The European Legal Forum

Forum iuris communis Europae

Pfefferle, Thomas M.

The electronic book - copyright questions for a trend-setting medium

The European Legal Forum (E) 4-2002, 193 - 202

The European Legal Forum

Forum iuris communis Europae

4-2002
pp. 193 - 252
2nd Year July/August 2002

EUROPEAN INTELLECTUAL PROPERTY LAW

The electronic book – copyright questions for a trend-setting medium

Thomas M. Pfefferle[*]

Contents

I. The electronic book – development, current situation and technical requirements

With the introduction of the Internet in the last century and the further rapid technical development in the computer processing field, books in their conventional printed form could become more and more neglected as anachronisms. On the Internet even large files can be consulted and called up at any time at any place. The advantages are enormous for all persons concerned. The reproduction of such information costs next to nothing. The transmission is likewise economical, taking place over the worldwide data network. Availability is neither temporally or spatially limited. Publishers save printing costs.[1] The environmental protection aspect also deserves mention – the potential that an expected dramatic savings in paper products could contribute to the preservation of natural resources. And one should not forget the space saved by users, who no longer must maintain extensive libraries or archives, which brings with it substantial relief not only for private households but for companies as well.

Up to now, there has been a serious drawback to electronically available information: as readers, PCs generate considerable noise and reading books on the computer screen causes more fatigue than reading a conventional book. Moreover, it is of course extremely impractical to drag the computer around all the time if one wants to read a book outside the home. These problems were, however, at the latest solved with the introduction[2] of the so-called Rocket-Book.[3] This device centres on a portable screen developed by NuvoMedia (now Gemstar TV-Guide International),[4] and therefore will in the future be called the Gemstar e-Book. The still rather expensive unit[5] is to be as light as a conventional book. It also has somewhat the format of a book and should nevertheless be capable of storing approximately 3000 conventional book pages. It is plausible that this device will enable considerable space savings. There are still some technical inconveniences. Those not wanting to buy the device can download the corresponding software from the Internet onto their PCs or laptops free of charge.[6] A copy of the Rocket-e-Book appears on the screen. However, this software version permits users to read only editions freely available on the Internet, perhaps from public libraries, and not the commercially available "Rocket Editions", i.e. books published in the specific Rocket-e-Book

* *Lawyer in Leipzig (D) (http://online-kanzlei-pfefferle.de.vu) and researcher at the Institute for German and International Law of Banking and Capital Markets at the University of Leipzig (D) (http://www.uni-leipzig.de).*

1 A look at the prices of electronic book dealers on the Internet (such as www.ciando.com) creates the impression, however, that the savings in printing costs are unfortunately not passed on, even partially, to the customers.

2 The product first came on the market in Germany in 1998; to this point, one still hears complaints about the limited success ("subsidized project", etc.) of the dealer's sites.

3 www.rocket-ebook.de.

4 Homepage: http://www.gemstar.de.

5 The purchase price in Germany was originally over 5 000 EUR; in the meantime, the device has also been available at more modest prices.

6 Such as: http://www.rocket-ebook.de/eRocket.

data format.[7] This brings up a further problem of the electronic book, namely that of different file formats. At present, alongside the Rocket Editions format (recognisable by the file ending ".rb" for "rocket book") there are also, for instance, electronic books in the .lit format that can be read by Microsoft Reader.[8/9] The more conventional format for Acrobat Reader is also in general use. To complicate matters further, Acrobat also has an extra reader for electronic books, the Acrobat eReader, which in terms of ease of use and pagination cannot match the pace of the successful Microsoft Reader. Unfortunately the various formats are not compatible; thus, it is impossible to read a .rb edition with Microsoft Reader and vice versa, which limits the electronic literature available, but at least requires downloading software for all the different data formats onto one's computer. Certainly in the repeated expansion of the software Babylon there is another program that should enable, at least partially, the transformation from one file format into another.[10] In electronic books readers can, to the extent they fight their way through the software jungle, write notes in the margins and mark passages with highlighters. An additional advantage lies in the fact that with some applications (e.g. MS Reader), text can be copied and used in other files. Moreover, the e-Book is far superior to the print version because users themselves can specify character size. When the e-Book is no longer needed, it can be deleted and if necessary downloaded again without additional charge from the dealer.

Whether the medium of the "electronic book" will make a breakthrough and in the long run compete with or even overtake the conventional book remains uncertain in the meantime,[11] even though attorneys and law students may be fond of the idea of no longer having to schlepp around their fat lawbooks, replacing them instead with an e-Book.[12] There are already numerous e-Book dealers on the Internet[13] and even public libraries have gradually begun to lend electronic books,[14] although even here in Germany, the (by now only erstwhile) land of poets and philosophers not much appears to be in motion yet in comparison with other countries. The International e-Book Award Foundation even awards an annual prize for e-Books (Frankfurt e-Book Awards).[15] By virtue of its low cost, the e-Book gives young authors who otherwise face serious problems finding a publisher the chance to see their work in print.[16]

II. Copyright/legal questions relating to e-Books

Aside from the aforementioned technical requirements, the future of the electronic book also depends on whether it succeeds in creating the necessary legal conditions to make the great practical advantages of the electronic book profitable for the public in the long term. The great ease with which electronic books can be duplicated raises serious copyright questions.[17] The book trade, as well as publishing houses and writers, fear a diminution of author's rights through the diffusion of electronic books.

1. e-Books in the electronic mail-order business

a) Classification of contracts for purchase of electronic books (downloading)

Downloading an e-Book is actually comparable to the downloading of software direct from the seller's server, and thus a type of Electronic Service Delivery (ESD).[18] Nevertheless, the legal classification of the contractual transaction is not clear. Since no (physical) thing within the meaning of § 433 BGB is acquired, sales law does not appear to be applicable. A service contract (*Dienstvertrag*) (§§ 611 et seq. BGB) would be one option; in this case, the book dealer's "service" would consist of making the data record representing the book available for download. Another possibility is a classification as a work contract (*Werkvertrag*) (§§ 631 et seq. BGB), if the successful downloading on the customer's computer can be classified as a result to be brought about by the debtor. This work contract classification falters, however, when one considers the fact that the data is not individually placed at the disposal of a specific customer. Furthermore, the dealer would prefer that the obligation consist not in the successful downloading and saving of a book on a client's computer, but rather in the mere possibility of such a download. The standard form contract of the e-Book dealer *ciando*[19] can be cited as representative of this point of view: The dealer defines the contract be-

---

7 The apparent goal of this limitation is to prompt the purchase of the expensive hardware.

8 The necessary software is also available free of charge on the Internet under: www.microsoft.com/READER.

9 In my opinion, the presentation in the Microsoft Reader program is in graphic and design terms more elegant than the presentation in the Rocket-e-Book.

10 HTMLDOC allows the transformation of html documents into Acrobat Reader documents. At present, the author knows of no program for converting .rb documents to .lit documents or vice versa.

11 According to Random House of the Bertelsmann Group, AOL Time Warner has now announced that it will discontinue publication of e-Books owing to a lack of demand. "Perhaps Mr Gutenberg has the last laugh here," said Laurence Kirshbaum, chairman of the AOL Time Warner books division (New York Times, 5 December 2001).

12 *Tiedemann*, Das Rocket-e-Book – der kleine Freund mit dem grossen Wissen, JurPC Web-Dok. 62/2000, paras 1-12.

13 E.g. www.ciando.com; www.ebooks.at; www.ebooklet.de; free literature (e.g. *Tacitus*' Germania or works by the 18th century German author *Knigge*) are available under: www.tolleseite.de.

14 Here the USA is somewhat ahead of the Europeans; in Europe, the French and Portuguese seem to be the trailblazers. E.g. for the USA, the library of the State of Virginia, under: http://etext.lib.virginia.edu/ebooks/ebooklist.html, and www.phoenix-library.org; in Europe, the French e-book library: www.ebooksfrance.com. In the meantime, German public libraries have also begun to experiment with electronic book loans: http://bibliotheksdienst.zlb.de/2001/01_05_05.htm, such as the digital library of North Rhine-Westphalia, under: http://kirke.hbz-nrw.de, and the library of the University of Cologne under: http://www.ub.uni-koeln.de.

15 http://www.iebaf.org/German/pi_g.asp.

16 Here there are also corresponding service providers on the Internet, e.g. www.ebooks.at or www.adina-online-verlag.com, where an author can get his book published online, whereas publication in printed form costs as a rule over 5 000 EUR, if the author wants to or must sponsor the publication (e.g. by Avon Books in London (GB) or by Vantage Press in NY (USA)).

17 *Jeboram*, Einige Grundsätze zu den Ausnahmen im Urheberrecht, [2001] GRUR Int. 807.

18 *Benzinger/Gönner*, Accounting in der New Economy: "Auch die Unternehmen der New Economy unterliegen den physikalischen Gesetzen der Betriebswirtschaft", [2001] DB 2205, 2212.

19 www.ciando.com.

tween *ciando* and the customer as a "single calling-up contract" (*Einzelabrufvertrag*) with regard to each book ordered.[20] To the extent that the book download is unsuccessful, § 8 of *ciando*'s general terms and conditions grants the user another download within a week, whereby however the rescission of the contract is impossible if the renewed download fails for reasons beyond the dealer's control, i.e. an abort of the download procedure by the user or a problem with the Internet access provider. A work contract is apparently not desired under this standard form contract; the purchaser also surely does not proceed on the assumption that a work contract has been concluded with the dealer by applying generally accepted standards.

Thus, a service contract would remain the only contractual classification.[21] However, users of standard form contracts cannot specify the contract type by choosing the appropriate words; on the contrary, the contractual classification is to be made in each individual case based on the entire transaction, giving due consideration to generally accepted standards. From a consumer perspective, the acceptance of a service contract seems rather unrealistic if it concerns the book purchase, particularly since the buyer is interested in the contents of the book and thus wishes a result and not merely an appropriate effort on the seller's part. Although the e-Book is not movable property, one could possibly construe the downloading of text from the dealer's homepage (or server, to be more precise) as being subject to sales law by analogy to §§ 433 et seq. BGB. It would be conceivable to treat the data records for electronic books like software. On multiple occasions, the BGH (German High Court) has considered software as being subject to sales law.[22] Software should be able to be treated as movable property,[23] which is in any case justified if the perspective shifts from an intangible object to a product with the characteristics of goods at the moment of the exchange – a program disk in return for payment.[24] This is however not quite the case when downloading e-Books if the book is not delivered on CD or diskette. Moreover, a closer view of the actual process of acquisition leads to the fact that a classification as a service contract is unavoidable: strictly speaking, the e-Book dealer sells nothing at all to the customer. Rather, the dealer only makes a data record on his homepage available to each prospective customer; a buyer may copy this data record once granted access to download. In terms of the physical world, this procedure would be comparable with a dealer providing an opportunity for customers to copy at their own cost the printed books available in the seller's store. The "purchase price" represents remuneration for the fact that the book is made available for the customer to copy, but not however that the buyer may take the copies he has made home with him. The original data record of the "purchased" e-Book remains unaltered on the dealer's server, also after the conclusion of the acquisition procedure. As a result therefore, a service contract (§§ 611 et seq. BGB) is made so that the "buyer" of the e-Book in the event of defects (e.g. illegible pages due to incorrect scanning of the work by the dealer) cannot fall back on the sales law rights contained in §§ 434, 437 BGB (§§ 459 et seq. BGB, previous version, for "old cases" before 1 January 2002), but rather on positive contractual violations (of the service contract) (governed since 1 January 2002 by § 280 paragraph 1 BGB). The consequences of this contractual classification of the acquisition procedure for consumer rights in distance sale of goods or services will be dealt with *infra*.

b) Cancellation and rescission rights under §§ 312d, 355, 356 BGB[25]

Since the online purchase of a book involves a transaction that is concluded in the course of a distance sale, one must consider whether the buyer has a cancellation right (§ 355 BGB) or a return right (§ 356 BGB), should the buyer be a "consumer" (§ 13 BGB). Moreover, under § 312c BGB in connection with the respective subordinate legislation, there could be additional duties to supply information. It should be noted that §§ 355, 356 BGB are not directly applicable, except when another rule –such as § 312d BGB, for instance – refers to these provisions.[26] Paragraph 3 of § 312b BGB contains a catalogue concerning contracts[27] that **rules out** the application of the FernAbsG. The delivery of electronic books is not listed in this catalogue of exceptions, so that §§ 312b et seq. BGB in principle take effect, independent of whether one classifies the downloading of a book as a purchase or as a service contract. Nevertheless, the consumer has no cancellation right if the case is one of those listed in § 312d paragraph 4 BGB.[28] Here, it would probably fall under exception number 1, according to which no cancellation right exists if the merchandise is not suitable for return. The return of a downloaded electronic book presents no technical problem – perhaps as an e-mail attachment – but this does not make much sense, since the dealer cannot verify whether the buyer has deleted the document from his reader. The dealer could also not do anything with the returned book, since he still has the book on his homepage and/or server after the sale. It is thus more consistent to treat electronic books like software within the framework of a distance sale, a classification with the advantage of corresponding to the aforementioned contractual classification of the acquisition procedure. Under § 312d paragraph 4 no. 2

---

20 § 4 of the current standard form contract of *ciando*.

21 With regard to the new copyright directive, see *Reinbothe*, Die EG-Richtlinie zum Urheberrecht in der Informationsgesellschaft, [2001] GRUR Int. 733, 737.

22 109 BGHZ 97, 99 et seq. = [1990] CR 24, 26 et seq.; BGH [1988] NJW 406, 407; BGH [1985] NJW 129 et seq.; BGH [1984] NJW 2938 = [1986] CR 79; 102 BGHZ 135, 144 = [1988] CR 124, 127.

23 *Bydlinski*, Der Sachbegriff im elektronischen Zeitalter – zeitlos oder anpassungsbedürftig?, [1998] 198 AcP 287, 304; *Paulus*, Software in Vollstreckung und Insolvenz, [1996] ZIP 3; but see *Müller-Hengstenberg,* Computersoftware ist keine Sache, [1994] NJW 3128.

24 *Martinek*, Moderne Vertragstypen, 3. Computerverträge, Kreditkartenverträge, sowie sonstige moderne Vertragstypen, 1st ed., Munich (D), 1993, § 22, at 30.

25 For old cases prior to 1 January 2002, the rules of §§ 361a, 361b BGB (old version) continue to govern § 3 FernAbsG (Fernabsatzgesetz, Law on the distance sale of goods or services, hereinafter "FernAbsG"); see Article 229 § 4 EGBGB (Einführungsgesetz zum Bürgerlichen Gesetzbuch, Introductory Law of the Civil Code) (new version).

26 As for cases prior to 1 January 2002, the previous rule of § 361a BGB is applicable: *Heinrichs*, in: *Palandt,* Kommentar zum BGB, 61st ed., Munich (D), 2002, § 361a BGB para. 5.

27 For facts prior to 1 January 2002: § 1 para. 3 FernAbsG.

28 For facts prior to 1 January 2002: § 3 para. 2 FernAbsG.

BGB,[29] however, a cancellation right does not exist for software only if the software is supplied on a data medium and this medium is unsealed by the consumer. Because of the clear legal wording, a wide ranging interpretation of this exemption clause (and thus a limitation on the scope of the cancellation right) is not possible. Since the e-Book is not supplied on a data medium, the consumer's cancellation right also at first arises upon the acquisition of e-Books. The dealer therefore must inform the consumer of the cancellation right under § 312c BGB in connection with the subordinate legislation specified there.[30] This duty is not rendered inapplicable under § 312c paragraph 3 BGB[31] by the fact that the "service" is effected directly by means of distance communication, since this service is not accounted for via the operator of the communication medium, as required by this exception. Up to now, it seems that the standard form contracts of existing e-Book sellers generally make no reference to cancellation rights. In *ciando*'s standard form contract, however, there is a statement to the effect that the cancellation right terminates when a successful calling-up, i.e. downloading, of books in the user's electronic shopping basket takes place.

If one classifies electronic books as software, however, the presently existing cancellation rights could end in accordance with § 312d paragraph 3 BGB,[32] as soon as the consumer starts downloading of the text from the dealer's computer. Downloading could be understood as the beginning at the customer's initiative of the seller's service required by this provision. This ground for the expiration of cancellation rights should cover software that is bought and downloaded online.[33] It should be noted that in cases of ESD, a fourteen-day return right with respect to downloaded software is usually by contractual agreement[34] – but not so with e-Books. The sellers of software protect themselves from misuse by means of so-called "Trojan horses".[35] The fact that in exercising the return right, a "return" of the downloaded software is not possible or at least not meaningful, is thereby accepted and considered in the seller's calculation. The application of § 312d paragraph 3 BGB to the acquisition of e-Books would thus have as a result – in conformity with the general terms and conditions of *ciando* – the lapse of the consumer's cancellation right the moment the download is arranged.

It is questionable, however, whether denying a cancellation right to the buyer of an e-Book is compatible with the consumer protection goals of the FernAbsG to expand consumer rights into the context of distance transactions – particularly with regard to the fact that the available e-Books are standardised and thus it is not the case of a typical constellation of commercial services – like an attorney giving advice. In contrast with the purchase of a printed book, the "buyer" of an e-Book cannot examine the work's content by reading a few pages. He has to download "a pig in a poke", as it were. On the other hand, were he to purchase the same book over the Internet (thus via the same medium) in printed form and he obtains it through the post, he could examine it and if not satisfied send it back, since the FernAbsG would then come into play. That individuals acquiring electronic books should be seriously worse off does not seem to be the case, however. Granting a cancellation right in the consumer's favour would not improperly disadvantage the dealer, since the risk of a buyer abusing the rescission right can be sufficiently limited through the installation of so-called Trojan horses, as with the sale of software by means of ESD. In this case, the book would delete itself after the customer rescinds the contract. Meanwhile, the wording of § 312d paragraph 3 BGB[36] is tailored to the obviously clearly relevant download cases, particularly, as far as the second clause is concerned, when the consumer has arranged for this[37] himself ("*der Verbraucher diese selbst veranlasst hat*"). The legal literature therefore categorizes not only those instances in which the Internet undertaking offers software for downloading as being subject to this provision, but the downloading of text as well[38] without differentiating here between individually prepared or standardised texts. As a result, the consumer's cancellation right thus expires with the release for downloading of the data records by the "buyer", who actually must download the "pig in a poke" and is accordingly made clear of this serious weakening of its legal status in contrast with a corresponding purchase of printed books.

c) Permissible restrictions on the purchaser's licence in standard form contracts?

So far, as for example in the case of the Rocket Book, the encoding of a downloaded work in such a way that the "purchased" book can be read only on the actual Rocket Book of the "purchaser" has occurred in practice. Although *ciando*'s general terms and conditions do not refer to an encoding of the books available, they do require that individuals acquiring an e-Book limit their use to private purposes ("*für eigene Zwecke*").[39] Buyers are thus prevented from making and distributing copies of the book. This copy protection has already generated heated controversy in practice. According to a report from PCtip Webnews[40] of 29 June 2000, the copy protection of Acrobat Reader has been cracked by Russian hackers from Elcomsoft.com so as to enable the creation of backup copies. The matter was so explosive that the chief hacker was arrested by the FBI.[41] It is already questionable, however,

29 For facts prior to 1 January 2002: § 3 para. 2 no. 3 FernAbsG.

30 For facts prior to 1 January 2002: § 2 para. 2 no. 8 FernAbsG.

31 For facts prior to 1 January 2002: § 2 para. 3, sentence 3 FernAbsG.

32 For facts prior to 1 January 2002: § 3 para. 1 no. 2 lit. b FernAbsG.

33 For the provision with the same wording in the FernAbsG: *Heinrichs*, in: *Palandt* (*supra* note 26), § 3 FernAbsG para. 9.

34 *Benzinger/Gönner* (*supra* note 18), 2212; FAZ of 7 April 2001.

35 *Benzinger/Gönner* (*supra* note 18), 2213.

36 For facts prior to 1 January 2002: § 3 para. 1 no. 2 lit. b FernAbsG.

37 I.e. the service.

38 For the corresponding provision in the FernAbsG: *Heinrichs*, in: *Palandt* (*supra* note 26), § 3 FernAbsG para. 6.

39 § 7 of the standard form contract of *ciando*.

40 www.pctip.ch/webnews.

41 Report of 18 July 2001: "The Russian Dmitry Sklyarov was arrested in Las Vegas for hacking the e-Book security code of Adobe. Dmitry Skylarov first made a presentation on the security gaps in Adobe's eBook at the "Def-Con" hacker conference, then the FBI made its move: The developer of the Russian software company Elcomsoft was arrested on Monday in his Las Vegas hotel room. He was accused of distributing software that enables the bypass of copyright protected

whether an encoding (encryption) that the customer must accept as part of the general terms and conditions is legally permissible, or whether a **clause** under § 305c BGB[42] that would be **surprising** for the buyer can be seen therein. This presupposes that it concerns a clause that is atypical from an objective standpoint[43] based on the totality of the circumstances.[44] Such an atypicality can result from the incompatibility with the tenor of the contract[45] or from a substantial deviation from dispositive law.[46] Even if one classifies the contractual nature of the acquisition of an e-Book as a service, as has been done here (see *supra*), a comparison with the possibilities for use that are available to the buyer of a printed book shows that the aforementioned encoding of downloaded text represents a serious disadvantage and consequently, an unwelcome surprise for the individual acquiring an e-Book. The purchaser of a book assumes that he can use the book to the normal extent. Ordinarily, the purchaser can not only read books, but also lend them or give them away. If the purchaser wants to give away an electronic book, however, one possibility would be to "purchase" the book again, whereby the book would then be available for download by the recipient for a certain period of time from the dealer's homepage. Alternatively, the "purchaser" must give the recipient his personal reader (Rocket Book, for instance) with the entire purchased work. In this case, the "purchaser" would be forced to acquire another reader (prohibitively expensive up to now). This effectively rules out the giving away of a used (read) book, which represents a substantial reduction in the possibilities for use. The "purchaser" is also exposed to above-average restrictions when he has purchased an encoded work that can only be read on his own physical reader. For the borrowing period, the person acquiring the e-Book is unable to read additional electronic books, since he needs the reader – which must also be loaned out together with the "purchased" book – for this. Therefore, an altogether unreasonable limitation on the rights of the individual acquiring an e-Book may arise if electronic books are "sold" encoded. Passing mention should be made of the comparable situation regarding the increased amount of CDs currently in circulation, which likewise have a copy protection that makes the production of copies for private use only impossible – which would be permissible under the UrhG (Urhebergesetz, Copyright Act). The parallel case of computer programs supports this consideration. Under § 69d paragraph 2 UrhG, a person authorized to use a program is also entitled to make a backup copy. The "buyer" of an e-Book must also have the possibility of preparing backup copies, which could be thwarted by encoding. Moreover, it should be noted that § 63 UrhG, under which only the author is entitled to a right to reproduce a computer program, does not cover the possibility of preparing private copies allowed by § 53 et seq. UrhG.[47]

The same result applies if one regards the acquirer's possibilities for use with respect to reproduction. In principle, also the buyer of a conventional printed book has no reproduction rights, since this right is retained by the author under § 16 paragraph 1 UrhG. The author's right of reproduction has been legislatively limited in certain areas, however: Pursuant to § 46 UrhG, reproduction and distribution is permissible when limited portions of works are included in a collection, the works are approved by a greater number of authors and under specific conditions restricting them to church, school or instructional use. Here, § 53 UrhG finds particular relevance, according to which reproduction for private purposes remains permissible if done free of charge. Similarly, the buyer of a book may prepare or have prepared copies for scientific purposes or for inclusion in a personal archive pursuant to § 53 paragraph 2 no. 1 and no. 2 UrhG. However, § 53 paragraph 4 lit. b UrhG provides that a book may be duplicated only with the consent of the person holding the right to the extent that it concerns an essentially complete reproduction ("*[sich um] eine im wesentlichen vollständige Vervielfältigung handelt*"), so that the exceptions of § 53 paragraph 2 cannot be applied to the benefit of the purchaser. Meanwhile, according to *Kitz*,[48] one will not be able to include e-Books within the scope of § 53 paragraph 4 lit. b UrhG, since this special privilege is ultimately tailored to the medium of print, in which case high printing and distribution costs are incurred by the publishing houses. This telos does not apply to the nearly cost-free e-Books marketable over the Internet. Books on CD similarly fall outside the protection of § 53b paragraph 4 lit. b UrhG.[49] This perspective is consistent, since music may also be copied for private use, not only in part. Private use also provides for the possibility of making the purchased work available to family members and a close group of friends, whereby however the border between permissible private use and impermissible reproduction has not been legislatively defined. The possibility of making copies for private use should be classified as a customary use and as a legal licence in favour of the statutorily regulated private purposes. General terms and conditions that force the user to renounce these rights are therefore surprising within the meaning of § 305c BGB and therefore do not become part of the contract. The buyer of an encoded book thus acquires a defective work and can raise claims of positive contractual violations (of the service contract).[50]

2. e-Books and public libraries

Some dramatic legal questions have likewise arisen with regard to the lending of electronic books by public libraries. At

programs. To wit, Dmitry Skylarov had published on the Elcomsoft site [1] the "Advanced e-Book Processor", a tool which can bypass the password protection of e-Books. Just last month, this had led to a dispute between Adobe and Elcomsoft [2]. (rue)".

42 For old cases prior to 1 January 2002: § 3 AGBG (Gesetz zur Regelung des Rechts der Allgemeinen Geschäftsbedingungen, Law on general terms and conditions), see Article 229 § 4 para. 1 EGBGB.

43 *Heinrichs*, in: *Palandt* (*supra* note 26), § 3 AGBG para. 2.

44 BAG [2000] NJW 3200.

45 121 BGH, 113.

46 BGH [1992] NJW 1236.

47 *Dietz*, in: *Schricker*, Kommentar zum Urheberrechtsgesetz, 2nd ed., Munich (D), 1999, § 63 UrhG para. 10.

48 *Kitz*, Anwendbarkeit urheberrechtlicher Schranken auf das e-Book, [2001] MMR 727, 729.

49 *Decker*, in: *Möhring/Nicolini*, Kommentar zum Urheberrechtsgesetz, 2nd ed., Vahlen (D), 2000, § 53 UrhG para. 46.

50 On this, see *Kitz* (*supra* note 48), 730, who proceeds – incorrectly – on the assumption of a material defect.

this point, public libraries in Germany are just about to test the lending of e-Books[51] with obviously substantial restrictions that even go so far as to guarantee technically that a lent book is deleted from the borrower's reader once the borrowing period has expired. Such restrictions are legally impermissible, however, and their endorsement has been based on an unfounded legal classification of the lending procedure, which will be discussed *infra*.

a) Public domain literature

Libraries and private individuals may freely use and exploit those works no longer under copyright (public domain literature).[52] Under § 64 UrhG a copyright expires in Germany 70 years after the death of the author. In States that are party to the Berne Convention (Paris version), the duration of copyright always amounts to a minimum of 50 years after the death of the author.[53] A uniform 70-year period applies in the Member States of the European Union due to the Copyright Directive.[54] With the passage of the Copyright Act of 1976, the USA has a statutory 50-year period of copyright in accordance with the Berne Convention for works created since 1 January 1978. Hence it follows that books of living authors are never freely available, but at best works of authors who died at the end of the 1930s. The following remarks concern only those books still retaining the possibility of copyright protection, i.e. those which did not thus become the common property of the public (public domain).

b) Production of electronic versions by libraries

If the library plans to lend an electronic work heretofore available only in a non-electronic printed form, the book first must be converted into an electronic format, which usually entails copying by a scanner and additional proofreading. Even the non-specialist can see how labour-intensive the conversion process is. It is interesting to note briefly the huge expense awaiting public libraries: Librarians estimate that the task of converting just the scientific literature available worldwide (and thus leaving aside belletristic literature) will consume several trillion euros over several decades.[55] The National Archives of the USA by itself contains over six billion documents. The hope that the conversion of public libraries will lead to future financial savings must therefore be seen as an audacious one,[56] with savings only conceivable for future generations.

The preparation of the electronic version could be regarded as a **reproduction** under § 16 UrhG and thus already depend on an appropriate license from the author. Meanwhile, the right of reproduction in § 15 paragraph 1 no. 2 UrhG envisions exploitation in a "physical form", so that the mere scanning of a book does not seem to give rise to an exploitative act with copyright implications. § 16 UrhG is conceived for analogue and non-digital reproduction methods.[57] It follows from § 16 paragraph 2 UrhG however, that the concept of reproduction may not be too narrowly construed, since the transfer of a work to devices allowing the repeatable transmission of picture or sound sequences (picture or phonograms) is regarded as reproduction. For this reason, the notion of reproduction subsumes that of digitalising books as by scanning them into a computer,[58] since the work is thus converted into a binary code that the computer can interpret.[59] The physical form required under § 15 paragraph 1 in any event, can here be seen in the definition of the digitalised version on a data medium. The provision also seems necessary in the case of the scanning of works, given the protective purpose of § 16 UrhG,[60] since the authors should receive comprehensive protection against an erosion of their legal position. Insofar as a work remains subject to copyright, and thus not part of the common property (see *supra*), the author must have already licensed the scanning of his work. Because the scanning does not take place for private purposes, the exception provided for under § 53 UrhG thus does not come into play.[61] The effects of the EU Copyright Directive in this area will still require examination.

c) Lending of electronic books by libraries

aa) Pursuant to § 27 paragraph 2 UrhG, authors are entitled to appropriate royalties for the lending of their works by public libraries. "Lending" is thereby defined by the law as a temporally limited grant of use, also resulting in the duty to install a "Trojan horse" that automatically deletes the e-Book as

51 See "Grünes Licht zur e-Book-Ausleihe in Öffentlichen Bibliotheken", under: http://bibliotheksdienst.zlb.de/2001/01_05_05.htm, where the Rocket Book is called a flop, however. Presently, the libraries in Cologne, Berlin and Düsseldorf are testing the interest of library users in electronic literature.

52 *Katzenberger*, in: *Schricker* (*supra* note 47), § 64 UrhG para. 5.

53 *Katzenberger*, in: *Schricker* (*supra* note 47), § 64 UrhG para. 10, 11.

54 Council Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and certain related rights.

55 On this point, see *Fitchett*, The Road to the Virtual Library - The Center for Electronic Text in the Law Builds DIANA, [1997] JILT 3.

56 Apparently the opposite is more likely the case in Germany, i.e. the steadily decreasing budgets of public libraries hardly allow the labour- and cost-intensive conversion to electronic books.

57 *Loewenheim*, in: *Schricker* (*supra* note 47), § 16 UrhG, para. 16.

58 On the concept of digitalisation, see *Breitkopf/Schiwy/Schneider*, Medien und Telekommunikation – Recht, Politik und Technik in Deutschland und Europa, Starnberg (D), 1993, Chapter G.I.8; *Dreier*, in: *Becker/Dreier* (eds), Urheberrecht und digitale Technologie, 1st ed., Baden-Baden (D), 1994, at 123, 124 et seq.; *Loewenheim*, in: *Schricker* (*supra* note 47), § 16 UrhG para. 18.

59 *Dreier*, in: *Schricker* (ed.), Urheberrecht auf dem Weg zur Informationsgesellschaft, 1st ed., Baden-Baden (D), 1997, at 110; *Loewenheim*, Urheberrechtliche Probleme bei Multimediaanwendungen, [1996] GRUR 830, 834; *Lehmann*, in: *Lehmann* (ed.), Internet- und Multimediarecht, 1st ed., Stuttgart (D), 1997, at 57, 58.

60 OLG Frankfurt/M. [1997] CR 275, 276; OLG Frankfurt/M. [1995] CR 85, 86; LG Hamburg [1996] CR 734; *Koch*, Grundlagen des Urheberrechtsschutzes im Internet und in Online-Diensten, [1997] GRUR 417, 423; *Maassen*, Urheberrechtliche Probleme der elektronischen Bildverarbeitung, [1992] ZUM 338, 344; *Eidenmüller*, Elektronischer Pressespiegel – Urheberrechtlicher Schutz von Zeitungen und Fachzeitschriften, [1992] CR 321 et seq.; *Fischer*, Zur Zulässigkeit des Vertriebs traditioneller und elektronisierter Pressespiegel durch kommerzialisierte Anbieter, [1995] ZUM 117, 120; *Katzenberger*, Elektronische Printmedien und Urheberrecht – Urheberrechtliche und urhebervertragsrechtliche Fragen der elektronischen Nutzung von Zeitungen und Zeitschriften, [1997] AfP 434, 436 et seq.; *Welp* [1992] CR 291 et seq.

61 See the decision of the BGH of 10 December 1998 – I ZR 100/96, elektronisches Pressearchiv (electronic press archive); decision of the OLG Düsseldorf of 14 May 1996 – 20 U 126/95, elektronische Archivierung (electronic archiving); decision of the OLG Frankfurt/M. of 19 December 1995 – 6 U 11/94, CB-Infobank.

soon as the lending period ends without being extended. However, the online transmission, which is the focus here, should not even present an act of "lending".[62] This is grounded in the reference in § 27 paragraph 2 sentence second clause UrhG to the rules for letting contained in § 17 paragraph 3 sentence 2 UrhG. The letting presupposes, however, the relinquishment of tangible pieces of work, since the rental right is a part of the distribution right and the latter only applies to tangible pieces of work (§ 15 paragraph 1 no. 2 UrhG). Electronic books thus fall outside the scope of the rule in § 27 paragraph 2 UrhG, so that no obligation results from this provision requiring libraries results to build Trojan horses into e-Books or to remunerate the authors. An analogy does not come into question *de lege lata*, on account of the clear distinction between tangible and intangible works in § 15 UrhG.

bb) Downloading a book to be borrowed could represent a reproduction of the work in accordance with § 16 UrhG. Here, one also encounters the problem that the reproduction referred to in § 15 paragraph 1 UrhG covers only tangible works, whereas e-Books are intangible. The previous extension of the concept of reproduction, regulated by the UrhG in connection with the production of electronic data records via scanning of printed works, also applies to the downloading of text onto a computer or another reader of the library user: § 16 paragraph 2 UrhG also defines the transfer of the work onto media for repeated reproduction as an act of duplication. even if this definition is limited from the wording alone to picture and phonograms.

A library user borrowing an e-Book by downloading the appropriate data records does not amount to an act of reproduction relevant to copyright that would require a licence, since in this case the borrower is covered by the exception provided for by § 53 (reproduction for private or other individual use). As previously mentioned, § 53b paragraph 4 lit. b UrhG does not apply to e-Books. A different assessment would be justified only if the reproduction were to be legally imputed to the library, so that it no longer constitute a "private use". This would be answered in the negative however, since the technical procedure of downloading is triggered exclusively by the borrower and library user. Here, the legal situation does not present itself any differently than if the borrower of a printed book makes a copy at home on a private copier for purely private reasons, so that it is not possible to consider the reproduction as ascribable to the library. No reproduction with copyright implications arises after all even when many library users have simultaneous access to a certain work.

cc) As soon as the scanned text that has been made available by the library is "borrowed" (i.e. downloaded) by a user, a **public communication** in the sense of § 52 UrhG could arise. For the public benefit, the legislator grants in this provision a compulsory license[63] that is to be remunerated, however (§ 52 paragraph 1 sentence 2 UrhG). The concept of public transmission is identical to § 15 paragraph 2 UrhG, which makes specific reference to transmission in an intangible format, such as takes place when downloading from the Internet. The third paragraph of § 15 UrhG defines the term of public transmission in such a way that it must be intended for a majority of people, which is not the case when the circle of intended individuals is limited. The electronic use of the work by means of downloading cannot thus represent a public transmission, since each time the library user is only granted the possibility of a single call-up of uniform reproductions of works for immediate use in the private sphere.[64] The circle of library users might also be sufficiently distinguished from the general public. Somewhat different, however, is on the one hand the case of several users having simultaneous access to the same work,[65] the substantiating of which might raise serious problems. On the other hand, the literature[66] partially endorses the application, by means of analogy, of § 15 paragraph 2 UrhG on the relevant downloading-cases to avoid a loophole in copyright protection. Whether this perspective is also tenable in the case of public libraries lending e-Books appears doubtful at first, however. As has already been pointed out, an act that represents for the library user in accordance with the legislative will a permissible, free production of a copy for private and scientific purposes cannot be classified at the same time as a reproduction with copyright implications. In this way it seems as if one could get the privileging of private duplication through the "back door" of public communication. A closer inspection proves this point of view to be unsound, however. It might be more appropriate to regard making a data record available on a library's server and the downloading of this data record by the user as a legally unified procedure having altogether copyright implications. Although it is then the library user who releases the public communication by downloading, this reproduction must be legally imputed to the library, since it is the library that enables the downloading in the first place by making the data records available. Seen in this way, it remains that the user has prepared a permissible private copy while the library requires the consent of the author, since it transmits the work publicly. If one did not categorise the downloading of an electronic book as an electronic transmission, the borrower or even the "buyer" of an e-Book would find themselves in the position of being able to offer the acquired book for download by third parties from a homepage, without risk of being sued for copyright violation, since any third party for his part could rely on § 53 UrhG with respect to the reproduction. In the

62 *Loewenheim*, in: *Schricker* (*supra* note 47), § 27 UrhG para. 16; § 17 UrhG para. 30.

63 *Melichar*, in: *Schricker* (*supra* note 47), § 52 UrhG para. 1.

64 *v. Ungern-Sternberg*, in: *Schricker* (*supra* note 47), § 15 UrhG para. 24.

65 *Hoeren*, Softwareüberlassung als Sachkauf: Ausgewählte Rechtsprobleme des Erwerbs von Standardsoftware, dissertation, Munich (D), 1989, para. 317 et seq.; *Koch*, Grundlagen des Urheberrechtsschutzes im Internet und in Online-Diensten, [1997] GRUR 417, 428.

66 *Brutschke*, Urheberrechtsverletzungen bei der Benutzung von elektronischen Datenverarbeitungsanlagen, [1970] NJW 889, 890; *Hoeren* (*supra* note 65), para. 315 et seq.; *Dreier*, in: *Becker/Dreier* (*supra* note 58), at 123 (136 et seq.); furthermore, in favour of the acceptance of an undesignated right of exploitation in § 15 para. 2: *Dreier*, in: *Schricker* (*supra* note 59), at 133 et seq.; *Dreier*, Urheberrecht auf dem Weg zur Informationsgesellschaft, [1997] GRUR 859, 863; *Ernst*, Urheberrechtliche Probleme bei der Veranstaltung von On-demand-Diensten, [1997] GRUR 592, 594 et seq., *Kotthoff*, Zum Schutz von Datenbanken beim Einsatz von CD-ROMs in Netzwerken, [1997] GRUR 597, 600.

long run, however, this would lead to an intolerable diminution of the protection for authors. Yet, it must be conceded that this broad interpretation of the term "public communication" does not entirely overcome the criticisms concerning the definition of "public" in the legislation that have been advanced in vehement discussions in German law. However, owing to the protection offered to authors, an analogous application of § 52 UrhG would be indicated at the very least. The extent to which the copyright directive already issued will influence this question is a subject for future consideration.

d) Voluntary undertaking by libraries and "Trojan horses"

Thus, since not only the scanning of printed works in order to transform the works into electronic versions is relevant for copyright matters, but also the downloading by the borrower, a balance must be found between the interest of the public in the lending of electronic works from public libraries and the interest of authors for appropriate remuneration for their works. The voluntary undertaking by public libraries to restrict the borrowing of computer programs[67] can possibly serve as a model for the lending of e-Books. In this undertaking, the public libraries have committed themselves to lend out specific computer programs to library users only with permission of the right holder.[68] The associations of software producers and providers had argued that a right of prohibition must be introduced in the context of the implementation of the Computer Programs Directive.[69] The German legislator backed away from this position, however, after the public libraries had provided the aforementioned voluntary undertaking.[70] An expansion of this voluntary undertaking would be advisable in balancing the conflicting interests among authors, e-Book dealers and the public since the lending of electronic books is at least to be classified as a public communication whereby electronic lending qualitatively attains a completely different dimension that the lending of printed books, which cannot be reproduced at will.

The installation of Trojan horses in lent electronic books in such a way that the books automatically delete themselves at the end of the borrowing period seems neither permissible nor required, however. Not only would such a rule result in an enormous technical and financial expenditure for public libraries,[71] but it is also not required since no lending within the meaning of § 27 paragraph 2 UrhG is present for the lack of tangibility and thus a temporal delimitation is not indicated. In any event, the library is not entitled to destroy by means of appropriate technical precautions a copy that the borrower has legally made for private use in accordance with § 53 UrhG. Such a regulation translated to printed media would mean that public libraries would presume to destroy subsequently all copies from printed books in the possession of borrowers. This would also not be compatible with the public's interest in education and in scientific research. By triggering the download process, the borrower (not the library) made for his private purposes a lawful copy of the e-Book, which he is legally entitled to keep for an unlimited period. Strictly speaking, electronic books are thus not lent by libraries at all; instead – similar to what was stated above with regard to the "purchase" of e-Books – the possibility is only granted to the users to make by electronic means inexpensive copies for private, non-commercial purposes. On top of that, the self-destruction of loaned works at the expiration of the borrowing period would also be completely unreasonable, since the borrower of the deleted e-Book can immediately renew the loan of the work from the library. The possibility of being able to lend literature in publicly accessible libraries at a low cost remains in the overwhelming public interest and the advantages of the transmitting data electronically should not be overridden by unnecessary restrictions. The authors enjoy sufficient protections from the appropriate voluntary undertaking that is recommended here and from the remuneration obligation of the manufacturers of scanners.

III. Consequences of the new Copyright Directive

The EU Copyright Directive[72] came into force on 9 April 2001 with the purpose of bringing copyright laws in the individual member states of the EU in line with the provisions of the WIPO Copyright Treaty and the WIPO Phonograms and Performance Treaty, both concluded in 1996.[73] The Directive is a reaction of the new electronic services in the environment of the digital information community.[74] The Copyright Directive does not change the classification made here of the downloading of downloading of e-Books from the holdings of a public library, by which no "lending" within the meaning of § 27 paragraph 2 UrhG is present owing to the physical intangibility of the books. Article 1 paragraph 2 lit. b of the Directive expressly provides that the Directive has no effect on already existing Community regulations relating to the rental and loan of copyright protected works. The exception in Article 11 of the Directive refers only to phonograms. The national legislator is therefore not obliged under the Copyright Directive to ensure that the downloading of e-Books from the holdings of public libraries will be classified as "lending".

However, a comprehensive exploitation right is granted to authors in Article 2 of the aforementioned Directive with regard to the reproduction and performance of their works.[75]

---

67 Printed in Bibliotheksdienst 1995, at 1833.

68 Operating systems, communications software, word processing programs, spreadsheet programs, graphics and CAD software as well as general data storage programs.

69 Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs.

70 *Loewenheim*, in: *Schricker* (*supra* note 47), § 27 UrhG para. 14.

71 See http://bibliotheksdienst.zlb.de/2001/01_05_05.htm.

72 Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society; on this point, see *Jehoram* (*supra* note 17), 809.

73 On this point, see *Jehoram* (*supra* note 17), 809; *Schippan*, Urheberrecht goes digital – Die Verabschiedung der "Multimedia Richtlinie 2001/29/EG", [2001] NJW 2682.

74 *Reinbothe* (*supra* note 21), 734.

75 *Schippan* (*supra* note 73), 2682; *Bayreuther*, Europa auf dem Weg zu einem einheitlichen Urheberrecht. Die Richtlinie der EU über die Harmonisierung bestimmter Aspekte des Urheberrechts und der verwandten Schutzrechte in der Informationsgesellschaft, [2001] EWS 422, 424.

Here as well, the Directive changes nothing, since even under the legal situation up to now no act of reproduction was present, this is still permissible on account of the private use pursuant to § 53 UrhG. The preparation of copies for private use also continues to be permissible under the provisions of the Copyright Directive.[76] Article 5 of the Directive contains a catalogue of 22 limitations[77] on copyright, which essentially represents the sum so far of restrictions already existing at the national level. Further restrictions other than those specified in the guideline are thereby no longer permitted in the European Union.[78] Article 5 paragraph 2 permits the reproduction of a work on any media – thus also digital[79] – for private use by a natural person, as it was already permissible up to this point under § 53 UrhG. Thus it is also clear that future purchasers of e-Books as well may not be prevented from making private copies of acquired works by appropriate technical devices (encoding), as partly occurs with cryptography at present. Although the directive requires that the right holder receive a fair compensation for private copies, this is already granted to them however by the obligation of manufacturers of photocopiers and scanners to pay remuneration.[80] An expansion of the remuneration obligations to cover manufacturers of readers as well might not be necessary.[81]

Article 5 paragraph 2 lit. c of the Directive also permits **reproduction** by **public libraries**. As a consequence of the aforementioned legal classification of the borrowing procedure there is no reproduction of e-Books by libraries, but rather solely by the borrower, so that the available exception is not relevant. The **scanning** of printed texts by a scanner to transform the text into an electronic data record presents a different story. With the new Copyright Directive, it may no longer be reconcilable to classify this procedure as one subject to the payment of royalties, particularly since the authors already receive an overall compensation from the manufacturers of scanners. Rather, the Copyright Directive allows reproduction by public libraries if the copies do not only serve the purpose of archiving.[82]

Article 3 paragraph 1 of the Copyright Directive grants authors the exclusive right to the **communication to the public** of their works including the **making available to the public** of their works in such a way that members of the public may access them from a place and at a time individually chosen by them. This rule is particularly relevant for the case presented by the download of e-Books on the Internet and might confirm the aforementioned interpretation of the applicable law (i.e. the legal situation before the implementation of the copyright directive) according to which §§ 52, 15 paragraph 2 UrhG is to be broadly interpreted with the consequence that downloading by library users in connection with the data record made available by the library is to be classified as an attributable public transmission, although as a rule only one person has access to the literature in each case. That is justified by the fact that the library makes the work accessible to the public by making the data records available. The right of making available is a novelty which has not existed up to this point in German copyright law.[83] As long as the Directive is not incorporated into national law, however, an interpretation of the concept of public transmission conforming with the Directive will ensure the necessary copyright protection.[84] The right of making available is very close to that of public transmission,[85] but with the advantage however that it no longer requires a definition of the concept of the public in contrast to the right of public transmission.[86] This generous interpretation also stands in conformity with the twenty-second recital in the preamble of the Copyright Directive, pursuant to which the objective of proper support for the dissemination of culture must not be achieved by sacrificing strict protection of rights. Moreover, it reads verbatim: "This right should be understood in a broad sense covering all communication to the public not present at the place where the communication originates. This right should cover any such transmission or retransmission of a work to the public by wire or wireless means, including broadcasting."

Doubts regarding this classification of the borrowing procedure could result however from the twenty-seventh recital in the preamble, which reads as follows: "The mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Directive." The library makes however nothing different than merely making the data records available for downloading. If one regards the borrowing procedure – as above – as a whole, then it does not just depend on the making available of data records on the library's server, but also the corresponding download must be considered at the same time. The twenty-seventh recital does not oppose this understanding of the classification of the entire borrowing procedure as a public communication. Thus it is certain that after the directive's entry into force the consent of the author is necessary for the "lending" of e-Books protected by copyright.[87]

IV. Summary

The acquisition of an electronic book through a commercial Internet bookseller is to be understood as a service contract so that the individual acquiring the e-Book cannot turn to the warranty provisions for the sale of goods contained in §§ 434, 437 BGB (in the old version, §§ 459 et seq. BGB) for defects present at the time of the transfer of risk, but instead to positive contractual violations. In particular, a cancellation and rescission right first arises in distance sales pursuant to §§ 312d,

76 *Kitz* (*supra* note 48), 729.

77 *Reinbothe* (*supra* note 21), 737.

78 *Kröger*, Die Urheberrechtsrichtlinie für die Informationsgesellschaft – Bestandsaufnahme und kritische Bewertung, [2001] CR 319.

79 *Reinbothe* (*supra* note 21), 739.

80 *Kröger* (*supra* note 78), 319, according to which §§ 53 and 54 UrhG require no amendments.

81 But, see for a possibly different perspective, *Kitz* (*supra* note 48), 730.

82 *Reinbothe* (*supra* note 21), 739.

83 *Schippan* (*supra* note 73), 2683.

84 For an extensive interpretation of the concept of public reproduction up to now, see *Bayreuther* (*supra* note 75), 425.

85 *Kröger* (*supra* note 78), 316, 318 classifies it as a subcategory of public reproduction.

86 *Reinbothe* (*supra* note 21), 736; *Kröger* (*supra* note 78), 318.

87 *Reinbothe* (*supra* note 21), 739.

355, 356 BGB (for old cases: pursuant to FernAbsG in connection with §§ 361a, 361b BGB); the right of revocation expires however, as soon as the individual acquiring the e-Book begins downloading the data records made available by the seller. On one hand, the public library policy of lending e-Books represents a reproduction by the libraries subject to licence under § 52 UrhG through an interpretation of the current national law conforming with the EU directive (in future, in accordance with the Copyright Directive: public communication). On the other hand, it represents a preparation of a private copy by the library user under § 53 UrhG. Within the former legal framework, scanning works in order to create digital data records represented a reproduction with copyright implications; since the Copyright Directive entered into force on 9 April 2001, it must however be assumed that libraries do not require licences for such procedures. Rather, scanning is a privileged activity, even when the digitalisation does not take place exclusively for archival purposes. The technical installation of an automatic deleting mechanism in lent books is legally inadmissible, however, due to § 53 UrhG.

ECJ 6 January 2002 – C-360/00 – Land Hessen v G. Ricordi & Co. Bühnen- und Musikverlag GmbH

Article 6(1) EC Treaty (now, after amendment, Article 12(1) EC) – Term of copyright protection – Principle of non-discrimination on grounds of nationality – Applicability to copyright which arose prior to the entry into force of the EEC Treaty

---

The prohibition of discrimination in Article 6(1) of the EC Treaty (now, after amendment, Article 12(1) EC) is also applicable to the protection of copyright in cases where the author had died when the EEC Treaty entered into force in the Member State of which he was a national. It precludes the term of protection granted by the legislation of a Member State to the works of an author who is a national of another Member State being shorter than the term granted to the works of its own nationals.

Facts: *The judgment was issued in proceedings between the Land Hessen and G. Ricordi & Co. Bühnen- und Musikverlag GmbH (hereinafter 'Ricordi'), a firm publishing musical and dramatic works. Ricordi holds the rights of performance in the opera* La Bohème *by Puccini, who died on 29 November 1924. The Land Hessen operates the Staatstheater in Wiesbaden (Germany). During the 1993/1994 and 1994/1995 seasons, the Staatstheater in Wiesbaden staged a number of performances of that opera without Ricordi's consent. Following this, Ricordi instituted an action before a German Landgericht (Regional Court), arguing that, in the light of the prohibition of discrimination on grounds of nationality in the EC Treaty, Puccini's works were necessarily protected in Germany until the expiry of the 70-year term prescribed by German law, that is, until 31 December 1994. The Land Hessen contended, on the other hand, that the opera* La Bohème *was covered by the term of protection of 56 years prescribed by Italian law, so that the copyright in that work had expired on 31 December 1980. The Landgericht seised affirmed Ricordi's complaint at trial. The appeal brought by the state of Hessen was unsuccessful. The appellate court, the German BGH (Bundesgerichtshof, Federal High Court of Justice), stayed its proceedings and referred the matter to the Court for a preliminary ruling.*

Extract from the decision: "(...)

Legal background

National laws

3. At the material time, artistic and intellectual works were protected in Germany under the 1965 version of the Gezetz über Urheberrecht und verwandte Schutzrechte (Law on copyright and related rights, hereinafter 'the UrhG').[1] That legislation distinguished between the protection of the works of German nationals and that of the works of foreign authors.

4. Whilst the former enjoyed protection for all their works, whether published or not and regardless of where they were first published (Paragraph 120(1) of the UrhG), the latter were entitled to protection only for works published in Germany for the first time or within 30 days of their being first published (Paragraph 121(1) of the UrhG).

5. In other cases, foreign authors enjoyed the protection afforded to their rights by international treaties (Paragraph 121(4) of the UrhG).

6. The copyright protection granted by German legislation expires 70 years after the 1 January following the author's death (Paragraphs 64 and 69 of the UrhG).

7. Under Italian law, Article 25 of Law No 633 of 22 April 1941 on the protection of copyright and other rights relating to its exercise[2] and Article 1 of Legislative Decree No 440 of 20 July 1945[3] provide that the term of copyright protection is 56 years from the time of the author's death.

International law

8. The principal international agreement governing copyright protection is the Berne Convention for the Protection of Literary and Artistic Works (Paris Act of 24 July 1971) which applies to the main proceedings in the version as amended on 28 September 1979 ('the Berne Convention').

9. Under Article 7(1) of the Berne Convention, the term of protection granted thereby is to be the life of the author and 50 years after his death. Article 7(5) provides that the 50-year term is to be deemed to begin on 1 January of the year following the death. Under Article 7(6), the contracting parties may, however, grant a longer term of protection.

10. Article 7(8) of the Berne Convention institutes a scheme known as 'comparison of the terms of protection'. Under that provision, the term of protection is, in any case, to be governed by the legislation of the country where protection is claimed. However, unless the legislation of that country otherwise provides, which German legislation has not, the term is not to exceed the term fixed in the country of origin of the work.

11. The limitations permitted under Article 7(8) of the Berne Convention were reproduced in Article 3(1) of the Agreement on trade-related aspects of intellectual property rights contained in Annex 1 C to the Agreement establishing the World Trade Organisation approved on behalf of the European Community as regards matters within its competence by Council Decision 94/800/EC of 22 December 1994.[4] Article 9 of that agreement also provides that the signatory States are to comply with Articles 1 to 21 of the Berne Convention and the Appendix thereto.

Community law

12. The first paragraph of Article 6 of the EC Treaty states:

> Within the scope of application of this Treaty, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be prohibited.

(...)

18. In the order for reference, the Bundesgerichtshof points out

---

1 *Bundesgesetzblatt* 1965 I, at 1273.

2 GURI No. 166 of 16 July 1941.

3 GURI No. 98 of 16 August 1945.

4 OJ 1994 L 336, at 1.