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The Dissonant Tune of International Harmonization and the Domestic Duration of Phonorecord Protection

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The Dissonant Tune of International Harmonization and the Domestic Duration of Phonorecord Protection

*Caz McChrystal**

I.	THE INTERNATIONAL TUNE.....	524
II.	TENSION: DISSONANT STRUCTURES.....	525
	A. <i>The Harmony of Foreign Compliance</i>	525
	B. <i>The Dissonance of American Fervor</i>	526
	C. <i>The Cacophony of Sound Recording Protection</i>	528
III.	RESOLUTION: PROPOSED HARMONIES	529
IV.	CODA.....	530

It's Valentine's Day, 2067. No sound recording made by any musician before January 1, 2017 is protected from unauthorized copying, reproduction, or distribution in most nations, but the first known reproducible sound recording¹ is still protected in the United States. Tomorrow, every sound recording ever recorded prior to February 15, 1972 will pour simultaneously into the American public domain. The United States *today* is on the cusp of siege. Despite continued domestic protection, rock-era sound recordings are trickling into the public domain internationally, increasing the risk of domestic piracy and copyright devaluation. Furthermore, the U.S. must brace itself for a deluge, when, in 2067, thousands of sound recordings will simultaneously enter the domestic public domain.

This Article focuses on the disharmony between the duration of protection for sound recordings in the U.S. and the prevailing duration adopted throughout the world, as well as the pitfalls of the domestic duration of protection. Part I focuses on the framework of

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1. Thomas Edison made the first reproducible sound recording in 1877, and it was a voice recording of "Mary Had a Little Lamb." Steve Schoenherr, Recording Technology History, <http://history.sandiego.edu/gen/recording/notes.html#origins> (last modified July 6, 2005).

international treaty requirements for the durations of protection for sound recordings, Part II juxtaposes the prevailing international model with that of the U.S., and Part III examines ways the U.S. can harmonize its sound recording protections with the surrounding world, while maintaining the expansive protection that has powered the American record industry.

I. THE INTERNATIONAL TUNE

The TRIPS Agreement, now entering its second decade, has created a near-universal minimum duration of protection for sound recordings by requiring all developed nations of the World Trade Organization ("WTO") to be in compliance with its provisions as of January 1, 1996.² The WTO believed that TRIPS, by creating a common framework for intellectual property laws, would lead to normalized rules, which would maximize protection and spur international trade.³ The Agreement requires all members of the WTO to comply with many of the substantive provisions of the Berne Convention, which mandates a minimum duration of protection of fifty years post mortem auctoris ("p.m.a.") for "literary and artistic works."⁴ However, the Berne Convention defines sound recordings as "reproductions" rather than "literary and artistic works," and so does not mandate protection for them.⁵ Fortunately, TRIPS filled this hole by including a provision that requires members to protect against the unauthorized reproduction of sound recordings for a minimum duration of fifty years from the end of the year in which the sound recording was first fixed.⁶

In addition, TRIPS mandates retroactive application to all sound recordings protected under local laws at the time of its adoption.⁷ This ensures that most rock-era sound recordings are subject to TRIPS's uniform minimum protections, notwithstanding

2. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments--Results of the Uruguay Round vol. 31, 33 I.L.M. 1197 (1994) [hereinafter TRIPS].

3. See TRIPS, *supra* note 2, pmb1.

4. See TRIPS, *supra* note 2, art. 9; Paris Act relating to the Berne Convention for the Protection of Literary and Artistic Works, July 24, 1971, art. 7, 828 U.N.T.S. 221 [hereinafter Berne Convention].

5. See Berne Convention, *supra* note 4, art. 9(3); see also 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 17.06 (2005).

6. TRIPS, *supra* note 2, art. 14(5).

7. *Id.* arts. 70(2)-(3).

their date of first fixation.⁸ Furthermore, TRIPS aims to foster fair dealing between all WTO member nations by mandating national treatment, under which member nations must provide, at a minimum, the same duration of protection to foreign sound recordings as to domestic.⁹ However, TRIPS does adopt exceptions to national treatment included in the Berne Convention,¹⁰ including the “rule of the shorter term,” under which member nations may provide a shorter duration of protection to foreign sound recordings than domestic if the shorter duration matches that of the foreign sound recording’s country of origin.¹¹

In addition to TRIPS, the World Intellectual Property Organization Performances and Phonograms Treaty (“WPPT”) helps lay the framework for universal sound recording protection.¹² Similar to TRIPS, the WPPT mandates a minimum duration of protection for sound recordings of fifty years; however, under Article 17 of the WPPT, the clock of protection begins to run at the end of the calendar year in which the sound recording is first *published*, and only bases the running of the clock on *fixation* when a sound recording is unpublished.¹³ While the minimum duration of protection for sound recordings created by TRIPS and the WPPT have become the majority rule globally, there remains substantial disharmony between the United States and the rest of the world.

II. TENSION: DISSONANT STRUCTURES

A. *The Harmony of Foreign Compliance*

The duration of protection for sound recordings required by TRIPS is the prevailing international standard outside of the U.S. Excluding the U.S., of the nine remaining top ten markets for sound recordings,¹⁴ only Australia protects sound recordings for more than fifty years; however, Australia’s seventy years of protection for sound

8. *Id.*

9. TRIPS, *supra* note 2, at art. 3.

10. *Id.*

11. See Berne Convention, *supra* note 4, art. 7(8).

12. See generally World Intellectual Property Organization Performances and Phonograms Treaty, Apr. 12, 1997, S. TREATY DOC. NO. 105-17 (1997) [hereinafter WPPT] (recognizing the need to introduce and clarify international rules).

13. Compare WPPT, *supra* note 12, art. 17, with TRIPS, *supra* note 2, art. 14(5).

14. Phil Hardy, *Global Market Survey*, MUSIC & COPYRIGHT, March 30, 2005. In 2004, the largest markets were, in descending order: U.S., Japan, U.K., Germany, France, Australia, Canada, Italy, Spain, and the Netherlands. *Id.*

recordings is still a quarter century shorter than the prevailing duration of protection in the U.S.¹⁵ In contrast, Japan, the U.K., Germany, France, Canada, Italy, Spain, and the Netherlands all grant protection to sound recordings for a duration of fifty years;¹⁶ however, because the nations designate different moments at which to start the clock of protection running, the durations of protection vary slightly between them.¹⁷

B. *The Dissonance of American Fervor*

The U.S. remains the largest market for recorded music;¹⁸ however, its success belies the complexity of its laws protecting sound recordings. Because sound recordings were not eligible for federal copyright protection until February 15, 1972,¹⁹ the duration and source of protection for sound recordings fixed on or after that date lies in stark contrast to those first fixed prior to it.

Sound recordings fixed prior to February 15, 1972 are protected through state statutory and common law,²⁰ and the Supreme Court has allowed states broad discretion in determining the extent of protection.²¹ Many states grant “perpetual” rights in sound recordings²² abrogated only by a cut-off date in the Copyright Act of

15. Compare Australia Copyright Act, 1968, § 93 (Austl.), available at <http://www.copyright.com.au/copyright1968.pdf>, with 17 U.S.C. § 302(c) (2000).

16. Japan grants protection to sound recordings for a duration of fifty years from the date of first fixation. Copyright Act of Japan, Law. No. 49 of 1978, art. 51, 53, 57, available at http://www.cric.or.jp/cric_e/clj/clj.html. Canadian law also grants fifty years protection to sound recordings, but the clock begins to run at the end of the calendar year in which the sound recordings was *first fixed*. Copyright Act, R.S.C., ch. C-42, § 23 (1985) (Can.). Similar to Japan and Canada, all European Union member nations, including the U.K., Germany, France, Italy, Spain, and the Netherlands, were required to grant protection to sound recordings for a duration of fifty years under a 1993 European Council Directive; however, under that mandate, the clock was to begin running from the end of the calendar year in which the sound recording was *first published*, and was only to use the end of the calendar year of first fixation as a starting point for unpublished works. Council Directive 93/98/EC, art. 3(2), 1993 O.J. (L 290) 11 [hereinafter Council Directive].

17. Council Directive, *supra* note 16, at (L290) 11.

18. See *supra* note 14.

19. See Sound Recordings Amendment Act of 1971, Pub. L. No. 92-140, 85 Stat. 391 (1971) (codified as amended in scattered sections of 17 U.S.C.); see also *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657, 661 (2d Cir. 1955) (“Congress, before the 1909 amendment, intended that one who performed a public-domain musical composition should not be able to obtain copyright protection for a phonographic record thereof, and, second, that nothing in the 1909 amendment indicated any change in that intention.”).

20. NIMMER, *supra* note 5, § 2.10.

21. *Goldstein v. California*, 412 U.S. 546, 569-70 (1973).

22. *Id.* at 560-61; see also *Capitol Records, Inc. v. Naxos of Am., Inc.*, 830 N.E.2d 250, 263 (N.Y. 2005). In addition, most states have anti-piracy laws that make it illegal to

1976 (1976 Act) that will annul state protection of pre-1972 sound recordings on February 15, 2067.²³

Sound recordings first fixed on or after February 15, 1972 are eligible for federal copyright protection.²⁴ The 1976 Act grants all copyrightable works, including sound recordings, a duration of protection of twenty-eight years plus an additional sixty-seven year renewal term for sound recordings first fixed between February 15, 1972 and December 31, 1977.²⁵ Therefore, these sound recordings are protected for a total duration of ninety-five years, nearly double the duration for sound recordings internationally.

Sound recordings first fixed on or after January 1, 1978 are subject to one of two copyright durations. Under the 1976 Act, works are generally granted a term of protection of seventy years p.m.a.²⁶ However, if sound recordings may qualify as works made for hire,²⁷ the copyright subsists for the shorter of ninety-five years from publication or 120 years from creation.²⁸

As a result, no sound recording will run through its term of protection until February 15, 2067, at which point every sound recording fixed prior to February 15, 1972 will simultaneously enter the public domain.²⁹ Furthermore, beginning on February 15, 2067, sound recordings fixed between February 15, 1972 and December 31, 1977 will begin to trickle into the public domain.³⁰ Finally, if sound recordings created on or after January 1, 1978 are considered works made for hire, they will begin to trickle into the public domain on

reproduce and distribute unauthorized sound recordings. Recording Industry Association of America, Issues: Copyright Laws (2003), <http://www.riaa.com/issues/copyright/laws.asp#state>.

23. 17 U.S.C. § 301(c) (2000).

24. See Sound Recording Amendment of 1971, Pub. L. No. 92-140, 85 Stat. 391; see also 17 U.S.C. § 102(a)(7).

25. 17 U.S.C. § 304. Under section 304(a) of the 1976 Act, a formal application for renewal and extension was required. Pub. L. No. 94-553, § 304, 90 Stat. 2541 (1976). However, under the current law, no such formal requirements exist. Cf. 17 U.S.C. § 304 (2000).

26. *Id.*

27. There is controversy regarding whether sound recordings may be considered a work made for hire; however, that dispute is outside the scope of this article. See, e.g., Mary LaFrance, *Authorship and Termination Rights in Sound Recordings*, 75 S. CAL. L. REV. 375 (2002). It is the record industry's position that sound recordings commissioned by record labels are works made for hire. Recording Industry Association of America, Press Room: FAQ on Sound Recordings as Works Made for Hire (2000), <http://www.riaa.com/news/newsletter/press2000/052400.asp>.

28. 17 U.S.C. § 302(c).

29. See *id.* § 301.

30. See *id.* § 304.

January 1, 2073.³¹ These terms are in compliance with the minimum durations of protection for sound recordings mandated by international treaties; however, they are not in harmony with the glut of nations that conform to them.

C. *The Cacophony of Sound Recording Protection*

The lack of harmony in the durations of sound recording protection between the U.S. and the majority of the world runs the risk of devaluing American copyrights in several respects. As sound recordings enter the public domain abroad, American record labels and recording artists will no longer receive licensing revenues from foreign distribution, and will lose a valuable source of revenue. In addition, unauthorized and inexpensive copies could enter the U.S. market. It remains surprisingly unclear whether the importation of gray market sound recordings, such as those in the public domain of a foreign nation and legally manufactured there, is actionable under current law.³² Section 602(a) of the 1976 Act grants copyright owners remedy against the unauthorized importation of sound recordings;³³ however, the first sale rule, which protects purchasers of lawfully made sound recordings,³⁴ may absolve importers from liability.³⁵ Even assuming that copyright owners may prevent the importation of public domain sound recordings, policing may be difficult, or even impossible, if distribution occurs through the mail on a single copy, rather than bulk importation basis. Furthermore, the internet will likely be flooded with downloadable tracks of phonograms still protected domestically. These digital copies could be downloaded in the U.S. without restriction and leave U.S. copyright holders without strong recourse. Finally, when all pre-1972 phonograms simultaneously fall out of protection in the U.S., American copyright holders will lose a valuable source of revenue overnight.

31. See *id.* § 302(c). If these sound recordings are not considered works made for hire, then the duration of protection will be tied to the life of the author and would be difficult to calculate. See *id.* § 302(a).

32. See NIMMER, *supra* note 5, § 8.12[B][6].

33. 17 U.S.C. § 602(a).

34. *Id.* § 109(a).

35. Compare *Quality King Distribs., Inc. v. L'Anza Research Int'l, Inc.* 523 U.S. 135, 140 (1998), with *UMG Recordings, Inc. v. Norwalk Distribs., No. SACV 02-1188 DOC*, 2003 U.S. Dist. LEXIS 26302 (C.D. Cal. Mar. 13, 2003). Professor Nimmer has argued that allowing importers to use § 109(a) as a shield eviscerates the protections granted to copyright owners by § 602(a). See NIMMER, *supra* note 5, § 8.12[6].

III. RESOLUTION: PROPOSED HARMONIES

U.S. copyright owners face hard times ahead as sound recordings protected domestically enter the public domain throughout the world, and time marches nearer to the date when all pre-1972 sound recordings enter the public domain here. The American record industry is not without options, however, to protect its market for sound recordings. But the 1976 Act is not equipped to deal with the tension caused by sound recordings' entrance into the public domain, and mere copyright term extension does little to resolve the problem; it only delays it.³⁶

Congress must act to protect the domestic market for sound recordings from public domain recordings freely reproduced and distributed abroad. The 1976 Act should be amended to take a clear stand on the importation of gray market sound recordings, legally manufactured and sold abroad, and imported into the U.S. This would be an easy change to bring into effect, serving only to bring the letter of the law into parity with its intent.³⁷ In addition, the high cost and low efficacy of policing importations requires an expansion of criminal penalties for copyright infringement.³⁸

In addition, in accordance with articles three of TRIPS and seven of the Berne Convention, Congress should adopt the rule of the shorter term.³⁹ Under this rule, foreign sound recordings would be protected domestically for only the shorter duration for which they are protected in their country of origin.⁴⁰ This policy would encourage foreign nations to lengthen the duration of protection granted to sound recordings in exchange for the strong protection granted in the U.S.

Finally, in anticipation of the entrance of all pre-1972 sound recordings into the American public domain in 2067, the 1976 Act should be amended to introduce pre-1972 sound recordings into the public domain gradually. This could be done by creating a transition period in which sound recordings are still protected, but are no longer granted absolutely exclusive protections. Taking a cue from musical compositions, sound recordings should be subject to compulsory licenses during their transition into the public domain, in which sound

36. In 1998, the Sonny Bono Copyright Term Extension Act extended the term of copyright for all works by twenty years, regardless of date of creation or publication. See Pub. L. No. 105-298, 112 Stat. 2827 (1998).

37. See *supra* text accompanying note 33.

38. See 18 U.S.C. § 2319 (2000); see also A. MITCHELL POLINSKY, AN INTRODUCTION TO LAW AND ECONOMICS 79-97 (3d ed. 2003).

39. See *supra* text accompanying notes 9-11.

40. *Id.*

recordings may be reproduced and distributed by anyone for a statutorily set fee.⁴¹

In contrast, the law may not always be the chaperone of the record industry, and so copyright holders must use private industrial means, as well, to protect and realize the maximum value of sound recordings. Owners of copyrights in sound recordings should exploit them to the fullest while they still can, by releasing reissues, compilations, and box sets, as well as negotiating greater numbers of synch licenses. In addition, once pre-1972 sound recordings enter the public domain, record labels must find ways of making their releases more attractive than those of bargain-based competitors. This could be done by packaging protected sound recordings together with public domain sound recordings at a discounted price, selling unique compilations of public domain sound recordings, or creating remastered versions of public domain sound recordings which are sonically superior to competitors' sound recordings.⁴²

IV. CODA

The dissonant durations of protection for sound recordings in the United States and foreign nations poses a real threat to American copyright owners. This is particularly true in a market in which artists like Elvis and the Beatles may still top the charts.⁴³ In order to realize value from sound recordings domestically, copyright owners must understand the problems they face resulting from the lack of uniformity of durations of protection. In addition, copyright owners must employ both legal and private industrial solutions to encourage maximum protection domestically, lengthier protection abroad, and to prepare for a market in which older sound recordings may no longer be the predictable revenue source for record labels and recording artists that they are today.

41. See 17 U.S.C. § 115 (2000).

42. In addition, the compilations and remastered sound recordings could themselves be copyrighted. See 17 U.S.C. §§ 102, 103.

43. Elvis Presley's "Elvis: 30 #1 Hits," released in 2002, was certified both gold and platinum by the Recording Industry Association of America (RIAA), and The Beatles' "1," released in 2000, is certified platinum ten times over. See Press Release, RIAA, Elvis Presley Now Best Selling Solo Artist in U.S. History (Jan. 8, 2004), available at <http://www.riaa.com/news/newsletter/010804.asp>; Press Release, RIAA, It's a Jive, Jive, Jive World (Dec. 19, 2000), available at <http://www.riaa.com/news/newsletter/press2000/121900.asp>.