the Rome Convention states rules specific to “individual employment contracts,” of which an analysis is called for here in view of the fact, as already mentioned, that in French law performers are presumed to be salaried employees, and in practice almost always are.

The principle of the autonomy law applies to the employment contract as it does to all contracts. Article 6.1 considerably limits its scope, however, as it provides that “the choice of law made by the parties shall not have the result of depriving the employee of the protection afforded to him by the mandatory rules of the law which would be applicable under paragraph 2 in the absence of choice.”¹⁹⁴ It is generally recognized that only mandatory rules favorable to the employee are concerned.¹⁹⁵

The expression “mandatory rules” should, as in Article 3.3,¹⁹⁶ be taken to mean rules arising from domestic public policy, over and above the possible operation of “public order laws,” which are internationally mandatory, and the application of which is expressly reserved in general terms by Article 7.1.¹⁹⁷

Article 6.2 provides that, in the absence of choice, the employment contract is governed, notwithstanding the provisions of the Article 4 mentioned, “(a) by the law of the country in which the employee carries out his work in performance of the contract, even if he is temporarily employed in another country;¹⁹⁸ or (b) if the employee does not habitually carry out his work in any one country, by the law of the country in which the place of business through which he was engaged is situated.”

Article 6.2 adds *in fine* that, in both cases, the designated law is not applicable if “it appears from the circumstances as a whole that the contract is more closely connected with another country, in which case the contract shall be governed by the law of that country.” This “exception clause” makes it possible for the employee to avoid “the harmful consequences of rigid connection of the contract to the law of the place of performance.”

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¹⁹⁴ On which see below.

¹⁹⁵ Y. Loussouarn and P. Bourel, *Droit international privé*, *supra*, No. 378-12.

¹⁹⁶ On which see above.

¹⁹⁷ “When applying under this Convention the law of a country, effect may be given to the mandatory rules of the law of another country with which the situation has a close connection, if and insofar as, under the law of the latter country, those rules must be applied whatever the law applicable to the contract.” In line with this interpretation, and in connection with Article 5 of the Rome Convention on contracts concluded by consumers, see the Green Paper mentioned, p. 37.

¹⁹⁸ The Green Paper suggests (on p. 40) the clarification to make it clear that the temporary removal is that “planned for a specific period or for a specified task.”

¹⁹⁹ Green Paper, p. 38, which mentions the example of a contract concluded in France between a French employer and a French employee for a two-year assignment in an African country with the promise of possible further employment in France on the expiry of the contract. The applicable law would be French law, with which the connection is the closest.

The main difficulty is to combine the rules governing the determination of the law applicable to the employment contract with those governing the determination of the law applicable to the assignment of the performers' rights. As the Rome Convention offers no clues, we shall deal with this in our analysis of French private international legislation on literary and artistic property.

(ii) Scope of the law of the contract (referral)

Article 10 of the Rome Convention provides that the law applicable to a contract governs "in particular" its interpretation and the performance of the obligation that it creates, but these general indications have little practical usefulness, and the implementation of the principles applicable to the form of the contract, and also the demarcation between the scope of the law of the contract and that of the "law of the rights," create difficulties in copyright and neighboring rights that can only be analyzed in relation to the nature that French law attributes to the various rules that protect authors and performers.

C. PRIVATE INTERNATIONAL LAW RULES OF THE USA

Before identifying the law applicable to govern the grant of rights in audiovisual performances, it is necessary first to determine who is the initial right holder. (A grant of right effected by a person who had no right to grant is ineffective whatever the law applicable to the grant.)

(a) Law Applicable to Determine the Initial Ownership of Audiovisual Performers' Rights

(i) As a Matter of Copyright Law

The current trend in decisions of the USA points toward application of the law of the "source country" (country of origin, country of most significant relationship to work's creation) to determine initial ownership of copyright. See, e.g., *Itar-Tass v. Russian Kurier*, 153 F.3d 82 (2d Cir. 1998). See also 17 USC sec. 104A (provision on application of law of "source country" – the term is defined in the statute – to determine initial ownership of rights in a restored work).

(ii) As a Matter of the Right of Publicity

There does not appear to be a uniform choice of law approach among the states. Although, the residence of the celebrity is one point of attachment, "There is a split of authority among the states as to whether the foreign law of domicile of a celebrity will be applied or not to assertion of the right of publicity in a court of the USA."²⁰⁰ Alternative points of attachment include the law of the place for which protection is claimed (though this might mean *lex protectionis*, it often may end up meaning *lex fori*).

²⁰⁰ McCarthy, *supra*, at 11–21.

– The Performer’s Residence as the Competent Point of Attachment

In *Cairns v. Franklin Mint Co.*, 292 F.3d 1139 (9th Cir. 2002), the court held that whether a person had a postmortem right of publicity was to be determined by the law of the person’s domicile; because the postmortem right of publicity was a personal property, the choice of law would designate the law of the decedent’s domicile.²⁰¹ As the law of Great Britain (decedent’s domicile at death) did not recognize a postmortem right of publicity, the memorial fund of the late Diana, Princess of Wales, had no publicity rights to assert in California.²⁰²

– Alternative Points of Attachment

A 1st Circuit case applied a different choice of law rule. In *Bi-Rite Enterprises, Inc. v. Bruce Miner Co.*, 757 F.2d 440 (1st Cir. 1985), British musicians claimed, in the federal court of Massachusetts where defendants resided, infringement of their right of publicity by the publication of unauthorized posters in the United States. Defendants argued for the application of the law of England (domicile of plaintiffs). As under English law the right of publicity was not recognized, application of English law would result in dismissing the case. Plaintiffs argued for the application of the law of certain states in the USA, where the posters had been distributed, and where (not coincidentally) the right of publicity was recognized. Applying Massachusetts choice of law principles, the court looked to the factors set out in Art. 6(2) of the Restatement (Second) of Conflict of Laws (1971).²⁰³ After the

²⁰¹ See *Cairns*, *supra*, at 1147.

²⁰² See also, *McCarthy*, *supra*, at 11-22. *McCarthy* indicates that the law of the residence of the right of publicity claimant applies to issues of *in vivo* as well as postmortem infringement in California, at least when all parties are US residents. See *McCarthy*, *supra*, at 11-31 to 11-32. It appears, however, that the application of *lex domicilii* to all issues is not a clear-cut rule. The general choice of law rule in California seems to be its local law (*lex fori*) unless “a party litigant timely invokes the law of a foreign state. In such event the must demonstrate that the latter rule of decision will further the interest of the foreign state and therefore that it is an appropriate one for the forum to apply to the case before it.” *Downing et al. v. Abercrombie & Fitch*, 265 F.3d 994, 1006 (9th Cir. 2001) (Plaintiffs Hawaiian surfers sued defendant in California for misappropriation of names and likenesses under Cal. Civ. Code 3344.). See also, *McCarthy*, *supra*, at 11-25.

²⁰³ Article 6 of the Restatement (Second) of Conflict of Laws is reproduced below:

“6. Choice-of-Law Principles

(1) A court, subject to constitutional restrictions, will follow a statutory directive of its own state on choice of law.

(2) When there is no such directive, the factors relevant to the choice of the applicable rule of law include

- (a) the needs of the interstate and international systems,
- (b) the relevant policies of the forum,
- (c) the relevant policies of other interested states and the relative interests of those states in the determination of the particular issue,
- (d) the protection of justified expectations,
- (e) the basic policies underlying the particular result, and
- (f) ease in the determination and application of the law to be applied.”

evaluation, the court resolved that the substantive law of England should not apply; rather, the appropriate American state law should apply.²⁰⁴

The choice of law rules differ in different states.

In California, the default choice of law rule is the California's local law²⁰⁵ unless "a party litigant timely invokes the law of a foreign state. In such event the party must demonstrate that the latter rule of decision will further the interest of the foreign state and that herefore that it is an appropriate one for the forum to apply to the case before it." *Downing et al. v. Abercrombie & Fitch*, 265 F.3d 994, 1006 (9th Cir. 2001) (Plaintiffs Hawaiians surfers sued defendant in California for misappropriation of names and likenesses under Cal. Civ. Code 3344.). In the analysis of government interest, California applied a three-step test: (1) "the court examines the substantive law of each jurisdiction to determine whether the laws differ as applied to the relevant transaction," (2) "if the laws do differ, the court must determine whether a true conflict exists in that each of the relevant jurisdictions has an interest in having its law applied," and (3) "if more than one jurisdiction has a legitimate interest... the court [must] identify and apply the law of the state whose interest would be more impaired if its law were not applied."²⁰⁶ In the *Downing* case, the court concluded that Hawaii did not have an interest in having its law applied, whereas California did. Hence California law applied.

In New York, however, the applicable law is the law of the individual's residence (domicile) ("Right of publicity" claims are governed by the substantive law of the plaintiff's domicile because, in the New York courts' analysis, rights of publicity constitute personality. see *Rogers v. Grimaldi*, 875 F.2d 994, 1001 (2nd Cir. 1989)).

The apparent difference between the New York and California approaches could presage considerable uncertainty in the initial identification of whether or not the performer has publicity rights to assert, and if so what they are. If an "interest analysis" points to the performer's residence, then the approaches will converge, and the determination will be simplified. But, if "interest analysis" points elsewhere, for example, to the state in which the audiovisual work is produced (and if this state is not the performer's residence), then the locus of the right may turn on the state in which a claim is brought. That would mean that the scope of the performer's rights might only be known if/he brought a claim asserting them. Contractual grants, such as those set out in the various collective bargaining agreements may be a practical matter to overcome this problem, but in the absence of a written contract, the initial identification of rights could become problematic.

²⁰⁴ For general description, see McCarthy, *supra*, sec. 11:30 – Right of Publicity: international conflict of laws, at 11-21 to 11-22. For the court's concrete evaluation under sec. 6(2) of the Restatement, see Bruce Miner, *supra*, at 443-446.

²⁰⁵ California applies "the substantive law of the forum in which the court is located, including the forum's choice of law rule." *Insurance Co. of North Am. v. Federal Express Corp.*, 184 F.3d 914, 921 (9th Cir. 1999), cited in *Downing et al. v. Abercrombie & Fitch*, 265 F.3d 994, 1005 (9th Cir. 2001).

²⁰⁶ Citing *Coufal Abogados v. AT&T, Inc.*, 223 F.3d 932, 934 (9th Cir. 2000).

(b) Law Applicable to Transfers of Rights

(i) By Operation of Law

Section 201(e) of the Copyright Act explicitly declines to give effect in the USA to an expropriation or other involuntary transfer (other than in bankruptcy) of copyright by a foreign governmental body or other official organization. The provision's inclusion in the 1976 Act was apparently motivated by concern that certain foreign dissident authors required protection against "covert pressures" imposed by their governments through threat of expropriation.²⁰⁷ But the choice of law rule one might infer from this disposition would hold that an involuntary transfer of rights is effective only in the country whose government or official agents impose the transfer.

On the other hand, the exclusion from sec. 201(e) of transfers in bankruptcy suggests that foreign -initiated transfers not in the nature of an expropriation will begin effect in the USA. That would mean that transfers of copyright (and by the same token, of performers' rights outside copyright) effected by foreign authorities through bankruptcy proceedings, and perhaps divorce proceedings as well, will be honored in the USA.²⁰⁸

(ii) By Contract

– An initial question is whether the disputed issue is properly characterized as one of contract law, or one of substantive copyright law. There may be too little relevant case law of the USA from which to derive a principle permitting one to determine the appropriate characterization of the matter. For example, in the *Bartsch* line of cases, discussed supra, Part One III.B.3.b.i, interpretation of the scope of the rights granted was deemed a question of state contract law. In *Corcovado v. Hollis Music*, 981 F.2d 679 (2nd Cir. 1993), the same federal appellate court of the USA ruled that the question of what language is required effectively to grant renewal term rights is a matter of substantive copyright law of the USA. In that case, the court upheld the application of law of the USA, even though the grant had been made in a contract between Brazilian parties who had chosen Brazilian law to govern their deal.

– Assuming the question is properly characterized as one of contract law, the applicable law is the law specified in the contract; otherwise the law of the "most significant relationship" or other general contract choice of law rule, see, e.g., Restatement (Second) of Conflict of Laws (American Law Institute Publishers 1971), Articles 187 (applicable law is

²⁰⁷ See, e.g., HR Rep. No. 94-1476, 94th Cong., 2nd Sess. at 123 -24 (1976).

²⁰⁸ See also id. at 123 (a copyright "hypothecated" as debt security is not expropriated, as the author would voluntarily have contracted the debt); New York Times, Feb. 21, 1997, Section B, page 5, column 5 (recounting interest -bearing bonds issued by British rock star David Bowie; the bonds are backed by royalties from his songs; thank to my Columbia colleague Ed. Morrison for calling this to my attention).

the law chosen by the parties) and 188 (in the absence of an effective choice of law the contacts of the contract are to be evaluated according to their relative importance with respect to the particular issue to determine applicable law²⁰⁹).

– Even where the law of the contract normally controls, the host country may interpose its law when, under the law of the host country (*lex protectionis*), the result of applying the foreign law would conflict with strongly held public policy (*ordre public*).²¹⁰

D. RULES OF FRENCH PRIVATE INTERNATIONAL LAW

It is not a question here of bringing the Rome Convention into opposition with French private international law, as the 1980 Rome Convention has constituted French statutory law since it entered into force on April 1, 1991. It is a question merely, on matters that are not settled by the Convention, of calling on the principles of French law while adhering to the specific features of literary and artistic property.

- (a) Scope of the law of the country of protection and of the country of origin respectively

Generally speaking, the issue is the same here as for copyright as far as general provisions on the role of the law of the country of origin are concerned.²¹¹ Opinions are indeed divided on the exact meaning of the formula in the *Rideaudefer* ruling²¹² according to which, before applying the law of the country of protection to the exercise of the right, it has to be ascertained whether the owner of the rights “draws” from the country of origin of the work, as from a well, “exclusive rights” in the work. Some see in this the principle according to which the law of the country of origin has to govern the existence and duration of copyright, and also the attribution of original ownership.²¹³ Others lessen the scope of the solution and argue for exclusive application of the law of the country of protection.²¹⁴

²⁰⁹ Sec. 188 lists the following contacts: the place of contracting, the place of negotiation of the contract, the place of performance, the location of the subject matter of the contract, and the domicile, residence, nationality, place of incorporation and place of business of the parties.

²¹⁰ Ginsburg, *Private International Law Aspects of the Protection of Works and Objects of Related Rights Transmitted through Digital Networks*, at 30 (1998), at http://www.wipo.org/news/en/index.html?wipo_content_frame=/news/en/documents.html

²¹¹ On the controversy in Convention law, *supra*.

²¹² Cass. 1st civ., December 22, 1959: *D.* 1960, p. 93, note by G. Holleaux.

²¹³ J.-S. Bergé, *La protection internationale et communautaire du droit d'auteur, Essai d'une analyse conflictuelle*, Paris, LGDJ, 1996, No. 245 *et seq.*, and 320 *et seq.* M. Josselin -Gall, *Les contrats d'exploitation du droit de propriété littéraire et artistique*, *Étude de droit comparé et de droit international privé*, Paris, GLN Joly, 1995, No. 271.

²¹⁴ A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 986 *et seq.* P. -Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, No. 172, p. 298. See also, for the view that the country of origin concept is losing its relevance in the digital environment, P. Reynaud, *Droit d'auteur, droit international privé et Internet*, Thesis, Strasbourg III, 2002, No. 304 *bis*.

With regard to the rights of performers, two additional arguments seem to militate against any recourse to the law of the country of origin. The first is that the law in question is even harder to determine than in copyright, in view of the competition between the personal law of the party concerned, the law of the first public execution of the performance, the law of the place of first fixation and the law of the place of first publication. The second is that it is even harder to see on what grounds it should apply here.²¹⁵ So the argument most frequently put forward in copyright, according to which “it is reasonable that the State of the place of publications should govern the respective rights of the author and of the public,”²¹⁶ should be difficult to transpose in the case of performers regarding whom it would be too contrived to suggest that the place of first publication corresponds to the “place of first claiming”²¹⁷ of their rights.²¹⁸

The French courts do seem to have kept to this application of the law of the country of protection, staying in line with the ruling which, under the legislation prior to the law of July 3, 1985, had applied the *lex loci delicti* to condemn the distribution in France, from Luxembourg and Monaco, of phonograms without the agreement of the performers.²¹⁹ For instance, one judgment allows the action of a performers’ union by expressly precluding any requirement of first fixation in France,²²⁰ while another accedes to a complaint directed by English performers against a French company for having marketed in France, without their permission, phonograms reproducing some of their recordings, specifying that the law of 1985 “does not make the foreign parties concerned subject to any condition of either nationality or reciprocity.”²²¹

Another thing that can be mentioned in support of this finding is the case law relating to non-pecuniary personal rights, which is that “the consequences of the violation of the privacy of a person or the violation of the rights that the person has in his or her image are determined by the law of the place in which the acts were committed,”²²² from which it is generally inferred that the very existence of the right has to be determined according to the *lex loci delicti*,²²³ an inference subsequently regretted by some.²²⁴ The precedent is worth taking into

²¹⁵ T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d’auteur en droit international privé*, see note 139 above, No. 399 et seq.

²¹⁶ H. Batiffol and P. Lagarde, *Droit international privé*, Paris, LGDJ, vol. 2, 7th Ed., 1983, No. 531. See in this connection J. -S. Bergé, *La protection internationale et communautaire du droit d’auteur*, *supra*, No. 270.

²¹⁷ Touse the same formula as J. -S. Bergé, *ibid.*

²¹⁸ T. Azzi, *op.cit.*, No. 406.

²¹⁹ Paris CA, 1st ch., December 19, 1989: *RIDA* 2/1990, p. 215.

²²⁰ Paris CA, 4th ch., March 28, 1994: *RIDA* 4/1994, p. 464.

²²¹ Paris CA, 4th ch., June 20, 1995: *JCPE* 1997, I, 683, No. 8, comment by H.-J. Lucas. See also, for the action brought by the son of Theonius Monk against producers of phonograms and distributors, Paris CA, 1st ch., April 28, 1998: *RIDA* 4/1998, p. 263.

²²² Cass. 1st civ., April 13, 1988: *JCP* 1989, II, 21320, note by E. Putman.

²²³ A. and H. -J. Lucas, *op.cit.*, No. 970. E. Putman, see note above. Cf. Article 7 of the preliminary draft proposal for a Council Regulation on the law applicable to non-contractual obligations, known as “Rome II draft,” drawn up by the European Commission, which makes the whole question subject to the law of the “country where the victim is habitually resident at the time of the tort or delict.”

²²⁴ Y. Loussouarn and P. Bourel, *Droit international privé*, see note 185 above, No. 274-1. See also, for anticipation of the development of case law, J. Foyer, D. Holleaux and G. de Geouffre de la Pradelle, *Droit international privé*, Paris, Masson, No. 1106.

accounts insofar as the rights of performers are rights neighboring not only on copyright but also on the rights of the private person.²²⁵

We should also note, although it is not a decisive one, the clue in Article L.211-5 of the Intellectual Property Code, which transposes Article 7.2 of Community Directive 93/98 of October 29, 1993,²²⁶ stating the principle that “the owners of neighboring rights who are not nationals of a Member State of the European Community shall be given the term of protection provided for in the country of which they are nationals, but that term may not exceed that provided for in Article L.211-4.” This provision should be compared with Article L.132-12, which is the result of the same transposition law, which, in the field of copyright, provides that, “where the country of origin of the work, within the meaning of the Paris Pact of the Berne Convention, is a country outside the European Community and the author is not a national of a Member State of the Community, the term of protection shall be that granted in the country of origin of the work, but may not exceed that provided for in Article L.123-1.” The difference is that the latter text refers openly to the “country of origin,” which the former is careful not to do.²²⁷

Legal writers, for their part, pronounce emphatically in favor of this exclusive application of the law of the country of protection.²²⁸

(b) Determination of the law governing the contract

One might expect contracts organizing the transfer of the rights in audiovisual performances to make a point, in practice, of specifying the law applicable. Yet there is quite a margin between that and thinking that the problem of determining the contractual law is a matter of pure theory. Apart from the fact that Article 3.3 of the 1990 Rome Convention²²⁹ can partly paralyze that choice, it is perfectly possible to imagine there being no choice at all, and in any event the identification of the law that would have been applicable in the absence of choice could prove heavy on consequences if, as French law requires, the rules applicable to the assignment of the performers' rights were to be combined with the rule applicable to his employment contract.

(i) Determination of the applicable law in the absence of a choice by the parties

The main question is who, of the producer or the performer, is the party owing the “characteristic performance” in terms of Article 4.2 of the Rome Convention. A number of theories have been put forward in favor of applying general principles to assignments of copyright or neighboring rights. Among others, the idea is often defended that the characteristic performances should be considered effected by the assignee who has taken on an

²²⁵ T. Azzi, *op.cit.*, No. 267 et seq.

²²⁶ O.J.L290/9, November 24, 1993.

²²⁷ A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 1017.

²²⁸ T. Azzi, *op.cit.*, No. 454. - P.-Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, No. 110, p. 180. A. and H. -J. Lucas, *op.cit.*, No. 1026.

²²⁹ On which see above I I-C-1-a.

obligation to exploit.²³⁰ The criterion, which was devised for copyright, does not seem very well suited to neighboring rights, for which no obligation to exploit is written into the law or can be deduced from the particular nature of the contract.²³¹ More fundamentally, it has been objected that the characteristic performance should be determined in the light of the transfer of the rights and not the effects of that transfer,²³² which led to a return to the general principle according to which the characteristic performance is that effected by the party whose obligation does not involve a sum of money,²³³ in other words, in this case, the party assigning the rights.

The argument according to which the center of gravity of the operations should be located on the side of the exploiter, who needs to organize his activity according to a law that he knows, is easy to reverse, inasmuch as the assigning performer also needs to be able to anticipate.²³⁴

Everything depends, to our way of thinking, on what exactly the object of the contract concerned is. If one goes with the idea that it is a transfer of exclusive rights, one is naturally led to decide that the owner of those rights is the one who provides the characteristic performance. If on the other hand one wants to take a broad view and highlight the fact that the transfer is normally intended to organize the exploitation of the performer's performance, it is not illogical to make the exploiter into the one who provides the performance.

French law gives no clue, unlike the Swiss Federal Law of December 18, 1987, on Private International Law, Article 112 paragraph 1 of which designates the law of the State in which the one who transfers or grants the intellectual property right has his ordinary residence.²³⁵

With regard to assignments of authors' rights, case law tends to favor the competence of the law of the assignee.²³⁶ There has been no judgment in the field of neighboring rights, however, so one cannot actually rule out a finding to the contrary.

²³⁰ H. Desbois, *Le droit d'auteur en France*, Paris, Dalloz, 3rd Ed., 1978, No. 791 bis. E. Ulmer, *La propriété intellectuelle et le droit international privé*, study undertaken at the request of the Commission of the European Communities, studies collection, cultural sector series No. 3, Office for Official Publications of the European Communities, 1980, No. 77. J. Raynard, *Droit d'auteur et conflits de lois*, see note 179 above, No. 651 et seq.

²³¹ T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d'auteur en droit international privé*, see note 139 above, No. 597.

²³² T. Azzi, *op. cit.*, No. 596. See in this connection, for publishing contracts, F. Dessemontet, *Le droit d'auteur*, Lausanne, CEDIDAC, 1999, No. 1088.

²³³ See for instance, for the negotiation of the transfer of a footballer, Cass. 1st civ., July 18, 2000: *JCP* 2000, IV, 2580, applying the law of the domicile of the negotiator.

²³⁴ T. Azzi, *op. cit.*, No. 598.

²³⁵ In support of the case for this provision being applied, regardless of the existence of any obligation to exploit, see F. Dessemontet, *op. cit.*, No. 1092.

²³⁶ For cases in which the Rome Convention was not applicable, see Paris TGI, 3rd ch., April 14, 1999, *Malaussen av. Milleux and others*, unpublished ("in the absence of a choice by the parties, the whole set of contractual relations, whose center of gravity is in Germany between the German publisher, Georges Malaussen, on one hand and Fernand Artaud on the other, is governed by German law"). Paris CA, 4th ch., June 2, 1999: *RIDA* 1/2000, p. 302, making contractual relations between the French editor of a scientific magazine and its British publisher subject to British law ("the characteristic performance, namely the publication and distribution

- (ii) Combination of the rules applicable to the assignment of the performer's rights and the rules applicable to the employment contract

We have already mentioned that performers always, in practice, have the status of salaried employees, and we have analyzed Article 6.1 of the 1980 Rome Convention, according to which the choice of applicable law must not deprive the employee of the protection afforded him by the mandatory rules of the law that would be applicable under Article 6.2 in the absence of choice. That means for instance that, if the performer usually does his work in France, or if the producer who has recruited him is established in France, designation of American law will not prevent the person concerned from availing himself of the protective rules of French law.

These are understood to be first, of course, rules dictated by labor law, which for the most part are mandatory.²³⁷ The main thing is to ascertain whether they include those that have to do with intellectual property law, notably with respect to the formalism of assignments and the rule of restrictive interpretation.

The first reaction is to reply in the negative, when one observes that Article 6 of the Rome Convention applies only to the employment contract. In the example given above, that would mean that the French performer could rely on Article 6.2 to impose application of the Labor Code, but not the Intellectual Property Code.²³⁸

This distributive application of the rules of labor law and the rule of intellectual property raises considerable difficulties, in view of the interlocking of the two categories that French legislations sought to achieve,²³⁹ and which is reflected in the almost indisputable presumption of the performer's salaried status²⁴⁰ and also the principle established by the second paragraph of Article L.212-3 of the Intellectual Property Code according to which assignments of rights granted by performers and also other resulting remuneration are governed by Articles L.762-1 and L.762-2 of the Labor Code.²⁴¹ That said, it is without relevance in the face of a requirement, such as that of the written form, which is formulated both by the Labor Code²⁴² and by the Intellectual Property Code.²⁴³

[Footnote continued from previous page]

of the magazine, was effected by the publisher"). Paris CA, 4th ch. A, April 2, 2003, *Martinelli and Meazzav. Editions Gallimard and others*, unpublished ("it is beyond dispute that this company, in its capacity as publisher, is the one owing the characteristic performance").

²³⁷ J. Péliissier, A. Supiot and A. Jeammaud, *Droit du travail*, Paris, Dalloz, 21st Ed., 2002, No. 38.

²³⁸ Subject of course to the operation of public order laws or the international public policy exception, *infra*, D.

²³⁹ A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 826.

²⁴⁰ *Supra*, Part One –I–D–1.

²⁴¹ Cf. T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d'auteur en droit international privé*, see note 139 above, No. 319, who advocates instead of this interlocking, but no doubt goes too far in doing so, the "hermetic barrier" that according to him exists in copyright between the assignment and the employment contract.

²⁴² Article L.122-3-1 for the fixed-term contract.

²⁴³ Article L.212-3 and L.212-4.

This leads some legal writers to consider that there is nothing to be gained by trying to disentangle the two aspects, and that there has been a kind of “absorption” of the law applicable to the assignment of rights by the law applicable to the employment contract, which is the solution expressly adopted by Article 122 paragraph 3 of the Swiss Federal Law on private international law mentioned earlier.²⁴⁵ 244

The “mandatory rules” referred to in Article 6 of the Rome Convention should therefore, in this interpretation, mean not only those deriving from labor law but also those deriving from intellectual property.²⁴⁶

(c) Scope of the law of the contract

(i) Law applicable to the form of the contract

Article 9.1 of the 1980 Rome Convention offers the parties the choice of making the formal validity of the contract subject either to the law governing the substance or to that of the country in which it is concluded.²⁴⁷

It might be worth mentioning that a solution had already been adopted in French law, namely for the famous *Chaplin* judgment²⁴⁸ concerning an assignment of copyright in the film *The Kid*.

It is acknowledged, however, that the forms of publicity required failing which the assignment is not binding on third parties, like those deriving, in France, from Article 33 of the Cinema Industry Code,²⁴⁹ do not fall under this regime and are subject to the law of the place of exploitation.²⁵⁰

One could question the formalism which in French law characterizes the assignment of the rights of performers (and indeed also the assignment of copyright). Should it be looked upon as having to do with “formal validity” in terms of Article 9 of the Rome Convention? Or should one see in it a substantive role affecting the availability of the right, which, according to certain legal writers,²⁵¹ would justify application of the “law of the

²⁴⁴ A. an dH. - J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 1022 (who limits the solution to contracts concluded in France). T. Azzi, *op.cit.*, No. 665. In favor of attachment of the copyright exploitation contract to the law applicable to the employment contract with respect to works created within a business under a permanent contract, see M. Josselin-Gall, *Les contrats d'exploitation du droit de propriété littéraire et artistique*, see note 209 above, Nos. 335 et seq.

²⁴⁵ “In order,” F. Dessemontet makes clear in *Le Droit d'auteur*, see note 228 above, No. 1077, “to avoid ‘dépeçage’.”

²⁴⁶ P.-Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, No. 110, p. 179 (“the performer cannot be denied provisions that are more favorable to him, regardless of the law chosen”).

²⁴⁷ If the parties are located in different countries, the law of the place of conclusion may be that of either of those countries (Article 9.2).

²⁴⁸ Cass. 1st civ., May 28, 1963: *JCP* 196, II, 13347, note by Ph. Malaurie.

²⁴⁹ *Supra*, Part One – III – D – 2.

²⁵⁰ J. Raynard, *Droit d'auteur et conflits de lois*, see note 179 above, No. 716.

²⁵¹ On these, *infra*, under 3.

rights” to the exclusion of the law of the contract? There has as yet been no court ruling on this point. It seems, however, that the concept of form is sufficiently comprehensive to accommodate this contractual formalism.²⁵²

(ii) Law applicable to proof of the contract

Article 14.1 of the Rome Convention provides that “the law governing the contract under this Convention applies to the extent that it contains, in the law of contract, rules which raise presumptions of law or determine the burden of proof.”

The detail on presumptions of law has a direct bearing on the matter of the rights of the performer, as it means that the law of contract governs the possible presumption of assignment of his rights to the audiovisual producer.

It has to be combined with the principle, recalled in Article 14.2 of the Convention, according to which the contract may be proved by any mode of proof recognized by the law of the forum, by the law of the place of conclusion or by contract law, provided, the text makes clear, “that such mode of proof can be administered by the forum.” There too, the question arises of the formalism of assignment of rights imposed by French law, the evidentiary dimension of which is indisputable, but which cannot be reduced to that as ct

(iii) Law of the contract and law of the rights

No one disputes the fact that it is contract law that governs the make-up of the contract and the personal obligations on the parties. Applied to assignments of neighboring rights, this comment means for instance that only contract law should be consulted to determine how to interpret the contract, a solution which is more over specified in so many words by Article 10.1 of the 1980 Rome Convention.

Something else that is beyond all discussion is the fact that the law of contract cannot pretend to govern the conditions of access to protection ²⁵³ or the content of the ²⁵⁴ rights.

²⁵² In this connection see G. Legier: *J.-Cl. Droit international*, Fasc. 551 -20, 1999, No. 54, for whom the *locus regit actum* rule applies to all forms of failure to observe which is liable, by a wide variety of routes, to cause cancellation of the act.

²⁵³ For copyright see H. Desbois, *Le droit d’auteur en France*, see note 226 above, No. 791 bis; J. Raynard, *Droit d’auteur et conflits de lois*, see note 179 above, No. 671.

²⁵⁴ A. and H. -J. Lucas, *Traité de la propriété littéraire et artistique*, see note 71 above, No. 961; J. Raynard, *op.cit.*, No. 680.

And yet there are in spite of everything grey areas that have to do with the specific nature of intellectual property rights, which do not readily lend themselves to application of the distinction, a classical feature of contracts concerning corporeal property, between the real effects of the contract,²⁵⁵ which conform to real law, and the personal effects, which derive from contract law.²⁵⁶

In copyright, the question arises above all in connection with the assignability of the right, and notably the strict rules limiting, in French law as in other laws,²⁵⁷ the assignment of rights in future works, the prevailing opinion being that such assignability is in the nature of the right, and has therefore to be governed by the law applicable to the right.²⁵⁸ In the field of neighboring rights, given the silence of the Intellectual Property Code, it arises only for the moral rights of the performer,²⁵⁹ which, in any event, seem in French private international law to belong to the category of public order laws.²⁶⁰

The formalism of assignments (of both authors' rights and neighboring rights) is also debatable. One could contemplate making it subject to the law of the rights, transposing the solution recognized for corporeal goods, according to which it is for real law to govern the conditions for the transfer of ownership, or alternatively making the point that the formalism is consistent with the amelioric logic of protection of the assignor as of the assignability of the right, but it seems more reasonable to leave the whole issue to contract law²⁶¹ when we observe that the rules do not affect either the nature or the "tenor"²⁶² of the rights. There is no case law on this matter, the practical interest of which in fact is limited, in the case of transfers of rights relating to the audiovisual performances of performers, by the presumption of assignment written into Article L.212-4.

²⁵⁵ That being said, the application of the criterion would presuppose the borderline between assignment and licensing being very clear (see for instance J. Raynard, *op.cit.*, No. 673, who rules out the operation of real law for the mere "assignment of copyright"), which is far from being the case; legal systems have different legal traditions on this point (E. Ulmer, *La propriété intellectuelle et le droit international privé*, see note 226 above, No. 60 *et seq.*).
²⁵⁶ E. Ulmer, *op.cit.*, No. 68.

²⁵⁷ Intellectual Property Code, Articles L.131-1 and L.132-4. See also Article L.131-6 ("Any assignment clause affording the right to exploit a work in a form that is unforeseeable and not foreseen on the date of the contract shall be explicit and shall stipulate participation correlated to the profits from exploitation").

²⁵⁸ E. Ulmer, *op.cit.*, No. 68; J. Raynard, *op.cit.*, No. 673; J.-S. Bergé, *La protection internationale et communautaire du droit d'auteur*, see note 209 above, No. 336. Disputing this contention, however, see T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d'auteur en droit international privé*, see note 139 above, No. 627.

²⁵⁹ Unless the benefit of the provisions mentioned earlier are extended to performers, pursuant to the same protection logic as adopted by case law regarding formalism and the restrictive interpretation of assignments (*supra*). One could wonder, however, whether such extension is compatible with the derogative character of the texts concerned, and whether it would not be more appropriate not to go beyond application of Article 1130 of the Civil Code, according to which "future goods may be the object of an obligation," combined where appropriate with the general principle, established by case law, of perpetual commitments being prohibited.

²⁶⁰ *Infr.* No.

²⁶¹ M. Josselin-Gall, *Les contrats d'exploitation du droit de propriété littéraire et artistique*, see note 209 above, No. 369 *et seq.*

²⁶² Touse Desbois' expression, *Le droit d'auteur en France*, see note 226 above, No. 791 *bis*.

(d) Implications of public order laws or international public policy

The normal play of the rules on conflict of laws that have just been analyzed can be adversely affected by the mandatory application of the mandatory rules of the forum, even foreign mandatory rules,²⁶³ or by the eviction of the designated law in the name of international public policy.

We are thinking first of the moral rights of the performer. What has to be established is whether the famous *Huston* ruling,²⁶⁴ according to which there could be no violation in France of the integrity of a literary or artistic work, regardless of the State on the territory of which the work had been first disclosed, while the person who was its author by virtue of the mere fact of its creation was invested with the moral rights in toto reduced for his benefit by Article L.121-1 of the Intellectual Property Code. Some doubt this, pointing out that the moral rights of the performer could not have the same scope as the moral rights of the author and warrant a solution as “brutal” as that imposed by the *Cour de cassation*.²⁶⁵ Such discrimination seems difficult to accept, however, if one considers that the *Cour de cassation* has just found for the inalienability of the performer’s right to respect for his performance²⁶⁶ and of the author’s right to respect for his work,²⁶⁷ using almost exactly the same words.²⁶⁸ At the very least, one has to expect international public policy to be opposed to the foreign law that ignores the moral rights of performers.²⁶⁹

The mandatory rules of labor law, regardless of the hypothesis provided for in Article 6.2 of the Rome Convention,²⁷⁰ are usually considered mandatory rules in private international law,²⁷¹ which has to be valid also for the presumption of salaried status for the performer²⁷² and for the requirement of the written form.²⁷³

²⁶³ To which Article 7.1 of the 1980 Rome Convention allows the court to “give effect.” On this point see the Green Paper mentioned earlier (note 173) on the Rome Convention, which on page 38 mentions the lack of court decisions on this point.

²⁶⁴ Cass. 1st civ., May 28, 1991: *RIDA* 3/1991, p. 197.

²⁶⁵ T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d’auteur en droit international privé*, see note 139 above, No. 440.

²⁶⁶ Cass. soc., July 10, 2002, see note 82 above.

²⁶⁷ Cass. 1st civ., January 28, 2003: *D.* 2003, 559, with note by J. Daleau.

²⁶⁸ On protection under mandatory rules, see P.-Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, No. 110, p. 180.

²⁶⁹ In this connection, for violations beyond “a certain threshold of seriousness,” see T. Azzi, *op cit*, No. 442.

²⁷⁰ *Supra*, Part II–C–1b.

²⁷¹ J. Foyer, D. Holleaux and G. de Geouffredela Pradelle, *Droit international privé*, see note 220 above, No. 653.

²⁷² P.-Y. Gautier, *Propriété littéraire et artistique*, see note 72 above, No. 110, p. 179.

²⁷³ T. Azzi, *Recherches sur la loi applicable aux droits voisins du droit d’auteur en droit international privé*, see note 139 above, No. 644.

On the other hand, in spite of the public policy character attributed to them in French domestic legislation, the provisions on the formal validity of assignments of rights cannot be regarded as belonging, on principle, to the category of mandatory rules²⁷⁴ or as justifying the international public policy exception.²⁷⁵

[Appendix follows]

²⁷⁴ T. Azzi, *op. cit.*, No. 632.

²⁷⁵ In this connection, as far as copyright is concerned, see Paris TGI, 3rd ch., April 14, 1999, *Malaussen av. Milleux and others*, see note 232a above; M. Josselin-Gall, *Les contrats d'exploitation du droit de propriété littéraire et artistique*, see note 209 above, No. 371. It is important to point out in this respect that Article 16 of the Rome Convention only allows this exception to operate in a case where application of the law designated by the conflict rule is "manifestly incompatible with the public policy ("ordre public") of the forum."

APPENDIX

Questionnaire to National Experts

Part I

Substantive Rules Governing the Existence, Ownership and Transfer of Audiovisual Performers' Rights

I. NATURE AND EXISTENCE OF AUDIOVISUAL PERFORMERS' RIGHTS

A. Characterization of Audiovisual Performers' Rights

1. Does your national law characterize the contribution of audiovisual performers as coming within the scope of:

- a. Copyright
- b. Neighboring rights (explain what in your country "neighboring rights" means)
- c. Rights of personality
- d. Other (please identify and explain)

B. Scope of Rights Covered

1. Do audiovisual performers enjoy exclusive economic rights?

- a. Fixation
- b. Reproduction
- c. Adaptation
- d. Distribution of copies, including by rental
- e. Public performance; communication to the public
- f. Other (please describe)

2. What is the duration of performers' exclusive rights?

3. Do audiovisual performers enjoy moral rights?

- a. Attribution ("paternity")
- b. Integrity
- c. Divulgence
- d. Other (please describe)

4. What is the duration of performers' moral rights?

5. Do audiovisual performers have remuneration rights?

- a. Are these in lieu of or together with exclusive rights? (Please explain)
 - b. Describe the rights to remuneration that audiovisual performers have.
6. Are audiovisual performers' rights subject to mandatory collective management?
- a. Which rights?
 - b. Which collective management associations; how do they work?

II. INITIAL OWNERSHIP OF AUDIOVISUAL PERFORMERS' RIGHTS

A. Who is the initial owner?

1. In your country, is the performer vested with initial ownership?
2. Is the performer's employer/the audiovisual producers vested?
3. Is a collective vested?
4. Anyone else? Please explain.

B. What is owned?

1. Is the performer the owner of rights in her performance?
2. Is she a co-owner of rights in the entire audiovisual work to which her performance contributed?
3. Other ownership? Please describe.

III. TRANSFER OF AUDIOVISUAL PERFORMERS' RIGHTS

A. Legal provisions regarding contracts

1. Does the copyright/neighborhood law, or other relevant legal norm set out rules regarding transfers of rights?
2. Please indicate if the rule is a rule of general contract law, or a rule specified in the law of copyright and/or neighborhood rights.
3. Must the transfer be in writing?
4. Must the terms of the transfer be set forth in detail, e.g., as to the scope of each right and the remuneration provided?

5. Must the writing be signed by the performer? By the transferee?

B. Transfer by Operation of Law

1. Are there legal dispositions transferring either the performer's exclusive rights, or a share of the income earned from the exercise of her exclusive rights, or from the receipt of remuneration rights?

2. Expropriation

3. Bankruptcy

4. Divorce; community property

5. Intestacy

6. Other (please explain)

C. Irrebuttable Presumptions of Transfer

1. Does the employment relationship between the audiovisual performer and the producer give rise to an irrebuttable transfer of the performer's rights?

2. What rights does the transfer cover?

3. If fewer than all rights, please identify and explain which rights are transferred and which are retained.

D. Rebuttable Presumptions of Transfer

1. Does the employment relationship between the audiovisual performer and the producer give rise to a rebuttable transfer of the performer's rights?

2. What rights does the transfer cover?

3. If fewer than all rights, please identify and explain which rights are transferred and which are retained.

E. Contract Practice

1. If the transfer of audiovisual performers' rights is not effected by a legal presumption, are there standard contractual provisions?

2. Do these provisions appear in collective bargaining contracts?

3. In individually negotiated contracts?

4. What rights do these provisions transfer? Please describe e.

F. Limitations on the Scope or Effect of Transfer

1. Does copyright/neighborhood rights law or general contract law limit the scope or effect of transfers? Please indicate which law is the source of the limitation.

2. Do these limitations concern:

- a. Particular rights, e.g., moral rights
- b. Scope of the grant, e.g., future modes of exploitation
- c. Other (please describe)

3. Do audiovisual performers enjoy a legal right to terminate transfers of rights?

- a. Is this termination right transferable?
- b. Waivable?

Part II

International Private Law Rules for Determining the Law Applicable to Transfer of
Audiovisual Performers' Rights

Note to national experts: This portion of the questionnaire requests that you describe the response that your country's private international law rules would supply to the following questions. In other words, we are seeking to learn about your domestic private international law rules with regard to the matters referenced below.

In addition, please indicate clearly the extent, if any, to which your national private international law rules as to the law applicable to the ownership and transfer of audiovisual performers' rights differs from your national private international law rules as to the law applicable to the ownership and transfer of rights under copyright.

I. LAW APPLICABLE TO DETERMINE INITIAL OWNERSHIP OF AUDIOVISUAL PERFORMERS' RIGHTS

A. What country's (countries') copyright/neighboring rights law determines whether the granting performer initially owned the rights transferred:

1. The country of origin of the audiovisual work?
 - a. If so, how does your country's law determine what is the country of origin of the audiovisual work?
 - b. By reference to Berne Conv. Art. 5.4?
 - c. By reference to the country having the most significant relationship to the work's creation or dissemination?
 - d. Other? Please describe.
2. The country of residence of the performers? In the event of multiple countries of residence, the country in which the majority of featured performers resides?
3. The country designated by (or localized to) the contract of transfer?
4. Each country in which the work is exploited?

5. When a contract grants the right to communicate or make an audiovisual work available via a transmission from one country to another (or others), how is the substantive copyright or neighboring rights law underlying the initial ownership of the rights determined?

- a. with reference to the country from which the communication originates?
- b. or with reference to the country or countries in which the communication is received?

II. LAW APPLICABLE TO TRANSFERS OF RIGHTS

A. Transfers by operation of law

1. Does your country's law or case law give local effect to a transfer by operation of a foreign country's law?

- a. by expropriation
- b. bankruptcy
- c. divorce; community property
- d. intestacy
- e. other (please explain)

B. Transfer effected by contract

1. When a contract grants the right to communicate or make an audiovisual work available via a transmission from one country to another (or others); is the substantive copyright or neighboring rights law underlying the grant determined:

- a. with reference to the country from which the communication originates?
- b. or with reference to the country or countries in which the communication is received?

2. What law governs issues going to the *scope and extent* of a transfer:

- a. The (single) law of the contract?
- b. The substantive copyright/neighboring rights laws of the countries for which the rights are granted?

3. What law governs issues going to the *validity of the form* of a transfer:
 - a. The (single) law of the contract?
 - b. The substantive copyright/neighboring rights laws of the countries for which the rights are granted?

C. The Role of Mandatory Rules and *Ordre Public*

1. Do mandatory rules (*lois de police*) automatically apply local law to local exploitations made under a foreign contract?
2. Describe the instances in which mandatory rules apply to transfers of rights by audiovisual performers.
3. Do local courts, having initially identified the applicability of the law of the foreign contract, nonetheless apply local law on grounds of public policy/ *ordre public* ?
4. Describe the instances in which the *ordre public* exception applies to invalidate transfers of rights by audiovisual performers

[End of Appendix and of document]