# ART ONE: INTELLECTUAL PROPERTY RIGHTS IN GENERAL

## Introduction

Intellectual properties are of different types. Intellectual property is a wide domain in its own territory and compromises different items recognized to be independent subject matters. These various items, though they have many things to share, each manifests its own unique feature. To identify which specific law regulates a case, we need to determine the type of the property involved as each area of law specifies its own subject matter. Thus, it will be of paramount importance to distinguish them all.

Intellectual property laws have goals to attain. The interpretation of these laws demands a good understanding of the rationale behind each component of law. To facilitate this opportunity, discussion on justification of IP is important.

To this effect, this part aims to introduce the concept of intellectual property rights and the justifications for their protections. As such, it deals with the origin, concept and scope of intellectual property rights.

## Objectives

At the end of this part, you will be able to

- Identify the general natures of intellectual property;
- Distinguish the various types of intellectual property;
- Identify the water shade between the specific subject matters of intellectual properties;
- Explain the justifications for the protection of intellectual properties.

# Chapter One: Introduction to Intellectual Property Rights

## Introduction

It is known that intellectual property rights are property rights. On top of this, they are the domain of properties. As the employment of the word *"intellectual"* implies, this domain is composed of the fruits of *human intellect*. In view of the extent of the required magnitude of *"intellectual labour"* instead of *"physical labour"* in the production of intellectual properties, we may have the courage to designate intellectual properties as the ***finest*** properties which deserve the best protection.

The subject matters of intellectual properties are also categorized into various specific classes. Discussing those types of intellectual properties is the concern of the following sub-topic.

## Objectives

At the end of this chapter, student will be able to:

- Explain the concept of intellectual property;
- Identify the scope of intellectual property rights;
- Distinguish various intellectual property rights.

## 1.1 Concept, Scope and Nature of Intellectual Property Rights

### 1.1.1 Intellectual Property in General

The division of property as movable and immovable, if it is tangible, was known in Roman law and has been adopted by modern Civil Codes. This kind of classification is also provided under art.1226 of the Civil Code. However, "as a result of the industrial revolution and the rapid development made in the fields of science, technology and culture, new kinds of property came into existence". New rights and properties like patents, copyright and industrial designs, which came

to be known as intellectual property rights (IPRs) received attention due to their unique characteristics.

Intellectual property is so broad that it has many aspects. It stands for groupings of rights which individually constitute distinct rights. However, its conception differs from time and it to time. It is subject to various influences. The change in information technology, market reality (globalization) and generality have affected the contents of intellectual property. For instance, in olden days-because of religion creation of life, say plants or animals were not protected. Thus, defining IP is difficult as its conception changes. It is diverse, challenging and has application in own day today life.

IP is a section of law which protects creations of the mind, and deals with intellectual creations. Is it a workable definition? It is also commonly said that one cannot patent or copyright ideas.

Intellectual property, as a concept, "was originally designed to cover ownership of literary and artistic works, inventions (patents) and trademarks". What is protected in intellectual property is the form of the work, the invention, the relationship between a symbol and a business. However, the concept of intellectual property now covers patents, trademarks, literary and artistic works, designs and models, trade names, neighboring rights, plant production rights, topographies of semi conductor products, databases, when protected by a *sui generis* right, unfair competition, geographical indications, trade secrets, etc.

Those types of intellectual property have been characterized as "pieces of information which can be incorporated in tangible objects at the same time in an unlimited number of copies at different time and at different locations anywhere in the world". In other words,

intellectual property rights are intangible in nature, different from the objects they are embodied in. The property right is not in those copies but in the information which creates in them.

In today's world, the international dimension of intellectual property is of ever increasing importance for three compelling reasons. First, the composition of world trade is changing. Currently, commerce in intellectual property has become an even greater component of trade between nations. The value of information products has been enhanced greatly by the new technologies of the semi-conductor chip, computer software and biotechnology. Second, the world commerce has become even more interdependent, establishing a need for international cooperation. No longer can a single country impose its economic will on the rest of the world. Accordingly, countries have recognized this interdependence and have called for a broadening of international agreements/arrangements involving intellectual property. Third, new reprographic and information storage technologies permit unauthorized copying to take place faster and more efficiently than ever, undermining the creator's work. There is a general feeling in the developed countries that much of this sort of copying takes place in the third world due to the relaxation of legal standards. All these factors have prompted the international community as a whole to accord due recognition to intellectual property and intellectual property regime.

Thus, the above reasons widen the scope of intellectual property rights. Among the bundles of intellectual property rights, copyright that deals with the protection of literary, artistic and scientific works is one.

### 1.1.2 The Concept of Intellectual Property

Intellectual property, very broadly, means the legal property which results from intellectual activity in the industrial, scientific and artistic fields. Countries have laws to protect intellectual property for two main reasons. One is to give statutory expression to the moral and economic rights of creators in their creations and such rights of the public in access to those creations. The second is to promote, as a deliberate act of government policy, creativity and the dissemination and application of its results and to encourage fair trading which would contribute to economic and social development.

Generally speaking, IP law aims at safeguarding creators and other producers of intellectual goods and services by granting them certain time- limited rights to control the use made of those productions. These rights do not apply to the physical object in which the creation may be embodied but instead to the intellectual creation as such. IP is traditionally divided into two branches: "industrial property and copyright". The convention establishing the World Intellectual Property Organization (WIPO), concluded in Stockholm on July 14, 1967 (Art. 2(viii) provides that "intellectual property shall include rights relating to: 1) literary, artistic and scientific works: 2) performances of performing artists, phonograms and broadcasts; 3) inventions in all fields of human behaviour; 4) scientific discoveries; 5) industrial designs; 6) trademarks, service marks, and commercial names and designations; 7) protection against unfair competition and all other rights resulting from intellectual activity in industrial scientific, literary or artistic fields".

The areas mentioned under (1) belong to the copyright branch of intellectual property. The areas mentioned in (2) are usually called "neighboring rights", that is, rights neighboring on copyright. The areas mentioned under 3, 5 and 6 constitute the industrial property branch of IP. The areas mentioned may also be considered as belonging to that branch.

The expression industrial property covers inventions and industrial designs. Simply stated, inventions are new solutions to technical problems, and industrial designs are aesthetic creations determining the appearance of industrial products. In addition, industrial property includes trademarks, service marks, commercial names and designations, including indications of source and appellations of origin, and protection against unfair competition. Hence the aspect of intellectual creations -although existent -is less prominent, but what counts here is that the object of industrial property typically consists of signs transmitting information to consumers, in particular, as regards products and services offered on the market, and that the protection is directed against unauthorized use of such signs which is likely to mislead consumers and misleading practices in general.

Scientific discoveries are not the same as inventions. The general treaty on the international recording of scientific discoveries /1978/ defines a scientific discovery as 'the recognition of phenomena, properties or laws of the material universe not hitherto recognized and capable of verification. "(Art. 1(1) (i)) Inventions are new solutions to specific technical problems. Such solutions must, naturally rely on the properties or laws of the materials universe /otherwise they could not be materially or 'technically' applied/, but those properties or laws need not be properties or laws' not hitherto recognized'. An invention puts to new use, to new technical use, the said properties or laws, whether they are recognized ("discovered") simultaneously with making the invention or whether they were already recognized ("discovered") before and independently from the invention.

Industrial and cultural development may be favoured by stimulating creative activity and facilitating the transfer of technology and the

dissemination of literary and artistic works. In the Ethiopian legal system too the protection of intellectual property rights is afforded at constitutional level. The FDRE Constitution recognizes that every Ethiopian citizen has the right to ownership of private property with certain restrictions. Article 40(2) defines private property as any tangible or intangible product which has value and is produced by the labor, creativity, enterprise or capital of an individual citizen, associations which enjoy juridical personality under the law. Thus, the constitution declares protection for every property whether it is tangible or intangible. That means protection is afforded equally for intellectual property rights as any other property since they are intangible products.

It is difficult to determine what types of ownership we should allow for non-corporeal, intellectual objects, such as writings, inventions and secret business information. There are intellectual properties which are not products of the mind. For instance, all trademarks are not products of the mind. Trademarks creation does not necessarily require intellectual activity. The same holds true for geographic indication. They don't require the work of the mind like patent and copyright.

IP is a bundle of legal rights resulting from intellectual creativity in industrial, scientific, artistic and literary fields. This definition is from the point of view of rights.

IP is legal protection accorded to works of the mind in distinction from manual work (result of physical labour). It is a legal protection accorded to incorporeal ownership.

Regarding protection of IP rights, there were historical, philosophical and epistemological problems. Historically, reservation exists as to the protection of such rights as they don't exhibit essential

characteristics of property, i.e. material existence. They consider corporeal chattels only as propriety. For them property should be subject to appropriation/occupancy/.

The other problem is related to problems of philosophy. They believed that human beings cannot be regarded as a creator of something. They say human beings cannot create something. Which is also reflected in religions?
The problems also relate with epistemology. What we reflect is what we observe from the world (our experience, life experience). The then contemporary writers wrote that IP lacks essential characters to be considered property.

Through time the laws of various countries started to incorporate protection to intellectual creativity, though they are independent. There are two factors in lumping intellectual property rights together. These are: *Conceptual Basis and Historical Basis*

**Historical**

The convention establishing the WIPO was signed in Stockholm in 1967 and entered into force in 1970. However, the origin of WIPO goes back to 1883- the Paris Convention on industrial property and 1886- the Berne Convention on copyright. Both were placed under the supervision of the Swiss Federal Government. Initially there were two secretaries (one for industrial property, and other for copyright). However, in 1893 the two secretaries united. United International Bureaux for the Protection of IP (BIRPI) became WIPO.

**Conceptual**

IP rights objects (enterprises) are inherently in-appropriable. They are intangible by nature. Use by others cannot be denied by using the

possession of a property first created. Once you have written a book and published it, then the public may make use of that property.

### 1.1.3 Scope of Intellectual Property Rights

Intellectual property rights include copyright, patent, trademark, geographic indication of origin, industrial design, trade secrets, database protection laws, publicity rights laws, laws for the protection of plant varieties, laws for the protection of semi-conductor chips (which store information for later retrieval), etc.

There is a conventional mode of classification of intellectual property as industrial property and copyrights. Industrial properties include inventions (patent), property 5interest on minor invention (Utility model certificate) and commercial interests (trade marks, trade names, geographical indications, and industrial design), plant breeder rights, biodiversity, etc.

**Patents**

A patent is a type of intellectual property right which allows the holder of the right to exclusively make use of and sale an invention when one develops an invention. Invention is a new process, machine, manufacture, composition of matter. It is not an obvious derivation of the prior art (It should involve an inventive step). A person who has got a patent right has an exclusive right. The exclusive right is a true monopoly but its grant involves an administrative process.

**Copyright**

It is an intellectual property which does not essentially grant an exclusive right over an idea but the expressions of ideas which makes if different from patent law. Patent is related with invention - technical solution to technical problems. Copyright is a field which has gone with artistic, literary creativity- creativity in scientific works, audio-visual works, musical works, software and others. There are

neighboring rights. These are different from copyright but related with it – performers in a theatre, dancers, actors, broadcasters, producers of sound recorders, etc. It protects not ideas but expressions of ideas as opposed to patent.

Copyright protects original expression of ideas, the ways the works are done; the language used, etc. It applies for all copyrightable works. Copyright lasts for a longer period of time. The practice is life of author plus 50 years after his/her life. Administrative procedures are not required, unlike patent laws, in most laws but in America depositing the work was necessary and was certified thereon but now it is abolished.

**Industrial Design Law**

Some call this design right (European) and some call it patentable design, industrial design (WIPO and other international organization). A design is a kind of intellectual property which gives an exclusive right to a person who has created a novel appearance of a product. It deals with appearance: how they look like. Appearance is important because consumers are interested in the outer appearance of a product. It is exclusively concerned with appearance, not quality.

The principles which have been utilized in developing industrial design law are from experiences of patent and copyright laws. It shares copyright laws because the design is artistic. It shares patent law because there are scientific considerations. Design law subsists in a work upon registration and communication. It makes them close to patent law since they are also founded in patent law. Duration is most of the time 20 years like the patent law trademark Rights law.

**Trademarks Rights Law**

It is a regime of the law giving protection to graphic representation to words or logos or depending on the jurisdiction question such as sound or smells which are distinctive in nature and serve as source identification. There is also a recent phenomenon which is representing goods in their smell and sound. It is to be found on the goods associated with them. It enables the customer to identify the goods from others. They serve as a source identifier. Trademarks perform communication function. Once there is a valid representation, it gives the mark owner an exclusive right. It begins with registration and publication of the mark. But there are exceptions which serve what trademarks registered serve which are not registered. It means they deserve protection even though they are not registered. They exist forever so long as the good with which they are associated continue to be sold. But they require renewal.

**Right of Publicity**

It protects the right to use one's own name or likeness for commercial purposes.

**Geographic Indication**

It is indications on products of the geographic origin of the goods. It indicates the general source. The indication relates to the quality or reputation or other characteristics of the good. For example, "made in Ethiopia" is not influenced by the geographical Indication. Geographical indications are sometimes called appellations of origin. For example, "Sheno lega", "Shampagne" (name of a region in France) are geographical indications.

**Trade Secrets**

It gives the owner of commercial information that provides a competitive edge the right to keep others from using such information

if the information was improperly disclosed to or acquired by a competitor and the owner of the information took reasonable precautions to keep it secret. It protects confidential secrets of some commercial value. The holder of the secret wants this information to be protected; some protect the holder from an unauthorized disclosure of the information. A tort law, unfair competition or contract law can protect such information which is secret /confidential information/. The holder (owner) has to do his/her best to keep the information secret. Trade secrets exist without registration as it is to make the information public, for example, the formula of Coca Cola. Information that are protected in trade secrets can be patentable if they are novel and non obvious. But it is, most of the time, not to make the secret public. However, their full-fledged IP rights are contestable.

### 1.1.4 Nature of Intellectual Property

Intellectual properties have their own peculiar features. These features of intellectual properties may serve to identify intellectual properties from other types of properties. Thus, we will discuss them in brief.

**1. Territorial**

Any intellectual property issued should be resolved by national laws. Why is it an issue? Because intellectual property rights have one characteristic which other national rights do not have. In ownership of intellectual property of immovable properties, issues of cross borders are not probable. But in intellectual properties, it is common. A film made in Hollywood can be seen in other countries. The market is not only the local one but also international. If a design in China is imitated by another person in France which law would be applicable?

**2. Giving an exclusive right to the owner**

It means others, who are not owners, are prohibited from using the right. Most intellectual property rights cannot be implemented in practice as soon as the owner got exclusive rights. Most of them need to be tested by some public laws. The creator or author of an intellectual property enjoys rights inherent in his work to the exclusion of anybody else.

**3. Assignable**

Since they are rights, they can obviously be assigned (licensed). It is possible to put a dichotomy between intellectual property rights and the material object in which the work is embodied. Intellectual property can be bought, sold, or licensed or hired or attached.

**4. Independence**

Different intellectual property rights subsist in the same kind of object. Most intellectual property rights are likely to be embodied in objects.

**5. Subject to Public Policy**

They are vulnerable to the deep embodiment of public policy. Intellectual property attempts to preserve and find adequate reconciliation between two competing interests. On the one hand, the intellectual property rights holders require adequate remuneration and on the other hand, consumers try to consume works without much inconvenience. Is limitation unique for intellectual property?

**6. Divisible (Fragmentation)**

Several persons may have legally protected interests evolved from a single original work without affecting the interest of other right holders on that same item. Because of the nature of indivisibility,

intellectual property is an inexhaustible resource. This nature of intellectual property derives from intellectual property's territorial nature. For example, an inventor who registered his invention in Ethiopia can use the patent himself in Ethiopia and License it in Germany and assign it in France. Also, copyright is made up of different rights. Those rights may be divided into different persons: publishers, adaptors, translators, etc.

**Review Questions**

1. Is intellectual property really property? Why? Why not?
2. What distinguishes intellectual property from other types of property?
3. Copyright, patent, trademark, and other similar rights have their own peculiar features. What are these? Why are they merged together and called intellectual property?

# Chapter Two: Theories of Intellectual Property (Justifications for Intellectual Property Protection)

## Introduction

Societies may be shaped fundamentally as property institutions. These legal relationships between individuals, different sorts of objects, and the state are not easy to justify. This is especially true of intellectual property. It is difficult enough to determine the appropriate kinds of ownership of corporeal objects; it is even more difficult to determine what types of ownership we should allow for non-corporeal, intellectual objects, such as writings, inventions, and secret business information. The complexity of copyright, patent, and trade secret law reflects this problem.

Intellectual property is an increasingly significant and widespread form of ownership. Many have noted the arrival of the "post-industrial society" in which the manufacture and manipulation of physical goods is giving way to the production and use of information. The result is an ever-increasing strain on our laws and customs protecting intellectual property. Now, more than ever, there is a need to carefully scrutinize these institutions. However, the question is why intellectual properties are protected. There are theories developed in

relation to protection of intellectual properties. This chapter examines the justifiability of those institutions.

**Objectives**

At the end of this chapter, students will be able to:

- Explain natural rights theory;
- Discuss personality theory;
- Identify utilitarianism theory;
- Distinguish natural right theory from utilitarianism theory.

## 2.1 Natural Right theory: Labour Theory (Locke's Theory)

Property right is a natural right. A person has a right to own the creation of his mind in the same manner he owns creation of his labour. When a person is deprived of what he has created he becomes.

At the beginning, everything was common but by using labour /intellect/ it has become private. We need to protect somebody's labour because it is a natural right. So, it may take to conclude that intellectual property rights are natural rights.

The problem is that natural right theory doesn't cope with the temporal limitation of intellectual property rights. It is true that temporal limitation is applicable to intellectual property. Intellectual property is most of the time limited in time as to the protection accorded by law. This theory may be justifiable for corporeal ownership in which its existence may be for indefinite period of time. In intellectual property, however, after lapse of a certain time the work will be part of the public domain.

Nothing can be called with greater prosperity man's property than the fruits of his labour. The property in any article or reason of his own

mechanical labour is never denied him; the labor of his mind is no less worth of the protection of the law.

A person has a natural right to the fruits of her labour and that this should be recognized as her property, whether in tangible or intangible term.

John Locke has two theses. 1) Everyone has property right in the labour of his own body. The labour of his body and the work of his hands are properly his. 2) The appropriation of an unowned object (ideas or theories) arises out of application of human labour to that object. Mixing one's own labour with unowned thing confers upon a property right in the whole thing. However, after appropriation there must remain objects of similar quality in sufficient quantity for others: "Enough and as good left for other."

### 2.2. Personality Theory

Intellectual property rights are important to create personal self assertion. As propounded by Hegel, a person would be more self assertive when she/he owns property. He will feel more equal (equality). He will be freer. It is believed that the work is the personal expression of the author's or the inventor's thoughts. So he should be given the right to decide when and how his work may be produced or performed in public, and the right to prevent mutilations and changes. Intellectual property laws are to be there to protect the author's or the inventor's manifestation of his personality. This is also backed by the need for the safeguarding of the individual's freedom of expression.

### 2.3. Utilitarian Theory

What do Intellectual Property Rights do? They make the public good a private, a non rivalorous – rivalorous and the non-exclusive – exclusive, and the non-scarce scarce which are not scarce by nature. The laws create artificial scarcity of knowledge. This is because creators do not have the necessary incentive unless they have accorded some means to control their knowledge. Unless this is done, they lack the necessary economic incentive. This is called utilitarian theory of intellectual property.

Utilitarian is institution socially beneficial. It states that we have intellectual property systems because it has the effect on the betterment /economic/ of the society. Its correctness is to be assessed in the economic success of the countries. So, it is more of an economic issue. We have witnessed tremendous technological advancements both in the science and the arts.

The question is: would it be possible without intellectual property systems?

According to this theory, you do something because you will get something. Why should we care about creations of society? Society should care about its creators because the ultimate beneficiary is the society itself because they give solution to technical problems.

Such theory has never been successful as we would expect them to be. There is an objection from economists. When intellectual property is given exclusive rights, according to them, it is a creation of a monopoly right. Monopoly is contradistinguished with a perfectly competitive market. If monopoly is unrestricted it will result in market crush. How does intellectual property right create monopoly? How do antitrust organizations fight monopoly?

There are arguments counterfeiting this. Whenever the law gives an exclusive right to the innovator, the right holder is not enabled to

control the problem. There are so many ways of resolving a problem. That means there is no intellectual property law which prohibits other innovators from innovating a solution to the same problem. This is not sound in copyrights since they protect expression of ideas.

Patent for a drug for a certain illness does not prohibit innovating another drug for the same illness. However, each monopolizes their right until another comes. So, the monopolistic nature is undeniable. That is why governments try to control such monopolization.

What if design law does not exist? Some say without intellectual properties, designers will not engage in such business and then a given society may not promote cultures.
There is a counter argument for the monopolization of a patent. The economic incentives given to an inventor enforce another person to invent around the patented idea. It stimulates others to develop an alternative solution because of the monopolization of the patented idea. So it induces inventing around an existing patent.

There is a counter argument to this, i.e., if we end up in giving different solutions to the same problem, it will result in economic waste since there are different problems which we have to give solutions to.

The other version of utilitarian theory is incentive (bargain) theory. The protection given to intellectual property is an incentive to individuals not only to create works of the mind but also to publicize and disseminate them into the public. It is to encourage creativity and publicity. Works of the mind are very important to a given society for its social, cultural and economic development.

Through literature development, the cultural orientation of a given country will be promoted. Invention promotes industrialization. Development of the west has to do much with intellectual creativity.

Those works require investment in terms of time, money and effort. So without protection people will not invest on them. They are no less investment demanding than corporeal thing and the protection of the law is needed. In addition, creativity by itself is not adequate. If the work of a mind is not made available to the public, that is not useful. With protection publicity will be encouraged thereby enabling their publicity and serve their intended purpose. Upon the expiry of their period of protection the public will start to use the properties. When right is protected then the creator will make his work to be known. Without protection people may not make their works known. The state is bargaining with individuals.

Do intellectual properties really stimulate innovation? Are not there any stimulators other than intellectual property rights? It is a controversial issue.

The other question is: does the theory really work? Numerous assertions are made. There are factors other than intellectual property rights which stimulate innovation.
Before the existence of intellectual property rights there were innovations. Some say, even great works of the mind are created without the existence of protection. As an example, we can take Shakespeare's writings. What incentives encouraged these people? What they are saying is there are born creators, who continue creating even without protection. People create for different reasons: to satisfy their natural urge, necessity, fame… Some writers say copyright is unnecessary restriction on the public favor of the author.

For them, when there is shortage, a better system is needed and creativity follows even without legal protection.

However, the critics must be seen seriously in light of the world's development. In older days, people may write books because violation itself is very difficult, there were no printing machines, no mechanism of dissemination, no recording machines for reproduction and distribution.

In history, works of the literature were even limited to certain groups, elites of the church. These days, however, the situation the changed. The critics on incentive theory will not work firmly today.

Objections to incentive and reward theory may be summarized as:
The need to pay the rights owner a royalty or fee may increase the price of the product or service to which intellectual property right relates. It can be seen as a kind of tax on knowledge and information.

Even if consumers are prepared to pay the prices charged by the right owners, the latter may not meet the demands of the public in sufficient quantities. This will lead to compulsory license.

The grant of rights has little positive effect in promoting investment that is required for the production of new inventions, technical innovation, literary and artistic productions and the like.

Whilst no monopolies in the strict sense are applied by economists, intellectual property rights have the potential to be used to anti-competitive effect, particularly where they are pooled together or used as a lever to obtain other ends.

Intellectual property rights can be used to suppress free speech and access to information.

Regarding issues related to intellectual property rights, we have attached the following different materials written by different scholars. Please read them critically.

**Justifying Intellectual Property (Edwin C.Hettinger)**

Property institutions fundamentally shape a society. These legal relationships between individuals, different sorts of objects, and the state are not easy to justify. This is especially true of intellectual property. It is difficult enough to determine the appropriate kinds of ownership of corporeal objects (consider water or mineral rights); it is even more difficult to determine what types of ownership we should allow for non corporeal, intellectual objects, such as writings, inventions, and secret business information. The complexity of copyright, patent, and trade secret law reflects this problem.

According to one writer "patents are the heart and core of property rights, and once they are destroyed, the destruction of all other property rights 'will follow automatically, as a brief postscript."Though extreme, this remark rightly stresses the importance of patents to private competitive enterprise. Intellectual property is an increasingly significant and widespread form of ownership of intellectual property. Many have noted the arrival of the "post-industrial society" in which the manufacture and manipulation of physical goods is giving way to the production and use of information. The result is an ever-increasing strain on our laws and customs protecting intellectual property. Now, more than ever, there is a need to carefully scrutinize these institutions.

As a result of both vastly improved information-handling technologies and the larger role information is playing in our society, owners of intellectual property are more frequently faced with what they call ”piracy" or information theft (that is, unauthorized access to their intellectual property). Most readers of this article have undoubtedly done something considered piracy by owners of intellectual property. Making a cassette tape of a friend's record, videotaping television broadcasts for a movie library, copying computer programs or using them on more than one machine, photocopying more than one chapter of a book, or two or more articles by the same author—all are examples of alleged infringing activities. Copyright, patent, and trade secret violation suits abound in industry, and in academia, the use of another person's ideas often goes unacknowledged. These phenomena indicate widespread public disagreement over the nature and legitimacy of our intellectual property institutions. This article examines the justifiability of those institutions.

**Copyrights, Patents, and Trade Secrets**

It is commonly said that one cannot patent or copyright ideas. One copyrights "original works of authorship," including writings, music, drawings, dances, computer programs, and movies; one may not copyright ideas, concepts, principles, facts, or knowledge. Expressions of ideas are copyrightable; ideas themselves are not. While useful, this notion of separating the content of an idea from its style of presentation is not un-problematic. Difficulty in distinguishing the two is most apparent in the more artistic forms of authorship (such as fiction or poetry), where style and content interpenetrate. In these mediums, more so than in others, *how* something is said is very much part *of what* is said (and vice versa).

A related distinction holds for patents. Laws of nature, mathematical formulas, and methods of doing business, for example, cannot be patented. What **one** patents are inventions—that is, processes, machines, manufactures, or compositions of matter. These must be novel (not previously patented); they must constitute non obvious improvements over past inventions; and they must be useful (inventions that do not work cannot be patented). Specifying what sorts of "technological recipes for production" constitute patentable subject matter involves distinguishing specific applications and utilizations from the underlying unpatentable general principles. One cannot patent the scientific principle that water boils at 212 degrees, but one can patent a machine (for example, a steam engine) which uses this principle in a specific way and for a specific purpose.

Trade secrets include a variety of confidential and valuable business information, such as sales, marketing, pricing, and advertising data, lists of customers and suppliers, and such things as plant layout and manufacturing techniques. Trade secrets must not be generally known in the industry, their nondisclosure must give some advantage over competitors, and attempts to prevent leakage of the information must be made (such as pledges of secrecy in employment contracts or other company security policies). The formula for Coca-Cola and bids on government contracts are examples of trade secrets.

Trade secret subject matter includes that of copyrights and patents: anything which can be copyrighted or patented can be held as a trade secret, though the converse is not true. Typically a business must choose between patenting an invention and holding it as a trade secret. Some advantages of trade secrets are (i) they do not require disclosure (in fact they require secrecy), whereas a condition for granting patents (and copyrights) is public disclosure of the invention (or writing); (2) they are protected for as long as they are kept secret,

while most patents lapse after seventeen years; and (3) they involve less cost than acquiring and defending a patent. Advantages of patents include protection against reverse engineering (competitors figuring out the invention by examining the product which embodies it) and against independent invention. Patents give their owners the *exclusive* right to make, use, and sell the invention no matter how anyone else comes up with it, while trade secrets prevent only improper acquisition (breaches of security).

Copyrights give their owners the right to reproduce, to prepare derivative works from, to distribute copies of, and to publicly perform or display the "original work of authorship." Their duration is the author's life plus fifty years. These rights are not universally applicable, however. The most notable exception is the "fair use" clause of the copyright statute, which gives researchers, educators, and libraries special privileges to use copyrighted material.

**Intellectual Objects as Nonexclusive**

Let us call the subject matter of copyrights, patents, and trade secrets 'intellectual objects'. These objects are nonexclusive: they can be at many places at once and are not consumed by their use. The marginal cost of providing an intellectual object to an additional user is zero, and though there are communications costs, modern technologies can easily make an intellectual object unlimitedly available at a very low cost.

The possession or use of an intellectual object by one person does not preclude others from possessing or using it as well. If someone borrows your lawn mower, you cannot use it, nor can anyone else. But if someone borrows your recipe for guacamole, that in no way precludes you, or anyone else, from using it. This feature is shared by all sorts of intellectual objects, including novels, computer programs,

songs, machine designs, dances, recipes for Coca-Cola, lists of customers and suppliers, management techniques, and formulas for genetically engineered bacteria which digest crude oil. Of course, sharing intellectual objects does prevent the original possessor from selling the intellectual object to others, and so this sort of use is prevented. But sharing in no way hinders *personal* use.

This characteristic of intellectual objects grounds a strong prima facie case against the wisdom of private and exclusive intellectual property rights. Why should one person have the exclusive right to possess and use something which all people could possess and use concurrently? The burden of justification is very much on those who would restrict the maximal use of intellectual objects. A person's right to exclude others from possessing and using a physical object can be justified when such exclusion is necessary for this person's own possession and unhindered use. No such justification is available for exclusive possession and use of intellectual property.

One reason for the widespread piracy of intellectual property is that many people think it is unjustified to exclude others from intellectual objects.' Also, the unauthorized taking of an intellectual object does not feel like theft. Stealing a physical object involves depriving someone of the object taken, whereas taking an intellectual object deprives the owner of neither possession nor personal use of that object—though the owner is deprived of potential profit. This nonexclusive feature of intellectual objects should be kept firmly in mind when assessing the justifiability of intellectual property.

**Owning Ideas and Restrictions on the Free Flow of Information**

The fundamental value our society places on freedom of thought and expression creates another difficulty for the justification of intellectual

property. Private property enhances one person's freedom at the expense of everyone else's. Private intellectual property restricts methods of acquiring ideas (as do trade secrets), it restricts the use of ideas (as do patents), and it restricts the expression of ideas (as do copyrights)—restrictions undesirable for a number of reasons. John Stuart Mill argued that free thought and speech are important for the acquisition of true beliefs and for individual growth and development. Restrictions on the free flow and use of ideas not only stifle individual growth, but impede the advancement of technological innovation and human knowledge generally. Insofar as copyrights, patents, and trade secrets have these negative effects, they are hard to justify.

Since a condition for granting patents and copyrights is public disclosure of the writing or invention, these forms of intellectual ownership do not involve the exclusive right to possess the knowledge or ideas they protect. Our society gives its inventors and writers a legal right to exclude others from certain uses of their intellectual works in return for public disclosure of these works. Disclosure is necessary if people are to learn from and build on the ideas of others. When they bring about disclosure of ideas which would have otherwise remained secret, patents and copyrights enhance rather than restrict the free flow of ideas (though they still restrict the idea's widespread use and dissemination). Trade secrets do not have this virtue. Regrettably, the common law tradition which offers protection for trade secrets encourages secrecy. This makes trade secrets undesirable in a way in which copyrights or patents are not.

**Labor, Natural Intellectual Property Rights, and Market Value**

Perhaps the most powerful intuition supporting property rights is that people are entitled to the fruits of their labor. What a person produces with her own intelligence, effort, and perseverance ought to belong to

her and to no one else. "Why is it mine? Well, it's mine because I made it, that's why. It wouldn't have existed but for me."

John Lock's version of this labor justification for property derives property rights in the product of labor from prior property rights in one's body.[16] A person owns her body and hence she owns what" it does, namely, its labor. A person's labor and its product are inseparable, and so ownership of one can be secured only by owning the other. Hence, if a person is to own her body and thus its labor, she must also own what she ' joins her labor with—namely, the product of her labor.

This formulation is not without problems. For example, Robert Nozick wonders why a person should gain what she mixes her labor with instead of losing her labor. (He imagines pouring a can of tomato juice into the ocean and asks whether he thereby ought to gain the ocean or lose his tomato juice.) More importantly, assuming that labor's fruits are valuable, and that laboring gives the laborer a property right in this value, this would entitle the laborer only to the value she added, and not to the *total* value of the resulting product. Though exceedingly difficult to measure, these two components of value (that attributable to the object labored on and that attributable to the labor) need to be distinguished.

Locke thinks that until labored on, objects have little human value, at one point suggesting that labor creates 99 percent of their value. This is not plausible when labor is mixed with land and other natural resources. One does not create 99 percent of the value of an apple by picking it off a tree, though some human effort is necessary for an object to have value for us.

What portion of the value of writings, inventions, and business information is attributable to the intellectual laborer? Clearly authorship, discovery, or development is necessary if intellectual products are to have value for us: we could not use or appreciate them without this labor. But it does not follow from this that all of their value is attributable to that labor. Consider, for example, the wheel, the entire human value of which is not appropriately attributable to its original inventor's.

The value added by the laborer and any value the object has on its own are by no means the only components of the value of an intellectual object. Invention, writing, and thought in general do not operate in a vacuum; intellectual activity is not creation *ex nihilo*. Given this vital dependence of a person's thoughts on the ideas of those who came before her, intellectual products are fundamentally social products. Thus even if one assumes that the value of these products is entirely the result of human labor, this value is not entirely attributable to *any particular laborer* (or small group of laborers).

Separating out the individual contribution of the inventor, writer, or manager from this historical/social component is no easy task. Simply identifying the value a laborer's labor adds to the world with the market value of the resulting product ignores the vast contributions of others. A person who relies on human intellectual history and makes a small modification to produce something of great value should no more receive what the market will bear than should the last person needed to lift a car receive full credit for lifting it. If laboring gives the laborer the right to receive the market value of the resulting product, this market value should be shared by all those whose ideas contributed to the origin of the product. The fact that most of these

contributors are no longer present to receive their fair share is not a reason to give the entire market value to the last contributor.

Thus an appeal to the market value of a laborer's product cannot help us here. Markets work only after property rights have been established and enforced, and our question is what sorts of property rights an inventor, writer, or manager should have, given that the result of her labor is a joint product of human intellectual history.

Even if one could separate out the laborer's own contribution and determine its market value, it is still not clear that the laborer's right to the fruits of her labor naturally entitles her to receive this. Market value is a socially created phenomenon, depending on the activity (or non activity) of other producers, the monetary demand of purchasers, and the kinds of property rights, contracts, and markets the state has established and enforced. The market value of the same fruits of labor will differ greatly with variations in these social factors.

Consider the market value of a new drug formula. This depends on the length and the extent of the patent monopoly the state grants and enforces, on the level of affluence of those who need the drug, and on the availability and price of substitutes. The laborer did not produce these. The intuitive appeal behind the labor argument—"I made it, hence it's mine"—loses its force when it is used to try to justify owning something others are responsible for (namely, the market value). The claim that a laborer, in virtue of her labor, has a "natural right" to this socially created phenomenon is problematic at best.

Thus, there are two different reasons why the market value of the product of labor is not what a laborer's labor naturally entitles her to. First, market value is not something that is produced by those who produce a product, and the labor argument entitles laborers only to

the products of their labor. Second, even if we ignore this point and equate the fruits of labor with the market value of those fruits, intellectual products result from the labor of many people besides the latest contributor, and they have claims on the market value as well. So even if the labor theory shows that the laborer has a natural right to the fruits of labor, this does not establish a natural right to receive the full market value of the resulting produce. The notion that a laborer is naturally entitled as a matter of right to receive the market value of her product is a myth. To what extent individual laborers should be allowed to receive the market value of their products is a question of social policy; it is not solved by simply insisting on a moral right to the fruits of one's labor.

Having a moral right to the fruits of one's labor might also mean having a right to possess and personally use what one develops. This version of the labor theory has some force. On this interpretation, creating something through labor gives the laborer a prima facie right to possess and personally use it for her own benefit. The value of protecting individual freedom guarantees this right as long as the creative labor, and the possession and use of its product, does not harm others.

But the freedom to exchange a product in a market and receive its full market value is again something quite different. To show that people have a right to this, one must argue about how best to balance the conflicts in freedoms which arise when people interact. One must determine what sorts of property rights and markets are morally legitimate. One must also decide when society should enforce the results of market interaction and when it should alter those results (for example, with tax policy). There is a gap—requiring extensive argumentative filler—between the claim that one has a natural right

to possess and personally use the fruits of one's labor and the claim that one ought to receive for one's product whatever the market will bear.

Such a gap exists as well between the natural right to possess and personally use one's intellectual creations and the rights protected by copyrights, patents, and trade secrets. The natural right of an author to personally use her writings is distinct from the right, protected by copyright, to make her work public, sell it in a market, and then prevent others from making copies. An inventor's natural right to use the invention for her own benefit is not the same as the right, protected by patent, to sell this invention in a market and exclude others (including independent inventors) from using it. An entrepreneur's natural right to use valuable business information or techniques that she develops is not the same as the right, protected by trade secret, to prevent her employees from using these techniques in another job.

In short, a laborer has a prima facie natural right to possess and personally use the fruits of her labor. But a right to profit by selling a product in the market is something quite different. This liberty is largely a socially created phenomenon. The "right" to receive what the market will bear is a socially created privilege, and not a natural right at all. The natural right to possess and personally use what one has produced is relevant to the justifiability of such a privilege, but by itself it is hardly sufficient to justify that privilege.

**Deserving Property Rights Because Of Labor**

The above argument that people are naturally entitled to the fruits of their labor is distinct from the argument that a person has a claim to labor's fruits based on desert. If a person has a natural right to some-

thing—say her athletic ability—and someone takes it from her, the return of it is something she is *owed* and can rightfully demand. Whether or not she deserves this athletic ability is a separate issue. Similarly, insofar as people have natural property rights in the fruits of their labor, these rights are something they are *owed,* and not something they necessarily deserve.

The desert argument suggests that the laborer deserves to benefit from her labor, at least if it is an attempt to do something worthwhile. This proposal is convincing, but does not show that what the laborer deserves is property rights in the object labored on. The mistake is to conflate the created object which makes a person deserving of a reward with what that reward should be. Property rights in the created object are not the only possible reward. Alternatives include fees, awards, acknowledgment, gratitude, praise, security, power, status, and public financial support.

Many considerations affect whether property rights in the created object are what the laborer deserves. This may depend, for example, on what is created by labor. If property rights in the very things created were always an appropriate reward for labor, then as Lawrence Becker notes, parents would deserve property rights in their children. Many intellectual objects (scientific laws, religious, and ethical insights, and so on) are also the sort of thing that should not be owned by anyone.

Furthermore, as Becker also correctly points out, we need to consider the purpose for which the laborer labored. Property rights in the object produced are not a fitting reward if the laborer does not want them. Many intellectual laborers produce beautiful things and discover truths as ends in themselves. The appropriate reward in such

cases is recognition, gratitude, and perhaps public financial support, not full-fledged property rights, for these laborers do not want to exclude others from their creations.

Property rights in the thing produced are also not a fitting reward if the value of these rights is disproportional to the effort expended by the laborer. 'Effort' includes (1) how hard someone tries to achieve a result, (2) the amount of risk voluntarily incurred in seeking this result, and (3) the degree to which moral considerations played a role in choosing the result intended. The harder one tries, the more one is willing to sacrifice, and the worthier the goal, the greater are one's deserts.

Becker's claim that the amount deserved is proportional to the value one's labor produces is mistaken. The value of labor's results is often significantly affected by factors outside a person's control, and no one deserves to be rewarded for being lucky. Voluntary past action is the only valid basis for determining desert. Here only a person's effort (in the sense defined) is relevant. Her knowledge, skills, and achievements insofar as they are based on natural talent and luck, rather than effort expended, are not. A person who is born with extraordinary natural talents, or who is extremely lucky, *deserves* nothing on the basis of these characteristics. If such a person puts forward no greater effort than another, she deserves no greater reward. Thus, two laborers who expend equal amounts of effort deserve the same reward, even when the value of the resulting products is vastly different. Giving more to workers whose products have greater social value might be justified if it is needed as an incentive. But this has nothing to do with giving the laborer what she deserves.

John Rawls considers even the ability to expend effort to be determined by factors outside a person's control and hence a morally impermissible criterion for distribution. How hard one tries, how willing one is to sacrifice and incur risk, and how much one cares about morality are *to some extent* affected by natural endowments and social circumstances. But if the ability to expend effort is taken to be entirely determined by factors outside a person's control, the result is a determinism which makes meaningful moral evaluation impossible. If people are responsible for anything, they are responsible for how hard they try, what sacrifices they make, and how moral they are. Because the effort a person expends is much more under her control than her innate intelligence, skills, and talents, effort is a far superior basis for determining desert. To the extent that a person's expenditure of effort is under her control, effort is the proper criterion for desert.

Giving an inventor exclusive rights to make and sell her invention (for seventeen years) may provide either a greater or a lesser reward than she deserves. Some inventions of extraordinary market value result from flashes of genius, while others with little market value (and yet great social value) require significant efforts.

The proportionality requirement may also be frequently violated by granting copyright. Consider a five-hundred-dollar computer program. Granted, its initial development costs (read "efforts") were high. But once it has been developed, the cost of each additional program is the cost of the disk it is on—approximately a dollar. After the program has been on the market several years and the price remains at three or four hundred dollars, one begins to suspect that the company is receiving far more than it deserves. Perhaps this is another reason so much illegal copying of software goes on: the proportionality requirement is not being met, and people sense the unfairness of the

price. Frequently, trade secrets (which are held indefinitely) also provide their owners with benefits disproportional to the effort expended in developing them.

**The Lockean Provisos**

We have examined two versions of the labor argument for intellectual property, one based on desert, the other based on a natural entitlement to the fruits of one's labor. Locke himself put limits on the conditions under which labor can justify a property right in the thing produced.

One is that after the appropriation there must be "enough and as good left in common for others." This proviso is often reformulated as a "no loss to others" precondition for property acquisition. As long as one does not worsen another's position by appropriating an object, no objection can be raised to owning that with which one mixes one's labor.

Under current law, patents clearly run afoul of this proviso by giving the original inventor an exclusive right to make, use, and sell the invention. Subsequent inventors who independently come up with an already patented invention cannot even personally use their invention, much less patent or sell it. They clearly suffer a great and unfair loss because of the original patent grant. Independent inventors should not be prohibited from using or selling their inventions. Proving independent discovery of a publicly available patented invention would be difficult, however. Nozick's suggestion that the length of patents be restricted to the time it would take for independent invention may be the most reasonable administrative solution. In the modem world of highly competitive research and development, this

time is often much shorter than the seventeen years for which most patents are currently granted.

Copyrights and trade secrets are not subject to the same objection (though they may constitute a loss to others in different ways). If someone independently comes up with a copyrighted expression or a competitor's business technique, she is not prohibited from using it. Copyrights and trade secrets prevent only mimicking of other people's expressions and ideas.

Locke's second condition on the legitimate acquisition of property rights prohibits spoilage. Not only must one leave enough and as good for others, but one must not take more than one can use. So in addition to leaving enough apples in the orchard for others, one must not take home a truckload and let them spoil. Though Locke does not specifically mention prohibiting waste, it is the concern to avoid waste which underlies his proviso prohibiting spoilage. Taking more than one can use is wrong because it is wasteful. Thus Locke's concern here is with appropriations of property which are wasteful.

Since writings, inventions, and business techniques are nonexclusive, this requirement prohibiting waste can never be completely met by intellectual property. When owners of intellectual property charge fees for the use of their expressions or inventions, or conceal their business techniques from others, certain beneficial uses of these intellectual products are prevented. This is clearly wasteful, since everyone could use and benefit from intellectual objects concurrently. How wasteful private ownership of intellectual property is depends on how beneficial those products would be to those who are excluded from their use as a result.

**Sovereignty, Security, and Privacy**

Private property can be justified as a means to sovereignty. Dominion over certain objects is important for individual autonomy. Ronald Dworkin's liberal is right in saying that "some sovereignty over a range of personal possessions is essential to dignity." Not having to share one's personal possessions or borrow them from others is essential to the kind of autonomy our society values. Using or consuming certain objects is also necessary for survival. Allowing ownership of these things places control of the means of survival in the hands of individuals, and this promotes independence and security (at least for those who own enough of them). Private ownership of life's necessities lessens dependence between individuals, and takes power from the group and gives it to the individual. Private property also promotes privacy. It constitutes a sphere of privacy within which the individual is sovereign and less accountable for her actions. Owning one's own home is an example of all of these: it provides privacy, security, and a limited range of autonomy.

But copyrights and patents are neither necessary nor important for achieving these goals. The right to exclude others from using one's invention or copying one's work of authorship is not essential to one's sovereignty. Preventing a person from personally using her own invention or writing, on the other hand, would seriously threaten her sovereignty. An author's or inventor's sense of worth and dignity requires public acknowledgment by those who use the writing or discovery, but here again, giving the author or inventor the exclusive right to copy or use her intellectual product is not necessary to protect this.

Though patents and copyrights are not directly necessary for survival (as are food and shelter), one could argue that they are indirectly

necessary for an individual's security and survival when selling her inventions or writings is a person's sole means of income. In our society, however, most patents and copyrights are owned by institutions (businesses, universities, or governments). Except in unusual cases where individuals have extraordinary bargaining power, prospective employees are required to give the rights to their inventions and works of authorship to their employers as a condition of employment. Independent authors or inventors who earn their living by selling their writings or inventions to others are increasingly rare. Thus arguing that intellectual property promotes individual security makes sense only in a minority of cases. Additionally, there are other ways to ensure the independent intellectual laborer's security and survival besides copyrights and patents (such as public funding of intellectual workers and public domain property status for the results).

Controlling who uses one's invention or writing is not important to one's privacy. As long as there is no requirement to divulge privately created intellectual products (and as long as laws exist to protect people from others taking information they choose not to divulge—as with trade secret laws), the creator's privacy will not be infringed. Trying to justify copyrights and patents on grounds of privacy is highly implausible given that these property rights give the author or inventor control over certain uses of writings and inventions only after they have been publicly disclosed.

Trade secrets are not defensible on grounds of privacy either. A corporation is not an individual and hence does not have the personal features privacy is intended to protect. Concern for sovereignty counts against trade secrets, for they often directly limit individual autonomy by preventing employees from changing jobs. Through employment contracts, by means of gentlemen's agreements among

firms to respect trade secrets by refusing to hire competitors' employees, or simply because of the threat of lawsuits, trade secrets often prevent employees from using their skills *and* knowledge with other companies in the industry.

Some trade secrets, however, are important to a company's security and survival. If competitors could legally obtain the secret formula for Coke, for example, the Coca-Cola Company would be severely threatened. Similar points hold for copyrights and patents. Without some copyright protection, companies in the publishing, record, and movie industries would be severely threatened by competitors who copy and sell their works at lower prices (which need not reflect development costs). Without patent protection, companies with high research and development costs could be underpriced and driven out of business by competitors who simply mimicked the already developed products. This unfair competition could significantly weaken incentives to invest in innovative techniques and to develop new products.

The next section considers this argument that intellectual property is a necessary incentive for innovation and a requirement for healthy and fair competition. Notice, however, that the concern here is with the security and survival of private companies, not of individuals. Thus one need to determine whether, and to what extent, the security and survival of privately held companies is a goal worth promoting. That issue turns on the difficult question of what type of economy is most desirable. Given a commitment to capitalism, however, this argument does have some force.

**The Utilitarian Justification**

The strongest and most widely appealed to justification for intellectual property is a utilitarian argument based on providing incentives. The

constitutional justification for patents and copyrights—"to promote the progress of science and the useful arts"—is itself utilitarian. Given the shortcomings of the other arguments for intellectual property, the justifiability of copyrights, patents, and trade secrets depends, in the final analysis, on this utilitarian defense.

According to this argument, promoting the creation of valuable intellectual works requires that intellectual laborers be granted property rights in those works. Without the copyright, patent, and trade secret property protections, adequate incentives for the creation of a socially optimal output of intellectual products would not exist. If competitors could simply copy books, movies, and records, and take one another's inventions and business techniques, there would be no incentive to spend the vast amounts of time, energy, and money necessary to develop these products and techniques. It would be in each firm's self-interest to let others develop products, and then mimic the result. No one would engage in original development, and consequently no new writings, inventions, or business techniques would be developed. To avoid this disastrous result, the argument claims, we must continue to grant intellectual property rights.

Notice that this argument focuses on the users of intellectual products, rather than on the producers. Granting property rights to producers is here seen as necessary to ensure that enough intellectual products (and the countless other goods based on these products) are available to users. The grant of property rights to the producers is a mere means to this end.

This approach is paradoxical. It establishes a right to restrict the current availability and use of intellectual products for the purpose of increasing the production and thus future availability and use of new intellectual products. As economist Joan Robinson says of patents: "A

patent is a device to prevent the diffusion of new methods before the original investor has recovered profit adequate to induce the requisite investment. The justification of the patent system is that by slowing down the diffusion of technical progress it ensures that there will be more progress to diffuse. . . . Since it is rooted in a contradiction, there can be no such thing as an ideally beneficial patent system, and it is bound to produce negative results in particular instances, impeding progress unnecessarily even if its general effect is favorable on balance. Although this strategy may work, it is to a certain extent self-defeating. If the justification for intellectual property is utilitarian in this sense, then the search for alternative incentives for the production of intellectual products takes on a good deal of importance. It would be better to employ equally powerful ways to stimulate the production and thus use of intellectual products which did not also restrict their use and availability.

Government support of intellectual work and public ownership of the result may be one such alternative. Governments already fund a great deal of basic research and development, and the results of this research often become public property. Unlike private property rights in the results of intellectual labor, government funding of this labor and public ownership of the result stimulate new inventions and writings without restricting their dissemination and use. Increased government funding of intellectual labor should thus be seriously considered.

This proposal need not involve government control over which research projects are to be pursued. Government funding of intellectual labor can be divorced from government control over what is funded. University research is an example. Most of this is supported by public funds, but government control over its content is minor and indirect.

Agencies at different governmental levels could distribute funding for intellectual labor with only the most general guidance over content, leaving businesses, universities, and private individuals to decide which projects to pursue.

If the goal of private intellectual property institutions is to maximize the dissemination and use of information, to the extent that they do not achieve this result, these institutions should be modified. The question is not whether copyrights, patents, and trade secrets provide incentives for the production of original works of authorship, inventions, and innovative business techniques. Of course they do. Rather, we should ask the following questions: Do copyrights, patents, and trade secrets increase the availability and use of intellectual products more than they restrict this availability and use? If they do, we must then ask whether they increase the availability and use of intellectual products more than any alternative mechanism would. For example, could better overall results be achieved by shortening the length of copyright and patent grants, or by putting a time limit on trade secrets (and on the restrictions on future employment employers are allowed to demand of employees)? Would eliminating most types of trade secrets entirely and letting patents carry a heavier load produce unproved results? Additionally, we must determine whether and to what extent public funding and ownership of intel-lectual products might be a more efficient means to these results.

We should not expect an across-the-board answer to these questions. For example, the production of movies is more dependent on copyright than is academic writing. Also, patent protection for individual inventors and small beginning firms makes more sense than patent protection for large corporations (which own the majority of patents). It has been argued that patents are not important incentives

for the research and innovative activity of large corporations in competitive markets. The short-term advantage a company gets from developing a new product and being the first to put it on the market may be incentive enough.

That patents are conducive to a strong competitive economy is also open to question. Our patent system, originally designed to reward the individual inventor and thereby stimulate invention, may today be used as a device to monopolize industries. It has been suggested that in some cases "the patent position of the big firms makes it almost impossible for new firms to enter the industry" and that patents are frequently bought up in order to suppress competition.

Trade secrets as well can stifle competition, rather than encourage it. If a company can rely on a secret advantage over a competitor, it has no need to develop new technologies to stay ahead. Greater disclosure of certain trade secrets—such as costs and profits of particular product lines—would actually increase competition, rather than decrease it. Since with this knowledge firms would then concentrate on one another's most profitable products. Furthermore, as one critic notes, trade secret laws often prevent a former employee "from doing work in just that field for which his training and experience have best prepared him. Indeed, the mobility of engineers and scientists is often severely limited by the reluctance of new firms to hire them for fear of exposing themselves to a lawsuit." Since the movement of skilled workers between companies is a vital mechanism in the growth and spread of technology, in this important respect trade secrets actually slow the dissemination and use of innovative techniques.

These remarks suggest that the justifiability of our intellectual property institutions is not settled by the facile assertion that our system

of patents, copyrights, and trade secrets provides necessary incentives for innovation and ensures maximally healthy competitive enterprise. This argument is not as easy to construct as one might at first think; substantial empirical evidence is needed. The above considerations suggest that the evidence might not support this position.

**Conclusion**

Justifying intellectual property is a formidable task. The inadequacies of the traditional justifications for property become more severe when applied to intellectual property. Both the nonexclusive nature of intellectual objects and the presumption against allowing restrictions on the free flow of ideas create special burdens in justifying such property.

We have seen significant shortcomings in the justifications for intellectual property. Natural rights to the fruits of one's labor are not by themselves sufficient to justify copyrights, patents, and trade secrets, though they are relevant to the social decision to create and sustain intellectual property institutions. Although intellectual laborers often deserve rewards for their labor, copyrights, patents, and trade secrets may give the laborer much more or much less than is deserved. Where property rights are not what is desired, they may be wholly inappropriate. The Lockean labor arguments for intellectual property also run afoul of one of Locke's provisos—the prohibition against spoilage or waste. Considerations of sovereignty, security, and privacy are inconclusive justifications for intellectual property as well.

This analysis suggests that the issue turns on considerations of social utility. We must determine whether our current copyright, patent, and trade secret statutes provide the best possible mechanisms for ensuring the availability and widespread dissemination of intellectual

works and their resulting products. Public financial support for intellectual laborers and public ownership of intellectual products is an alternative which demands serious consideration. More modest alternatives needing consideration include modifications in the length of intellectual property grants or in the strength and scope of the restrictive rights granted. What the most efficient mechanism for achieving these goals is remains an unresolved empirical question.

This discussion also suggests that copyrights are easier to justify than patents or trade secrets. Patents restrict the actual usage of an idea (in making a physical object), while copyrights restrict only copying an expression of an idea. One can freely use the ideas in a copyrighted book in one's own writing, provided one acknowledges their origin. One cannot freely use the ideas a patented invention represents when developing one's own product. Furthermore, since inventions and business techniques are instruments of production in a way in which expressions of ideas are not, socialist objections to private ownershipof the means of production apply to patents and trade secrets far more readily than they do to copyrights. Trade secrets are suspect also because they do not involve the socially beneficial public disclosure which is part of the patent and copyright process. They are additionally problematic to the extent that they involve unacceptable restrictions on employee mobility and technology transfer.

Focusing on the problems of justifying intellectual property is important not because these institutions lack any sort of justification, but because they are not so obviously or easily justified as many people think. We must begin to think more openly and imaginatively about the alternative choices available to us for stimulating and rewarding intellectual labor.

**Against Intellectual Property (Brain Marthin)**

> *There is* a *strong case for opposing intellectual property. There are a number of negative consequences of the ownership of information, such as retarding of innovation and exploitation of poor countries. Most of the usual arguments for intellectual property do not hold up under scrutiny. In particular, the metaphor of the marketplace of ideas provides no justification for ownership of ideas. The alternative to intellectual property is that intellectual products not be owned, as in the case of everyday language. Strategies against intellectual property include civil disobedience, promotion of non-owned information, and fostering of a more cooperative society.*

In 1980, a book entitled *Documents on Australian Defence and Foreign Policy 1968-1975 was* published by George Munster and Richard Walsh. It reproduced many secret government memos, briefings and other documents concerning Australian involvement in the Vietnam war, events leading up to the Indonesian invasion of East Timor, and other issues. Exposure of this material deeply embarrassed the Australian government. In an unprecedented move, the government issued an interim injunction, citing both the Crimes Act and the Copyright Act. The books, just put on sale, were impounded. Print runs of two major newspapers with extracts from the book were also seized. The Australian High Court ruled that the Crimes Act did not apply, but that the material was protected by copyright held by the government. Later, Munster and Walsh produced a book using summaries and short quotes in order to present the information (Munster 1982).

This example is one of many that show how copyright is used to

protect the interests of the powerful in the face of challengers, at the expense of free speech. Yet copyright is standardly justified on the grounds that it promotes creation and dissemination of ideas.

Copyright is one of four main types of intellectual property or, in other words, ownership of information. The others are patents, trademark and trade secrets. Copyright covers the expression of ideas such as in writing, music and pictures. Patents cover inventions, such as designs for objects or industrial processes. Trademarks are symbols associated with a good, service or company. Trade secrets cover confidential business information.

The type of property that is familiar to most people is physical objects. People own clothes, cars, houses and land. When people own ideas, this is called intellectual property. But there has always been a big problem with owning ideas—exclusive use or control of ideas doesn't make nearly as much sense as it does applied to physical objects.

Many physical objects can only be used by one person at a time. If one person wears a pair of shoes, no one else can wear them at the same time. (The person who wears them often also owns them, but not always.) This is not true of intellectual property. Ideas can be copied over and over, but the person who had the original copy still has full use of it. Suppose you write a poem. Even if a million other people have copies and read the poem, you can still read the poem yourself. In other words, more than one person can use an idea—a poem, a mathematical formula, a tune—without reducing other people's use of the idea. Shoes and poems are fundamentally different in this respect.

Technological developments have made it cheaper and easier to make copies of information. Printing was a great advance: it eliminated the need for hand copying of documents. Photocopying and computers

have made it even easier to make copies of written documents. Photography and sound recordings have done the same for visual and sound material. The ability to protect intellectual property is being undermined by technology. Yet there is a strong push to expand the scope of ownership of information.

This article outlines the case against intellectual property. It begins by mentioning some of the problems arising from ownership of information. Then I turn to weaknesses in the standard justifications for intellectual property. Next is an overview of problems with the so-called "marketplace of ideas," which has important links with intellectual property. Finally, I outline some alternatives to intellectual property and some possible strategies for moving towards these alternatives.

**Some problems with intellectual property**

Governments generate large quantities of information. They produce statistics on population, figures on economic production and health, texts of laws and regulations, and vast numbers of reports. The generation of this information is paid for through taxation and, therefore, it might seem that it should be available to any member of the public. But in some countries, some of this information is turned over to corporations that then sell it to whoever can pay. Publicly funded information is "privatized" and thus is not freely available (Nelkin 1984).

When government-produced information is retained by the governments, things may not be much better. As in the case of *Documents on Australian Defence and Foreign Policy* illustrates, copyright is one technique used to keep information away from the public.

The idea behind patents is that the fundamentals of an invention are

made public while the inventor for a limited time has the exclusive right to make, use or sell the invention. But there are quite a few cases in which patents have been used to suppress innovation (Dunford 1987). Companies may take out a patent, or buy someone else's patent, in order to inhibit others from applying the ideas. For example, from its beginning in 1875, the US company AT&T collected patents in order to ensure its monopoly on telephones. It slowed down the introduction of radio for some 20 years. In a similar fashion, General Electric used control of patents to retard the introduction of fluorescent lights, which were a threat to its market of incandescent lights. Trade secrets are another way to suppress technological development. Trade secrets are protected by law but, unlike patents, do not have to be published openly.

One of the newest areas to be classified as intellectual property is biological information. US courts have ruled that genetic sequences can be patented, even when the sequences are found "in nature," so long as some artificial means are involved in isolating them. This has led companies to race to take out patents on numerous genetic codes. In some cases, patents have been granted covering all transgenic forms of an entire species, such as soybeans or cotton (Mestel 1994). One consequence is a severe inhibition on research by non-patent holders. Another consequence is that transnational corporations are patenting genetic materials found in Third World plants and animals, so that some Third World peoples actually have to pay to use seeds and other genetic materials that have been freely available to them for centuries (Shiva and Holla-Briar 1993).

More generally, intellectual property is one more way for rich countries to extract wealth from poor countries. Given the enormous exploitation of poor people built into the world trade system, it would

only seem fair for ideas produced in rich countries to be provided at no cost to poor countries. Yet in the GATT negotiations, representatives of rich countries, especially the US, have insisted on strengthening intellectual property rights. Surely there is no better indication that intellectual property is primarily of value to those who are already powerful and wealthy (Drahos 1995; Patel 1989).

The potential financial returns from intellectual property are said to provide an incentive for individuals to create. In practice, though, most creators do not actually gain much benefit from intellectual property. Independent inventors are frequently ignored or exploited (Lancaster 1992). When employees of corporations and governments have an idea worth protecting, it is usually copyrighted or patented by the organization, not the employee. Since intellectual property can be sold, it is usually the rich and powerful that benefit. The rich and powerful, it should be noted, seldom contribute much intellectual labour to the creation of new ideas.

These problems—privatization of government information, suppression of patents, ownership of genetic information and information not owned by the true creator—are symptoms of a deeper problem with the whole idea of intellectual property. Unlike goods, there are no physical obstacles to providing an abundance of ideas. (Indeed, the bigger problem may be an oversupply of ideas.) Intellectual property is an attempt to create an artificial scarcity in order to give rewards to a few at the expense of the many. Intellectual property aggravates inequality. It fosters competitiveness over information and ideas, whereas cooperation makes much more sense.

**Critique of standard Justifications**

Edwin C. Hettinger (1989) has provided an insightful critique of the

main arguments used to justify intellectual property, so it is worthwhile summarizing his analysis. (See also Ricketson 1992). Hettinger begins by noting the obvious argument against intellectual property, namely that sharing intellectual objects still allows the original possessor to use them. Therefore, the burden of proof should lie on those who argue for intellectual property.

The first argument for intellectual property is that people are entitled to the results of their labour. Hettinger's response is that not all the value of intellectual products is due to labour. Nor is the value of intellectual products due to the work of a single labourer, or any small group. Intellectual products are social products.

Suppose you have written an essay or made an invention. Your intellectual work does not exist in a social vacuum. It would not have been possible without lots of *earlier work*—both intellectual and nonintellectual— by many other people. This includes your teachers and parents. It includes the earlier authors and inventors who have provided the foundation for your contribution. It also includes the many people who have discussed and used ideas and techniques, at both theoretical and practical levels, and provided a cultural foundation for your contribution. It includes the people who have built printing presses, laid telephone cables, built roads and buildings and in many other ways have contributed to the "construction" of society. Many other people could be mentioned. The point is that any piece of intellectual work is always built on and inconceivable without the prior work of numerous people.

Hettinger points out that the earlier contributors to the development of ideas are not present. Today's contributor therefore cannot validly claim full credit.

Is the market value of a piece of an intellectual product a reasonable indicator of a person's contribution? Certainly not. As noted by Hettinger and as will be discussed in the next section, markets only work once property rights have been established, so it is circular to argue that the market can be used to measure intellectual contributions. Hettinger summarizes this point in this fashion: "The notion that a laborer is naturally entitled as a matter of right to receive the market value of her product is a myth. To what extent individual laborers should be allowed to receive the market value of their products is a question of social policy."

A related argument is that people have a right to possess and personally use what they develop. Hettinger's response is that this doesn't show that they deserve market values, nor that they should have a right to prevent others from using the invention.

A second major argument for intellectual property is that people *deserve* property rights because of their labour. This brings up the general issue of what people deserve a topic that has been analysed by philosophers. Their usual conclusions go against what many people think is "common sense." Hettinger says that a fitting reward for labour should be proportionate to the person's effort, the risk taken and moral considerations. This sounds all right—but it is not proportionate to the value of the results of the labour, whether assessed through markets or by other criteria. This is because the value of intellectual work is affected by things not controlled by the worker, including luck and natural talent. Hettinger says "A person who is born with extraordinary natural talents, or who is extremely lucky, *deserves* nothing on the basis of these characteristics".

A musical genius like Mozart may make enormous contributions to society. But being born with enormous musical talents does not

provide a justification for owning rights to musical compositions or performances.
Likewise, the labour of developing a toy like Teenage Mutant Ninja Turtles that becomes incredibly popular does not provide a justification for owning rights to all possible uses of turtle symbols.

What about a situation where one person works hard at a task and a second person with equal talent works less hard? Doesn't the first worker deserve more reward? Perhaps so, but it is not obvious that property rights provide a suitable mechanism for allocating rewards, especially since the market disproportionately rewards the person who successfully claims property rights for a discovery.
A third argument for intellectual property is that private property is a means for promoting privacy and a means for personal autonomy. Hettinger responds that privacy is protected by not revealing information, not by owning it. Trade secrets cannot be defended on the grounds of privacy, because corporations are not individuals. As for personal autonomy, copyrights and patents aren't required for this.

A fourth argument is that rights in intellectual property are needed to promote the creation of more ideas. Hettinger thinks that this is the only argument for intellectual property that has a possibility of standing up to critique. He is still somewhat sceptical, though. He notes that the whole argument is built on a contradiction, namely that in order to promote the development of ideas, it is necessary to reduce the freedom with which people can use them.

This argument for intellectual property cannot be resolved without further investigation. Hettinger says that there needs to be an investigation of how long patents and copyrights should be granted, to

determine an optimum period for promoting intellectual work. It should be noted that although the scale and pace of intellectual work has increased over the past few centuries, the length of protection of intellectual property has not been reduced, as might be expected, but greatly increased. The United States got along fine without copyright for much of the 1800s. Where once copyrights were only for a period of a few years, they now may be for the life of the author plus 50 years. In many countries, chemicals and pharmaceuticals were not patentable until recently (Patel 1989). This suggests that even if intellectual property can be justified on the basis of fostering new ideas, this is not the driving force behind the present system of copyrights and patents.

**The marketplace of ideas**

The idea of intellectual property has a number of connections with the concept of the marketplace of ideas, a metaphor that is widely used in discussions of free speech. To delve a bit more deeply into the claim that intellectual property promotes development of new ideas, it is therefore helpful to scrutinize the concept of the marketplace of ideas. The image conveyed by the marketplace of ideas is that ideas compete for acceptance in a market. As long as the competition is fair—which means that all ideas and contributors are permitted access to the marketplace—then good ideas will win out over bad ones. Why? Because people will recognise the truth and value of good ideas. On the other hand, if the market is constrained, for example by some groups being excluded, then certain ideas cannot be tested and examined and successful ideas may not be the best ideas.

Logically, there is no reason why a marketplace of ideas has to be a marketplace of *owned* ideas: intellectual property cannot be strictly justified by the marketplace of ideas. But because the marketplace metaphor is an economic one, there is a strong tendency to link

intellectual property with the marketplace of ideas. As will be discussed later, there is indeed a link between these two concepts, but not in the way their defenders usually imagine.

There are plenty of practical examples of the failure of the marketplace of ideas. Groups that are stigmatized or that lack power seldom have their viewpoints presented. This includes ethnic minorities, prisoners, the unemployed, manual workers and radical critics of the status quo, among many others (McGaffey 1972). Even when such groups organise themselves to promote their ideas, their views are often ignored while the media focus on their protests, as in the case of peace movement rallies and marches (Gwyn 1966).

Demonstrably, good ideas do not always win out in the marketplace of ideas. To take one example, it can hardly be argued that the point of view of workers is inherently less worthy than that of employers. Yet there is an enormous imbalance in the presentation of their respective viewpoints in the media. One result is that quite a few ideas that happen to serve the interests of employers at the expense of workers —such as that the reason people don't have jobs is because they aren't trying hard enough to find them—are widely accepted although they are rejected by virtually all informed analysts.

There is a simple and fundamental reason for the failure of the marketplace of ideas: inequality, especially economic inequality (Baker 1989; Hanson 1981). Perhaps in a group of people sitting in a room discussing an issue, there is some prospect of a measured assessment of different ideas. But if these same people are isolated in front of their television sets, and one of them owns the television station, it is obvious that there is little basis for testing of ideas. The reality is that powerful and rich groups can promote their ideas with

little chance of rebuttal from those with different perspectives. Large corporations pay for advertisements and other forms of marketing. Governments shape media agendas as well as directly regulating the media. The mass media themselves are powerful enterprises—whether owned by government or industry—that promote their own interests as well as those of their advertisers (Bagdikian 1993).

In circumstances where participants are approximate equals, such as intellectual discourse among peers in an academic discipline, then the metaphor of competition of ideas has some value. But ownership of media or ideas is hardly a prerequisite for such discourses. It is the equality of power that is essential. When, to take one of many possible examples, employees in corporations lack the freedom to speak openly without penalty (Ewing 1977), they cannot be equal participants in discourse.

Some ideas are good—in the sense of being valuable to society—but are unwelcome. Some are unwelcome to powerful groups, such as that governments and corporations commit massive crimes (Ross 1995) or that there is a massive trade in technologies of torture and repression that needs to be stopped (Wright 1991). Others are challenging to much of the population, such as that imprisonment does not reduce the crime rate or that financial rewards for good work on the job or grades for good school-work are counterproductive (Kohn 1993). (Needless to say, individuals might disagree with the examples used here. The case does not rest on the examples themselves, but on the existence of some important cases where unwelcome but socially valuable ideas are marginalised.) The marketplace of ideas simply does not work to treat such unwelcome ideas with the seriousness they deserve. The mass media try to gain audiences by pleasing them, not by confronting them with challenging

ideas (Entman 1989).

The marketplace of ideas is often used to justify free speech. The argument is that free speech is necessary in order for the marketplace of ideas to operate: if some types of speech are curtailed, certain ideas will not be available on the marketplace and thus the best ideas will not succeed. This sounds plausible. But it is possible to reject the marketplace of ideas while still defending free speech on the grounds that it is' essential to human liberty (Baker 1989). Conversely, defending free speech does not mean supporting the mass media (Lichtenberg 1987).

If the marketplace of ideas doesn't work, what is the solution? The usual view is that governments should intervene to ensure that all groups have fair access to the media (McGaffey 1972). But this approach, based on promoting equality of opportunity, ignores the fundamental problem of economic inequality. Even if minority groups have some limited chance to present their views in the mass media, this can hardly compensate for the massive power of governments and corporations to promote their views. In addition, it retains the role of the mass media as the central mechanism for disseminating ideas. So-called reform proposals either retain the status quo or introduce government censorship (Ingber 1984).

Underlying the market model is the idea of self-regulation: the "free market" is supposed to operate without outside intervention and, indeed, to operate best when outside intervention is minimized. In practice, even markets in goods do not operate autonomously: the state is intimately involved in even the freest of markets (Moran and Wright 1991). In the case of the marketplace of ideas, the state is involved both in shaping the market and in making it possible, for

example by promoting and regulating the mass media. The world's most powerful state, the US, has been the driving force behind the establishment of a highly protectionist system of intellectual property, using power politics at GATT, the General Agreement on Tariffs and Trade (Drahos 1995).

Courts may use the rhetoric of the marketplace of ideas but actually interpret the law to support the status quo (Ingber 1984). For example, speech is treated as free until it might actually have some consequences. Then it is curtailed when it allegedly presents a "clear and present danger," such as when peace activists expose information supposedly threatening to "national security" (Gleditsch 1987). But speech without action is pointless. True liberty requires freedom to promote one's views in practice (Baker 1989). Powerful groups have the ability to do this. Courts only intervene when others try to do the same.

As in the case of trade generally, a property-based "free market" serves the interests of powerful producers. In the case of ideas, this includes not only governments and corporations but also intellectuals and professionals linked with universities, entertainment, journalism and the arts. Against such an array of intellectual opinion, it is very difficult for other groups, such as manual workers, to compete (Ginsberg 1986). The marketplace of ideas is a biased and artificial market that mostly serves to fine-tune relations between elites and provide them with legitimacy (Ingber 1984).

The implication of this analysis is that intellectual property cannot be justified on the basis of the marketplace of ideas. The utilitarian argument for intellectual property is that ownership is necessary to stimulate production of new ideas, because of the financial incentive.

This financial incentive is supposed to come from the market, whose justification is the marketplace of ideas. If, as critics argue, the marketplace of ideas is flawed by the presence of economic inequality and, more fundamentally, is an artificial creation that serves powerful producers of ideas and legitimates the role of elites, then the case for intellectual property is unfounded. Intellectual property can only Serve to aggravate the inequality on which it is built.

**The alternative**

The alternative to intellectual property is straightforward: intellectual products should not be owned. That means not owned by individuals, corporations, governments, or the community as common property. It means that ideas are available to be used by anyone who wants to.

One example of how this might operate is language, including the words, sounds and meaning systems with which we communicate every day. Spoken language is free for everyone to use. To allow any group to own language raises the spectre of George Orwell's *1984*. (Actually, corporations do control bits of language through trademarks.)

Another example is scientific knowledge. Scientists do research and then publish their results. A large fraction of scientific knowledge is public knowledge (Ziman 1968). There are some areas of science that are not public, such as classified military research. It is generally argued that the most dynamic parts of science are those with the least secrecy. Open ideas can be examined, challenged, modified and improved. To turn scientific knowledge into a commodity on the market, as is happening with genetic engineering (Mackenzie et al. 19&0; Weiner 1986), arguably inhibits science.

Few scientists complain that they do not own the knowledge they

produce. Indeed, they are much more likely to complain when corporations or governments try to control dissemination of the ideas. Most scientists receive a salary from a government, corporation or university. Their livelihoods do not depend on royalties from published work.

University scientists have the greatest freedom. The main reasons they do research are for the intrinsic satisfaction of investigation and discovery—a key motivation for many of the world's great scientists—and for recognition by their peers. To turn scientific knowledge into intellectual property would dampen the enthusiasm of many scientists for their work.

Neither language nor scientific knowledge are ideal; indeed, they are often used for harmful purposes. It is difficult to imagine, though, how turning them into property could make them better.

The case of science shows that vigorous intellectual activity is quite possible without intellectual property, and In fact that it may be vigorous precisely because information is not owned. But there are lots of areas that, unlike science, have long operated with intellectual property as a fact of life. What would happen without ownership of information? Many objections spring to mind. Here I'll deal with a few of them.

Plagiarism is a great fear in the minds of many intellectual workers. It Is often thought that intellectual property provides a protection against plagiarism. After all, without copyright, why couldn't someone put their name on your essay and publish it? Actually, copyright provides very little protection against plagiarism and is not a good way to deal with it (Steams 1992).

Plagiarism means using the ideas of others without adequate acknowledgement. There are several types of plagiarism. One is plagiarism of ideas: someone takes your original idea and, using different expression, presents it as their own. Copyright provides no protection at all against this form of plagiarism. Another type of plagiarism is word-for-word plagiarism, where someone takes the words you've written—a book, an essay, a few paragraphs or even just a sentence—and, with or without minor modifications, presents them as their own. This sort of plagiarism is covered by copyright—assuming that you hold the copyright. In many cases, copyright is held by the publisher, not the author. In practice, plagiarism goes on all the time, in various ways and degrees (Broad and Wade 1982; Mallon 1989; Posner 1988), and copyright law is hardly ever used against it. The most effective challenge to plagiarism is not legal action but publicity. At least among authors, plagiarism is widely condemned. To be exposed as a plagiarist is more than sufficient motivation for most writers to take care to avoid it.

There is an even more fundamental reason why copyright provides no protection against plagiarism: the most common sort of plagiarism is built into social hierarchies. Government and corporate reports are released under the names of top bureaucrats who did not write them; politicians and university presidents give speeches written by underlings. These are examples of a pervasive misrepresentation of authorship in which powerful figures gain credit for the work of subordinates (Martin 1994). Copyright, if it has any effect at all, reinforces rather than challenges this sort of institutionalized plagiarism.

What about all the writers, inventors and others who depend for their

livelihood on royalties? First, it should be mentioned that only a very few individuals make enough money from royalties to live on. Most of the rewards from intellectual property go to a few big companies. But the question is still a serious one for those intellectual workers who depend on royalties and other payments related to intellectual property.

The alternative in this case is some reorganization of the economic system. Intellectual workers could receive a salary, just like most scientists do.

Getting rid of intellectual property would reduce the incomes of a few highly successful creative individuals, such as author Agatha Christie, composer Andrew Lloyd Webber and filmmaker Steven Spielberg. Publishers could reprint Christie's novels without permission, theatre companies could put on Webber's operas whenever they wished and Spielberg's films could be copied and screened anywhere. Jurassic Park T-shirts, toys and trinkets could be produced at will. This would reduce the income of and, to some extent, the opportunities for artistic expression by these individuals. But there would be economic resources released: there would be more money available for other creators. Christie, Webber and Spielberg might be just as popular without intellectual property to channel money to them and their family enterprises.

But what about the incentive to create? Without the possibility of wealth and fame, what would stimulate creative individuals to produce works of genius? Actually, most creators and innovators are motivated by their own intrinsic interest, not by rewards. There is a large body of evidence showing, contrary to popular opinion, that rewards actually reduce the quality of work (Kohn 1993). If the goal is better and more creative work, paying creators on a piecework basis,

such as through royalties, is counterproductive.

In a society without intellectual property, creativity is likely to thrive. Most of the problems-that are imagined to occur if there is no intellectual property—such as the exploitation of a small publisher that renounces copyright—are due to economic arrangements that maintain inequality. The soundest foundation for a society without intellectual property is greater economic and political equality. This means not just equality of opportunity, but equality of outcomes. This does not mean uniformity and does not mean leveling imposed from the top: it means freedom and diversity and a situation where people can get what they need. There is not space to deal fully with this issue here, but suffice it to say that there are strong social and psychological arguments in favour of equality (Baker 1987; Deutsch 1985; Ryan 1981).

**Review Questions**

1. Why have legal scholars failed to put a single definition for the concept of intellectual property?
2. Discuss the peculiar features of intellectual property.
3. Explain natural right theory and utilitarian theory with their similarities and differences
4. Why do skeptics not recognize the protection of IP?

# PART TWO: COPYRIGHT AND NEIGHBORING RIGHT

## Introduction

In the previous part we have noted basic concepts related to intellectual property. Sincerely believe that those notions, especially the distinguishing features, the purposes of intellectual property rights laws, and their justifications will give you the light of understanding the essences of the relevant laws that we are going to deal with here-in-after.

In this second part, a detailed commentary will be given on the pertinent legal provisions of copyright and neighboring right law by

raising issues which deserve consideration in such work. This part incorporates the subject matter of copyright laws.

Obviously, every law determines its subjects, and copyright law is not an exception to this principle. This implies the need to identify and deliberate on the legally provided requirements for the subsistence of copyright protection. On these grounds we have given due attention to these and other related issues.

On top of this, time and energy is devoted to explain the rights and limitations imposed upon copyrights. As we indicated here-in-before, existence of a property, in principle, implies existence of an owner. And this warrants the discussion as to who the owner of copyright is or should be. Similarly, copyright owners, just as an owner of any property, may transfer or alienate their property in accordance with the law. These latter issues are also addressed.

Undeniably, the mere existence of a law, no matter how strong prohibitions it may have, does not guarantee the protection intended to be accorded. This implies the need for provision of remedies in case of violations. Thus, the infringement of copyright and the legally available remedies are discussed.

A person may have contribution either in the process of production or dissemination of the work to the public. And, unfortunately, this person may be found to be outside the ambit of copyright protection. However, realizing the contribution of such persons rights which are related to copyrights are recognized. Therefore, the nature and extent of the rights of these persons (neighboring right owner) are dealt with.

**Objectives**

At the end of this part of the discussion, you will be able to:

- Explain the basic features of copyright;

- Identify the justifications for copyright protection;
- Discuss authors rights and their limitations;
- Explain the nature of neighboring rights;
- Distinguish neighboring right from copyright;
- Explain the scope of neighboring right.

# Chapter Three: Nature, Purposes, Subject Matter and Standards of/for Copyright Protection

## Introduction

To identify "where" and "when" we apply the provisions of the copyright law we need to distinguish which works are copyrightable and which are not. In this regard we will begin by indicating the particular subject matters of copyright and then move on to point out what qualifies such works for legal protection. This must, however, be preceded by the definition of copyright.

Finally, a deserved attention will be given for those works which are out rightly excluded from the protection of copyright law irrespective of the fact that they belong to the domains which copyright law claims to protect and also satisfy the legal requirements.

After completing this chapter, the student will be able to:

- Define copyright
- Explain the reasons why copyright should be protected;
- Identify the proper subject matters of copyright law
- Distinguish the legal requirements for copyright protection;
- Identify the excluded works.

## 3.1. The Definition and Nature of Copyright

### 3.1.1. Copyright in General

Copyright encompasses the protection of cultural works in all media: literature, musical, arts, architecture and audio visual productions. However, there are two legal traditions for protecting literary and artistic works: copyright tradition that is associated with the common law legal system and author's right (*droit d'auteur*) tradition that is rooted in the civil law legal system.

At this juncture, it is proper to see the philosophical justifications in the two traditions. In common law, "the copyright system accords protection to authors for more instrumentalist reasons: the grant of rights is intended as an incentive to creativity and hence to the production of a wide variety of works, to the betterment of society." Copyright is simply the right to prevent the copying of physical materials and its object is to protect the owner of the copyright against reproduction or use of that material which he has not authorized. In common law, "copyright is not a natural right but an artificial right and a creature of the law to be enjoyed for such time and under such regulations as the law may direct". In this system, the economic argument is the foreground. Generally, the philosophy is that whosoever takes the initiative in creating the material and makes the investment to produce it and makes it should be allowed to reap the benefits. Since the economic reward is the basis, the concept of copyright had no difficulty in incorporating the film producer, the performer, and the phonogram producer and in some cases broadcasting organizations into the copyright system. In other words, they are copyright holders. Thus it is possible in this system for juridical persons like film, phonogram or broadcasting companies to be the first owners. The more commercially oriented basis of copyright in this system has resulted in the absence of moral rights in many classical common law copyright systems.

In this regard, the Constitution of the USA provides that the congress shall have power … to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writing and discoveries. Hence, the enactment of copyright legislation by congress under the terms of the Constitution is not based upon any natural right that the author has in his writings. But authors are granted copyrights on the ground that the welfare of the public will be served and progress of science and useful arts will be promoted by securing to them exclusive rights to their writings for limited periods. Thus, the primary goal in according copyright is to benefit the public by stimulating the creator with the reward from the protection.

Unlike the common law legal system, the *droit d'auteur* or civil law system bases itself on an essentially individualistic ground and recognizes copyright as a natural right. "The *droit d'auteur* system is largely premised upon notions of natural rights and the inherent right of an author to the fruits of his intellectual and creative endeavors." Copyright protection is justified, not because the society benefits from the protection but the author has an inherent right on the fruits of his mind. Since the right in this system has an inherent nature, the right is not solely dependent upon statute.

In this system, it is believed that "copyright in the work springs from the act of personal creation; the work is part of a personality of the author and remains linked to him". A close link is recognized to exist between the work and the personality of the author, and indeed a moral link. This gives the author the right to publish the work or not as he wishes. When he wishes, he can publish in such forms as he wishes and to defend it against any distortion or abuses. Thus, since

the right is natural and individual, it can only originate in an individual and not in a juridical person. In this system, also producers of phonograms*, broadcasters, and performers are not considered as authors, but are granted rights under a different rubric, known as “neighboring rights” or “related rights”.

### 3.1.2 Definition of Copyright

Copyright law is a branch of that part of the law which deals with the rights of intellectual creators. It deals with particular forms of creativity, concerned primarily with mass communication. It is concerned also with virtually all forms and methods of public communication, not only printed publications but also with such matter as sound and television broadcasting, films for public exhibition in cinemas, etc, and even computerized systems for the storage and retrieval of information.

Copyright has been defined as the right to multiply copies of a published work, or the right to make the work public and still retain the beneficial interest therein. It has also been defined as the exclusive right of multiplying copies of an original work or composition, and consequently preventing others from so doing.

It is a species of incorporeal property acquired by occupancy. It must, therefore, be distinguished from physical ownership of the work in which copyright subsists. It is the right to prevent copying row the issuing of copies to the public.

Copyright as contemplated by the law comprehends the sole right to do, and to restrain others from doing, certain acts in relation to original literary, dramatic, musical and artistic works. Its essential characteristic is the sole right to produce or reproduce any such work or any substantial part thereof in any material form whatsoever.

A copyright is a form of protection provided by a national government to authors of original works of authorship including literary; dramatic, musical, artistic and certain other intellectual works.
A copyright is a collection of discrete rights for controlling dispositions of the content of original work.

Copyright deals with the rights of intellectual creators in their creation. Most works, for example books, paintings or drawing, exist only once they are embodied in a physical object. But some of them exist without embodiment in a physical object. For example, music or poems are works even if they are not, or even before they are, written down by a musical notation or word.

### 3.1.3 Nature of Copyright

Copyright law is, in essence, concerned with the negative right of preventing the copying of physical material existing in the field of literature and the art. Its object is to protect the writer and artist from the unlawful reproduction of his material. It is concerned only with the copying of physical material and not with the reproduction of ideas and it does not give a monopoly to any particular form of words or design.

If it could be shown that two precisely similar works were in fact produced wholly independently of one another, the author of the work that has published first would have no right to restrain the publication by the other author of that author's independent and original work.

Copyright protection is not in ideas but in the form of expressions (countenance) that has embodied the idea. The claim is not to ideas,

but to the order of words, and this order has a marked identity and a permanent endurance.

Nothing can with greater propriety be called a man's property than the fruit of his brains. The property in any article or substance accruing to him by reason of his own mechanical labour is never denied him: the labour of his mind is no less arduous and consequently no less worthy of the protection of the law.

Before the Act of 1911, in England, it seems that the expression 'copyright' was confined to the right of multiplying copies and did not include the performing right in dramatic or musical works, and it is a matter of some doubt whether the expression "copyright" was before that date used only in relation to the right to restrain publication of published works so as to include also the right of an author to restrain publication of his unpublished works.

Since the Act of 1911, copyright came to be used as all the rights conferred by the Act upon authors, composers and artists in respect of their literary, dramatic, musical and artistic works. It doesn't essentially mean a right to do something but a right to restrict the doing of acts by others and, when copyright is referred to as an "exclusive right," the emphasis is on the word "exclusive". The Act of 1956 accordingly defines "copyright' as meaning the exclusive right to do and authorize other persons to do the acts restricted under that Act by the copyright in a work of that description.

Copyright law, however, protects only the form of expression of ideas, not the ideas themselves. The creativity protected by copyright law is creativity in the choice and arrangement of words, musical notes, colors, shapes and so on. Copyright law protects the owner of rights

in artistic works against those who “copy”, that is to say those who take and use the form in which the original work was expressed by the author.

Copyright developed as the means by which ‘works’, i.e. materials deserving copyright protection, reach the public. At the beginning it was the invention of the printing press which gave copyright its impetus. The protection of printed material against unauthorized reproduction was the main concern of copyright and the right to prevent such reproduction. The reproduction right was the basic and the main right, followed by the translation right in literary works.

Copyright protects literary, artistic, and scientific work. It protects the economic and moral rights of the author /creator/. These are the two interests which the law recognizes in the copyright field. Works protected are works of the intellect. It protects the production and dissemination of the work but not of ideas. This introduces the dichotomy of ideas and expression of ideas.

The question is why are ideas not protected? Ideas are inherently inappropriable. It is impossible to physically control the idea. Is there a difference between ideas and expressions of ideas in appropriability? There is no! Granting monopoly of ideas is not advantages to the society. Even a person may be prohibited from discussing ideas.

### 3.2 Purpose of Copyright Protection

Regarding the purposes of copyright protection, the preamble of Copyright and Neighboring Rights protection proclamation No. 410 /2004 provides that “literary, artistic and similar creative works have a major role to enhance the cultural, social, economic, scientific and

technological development of the country". For the achievement of those goals by the literary, artistic and similar creative works, there should be copyright protection. That is why also the preamble says it is necessary to protect works that make literary, artistic and similar creative works.

There are two theories about the justifications of copyright protection. The first theory is natural rights theory that states that copyright is not the creation of the law but always existed in the consciousness of man. The product of mental labour is by right the property of the person who created it. It follows then that the public has no more right or justification to take away or impair the originator's property in his mental creation than it has to deprive him of any other of his ownerships. Thus, what the law has to do is just recognize this natural right which is deserving of protection.

The second theory is the bargain or contract theory. This theory starts with the premise that people will be encouraged to produce new creations if there be some reward as an incentive. It means a creation of mind is merely a contribution to a common stock of knowledge and enjoyment of mankind in which the public have heritage. In this theory, copyright is relegated to the level of an artificial right and a creature of the municipal law of each country to be enjoyed for such time and under such regulations as the law of each state may direct. The theory dictates that had it not been for the need to encourage new creations, the creator or works of the mind would have been denied of the right or ownership to his creations.

However, though there is controversy between these theories, they advocate that protection should be given to copyright ownership. On top of this, copyright is justified on a number of grounds.

First, there are reasons of social justice which advocated that the author should be able to benefit from the fruits of his labour. This benefit given to the author is in the form of royalties which are compensations for the use of the copyrighted material. These royalties function as an intellectual worker's remuneration. However, denial of protection goes against the ideals of common social justice. The remuneration paid to authors is borne by the ultimate 'consumers', that is, purchasers of books and records, or the paying customers of the cinema or theatre. Thus, it is through the copyright system that the equitable contribution of 'consumers' of intellectual property is ensured.

In this regard, one writer dictates that:

"It will continue to be ingratitude of making that they who teach wisdom by the surest means shall generally live poor and unregarded, as if they were born only for the public, and had no interest in their own well being, but were to be lighted up like tapers and waste themselves for the benefit of others."

The second ground relates to cultural progress, which is ensured through the system of copyright protection. By putting the results of his intellectual activities at the disposal of mankind, he contributes to the spread of knowledge and cultural education of millions of people. If his works are protected by copyright, the author will be encouraged to produce new creations and thereby enrich his county's store of literature, drama, music and science. Listen to what a certain author had to say; "without copyright, there would be no incentive for creative individuals to write novels, paint pictures or compose books. Nor would there be any incentive for publishers, broad casters and record companies to invest in the exploitation of those works." Thus

cultural progress will be lost if there is no copyright protection in a country. But if his works are protected, the intellectual labourer will engage in his work with more spirit and as a result there will be progress in the culture of a given country.

Thirdly, copyright protection can also be justified on moral grounds. We can say that the work is the personal expression of the author's thoughts__ "the child of his thought." Therefore, he should be given the right to decide when and how his work may be reproduced or performed in public and the right to prevent mutilations.

Taking the expressions of Cavendish and Kate pool, "the main purpose of copyright law is to ensure that authors receive some share of any money and prestige resulting from the exploitation of their own original work". In general, therefore, it is immoral as well as illegal for anyone to reproduce an author's work without his express permission. This means that no one may safely copy or steal it and pass it off as his own unaided creation because the law defends the real author's prior rights. It also means that no one may publish a work, or use in other ways, as it is immoral, without first reaching an agreement with the author- an agreement, which will normally involve payment.

The fourth justification for copyright protection will be on economic grounds. The necessary investment for the creations of intellectual works is easily obtained if protection exists. Creating a property right in works enables them to be traded and permits copyright owners to earn money from their works. It provides a very useful and effective way of exploiting a work economically. It also envisages a mechanism for allocation of risks and income derived from the sale of the work. Granted the fact that copyright is intangible, absent property right,

the producer of works of the mind will find it difficult to recover his expenses. Thus, the investment that is necessary for the creation of works (e.g. filmmaking or architecture) or for their exploitation (e.g. Book publishing, record manufacturing) will be more easily obtained if protection exists.

In general, a creation of works of the mind is a result of tremendous cost – it needs time money, labour, etc. Unless these creations are protected, the author will not be able to appropriate the value of the information that he produced.

Finally, the justification for copyright is that without it "the freedom of expression in literature and arts … would be in danger." Once it is conceded that copyright enhances the publication of creative works, it is obvious that it enables the society to have access to new ideas and new works. In addition, an idea becomes useful only in proportion to the degree of communication and its supreme triumph would be achieved where it is known to all men. To the extent that creative works are available, freedom of expression is enhanced because the public will express its ideas in works of the mind published in abundance because of copyright protection.

Copyright protection is above all one of the means of promoting, enriching and disseminating the national cultural heritage. A country's development depends to a very great extent on the creativity of its people, and encouragement of individual creativity and its dissemination is a sine qua non for progress.

Copyright constitutes an essential element in the development process. Experience has shown that the enrichment of the natural cultural heritage depends directly on the level of protection afforded

to literary and artistic works. The greater the number of a country's intellectual creations, the higher its renown; the greater the number of productions in literature and the arts, the more numerous their so-called "auxiliaries" (the performers, producers of phonograms and broadcasting organizations) in the book, record and entertainment industries; and indeed, in the final analysis, encouragement of intellectual creation is one of the basic prerequisites of all social, economic and cultural development.

Adoption of the law is the first step. The practical value of the law depends on its effective and efficient application. This can be achieved through setting up of appropriate authors' organization for collection and distribution of authors' fees. Copyright, if effectively implemented, serves as an incentive to authors and their assignees /the publishers/ to create and disseminate knowledge. It is something that society must necessarily accept if it wishes to encourage intellectual creativity to ensure the progress of the sciences, the arts and of knowledge in general, to promote the industry using authors' works and to render it possible to distribute such works in an organized manner among the widest possible circle of interested persons.

Copyright protection, from the view point of the creator of works, makes sense only if the creator actually derives benefits from such works, and this cannot happen in the absence of publication and dissemination of his works and the facilitation of such publication and dissemination. This is the essential role of copyright in developing countries.

There are several factors influencing intellectual creativity in developing countries, apart from the pecuniary condition of most of the authors and intellectual creators themselves, who need to be

offered incentives and subsidies. There is the shortage of paper for the production of text books for the process of continuing education (both formal and non formal), and for production of prescribed and recommended books as also general books, which are to be placed within the reach of the common man in these countries.

The role of governments in this activity could include financial assistance in the creation and production of text books and other educational literature; inputs for training, as also help for expansion of library system, the creation of mobile libraries to serve far - flung and remote rural areas, etc. In this whole chain, the various links, viz authorship, publishing, distribution, and fostering of the library movement on a broad base, cannot be underrated, and need to be carefully nurtured and coordinated.

In the later nineteenth and in the twentieth century's considerable socio –economic and political change on the one hand, and rapid strides in technological development on the other, have brought about substantial changes of outlook in relation to copyright. The freedom and expansion of the press, the gradual disappearance of the feudal order, the growth of adult training and mass education schemes, the raising of standards in higher education, the increase in the number of universities, institutions of higher learning and of libraries, the emphasis on the use of national languages, the development of science and technology, the changed map of the world with the birth of a number of newly independent developing nations- all these factors have caused conceptual changes.

The challenge in this new situation is to maintain a balance between provisions of adequate rewards to creators of works and to ensure that such rewards are in harmony with the public interest and the needs of modern society.

Copyright has a special role in the context of development. Particularly since the 1950s, when the political map of the world changed considerably, and several states progressively became independent and other states were newly created, developing countries have had to cope with the enormous problems of educating the masses of their peoples. Some developing countries, racing against time in order to provide mass education by methods both formal and non-formal, are facing acute challenges in respect of encouraging and fostering intellectual creativity, and satisfying the urgent need for promoting knowledge, particularly in the field of science and technology, in their countries.

Most developing countries, on attaining independence, have given priority to the training of their peoples and to education, in order to meet the need for staff and management personnel to design and implement development policies and plans. Progressively, emphasis had to be placed on the need to give an essentially national character to the training of the people.

It is indeed important that people be trained in a manner that is in keeping with their natural environment. Consequently, teaching material, including literary, artistic and scientific works, has to be created by authors originating in the community to which the works are addressed, and the community has in turn to see and recognize its reflection in them. A reasonable level of recourse to foreign works will continue to remain desirable, in order to facilitate cultural interchange and the reciprocal flow of ideas.

In many developing countries, there is a shortage of specialists in certain areas of knowledge. Incentives and subsidies are required for

the purpose of encouraging national authorship both in a language in general use and in the local language. Also required is education of the public in the laws of copyright.

Development of natural authorship and creativity cannot be set in motion without guarantees to the author of adequate remuneration for his efforts, to enable him to devote his time and attention fully to the need for producing educational material. copyright protection involves ensuring not only payment of attractive and reasonable royalties to the authors, but also suitable protection for publishers, for the opportunity available to an author to have his works disseminated depends equally on the laws protecting publishers. Protection of authors and creators both nationally and internationally calls for adequate legislation.

Developing countries may need to introduce such legislation also in order to protect the traditional manifestations of their culture which are the expression of their national identity. Once the law has been enacted, the infrastructure for its application has to be established.

### 3.3. Copyright under the Ethiopian Legal Systems

The history of legal protection of copyrights in Ethiopia dates back to the 1960 Civil Code, which included a fairly comprehensive protection to copyrights. Currently, the Proclamation defines copyright under Art. 2 (8) as an economic right subsisting in a work and where appropriate including the moral right of an author. As can be seen, it is defined from the perspective of the rights of the author as it is based on the bundle of the author's economic and moral rights in his work that are provided under Art.7 and 8 of the Proclamation. Works of the author are productions in the literary, scientific and artistic fields that include particularly: books, booklets, articles in reviews

and news paper, computer programs; speeches, lectures, addresses, sermons, and other oral works; dramatic, dramatic-musical works, pantomimes, choreographic works, and other works created for stage production; musical compositions; audiovisual works; works of architecture; works of drawing, painting, sculpture, engraving, lithography, tapestry, and other works of fine arts; photographic works; illustrations maps, plans sketches, and three dimensional works related to geography, topography, architecture or science.

Which of the competing theories are given recognition in our law? Is it the natural right theory or utilitarian theory? It is possible to promote the cultural, scientific, technological development of a country when creators are allowed to control their work. It is the utilitarian theory which is included under the preamble. In countries like the USA it is stated that copyright law is important for the society. Similarly, copyright law in Ethiopia has the public purpose in that by rewarding authors, it is possible to encourage them and produce works useful to the society. It is a means to an end /the social end / in creating the creator's interest. However, in France, (the birth place of natural right theory), copyright law is important for the recognition of the natural right of the author.

In the case of utilitarian theory, if a certain creation does not benefit the society in case of conflicts of interest between the individual and the society, it will be rejected. The preamble of any law has an implication in the interpretation of many cases. In a copyright word, there is always a conflict between the creator and the public because the public want the work to be accessible and the creator not. In the preamble, moral rights are not mentioned although inside the law all the moral rights are mentioned. By the way, in British it is called Copyright whereas in France it is named as authors rights.

To give more emphasis, if we see the preamble of the proclamation as to the question of why copyright protection, it is because of the role of those works in bringing about overall change. It is provided, in the Preamble of the Proclamation, that "literary, artistic and similar creative works have a major role to the cultural, social, economic, scientific and technological development of a country". It seems the legislator wants to give incentive for societal benefit. These may be related with the bargain or utilitarian theory. Thus, it may be argued that utilitarian theory is the justification for the protection of copyright in the Ethiopian copyright law.

Art. 2(8) define copyright as an economic right subsisting in a work and in appropriate case moral right to an author. It leans more to the Anglo-American tradition unlike the civil code, which is inclined to the author's rights in the continental legal system.

Some argue that common law tradition is important in encouraging others to create more and more, and in effect it is important in the development of an art. This is also something to do with the social structure in those traditions. In Anglo-American traditional, money is everything as opposed to the continental tradition.

On the other hand, it can be argued under the Ethiopian copyright system, copyright includes the economic and moral rights of the author though it emphasizes the economic rights in the definition part of the Proclamation. However, the moral rights of the author in his works are equally treated like economic rights under Art.8 of the Proclamation. Author is defined as a person who has intellectually created a work (Art2 (2) of the Proclamation). To be an author it requires mental creation that the juridical person lacks. Thus, the right can only originally be vested on physical persons as juridical persons do not have a mind for intellectual creations. Moreover, the

rights of performers, producers of sound recordings and broadcasting organizations are, like the civil law legal system, neighboring rights, not copyrights. However, the concept of neighboring rights does not exist in the U.S. law, which is the signatory for common law legal system, as it either qualifies for copyright protection or unfair competition laws or the Federal Communication Act (for broadcasts in certain situations). This tempts us to conclude that the copyright system in Ethiopia is aligned to the civil law legal system.

Copyright taken as a natural right is also reflected in the Constitution of the Federal Democratic Republic of Ethiopia (FDRE). The FDRE Constitution recognizes the right to private property as one of the democratic rights. Private property as defined in Art.40 (2) of the constitution includes any intangible product having value. Copyright being a property right on an intangible product of labor and creativity, and having value, becomes the private property of the author, thereby being recognized as one of the democratic rights. Therefore, it is a natural right of a person to create an intellectual property, have ownership right over it thereby making it private property. This implies that a natural right theory is recognized in our copyright system.

Moreover, according to Art.13 (2) of the FDRE Constitution, the fundamental rights and freedoms including the democratic rights are to be interpreted in a manner conforming to the principles of the Universal Declaration of Human Rights (UDHR). The UDHR is also recognized through the Transitional Government Charter. And in this Declaration, copyright is recognized as human right, i.e., natural right (Art.27). Therefore, under the FDRE Constitution copyright is protected on the basis of the recognition that it is a natural right. Moreover, the UDHR is made an integral part of our law as per Art

9(4) of the FDRE constitution. Hence, it can be argued that the UDHR is recognized through Art 13(2) of our constitution and economic and moral rights are made part and parcel of the Ethiopian law, as they are incorporated under the UDHR. In this regard, the UDHR specifically provides that everyone has the right to protection of the moral and material interest resulting from any scientific, literary or artistic production of which he is the author.

Therefore, it may also be concluded that it is the natural right basis that serves as the primary justification for the protection of copyrights under the Ethiopian legal system.

### 3.4 The Subject Matter of Copyright Protection

Broadly speaking works are protected. Expressions of ideas on which a person has exercised his judgment (skill) are protected. The expressions may take different forms. The question is: Is the claimed work a copyrightable work?

Our copyright laws do not list protected works exhaustively. The law defines "work" under Article 2 (30) of the proclamation as "a production in the literary, scientific and Artistic fields. In the advent of technology other works may emanate. Art 2 (30) is regarded as an area where the proclamation shows more progress than does the civil code. It is also a bit clearer. Nonetheless, it includes in particular: books, booklets, articles in reviews and newspapers, computer programs; speeches, lectures, addresses, sermons, and other oral works; dramatic, dramatico-musical works, pantomimes, choreographic works, and other works created for stage production; musical compositions; audiovisual works; works of architecture; works of drawing, painting, sculpture, engraving, lithography, tapestry and other works of fine arts; photographic works; illustration maps, plans sketches, and three dimensional works related to geography,

topography, architecture or science (emphasis mine). Thus, the main four types of protected works are literary, scientific and artistic works.

There is no definition in the proclamation for those protected works, however. Therefore, if we are to understand the nature of such works, it is necessary to resort to foreign literatures. Literary, dramatic and musical works can all be reproduced either in sounds or by written symbols. They can be performed on a stage or printed in books.

Artistic works on the other hand, remain subject to their own rules. Each picture (or graph, chart, building, sculpture) is a complete copyright work in itself and in most cases physically indivisible; words in the other three categories are not.

Let's see each of the copyrightable works in an overview.

*A) Books, Booklets… (Literary works)*

They are written works. Novel, poems, biography, journals, books (social or natural sciences) are literary works. What about a news item? It is argued that it is not copyrightable because it is recitation of fact. (See Arts 4 and 5) A report has a personal input in a news reported article. The article in the paper is better appeared. The facts are available to anyone. If it is recognized, it is difficult because it will end up being monopolization of facts by some people. Another reason may be that reciting facts as they are does not require a greater skill.

Is the title of a book protected? Shall we protect the title ፍቅር እስከ መቃብር? Does it give economic interest /does it have economic value? Is it discouraging not to allow protection?

What about advertisement slogan like Pepsi የዘመኑ ምርጫ? There is an economic value in it. Advertising companies are interested in money. Some don't protect it and others protect it under copyright law.

*B. oral works*

These are speeches, lectures like public speeches by politicians, religious leaders. However, every speech is not protectable. It should be original and fixed in a tangible medium of communication. It should be either written or recorded.

*C. Dramatico- musical works*

These are works for stage production. It should be theatrical, drama, music, pantomimes, and coronagraph. Like oral works, it has to be fixed.

*D. Musical composition*

This is a work consisting of music. It is a copyrightable work without a word or performance because performance is protected by neighboring right.

*E. Audi visual work*

It is a type of work that consists of a series of related images, which impart the impression of motion, with or without accompanying sounds, susceptible of being made visible by any appropriate devise, and includes cinematographic or other film.

*F. Architectural works*

This is a three dimensional work done by the architect. Is there a creative choice for the works done by the structural engineer?

*G. Artistic works*

These include paintings, drawings, fine arts, sculpture

*H. photographs*

These are pictures taken by the camera man using the camera. There are other special requirements for photograph protection under Art

6(2): they should form part of a collection and bear the name and address of the author. The role of the camera today is very high. But the creative input of the photographer is important.

*I. Two dimensional works*

These are pictorial illustrations, maps, and plans. They should involve creativity. Why are maps included under copyrightable works?

However, literary work does not necessarily mean a work of literature. It has to be construed broadly, for instance, to include computer programs. Protecting computer programs and data base as per Article 4(1) is another development of the proclamation accommodating technological development. Also as per Art 10 of the TRIPs agreement, a computer program should be protected as literary work similar to the Berne convention.

But the question is, is there a room for us to grant patent for computer programs? Some say that a computer program is just a set of instructions which are expressions and do not have industrial applicability and it should be protected as a copyright. When one develops a software program, one does not need materials other than paper and pen and the computer itself.

How do you see applied arts? Would objects that can be protected under the industrial design law be also additionally protected under copyright law?

Regarding derivative work, the construction, of the new work depends on a previous work. Translated, adapted and modified work can be copyrighted. Under Art 4(1), the protection extends to the way (manner) the previous work has had been selected arranged and complies, compilation. What matters is the manner of compilation and

not the content. Adaptation is a change of a work which falls in one category in to another category. For instance, a book may be adapted to a film. A literary work may be adapted to a theatrical play. In case of transformation (modification), which is copyrightable, the new work has characteristics which derive it from the old work. Sometimes, it is difficult to differentiate between the two works.

Thus, the other copyrightable works are adaptations, translations and collection of works which are generally called derivative works. A derivative work is so comprehensive that it includes translation, dramatization, fictionalizations, films, recovering, arrangements, abridgments, condensation in which a work may be recast, transformed or adopted.

Under our proclamation, also, derivative works, which include translation, adaptations, arrangements and other transformations or modifications of works, collection of works such as encyclopedia or anthologies or databases, whether in machine readable or other form provided that such collections are original by reason of the selection or arrangement of their contents are copyrightable works. (See Art. 4(1) of the proclamation).

If a work is to qualify as an adaptation, it is a requirement that either it expressly refers to the original work or it is evident that it derives its inspiration from the original work. If a person seeks to adapt an original work, therefore, he must in advance secure the permission of the author of the original. Put differently, the author has an exclusive right to adapt the work himself, and to authorize others, if he so wishes. As Per Art 7(1) (c) of the proclamation, save Art 9 to 19 of the proclamation, the author or owner of the work has the exclusive right to carry out or authorize adaptation of the work.

The other component of derivative works is translation. The author can derive benefits from his works by authorizing its publication in different languages when he himself translates the work. Here also he can derive material benefits from his work that has been translated by a third party as the third party can not translate the work of an author without the permission of the author or owner like adaptations.

The only exceptional situation for translation is giving power to the Ethiopian Intellectual Property Office to grant license to authorize the translation of a published work. However, there is discrepancy between the Amharic version and English version of this article. Under the Amharic version the office may grant license for the sake of public interest. But we can't find such a requirement under the English version.

As collection of works such as encyclopedia, anthologies or data bases require originality by reasons of the selection or arrangement of their contents, they should give copyright protection.

There are different ways by which works of authors may be deemed to be a proper subject matter of copyright protection. In addition to the requirement that an author produces a work that is a proper subject of copyright protection, national laws extend protection only to legally defined works of the authors, i.e., the subject matter of copyright protection. In other words, the subject matters of copyright are those works to which the national laws are meant to accord protection.

Those work, firstly, that are recognized as copyrightable works (subject matter of copyright protection) are productions in the domain

of literary, artistic and similar creations. However, the code does not define “similar creations.”

The other issue that relates to the subject matter of copyright protection is expression, not ideas. Every literary and artistic creation is an embodiment of, at least three basic elements: ideas or facts, their patterning and their expression. Of these three elements, expression of ideas is" the only peg upon which copyright can be hung." In other words, a copyright protection centers upon the expression of an idea and it does not extend to the idea itself. The effective meaning of this proposition is that the right secured by copyright is the right to that order of words that the author has selected to express his ideas. The creativity protected by the copyright law is the creativity in the choice and arrangement of words, musical notes, colours, shapes and so on. Subject matter in itself, therefore, as for example, the theme, the plot of a novel or play or the subject of an essay or article, cannot be protected apart from its expression. Thus: ideas and information can't be owned as copyright because in themselves they can't exist in a material form. The person who, for instance, contributes an idea for an advertisement, proposes the subject for a book, or tells his life story to a journalist, has no copyright grounds for claiming remuneration.
Similarly, according to Art __of the Proclamation ideas are not protected.

In conclusion, what is protected by copyright is not an idea- however original or novel-but the original expression of thought or information in some concrete form. In effect, a person taking an essential idea from the work of another author and expressed the idea in his own way is not held liable for copyright infringement. Since legal

protection is afforded to expressions of ideas, it is clear that it would be unlawful to protect ideas that are not expressed.

### 3.5. Scope of Copyright Law

A protection accorded to a work of an author may arise either by virtue of the author's personal relationship to a country_ his status- or the country is the first place of creation or of publication or is where unpublished work is found in acceptable theory. Thus a copyrightable work may be so either because of the personal status (nationality or domicile) of the author or by virtue of the fact that the work was created; found or published in acceptable theory. While the work remains unpublished, the connection can only concern personal status of the author or the place where it is created except where the work is no longer found at the place of its creation where upon the place where it is found is taken into consideration to see whether the unpublished work is in an acceptable theory.

Coming to our Law, Art 3(1) (a) envisages that the works of an author whose nationality is Ethiopian is automatically protected by the proclamation. In addition, if the author is a foreign national but his principal residence is Ethiopian, he will get the same protection as of the Ethiopian author.

In case of published works, if the work is firs published in Ethiopia, this work will be protected regardless of the nationality of authors. In other words, though the author is a foreign national, as long as his work is first published in Ethiopia, to protect his work, the proclamation will be applicable. However, if the work is first published abroad, it should be published in Ethiopia within 30 days to get protection of the proclamation. Unless the work of the foreign national is first published in Ethiopia or published abroad and

published in Ethiopia within 30 days, it will not be a subject matter of copyright protection. (See Art. 3(1) (b) of the proclamation). Therefore, regardless of the nationality or residence of the author, his work will get copyright protection and be the subject matter of copyright protection if the work is first published in Ethiopia or first published abroad and published in Ethiopia or first published abroad and published in Ethiopia within 30 days.

The question may be what does publication mean? Its definition can be inferred from Art.2 (22) of the proclamation which, defines "published work" as a work or a sound recording, tangible copies of which have been made available to the public in a reasonable quantity for sale, rental , public lending or for other transfer of the ownership or the possession of the copies, provided that, in the case of a work, the making available to the public took place with the consent of the author or other owner of copyright, and in the case of sound recording, with the consent of the producer of sound recording.
Therefore, publication will be considered as issuance of authorized copies to the public, including making the work available by means of electronic retrieval systems. Copies should also be reproductions of the work in any material term (not just in writing). Works are published only when authorized reproductions in written form had been issued to the public. An authorized publication is one made with the agreement of the copyright owner or someone to whom the necessary control has been delegated.
The other thing for the existence of publication is that more than one reproduction must be made. Making a single copy is not publication. Moreover, the actual text of the work should be reproduced.

Regarding audiovisual works, they would be a proper subject matter of copyright protection if the producer of those works had his

headquarters or principal residence in Ethiopia. It means if the person that undertakes the initiative and responsibility for the making of sound recording works has a headquarter or principal residence in Ethiopia, his audio visual works will get protection (see Art. 3 (1) (C) of the proclamation).

Art. 3 (1) (d) of the proclamation also provides other subject matter of copyright protection. This is work of architecture erected in Ethiopia and other artistic works incorporated in a building or other structure located in Ethiopia.

Moreover, the protection envisaged under the proclamation shall apply to works that are eligible for protection in Ethiopia by virtue of and in accordance with any international convention or other international agreement to which Ethiopia is a party.

The other subject matters of copyright protection are performances, sound recordings and broadcasts. As to performances, to get protection from the proclamation, performers who have Ethiopian nationality should perform them. For the performers who do not have Ethiopian nationalities, performances should take place in the territory of Ethiopia; or should be incorporated in sound recordings the producers of which are nationals of Ethiopia or sound recordings first fixed or first published in Ethiopia; or if they have not been fixed in a sound recording they should be included in broadcasts of a broadcasting organization the head quarters of which are situated in Ethiopia or transmitted from transmitters situated in Ethiopia (Art. 3(3)) of the proclamation). For sound recordings, the producers of those works should have Ethiopian nationality or the sound recordings should be first fixed or published in Ethiopia.

In addition, the protection given to broadcasts shall apply to broadcasts of broadcasting organizations where the head quarters are situated in Ethiopia or broadcasts transmitted from a transmitter

situated in Ethiopia. This is clearly envisaged under Art 3(5) of the proclamation.

On top of this, the provisions of the proclamation will be applied for the works of performers, producers of sound recordings and broadcasting organizations that are eligible for protection by virtue of and in accordance with an international convention or other international agreements to which Ethiopia is a party.

However, the provisions concerning copyright and neighboring right should not extend to a material object. In other words, the protection given to the music or painting or dance will not be applicable for the ownership of the musical instrument or the painting materials (see Art. 3(7) of the proclamation).

The other works that are subject matters of copyright protection are stated under Art-4 of the proclamation as derivative works. These are translations, adaptations, arrangements and other transformations or modifications of works and collection of works like encyclopedia, anthologies, databases etc. We will look these works latter.

Another question is: at what point in time is residence taken into account under Article 3? Art 3(2) of the Berne convention says habitual residence. This is assimilated with nationals of member states. Under our proclamation, it refers to Ethiopian residents which is determined based on the provisions of the civil code. The justification is to encourage authors to make their work available to the Ethiopian society.

Regarding the time of residence, it is argued that the author may be a resident any point in time after publication. As long as he has protectable interest at the moment he becomes resident. At the moment he ceases to be resident, the protection will also wither away.

### 3.6. Requirements for Copyright Protection

Art 6 provides that copyright protection is automatic-the protection comes upon creation of the work. There is no formality. However, there are two conditions: originality and fixation. We will see those requirements as formal and substantive.

### 3.6.1 Formal Requirement

***i) Fixation***

The formality requirement stated under the proclamation is fixation. (See Art 6 of the proclamation). It means works that enjoy copyright protection have to be reduced to a tangible medium. This is a requisite, a condition precedent for copyright to subsist in. In order to attract copyright protection, a work that is a product of the creative activity of its author must exist in some objective form before it is considered an object of copyright. In other words, an expression of an idea is copyrightable when it is reduced to a concrete form from which reproductions can be made. Thus "copyright arises whenever a work is created and expressed in some external form such as a manuscript, drawing, film, or mechanical recording or it can be expressed in the form of speech.

The requirement that a work be expressed in a material form means that "the work must exist in some form that may be perceived and reproduced by third parties." This requirement is an explanation of the exclusion of ideas from the ambit of copyright protection.

This requirement of material form is stated under Art 6 (1) (b) of the proclamation. It is clearly provided that " the author of a work shall, irrespective of the quality of the work and the purpose for which the work may have been created, be entitled to protection, for his work

without any formality and upon creation where it is: a) original; and b) fixed.

Starting from the time of creation and fixation, there is copyright protection. It is a clear provision that requires a work be recorded in a medium which is not ephemeral. Fixation is also defined under Art 2(11) of the proclamation as the “embodiment of works or images or sounds, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device prepared for the purpose".

Therefore, an author’s work is protected as soon as a wok is reduced in some concrete way because the law protects all expressions upon fixation in a tangible form. However, fixation and giving protection for works up on creation will be inconsistent. In other words, the requirement of fixation has no formality requirement but the fact that works would be copyrightable upon creation is contradictory because the time of creation and fixation is different. Though speeches, lectures and other vocal performance are stated as copyrightable works, they will not be protected unless the author reduces them to writing or to any tangible form. No matter how much is invested in developing a dramatic character for public performance, it is not copyrightable unless it is at some point reduced to a physical expression

Art. 2(11) defines fixation as embodiment in a material form or a medium from which the work can be perceived or reproduced. The elements are: embodiment, a device, and in such a way that the content cold be retrieved from the device, could be reproduced. For instance, musical works (compositions) can be embodied in an audio-cassette, CD what about lecture notes and traditional music song by illiterates? Who has to fix them? What about stage production and

choreographic works? Is it the person who created the work or any other?

Fixation is not, however, a requirement in continental law countries. In Europe, a work will be copyrighted if it fulfills the criteria of originality. That is to mean, due to lack of fixation a work may be excluded from being copyrighted. And due to this a work may be misappropriated.

Thus, why is fixation a requirement so far as the creation exists? Do you think it is appropriate to confuse creation with fixation? The other question may be: is there any assurance that the public will exploit the work after the time of protection lapses, if there is no fixation?

However, there is no prohibition at international level. Even the Berne convention, which is_the most comprehensive international document on literary, artistic and scientific works, indicates the possibility of making fixation as a requirement (Art. 2(2) of the convention).

Why is fixation a requirement?

The reason is that it is always easier to prove copyright if the work is in a tangible from. However, others say that not to require fixation is fair to the author since it will protect the work from being misappropriated due to lack of taxation.

***ii) Registration and Notice***

On top of originality and fixation, there is no other formality requirement for copyright protection. Works are copyrightable irrespective of their quality and their purpose for which they are created. Registration and notice which would be considered as formality requirement for some other legal systems has no legal significance in our law. In other words, there is no formality requirement for copyright protection in our law like registration,

examination, depositing notice or making copies. This is reinforced under Article 6 of the proclamation which states"...without any formality...." The incorporeal right of ownership, which is to be acquired when a work is put in a 'material form', thus will not be acquired in the absence of such form.

However, in case of photographic works, there are other additional requirements to be considered as a copyrightable subject matter. In other words, they will be protected where they form part of a collection or are published in a book or; bear the name and address of the author or his agent. Bear in mind that forming part of a collection or publication in books or bearing the name and address of the author is applicable for the protection of photographic works.

By contrast with the various registered rights, copyright is automatic. As soon as a literary, dramatic or musical work is recorded in any forms, copyright subsists in that work. An artistic work a recording, a film or a broadcast, similarly has copyright protection as soon as it is made. There is no need to register it or any thing: it is not even necessary to make it with a claim to copyright. In addition, this protection is, for most forms of copyright works, available without further formalities even the symbol ©, commonly seen on copyright works, is really unnecessary.

### 3.6.2 Substantive Requirement

A literary or artistic work which is an object of copyright and which is created by a subject of copyright is not copyrightable if it lacks originality irrespective of the fact that it is reduced to a material form. The question is what is originality? Originality is not defined in the proclamation. Some jurisdictions dictate that the work should originate from the author himself. A person who has copied from

others cannot claim originality. A direct copy of someone else's work (leaving aside its illegality) plainly cannot claim a new and separate copyright for itself. In short, originality is said to be a little more than the mere absence of plagiarism, though it does not go so far as to imply novelty or literary merit.

Since copyright subsists only in original works of the mind, it is necessary to ascertain what is meant by the word 'original' and the nature and degree or quality of originality of a work to sustain a valid copyright. The requirement of originality means that the product must originate from the author in the sense that it is a result of skill, industry or experience employed by him. In effect, the meaning of the originality requirement is that the work must not be copied from another or must not have been in the public domain.

Thus copyright protection is given to literary and artistic works and not to ideas, and therefore it is original skill or labour in execution of the work, and not originality of thought, which is required. The originality required by copyright laws relates to the expression of thought in which the work is clothed. It does not have anything to do with originality of ideas which enjoy no protection under copyright law. Rather it relates to expressions that are embodied in copyrightable works.

Some scholars tried to make a contrast between novelty and originality. Novelty – if a person giving an idea is known already by others, a person who independently creates that idea can't get patent protection. The idea should not be anticipated by a prior art.

Originality – Even though a given expression is created by others a person who independently comes up with the same expression can seek copyright protection. There is a possibility of similarity of artistic

works. E.g. Two photographers taking same thing may the same photographs.

Originality in copyright should not thus be taken to mean novelty, in the sense of original or inventive thought. All that is needed to satisfy originality is that the author contributes something more than merely trivial variation something recognizably his own. Since his work need not be novel, all that is needed to obtain copyright is that the work be originated with the author who has not copied it from another.
Therefore, originality should not be confused with novelty: when two artists paint a picture of the same landscape each creates a work, each being original since it reflects the personality of the maker. Nor should originality be confused with the merits of the work or intrinsic value of the work or even with the purpose of the work; these factors seem immaterial to the protection obtained.

It is inevitable that when two people deal with a common idea or fact, no matter how varied the form of expression may be, certain common elements will appear in their respective works. There might be similarity in the work due to the fact that both works deal with the same subject matter or have the same common source, but if each work is independently developed, neither will be denied a valid copyright.
In addition, originality is not defeated by the fact that the work has its source in the public domain. An author who borrows from the public domain in creating a copyrightable work is entitled to protection against one who copies his work rather than the work in the public domain. The fact that the source of a work is in the public domain "doesn't void copyright, although the protection is limited to the new and original work of the author".

Accordingly, the requirement of originality as a requisite for copyright protection has been incorporated under our law by virtue of Art 6(1) (a) of the proclamation. Under this article, for the entitlement of copyright protection, the work of an author should be original without any other formality and irrespective of the merit and purpose of the work.

Therefore, originality in our law is a substantive requirement for copyright protection. Unless the work of the author is original, it will be devoid of copyright ability.

Is originality not concluded in the concept of authorship under Art 2(2)? To what extent is it original when the law says the work is original? What level of creativity should be required for the work to qualify as original? Is it trying to imply that adequate skill and judgment is needed by including originality? Our law does not tell us the level of creativity.

However, it is wise not to define originality as it is dependent upon the circumstances surrounding the work. A work is original if it emanates from the mind of the author. The work is original when it owes to some creativity.

There are two approaches in answering the questions raised in relation to originality:

*1. Anglo – American Approach*

*2. Continental law Approach*

In Anglo-American approach, the level of creativity is low (but existing), whereas in continental law approach it is a high level. The Americans believe that if skill, judgment and labour are involved, it is original. In England, schedules of Football soccer are protected under illustration. In the continental law, a work is protected if the work

shows the creative capacity of the author (የፀሐፊው የፈጠራ ችሎት የተከተበበት). The author's personality must be shown.

Which approach is enshrined under the Ethiopian law? It may be argued that the Anglo- American is included since our level of creativity is very low and we have to encourage creativity by protecting low level of creativity.

Is there a difference in the standard of originality in architectural product, photograph and poems? Generally, it can be said that different works should be treated differently.

Under the Ethiopian copyright law, artistic merit/quality is irrelevant as those laws which have a modern copyright law. It is not relevant to ask if the work meritorious or not.

However, the content may be illegal. Is anything that comes out of the author's mind worth copyright protection? Are immoral and unlawful subject matters copyrightable? How do you see Art 640 of the criminal code on the obscene and indecent? For example, the work may be phonographic works. Should this matter (illegal or immoral) be relevant for purposes of copyright? There are two standards.

If the work is illegal, copyright should not exist as it will encourage unlawful activities and different laws should coexist. The other is whether or not the content is unlawful; it should not be the determinative factor for the copyright ability of the work as it will be against freedom of expression and the law does not expressly require so.

Which trend is given recognition in the copyright law? It may be argued that the preamble states that the purpose of copyright law is for scientific, educational and cultural development. Laws have to co-

exist with each other. So, we should not grant a copyright for a work which does not co-exist with other laws.

**Review Questions**

1. From those theories (natural right and utilitarian), which theory is recognized regarding the protection of copyright?
2. To which legal system (common law or continental law) is the current Ethiopian copyright system attached?
3. Define copyright in your own understanding.
4. Discuss the requisites for copyright protection.
5. Some legal systems favor fixation as a requirement for copyright protection but others do not. Why?
6. Discuss the difference between originality and novelty.

## Chapter Four: Authorship and Author's and/or Copyright Owner's Rights

### Introduction

A work which belongs to the copyrightable domain satisfying the legally provided factors as necessary elements for the copyright protection entails for its author or his assignee bundles of rights. As we noted, such rights are basically property rights, and, therefore they are exclusive in nature. They cannot, however, escape from imposition of limitation by law. The bundles of rights of the author constituted in the "incorporeal rights of ownership" customarily fall into two categories, namely: economic rights and moral rights. This chapter dedicates itself to resolve issue related to the contents and the outer limits of the rights accorded to the author or his transferee.

### Objectives

At the end of this chapter, the student will be able to:

- Discus the nature of economic and moral rights;
- Distinguish economic rights from moral rights;
- Explain the different economic rights accorded to copyright owners;
- Identify the need and peculiar features of moral rights;
- Learns about the need, type and extent of limitations imposed upon copyright.

## 4.1: Authorship

### 4.1.1 Types of authorship

The owner of the copyrightable work is always either the actual author or someone who has acquired the copyright from the author directly or indirectly, by agreement or by operation of law. Then, the first type of author is the original author who has created the work (Art. 21(1) of the proclamation). This person is the person who creates, i.e., writes or composes the wok or who originates the whole of one work.

However, it is not always a single author that creates a work. It is important to underline that the actual authors, where from copyright descends to others can be more than one. The first type of these authors may be co-authors. As per Art 21(2) of the proclamation, where the work is a work of several authors, the co-authors shall be the original joint owners of the economic rights. In case of coauthors whose contribution of a work is clearly separable from the text of their collaborators, all co-authors own the copyright in the text they themselves have written and they have no claim on the rest of the work.

In case of collective works, the person at whose initiative and under whose direction the work has been created shall be the original of the rights (Art. 21(3) of the proclamation). Collective works are also defined under Art. 2(5) as literary and artistic works created by two or

more physical persons at the initiative and under the direction of a person with the understanding that it will be disclosed in the name of the latter person without indicating the identity of the contributor.

There are also works created by another employed or commissioned by a person in the course of his employment contract of service. In this case, unless agreed otherwise, the original owner of the rights shall be the employer or the person who commissioned the work. (See Art. 21(4) of the proclamation). In other words, if an author produces a work under a contract of service or in the course of his employment, the employer will own the copyright unless the author and employer agree otherwise. A contract of service is a certain kind of relationship between a person and his work and the person or firm for whom he does the work. The author may be a salaried employee or a commissioned freelance.

In this regard a contract of service should be taken as the work in which the employer closely directs and controls it. If the authors are given only a vague brief on none and the execution of the task is left to his judgment, the author is not under a contract of service but a "contract for services."
It should also be taken as works unconnected with the daily work for the employer. Works unconnected with the author's duties and done in his spare time will not belong to the employer. Moreover, the employer should have the power to hire or fire at will and/or the work is done for a set remuneration.

In case of audiovisual works, the producer is the owner of economic rights. However, the script writer, director, cameraman, lyricist, composer and other authors thereof shall enjoy the right of authorship in the work. On top of this, the authors of the screen play, musical

works and other works that are incorporated in an audiovisual work and can be exploited separately shall be entitled to exercise their copyright independently as envisaged under Art 21(5) of the proclamation.

### 4.1.2 Presumption of authorship

Regarding presumption of authorship, Art 22 (1) clearly provides that the person in whose name the work was published shall be deemed to be the author thereof unless there is a contrary proof. Also, writing anonymously or under a pseudonym doesn't prevent authors from owning the copyright in their work. In other words, even though the author used a pseudonym in the publication, he shall be deemed to be the author thereof, provided that there is no doubt as to his identity. (see Art, 22(2)) of the proclamation)

Lastly, save sub articles (1) and (2) of Art 22, a publisher whose name appears on the work shall be presumed to represent the author and, in this capacity, shall be entitled to exercise and enforce the moral and economic rights of the author. But this presumption is reputable, i.e. there will be a contrary propose. In other words, it uses is proof to the contrary, the publisher can't represent the author. Moreover, this presumption shall cease to apply when the author reveals his identity (see Art. 22(3) of the proclamation).

Copyright can be owned jointly if the work results from the joint efforts of several authors (Art-21(2). The co-authors shall be the original joint owners of economic rights. But the contribution of the author is not distinct from the other but it must be a co-operation result. However, a mere giving of an idea to an author may not enable a person to be regarded as an author. He must take part in the creation. The right of co-owners extends to each of every particle of the work. There are no independent distinct parts for each co-owner.

It is ownership of the whole by all. If the contribution is distinct, there is no joint ownership.

What if an Ethiopian came up with a book jointly with a foreign author?
It can be argued that the Ethiopian deserves protection though he jointly owns works with others as this avoids discrimination among citizens. This also helps Ethiopians to get experience by working with others although incidentally foreigners benefit.

What about works created by employment contract? See Art 21(4). The work will be owned by the employer or the person who commissioned the work. This is a significant departure from the civil code which provides ownership in favor of the author alone. The civil code was blamed for not encouraging investment by investors partly because the prevailing ideology by then was copyright is a protection to creative minds. Thus, legal persons were not entitled to own copyright as they lack mental faculty. Then, to provide ownership to employers may be in contradiction with such ideology.

But currently the employers are owners of works created through contract of service. However, what the employer owns is economic right. The moral rights are to the author because creative works are the brain child of him. He is the person who gave birth to the work. Upon his death, the moral rights will devolve to his successor or heirs. At this juncture let's raise one question. An Ethiopian citizen may work in foreign firm and may come up with a creative work. Will that work be protected under this proclamation simply because the author is an Ethiopian? Let us take that the work is created abroad, where there is no reciprocity and international arrangement. Should we protect the economic right of foreign employers?

The first argument is that foreigners may be encouraged to employ Ethiopians if we extend protection to them. The counter argument is if we protect work which does not relate to the Ethiopian context, it would affect the public interest. Thus, we should not protect those works.

## 4.2 Author's and/or Copyright Owner's Rights

### 4.2.1 In general

Law of copyright involves two elements. The first is a property (economic) right, and consists of a temporary monopoly over the exploitation of protected works. It assures the author of the exclusive right to control the reproduction, derivative works, performance or exhibition of his creation.

The second element is the moral right. It includes non-property attributes of an intellectual and moral character, which give legal expression to the intimate bond that exists between a literary or artistic work and its author's personality. It is intended to protect his personality as well as his work. The moral right of the author is recognition that copyrightable works are extensions of the personalities of their creators, i.e. it is the "outward manifestation of the author's inner self."

Once it is conceded that copyright consists of two classes of rights, it seems necessary to show the stage at which the two rights are divorced. The moral rights of author as an extension of his personality come into existence "as soon as the author puts pen to paper." Under the Ethiopian law, this is more so because it is provided in Art 6(1) of the proclamation that the "up on creation" confers upon the author an incorporeal right of ownership, ceteris paribus the other requirements.

Thus, there will be no difficulty in the determination of the judicial status of an incomplete work. No one other than the author can have ownership in it, or it can't be a thing without master. To the extent that it is created, it confers copyright on the author. In other words, "the work shall be deemed to exist, with or without being revealed to the public, when the [author's] conception has been realized, even incompletely." It is the mere creation that matters, and it is not a requirement that it be completed. If it be argued that moral right starts at the time of completion of the work, a paradoxical situation arises because there will follow alienation of the moral rights from

the author for the time between the beginning of the creation and its completion. The alienation of the inalienable is something alien to the concept of moral rights, which always attaches to the person of the author, hence a paradox.

When we come to the economic aspect of copyright, until the moment of disengagement of the author from his work, and submitting it to the public, the work remains an expression of his personality and it can't be subject to commerce. Until then, "it is a rough draft, a design which the artist may modify and destroy at will"

However, when the author decides that his work is completed and reveals it to the public by the act of publication, that moment marks the beginning of economic rights. Accordingly, the economic rights come into existence much later than moral rights do. Once the author has published his work, it falls in commerce and becomes the subject of transaction.
This should not imply, however, that the economic and moral rights are distinct entities that stand by themselves. The one is related to the other and sometimes the existence of one implies that of the other. The protection of economic rights, for example, necessitates the simultaneous disclosure of the work, which is an aspect of moral right.

Be that as it may, it is obviously admitted that economic and moral rights are incorporated under Art 7 and 8 of the proclamation. Besides, the law defines copyright as an economic right and moral right subsisting in a work as per Art 2 (8) of the proclamation though it unfairly emphasizes economic rights. Moreover, economic and moral rights are made part and parcel of the Ethiopian law as they are incorporated under the Universal Declaration of Human Rights (UDHR) to which Ethiopia is a founding party and an integral part of our law as per Art 9(4) of the FDRE constitution. The UDHR provides that everyone has the right to protection of the moral and material

interest resulting from any scientific, literary or artistic production of which he is the author.

Once the existence of economic and moral right is admitted under Ethiopian copyright and neighboring rights proclamation, then it remains to discuss the major components that make up economic and moral aspects of the author or copyright owner respectively.

### 4.2.2: Economic rights

The economic rights of the author involve his pecuniary interest. They relate to the right to exploit, put his work to economic purposes. The basis of economic rights is that the author should be compensated and rewarded, and is entitled to receive remuneration from the use of his work by others.

To put it differently, one of the main purposes of copyright law is to ensure that authors receive some share of any money resulting from the exploitation of their works. In order to achieve this objective, the law provides a number of exclusive rights exercisable by the author or copyright owner against all other persons. Among these are reproduction right, derivative work right, distribution right, importation right, public display right, performance right, broadcasting right and other communication of the work to the public right ( see Art. 7(1) of the proclamation).

A) **Right of reproduction**

Reproduction, as an exclusive right of the author, is recognized under Art 7(1) (a) of the proclamation. As part of the economic rights of the author, reproduction allows the author or copyright owner to exclude all others from reproducing the work in the form of a copy or phone record.

Art. 2 (25) of the proclamation defines reproduction as the making of one or more copies of a work or sound recording in any manner or form, including

any permanent or temporary storage of work or sound recording in an electronic form. It is possible to say that reproduction is copying a literary, artistic and scientific work (or indeed any copyrightable work) in any material form that includes writing and all the multitudinous forms of ordinary printed matter (from a single coupon through magazines and news papers to sheet music, books and encyclopedias), photocopies, video and cassette tapes, and soon.

To put it differently, reproduction consists in material fixation of the work of the author by any means as to cause its communication to the public in an indirect manner. Such communication is so indirect that it is made possible because of the existence of intermediary devices like cassettes, discs, copies, cinematographic films and the like so that the communication of the work to the public is facilitated. A point noteworthy is that the fixation into the material form of the work is the key in the absence of which reproduction cannot exist. In essence, therefore, reproduction is a copy.
Then it is illegal to reproduce the work in any material form (e.g. print of any size, video or audio recordings, and films) and specifically includes storing the work in any medium by electronic means (including on computer disk) without the permission of the author or copyright owner.

A work of literary and artistic creation is said to be fixed in a material medium when it is crystallized in any way so that it is rendered durably perceptible to sight, hearing or touch. Therefore, without fixation it is impossible to protect the right of reproduction, as reproduced works should be fixed.

It is generally submitted that the right of the owner of copyright to prevent others from making copies of his work is the most basic right under copyright. No doubt, the right of reproduction would be economically perfect, where the law recognizes the author’s exclusive right to distribute

copies, the right to authorize lending or rental copies after reproduction that helps to alleviate the abuse of the author's right of reproduction. This is also recognized under Art.7 (1) (d) of the proclamation.

It is this right of reproduction that is put under the exclusive domain of the author or copyright owner pursuant to Art 7 (1) (a) of the proclamation. As an economic right, it can be the subject of commerce and may be transferred, for consideration or gratuitously, by the author during his lifetime. Upon his death, this right devolves upon his heirs who will be able to authorize the reproduction of his work.

B) **Right of derivative works**

An author has the right to exclude others from creating works based on his own. This right safeguards an author from what otherwise might be unduly narrow interpretation of the reproduction right, which could then permit another to vary elements of the work sufficiently to assert that it is not actually a copy /reproduction/. A derivative work is so comprehensive a term that it includes such things as translations, dramatizations, fictionalizations, Films, recordings, arrangements, and abridgments, condensations in which a work may be recast, transformed or adopted.

Under the Ethiopian law of copyright and neighboring rights proclamation, derivative works are categorized into translations, adaptations, arrangements, transformation or modification of works and collection of works pursuant to Art 4 (1).

Among these, the right of translation is treated as an aspect of the economic rights of an author as per Art 7(1) (b) of the proclamation. It is clear that the author or owner of the work has exclusive right to translate his work or to authorize others to translate it. Therefore, the author can derive benefits from his works by authorizing its publication in different languages when he himself translates the work. In addition, he can derive material benefits

from his work that has been translated by a third party. This shows that an author or owner of a copyright can object to translation of his work. Accordingly, a person cannot translate the work of another without the authorization of the author. The basic reason behind this law is that it would be contrary to social progress to benefit from an author's intellectual work without granting him appropriate remuneration or compensation.

However, under Art 1655 (2) of the civil code an author cannot object to translation of his work. A person can translate the work of another without securing the blessing of the author. In that case, all that is expected of a translator is to state, at the beginning of the work, the fact that the translation is made without the authorization of the author (Art. 1655 (2) of the civil code). Under Art 1655 (3) of the civil code failure to discharge this obligation is deemed to be prejudicial to the author's rights.
Coming back to the proclamation, translation rights, i.e., the right of the original author to translate and authorize translation of his works is exclusive right as per Art 7 (1) (b) of the proclamation. In other words, the copyright owner is given the exclusive right to translate and/or authorize translation of their copyrightable works.

Therefore, the right of translation cannot be secured free of charge. As a derivative work, the translation has derived its inspiration from the original. The author is the one who provided the translator with an original from which the latter creates his work of translation. Therefore, for providing the original upon which the translation depends for its creation, the original author must be rewarded. Thus the pecuniary aspect of authors rights are protected, in cases of translations, if the original author is given the right to claim remuneration from a person who translates his work.

In general, no one may translate a copyrightable work without the permission of the author or copyright owner. However, in many ways a

translation is quite separate from the work on which it is based. It is a new work and is entitled to its own new copyright, regardless of the copyright status of the original. It qualifies for protection, or does not, entirely on its own. The translator is the legal author; publication of a translation does not constitute publication of its original and vice versa.
Translations can, however, never completely sever their connection with the parent original. Besides when a work is translated into more than one language, the copyright situating for each version is totally separate.

The second type of derivative work is adaptation. In this regard, like translation, the author or owner of the work has exclusive right to carry out or authorization of adaptation of his work as per Art 7 (1) (c) of the proclamation. If a work is to qualify as an adaptation, it is a requirement that either it expressly refers to the original work or it is evident that it derives its inspiration from the original work. Adaptation retains the intellectual content and general construction of the original but clothes it in a different outward form.
If a person seeks to adapt an original work, therefore, he must in advance secure the permission of the author of the original. Put differently, the author has an exclusive right to adapt the work himself, and to authorize others, if he so wishes.

One form of adaptation may be dramatization of works. Dramatization is described as a version of a non dramatic work in which it is converted into a dramatic work. A dramatic work will normally be a play for performance in the live theater, a script for a TV or radio program, a screen play for a film /or radio/ a work of dance or mime or words associated with music.
It is theoretically quite possible to grant to X the right to adapt a novel, say, into a stage play plus the right to perform the play on the stage while granting to Y the right to adapt the same novel into a television script for

performance on television and similarly with dramatic adaptations for radio and film.

When granting someone the right to dramatize a literary work one must therefore specify which or how many of the possible types of dramatic works he will be permitted to make. One must also specify whether or not he has the right to reproduce his dramatization in volume form- and if he has, what payment is due to the original copy proprietor on such an edition The other form of adaptation may be adapting a work to a strip cartoon. Strip cartoons are works in which the story or action is conveyed wholly or mainly by means of pictures in a form suitable for reproduction in a book, or in a newspaper, magazine or similar periodical. The pictures are protectable as artistic works (drawings or photographs as the case may be) while the text is protectable as a literary work. It is now an infringement to base a strip cartoon (with or without words) on a substantial part of an existing literary or dramatic works without obtaining permission from the owner of the picturization rights.

In general, Art 7 (1) (c) of the proclamation entitles the author to make the adaptation of his work and to authorize the adaptation of his work. However, once the author has authorized the adaptation of his work, it is the person who makes the adaptation that will be the owner of the adapted work. This arises from Art 4 (a) of the proclamation, which protects adaptation as an original work. That means the person who adapted the work enjoys independent and separate right from the owner of the copyright in the original work.

The other exclusive derivative right given to the author or owner of copyright is the right to arrange or authorize other persons to arrange his works pursuant to Art 7(1) (c) of the proclamation. However, the person

who makes substantially a new arrangement of works after authorization is entitled to copyright protection in the new version.

**C) Right of distribution of works**

The other basic excusive right of the author or copyright owner is the distribution of the original or a copy of the work to the public by sale or rental as envisaged under Art 7 (1) (d) of the proclamation. The exclusive right of reproduction is nothing unless the author or copyright owner gets an economic benefit from the reproduced works by sale or rent. The only means of securing an economic benefit from the fruits of his work is either sale or rent.

Therefore, the law guarantees such kind of right to the author or owner of copyright works. Then no one may distribute the work of the author to the public by sale or rental without permission of the author or copyright owner. If someone did this, it is a copyright infringement.

However, this shall not apply to rental or public lending of computer program except where the program is an essential object of the rental or lending (see Art. 7(2) of the proclamation). Our copyright law defines public lending as a temporary transfer of possession of an original work or a copy of a work or sound record by libraries achieves or similar institutions whose service is available to the public without making profit. Also, rental is defined under Art 2(27) of the proclamation as a temporary transfer of possession of a work, sound recording or fixation of a performance for a profit making purpose. The law also did not omit to define computer program. Under sub article 7 of Art 2, it is defined as a set of instructions, expressed in words, codes, schemes or in any other form, which is capable, when incorporated in a machine- readable medium, of causing a computer to perform or achieve a particular task or result.

D) **Right of importation of works**

Apart from the above rights, the author or owner of a work has the exclusive right to carry out or authorize importation of his works. It means he can import his original or copies of his works or he can authorize importation of original or copies of his works. This exclusive economic right of importation of the works is at the hand of the author or copyright owner as it is envisaged under Art 7 (1) (e) of the proclamation.

**E) Right of public display of works**

Like those economic rights discussed above, the author or owner of a work has an exclusive right to display his original or copied works to the public. However, to display the original or copy of a work, the works should be fixed in a material form. This includes the public presentation (exhibition) of works like figurative arts. This right of public display of works is recognized under Art 7 (1) (f) of the proclamation.

However, the display of works may be made in various ways. The author or copyright owner can display his work by means of a film slide, television image, or otherwise on screen or by means of any other device or process.

**F) Right of performance**

The author or owner is granted of a work exclusive right to perform (produce) his work by Art 7(1) g) of the proclamation. In other words, the performance right of the author protects one of the channels through which economic benefits derive from. The expression “performance” refers to production and is used interchangeably in literatures on copyright. It is possible to define performance from the word “performer” defined under Art. 2 (19) of the proclamation, as acting, singing, delivering, declaiming or playing in or showing otherwise any literary and artistic works.

Art. 2 (24) of proclamation defines public performance as performing a work to the public by recitation, playing, dancing, acting or otherwise, either directly or using any communication media; in case of an audiovisual work, showing the images in sequence and; in case of sound recording making the sound recording audible to the public. It can be said that performance is reciting, rendering, playing, dancing or acting of a work either directly or by means of any device or process.

So to perform a work publicly is to do the above activities at a place open to public or at any place where a substantial number of persons outside of a normal circle of a family or its social acquaintances are gathered, or transmit or otherwise communicate the performance of the work to the public by means of any device or process, whether the members of the public is capable of receiving the performance in the same place or in separate places and at the same time or different times.
Also, it is possible to say that, in addition to acting on a stage, performance includes delivery in the case of lectures, addresses, speeches and sermons, and in general includes any mode of visual or acoustic presentation, including presentation by means of a sound recording, film, broadcast or cable program of the work. Performance of a work includes all cases where a literary, dramatic or musical work is shown or made audible to the public using words, sound, gesture etc without a work being fixed in a material form.

In short, performance may be in the form of scenic performance (performance of dramatic or dramatic-musical works), recitation (reading literary works in public) and execution (rendering non-dramatic works).

Literary works can only be performed by straight reading or delivery – direct to an audience or via television, radio, records, tapes or films. Any

other performance of a written work presupposes that it is in or has been adapted into a dramatic form.

It is only necessary to obtain permission to perform a work if the performance is given in public –which means anywhere outside the domestic circle. Performance anywhere else (whether live or through the media of television, radio, sound recordings, films or videos) even including private clubs, and certainly including hotels-needs permission from the author or owner of the work.

Even the possession or purchase of a musical score, TV or radio set, sound recording or dramatic script does not by itself entitle its owner to perform the work it contains in public. Separate permission must always be obtained from the author or owner of the work to perform it. This exclusive right of performance, in whatever form it occurs, is put in the exclusive domain of the author or owner of the work. Thus, the author or owner of the work during their lifetime and their heirs thereafter are the beneficiaries of all pecuniary interests deriving from the performance and authorization of the performance of the works of the author.

**G) Right of broadcasting**

The other economic right of the author or owner of copyrightable work is broadcasting of his work. Broadcasting is defined under Art 2 (3) of the proclamation as transmission by wireless means for public reception of sounds or of images and sounds. Therefore, in order to transmit his works with sounds or images and sounds through a wireless means, the author or owner has an exclusive right.

In the UK copyright Act broadcast is defined as a transmission by wireless telegraphy of visual images, sounds or other information which- (a) is capable of being lawfully received by members of the public, or (b) is transmitted for presentation to members of the public. Wireless telegraphy

is further defined as the sending of electro-magnetic energy over paths not provided by material substance constructed or arranged for that purpose. This includes TV and radio.

A copyrightable work can be broadcast or transmitted in its original wording in straight reading or narrative form when the text is simply read aloud, or if the printed text is directly photographed. When novelists sell television rights or sound broadcasting right in their books, they are usually selling the right to turn the novel in to a script for broadcasting-part of the restricted act of converting a non-dramatic work into dramatic work. Dramatic and musical works can be broadcast direct, as it were, though it is possible to give a straight reading of a play as well as a full scale performance of it.

No one may broadcast a substantial part of any copyright work, or any adaptation or translation of it, without permission of the author or owner of the work. He has an exclusive economic right on the broadcasting of such copyrightable works as per Art 7 (1) (h) of the proclamation.

**H) Right of communication of works to the public**

This kind of right is other than broadcasting of the work. Communication to the public is defined under Art. 2 (6) of the proclamation as the transmission by wire or without wire images or sounds or both of a work, a performance, a sound recording or a broadcast in such a way that the images or sounds can be perceived by a person outside the normal circle of a family and its closest social acquaintance at a place or places so distant from the place where the transmission originates, that without the transmission the images or sounds would not be perceivable and, further, irrespective of whether the person can receive the images or sounds at the same place and time, or at a different place and/or time individually chosen by them.

One means of communication of the works to the public will be through a cable program service. It is a service which consists wholly or mainly in sending visual images, sounds or other information by means of a telecommunication systems, otherwise than by wireless telegraphy, for reception- a) at two or more places (whether for simultaneous reception or at different times in response to requests by different users), or b) for presentation to members of the public.

Under Art 7 (1) (i) of the proclamation, this right (the right to communicate his work to the public) is exclusively given to the author or owner of the work. Therefore, no one may include in a cable programmed service a substantial part of any copyrightable work without the permission of the author or owner of the work.

In general, irrespective of the means of communication of works to the public, the author or owner of a work has the exclusive right to carry out or authorize communication of the work to the public.

I will say a final word as to the economic rights of the author or owner of a work. In case of original work of art or original manuscript of a writer or a composer, the author or his heirs shall have the inalienable right to have a share of the resell price of the work subsequent to the first transfer of the work by the author. However, the amount of the share and the conditions of entitlement will be determined by the regulation (see Art. 7(3) of the proclamation.

### 4.2.3 Moral Rights

The doctrine which purports to protect the personal rights of the creator as distinct from their mere economic rights is known as moral right. A moral right, as the negative right, is to prevent violations of the personality of the author. Its objective is to assure respect for the author's thought and personality. It is the right which confers upon the creator to dispose freely

of the product of his creativity, to modify it or to destroy it entirely, as he sees fit.

The various ramifications of the doctrine of moral right may be said to consist of the right to create and to publish in any form desired, the creator's right to claim the paternity of this work, the right to prevent every deformation, mutilation or other modification thereof, the right to withdraw and destroy the work, the prohibition against excessive criticisms and the prohibition against all other injuries to the creator's personality.

The doctrine of moral rights of authors is the out-growth of centuries of literary and artistic creativeness and it is indigenous to continental jurisprudence. To be precise, its origin is France and its parentage multiple. This is said because the French statute of March 11 1957 provides that "the author has the right to demand respect for his name and authorship and for the integrity of his work." In other words, the law of March 11, 1957 concerning literary and artistic rights replaced previous legislation and codified the rules enunciated by the courts, including those relating to the moral right. Accordingly, the moral right has taken on a statutory character. When a person creates, be he an author, a painter, a sculptor, an architect or a musician, he does more than bring into the world a unique object having exploitative possibilities: he also projects into the world part of his personality and subject it to the ravages of public use. J. Holmes of the United States, in this regard is reputed to have said this:
Personality always contains something unique. It expresses its singularity even in hand writing, and a very modest grade of art has in it something irreducible, which is one man's alone, that something he may copyright.

Moreover, Oscal Walde expressing the relationship between the author's personality and his work said as follows: *A work of art is a unique result of a unique temperament. Its beauty comes from the fact that the author is what*

*he is …….Art is the most intense of individualism that the world has ever known.*

Thus, the work bears the stamp of its author's personality because in every man's work, the character of the writer is recorded. Use and dissemination of the work, therefore, not only bring economic profit, they also enhance the author's name and fame. The author seeks economic gain and the promotion of his reputation through his work.

Accordingly, independently of the economic aspect of copyright, and even after the transfer of it, the author has the right to claim authorship of his work and to object to any distortion, mutilation, modification or other "derogatory" action in relation to his work which would be prejudicial to his honor or reputation.

Attached inalienably to the author as per Art 8 (2) of our proclamation, therefore, the moral right always protects the personality of the author. Like the economic aspect of copyright, the moral aspect has many ingredients that constitute the bundle of rights in it and that is the reason, which calls for a discussion of the components of moral rights.

**A) Right of paternity**

The right of paternity entitles the author to insist that he and not another person is credited with the authorship of the work he created. An author is a man who brought out of nothingness some 'child' of his thought and up on its creation he is dubbed the 'father' of such 'child'. As a unique result of a unique temperament, the work of art is the most intense mode of individualism that the world has ever known. Its beauty is an external reflection, a projection of the creator's inner self to the external world, that is, its beauty comes from the fact that the author is what he is.

As a result, the author is given the right to require all others to associate his name with his work and to prevent attribution of his name to a work that is

not his. The right to paternity is, therefore, firstly, the right of the creator of the work to present himself to the public as such, secondly, to require others to present him as such, and thirdly, to prevent others from attributing works to him which he has not created. In essence, the right of paternity protects the author not only against unauthorized denial but also against false imputation of paternity as well.

Of the three ingredients of paternity right, the first is the right of the author to demand his name to appear on all copies as well as on advertising or other publicity for the work. The second component prevents plagiarism of his work. Out and out plagiarism presents at once the most obvious violation of this interest and the most serious invasion of the author's pecuniary rights. The third aspect provides protection against being named as the author of a work that has been mutilated or altered.

Therefore, it is possible to say that the principle of paternity right has had numerous applications, in cases involving the mention of the author's name in advertisements and following quotation from his works, questions of collaborator's rights, protection of the artists signature, mention of the author's name on photographic or cinematographic reproductions, and confusion concerning the identity of a designer of bindings, arising from a book dealer's window display of bindings belonging to the dealer.

In Ethiopia, the author of a work does have the right to claim authorship of his work. In other words, he has the right to be identified as an author upon copies published to the public save the work is included in reporting current events by means of broadcasting (see. Art 8(1) (a) of the proclamation). Also pursuant to Art 22 (1) of the proclamation, the person in whose name the work was published shall be deemed to be the author there-of unless there is a contrary proof. Thus, a creator of a work can demand others to identify him as the author once his name appeared on the work. This right is basic

in the sense that it is the stake by virtue of which the author establishes his name in the minds of consumers' of his work thereby producing fans for himself. The fact that he is permitted to have his work published under his name necessarily affects his reputation and thus impairs or increases his future earning capacity.

Failure to associate his name with his work denies him recognition of his achievement while attribution of his name to a work not his own preys on the value of his name and makes him 'heir' to the consequences of another's labor. Alteration of an author's work both misrepresents the author's efforts and mischaracterizes the personality to which the work is attributed. Hence the right to paternity is a fundamental moral right.

This right of paternity extends to a translator and the director of a film. In other words, like any other authors, directors and translators have the right to be identified whenever their work is published commercially (including by means of an electronic retrieval system); performed, shown or exhibited in public; broadcast or included in a cable program service; or included in a film or sound recording that is issued to the public. Also, it is obvious that the authors of works of architecture, sculpture and works of artistic craftsmanship also have the right to be identified on the original as well as in graphic works or photographs of their work that are issued to the public.

On the contrary, though he has the right to be identified (to claim authorship), he has the right to remain anonymous or to use a pseudonym as per Art 8 (1) (b) of the proclamation. In other words, the author of the work can remain silent without disclosing his name or the identification can be in the form of a pseudonym, initials or 'any reasonable form of identification' if the author prefers. Moreover, the author may claim the benefit of presumption of authorship granted under Art. 22 (1) of the

proclamation notwithstanding that he used a pseudonym provided that there is no doubt as to his identity (see Art. 22(2) of the proclamation). However, to be anonymous for his work or using pseudonym is a right reserved for the author not an obligation for him. In other words, in Ethiopia an author is entitled to use pseudonym, or publish his work anonymously.

Therefore, if the author wishes to use pseudonym, he has the right to be identified in his pseudonym. It means the obligation to disclose the name of the creator of a work extends not only to his true name, but also to the pseudonym. The moral rights protect the identity of the creator as he has chosen it. In this regard; I want to raise one foreign case that has a direct relevance for our law. The plaintiff-author had published two uncopyrighted stories under a pseudonym. Subsequently after the plaintiff had acquired a reputation in his own name, the defendant published the two stories under the plaintiff's actual name, without permission. However, the plaintiff's motion for temporary injunction of these facts was granted by the court.

**B) Right to integrity of the work**

The right of integrity is the right of the author to safeguard his reputation by preserving his work from derogatory treatments. A treatment of a work is derogatory if it is subject to addition to, deletion, alteration, unauthorized adaptation that amounts to distortion or mutilation of the work or is otherwise prejudicial to the honor or reputation of the author or his work. Therefore, the author of a work has the right to object any modification up on his work in the process of reproduction by the publisher, during translation act, and soon

To put differently, the author has the right to have the integrity of his work respected i.e., he may prevent all unauthorized deformations, mutilations or modifications. This right does not arise until, after completion, the work has been put on the market by the author, has been sold, or has been made the

subject to contracts of publication or performance. From that time on, the author has the right to insist that its integrity must not be violated by measures which could alter or distort it. Therefore, a non-author cannot make changes in the work except upon securing the author's permission.

Thus, the right of integrity is infringed if a derogatory treatment of a copyright work, or part of a work is published commercially: performed, shown or exhibited in public; broadcast, or included in a cable program service; or if copies of a film or sound recording of, or including, a derogatory treatment of a work are issued of the public. The right of integrity is also infringed if a graphic work or a photograph of a derogatory treatment of the model for a building, a sculpture or a work of artistic craftsmanship is published.

In connection with integrity of the work, there is a situation where an extremely delicate problem arises. This is a problem of protecting the integrity of the work when the author has authorized its adaptation to a different medium, as in the case of adaptation of a novel for a cinema or a theatre. The problem here is to ascertain to what extent the author of the original work can insist on its integrity when this claim conflicts with creative freedom of the adapter who is the would-be author of the work which purports to be equally original. How may a conflict between these two equally valid moral rights be resolved?

Expectedly, the mutual obligations of the parties themselves relative to the fidelity of the adapted work to the original may be specified in the contract. In this respect at least three possible types of such contracts may be distinguished.

In the first category are contracts in which adaptation is authorized unconditionally. All the adapter is required to do is that he executes the contract in good faith, and to refrain from distorting the spirit of the

original work with the intention of doing harm. In the absence of such intention, the adapter is at liberty to make all changes he thinks necessary for the purpose of adaptation.

The second type of contract is one which contains clauses authorizing all changes and modifications which do not distort the spirit and character of the original. Under such contracts modification in the original work that is required by necessities arising from the need to commercialize the adaptation are said to be reasonable in so far as they respect the work's psychological tenor and the essence of the author's thought.

The third type of contract is such that the author who has authorized an adaptation of this work actively participates in the process of adaptation-as a scenario or a dialogue writer, for instance. Thus, under this type of contract, the original author stipulates that his text be subject to no modifications without his approval.

Under the Ethiopian law, undoubtedly the right of preservation of integrity of an author's copyrighted work is provided under Art 8 (1) (c) of the proclamation. It provides that the author of the work has the right to object to any distortion, mutilation or other alteration of his work, where such an act is or would be prejudicial to his honor or reputation. Therefore, no person will be allowed to distort, mutilate or alter the work without the author's consent where the act is or would be prejudicial to his honor or reputation. Giving permission by the author to alter, mutilate or distort his work that prejudices his honor or reputation is unthinkable. Thus, any one can't alter or mutilate or distort the work of the author if this affects his honor or reputation, unless he permits, though he is not an owner of economic rights.

The other protection of the right to integrity of a work comes from the provision of Art 2686 (1) of the civil code. It provides that the publisher

violates his obligations if he makes changes without the author's consent. Once he has undertaken to make the work public in the form in which it has been submitted to him, he could not make any changes for he could have refused to publish it if he had been of the opinion that the work needed changes. Thus, Art 2686 (1) imposes the duty on the publisher to reproduce the work without abridgments, additions or modifications. Hence the integrity of the work is preserved because the author is given the right to prevent alterations, mutilations or truncations of his work after it has left his possession.

**C) Right to publish**

The right to publish a work or to keep it secret is said to be a natural and incontestable as the right to create. So long as a work has not been completely created- of which the author alone can be the judge- it remains a mere expression of the creator's personality, as it has no existence beyond that which he tentatively intends to give it.

It is exclusively for the author to determine whether the work shall be published at all, and if it is to be published, when, where, by whom and in what form. In other words, the author of an unpublished work, so long as he does not publish it, may keep it as a private matter which he is not obliged to give to the world.

Only the author can decide whether his work corresponds to his original conception, at what moment it is completed, and whether it is worthy of him. He alone is able to determine when it should be disclosed, put into circulation on the market and treated as a chattel, which may be exploited for profit. Usually, however, authors do not have at their disposal the financial capability, the administrative facility and the technical know how required for the exercise of their right of publication and, as a result, they enter into contract of publication. It is hardly necessary, therefore, to point out that the court's assumption of power to decide on the completeness of

the work is negation of the most obvious aspect of the author's moral right- of determining the completeness of his own creations. The corollary of the right of the author to publish his work is that the author is at liberty not to publish his work.

A copyrightable work is published only when authorized copies are issued to the public in a written form (any kind of hand writing, typing or printing) or by means of an electronic retrieval system. An authorized publication is one made with the agreement of the author or copyright owner or someone to whom the necessary control has been delegated.

Accordingly, the Ethiopian law of Copyright and Neighboring Rights proclamation under Art 8 (1) (d) gives the right to publish his work only to the author. The author is undoubtedly free to publish his work irrespective of whether he is an owner of economic right or not. In other words, the author has the exclusive right to decide whether and when a work is to be released to the public. The issuance of his reproduced word to the public is at the disposal of the author. No one may publish a copyrightable work of the author without the permission of him. Apart from this, a person publishing a work of the author cannot do so without infringing the authors' rights.

**D) Right to create a work**

The very basis of all creative works lies in the protection of the right to create, which is a function of the right of individual liberty. This right is said to become part of the moral right when the author, having concluded a contract with another to complete and deliver a work, becomes unwilling to do so. The effect of such a contract is said to depend on the moral right because creation is closely related to the personal and moral interests of the author, his honor and reputation. An author could not be forced to create a work against his will. "If I do not want to create an original work," says

Pierre Recht, “surely that is my own business. The law cannot tamper with it. It is my freedom-my prerogative-to create or not to want to create a work.”

This is, to be sure, the line followed by the Ethiopian law. Art. 2675 (1) allows the author of a work to assign his work even if he has not yet executed it provided that the work is sufficiently well-defined and that the author can complete it in a period not exceeding two years. In addition, under Art 2270 (1), a sale contract may be concluded even if its object is a future thing that has no existence at the time of the contract. Provided that the seller undertakes to deliver such future thing-as, for instance, when the author contracts to write a dialogue for a cinema-the contract is valid by virtue of Art 2270(1).

The immediate legal question presenting itself in exploring the extent of this aspect of moral right is the treatment accorded by law to contracts obliging one party to create. Once it is conceded that the right to create a work is an aspect of individual liberty, it will be easier to admit the corollary, i.e., the right of an author not to create, to refuse to create. A court cannot give a mandatory injunction compelling the author to create a work for so to do goes against the creator’s individual liberty.

In line with this argument, Art. 1776 mandatorily provides that specific performance is not to be ordered if and when such order affects the liberty of the debtor-the author in our case. And there is no better liberty for the author than to be free to create or not to create. Thus, the author is at absolute liberty to create or not to create a promised work without being obliged to create it. If he refused to create the promised work, however, he is liable for any damages caused to the promisee by his act of breach of the contract and that is the outrage of his liability for he can’t be forced to create

**E) Right to withdraw (disavow)**

Notwithstanding the transfer of his right of exploitation, the author, even after his work has been published, enjoys the right of withdrawal. He may not exercise this right, however, without accepting the obligation to compensate the assignee for the losses, which the author's act of withdrawal might cause him.

The usefulness of this right is difficult to see, however. Once the thought is expressed, circulated and criticized, it cannot be erased. Copies of a work which have been sold cannot be destroyed. Hence, the rationale for this right, i.e., the change of conviction of the author or his convictions being obsolete due to changes that are brought about by the passage of time, cannot work even if the author exercises his right to withdraw. Thus, the author whose conviction is changed has actually only one recourse; to set the creations forth in a new edition.

This right of the author is not directly incorporated under Ethiopian law. It can be inferred from Art. 2687 (1), however, when the law states that the author is at any time given the right to make corrections or improvements. These corrections or improvements may require the withdrawal of prior editions and thereby prejudice the interest of the publisher. In such cases, he will be indemnified by the author for the expenses he incurred by the act of corrections or improvements (Art. 2687 (2). Hence, the author can make any additions, suppressions and other modifications, which he thinks necessary in order to make the work conform to the state of his intellectual convictions. However, the right to withdrawal is not incorporated in the new Copyright and Neighboring Rights proclamation.

Now, before winding the discussion, two problems require a brief discussion at this point- the question of inalienability and the problem of descent of moral right upon death of the author. Much confusion concerning the

concurrence of inalienability has been created by the claim that the moral right is inalienable, whatever may happen to the property aspects of the copyright.

By inalienability of moral right is meant that due to its very nature as a personal right, it is not capable of transfer. Nevertheless, an express contractual waiver of the moral right by the author is valid. In line with this, Art 8 (3) of our proclamation provides that the author or his heirs or legatees may waive their moral right stated under Art. 8 (1) of the proclamation where: the waiver is made in writing clearly specifying the right is waived and the circumstances in which the waiver applies, the waiver specifies the nature and extent of modification or the action in respect of which the right waived. However, this contractual waiver may solve the problem which arises at the time a person is authorized to adapt the work of the author. In sum, it is not impossible for the moral right to be alienated from the author. Actually, the moral right is inalienable only in the sense that, like all personal rights, it is incapable of transfer by sale or gift.

Regarding the transmissibility of the moral right to the author's heirs, one can say that rights of personality usually expire with the death of the person and the transmission of moral right sounds odd. This is also recognized in our law under Article 8 (2) of the proclamation which provides that moral rights shall not be transmissible during the life time of the author.

But it has been said that the protection of the memory of a deceased author has called for an exception to the rule, an exception which allows transfer of moral rights. Accordingly Art 8 (2) of the proclamation envisages that moral rights shall be transferred in accordance with the law to heirs or legatees after the death of the author.

The moral components of the author's rights are sometimes said to have 'positive' components and "negative' components. The right to create a work, to publish it, to change it, to withdraw it from circulation, and to

destroy it are said to be innate positive components. On the other hand, the right to prevent others from making changes or from committing acts detrimental to the authors honor or reputation are considered negative components that require no personal act by the author and may, therefore, be transferred to his heirs. From among the components of the "positive" aspects of the moral right, the right to publish is the only right that is transmissible to his heirs. However, moral rights shall be enjoyed by heirs or legatees of the author until the expiry of economic rights (see Art. 8(14) of the proclamation)

### 4.3 Limitations on Copyright

#### Introduction

We have seen that the law reserves certain acts or the authorization, thereof, to the author. Such exclusive rights of the author, however, are only apparently absolute. This is so because the law provides various exceptions to the rule that 'only the author enjoys those rights'. So, in a way, the law takes away with one hand some of what it has given by the other. It should be borne in mind that copyrights is a compromise between two interests, i.e. author's interest to be remunerated and the public interest to get easy access to the works. To this effect, Lord Mansfield stated:

> *we must care to guard against two extremes equally prejudicial: the one that men of ability , who have employed their time for the service of the community may not be deprived of their just merits, and the reward of their ingenuity and labor; the other , that the world may not be deprived of improvements , nor the progress of art be retarded.*

Accordingly, our Copyright and Neighboring Rights proclamation is full of compromising articles. It imposes various types of limitations on the rights. What necessitated these limitations? Should not the author be

the only person to reap the fruits this labor? This it has been mentioned, is basically to reconcile between two polar - the author's right to get what he deserves and the society is interest to use the works with little cost. These limitations form the subject of the following discussions.

### 4.3.1. Reproductions for personal purposes

The exclusive right of the author or owner of copyright on reproduction is not absolute, it has an exception. The law is not devoid of any limitations on the exclusive right of the authors to reproduce or authorize reproduction of his work. Art 9(1) provides that copies or reproductions of a copyrighted work may be made in a single copy without the permission of the copyright owner. This limitation is applicable if the copy made is intended for the sole purpose of using it privately. To put directly what the law says; the owner of copyright can't forbid private reproductions of a published work in a single copy by a physical person exclusively for his own personal purpose.

Therefore, in order to reproduce the work of the author, firstly, the reproduction should be in a single copy. It means if a work is copied more than once, it will be an infringement. Secondly, the copy should be made by a physical person, not artificial /legal / person, to use the copy for his own personal purpose, not for using it for public service.

Lastly, the work that has to be reproduced shall be a published work. Published work is defined under Art. 2(22) of the proclamation as a work or a sound recording , tangible copies of which have been made available to the public in a reasonable quantity for sale, rental, public lending or for other transfer of the ownership or the possession of the copies, provided that , in the case of a work, the making available to the public took place with the consent of the author or other owner of copyright, of the producer of the sound recording. So, we can say that it is impossible to reproduce the

work of another unless the work is a published work or work is known to the public.

The private use standard in this respect may not be understood to give the impression that it is only the person who actually makes the copy that is allowed to use it privately. The user may get it from other sources. The essential point is that the copy is used privately and no more than one copy of a work is made at a time. Therefore, if who makes the single copy is not a decisive element as long as he is a physical person, in so far as the copy is made in a single copy from a published wok and this copy is intended for private use, the person may furnish himself with a copy of protected materials for his private ( personal ) purpose.

However, reproduction of works for private (personal) purposes is not allowed under Art 9 (2) of the proclamation where reproduction is that of a work of architecture in the form of a building or other construction, musical work in the form of notations, or of the original or copy made and signed by the author of a work of fine art, the whole or a substantial part of a data base in a digital form, a computer program except as provided in Art 14 of the proclamation; or a work that would conflict with or causes unreasonable harm to the normal exploitation of the work or the legitimate interest of the author.

Some argued that private reproduction without the consent of the author or copyright owner is permitted only in the case of backup copy. That means a person, who bought the original may copy it and will have a reserve copy for his personal purpose as per Article 9 of the proclamation.

### 4.3.2. Quotation

The other limitation on the exclusive right of the copyright owner for the reproduction of his work is quotation of a published work. The Ethiopian

law considers under Art 10 (1) of the proclamation as lawful to make quotations from a work which has already been available to the public. The law clearly provides that the owner of copyright cannot forbid the reproduction of a quotation of a published work.

However, the law allows reproduction of a quotation of published work by way of illustrations in publications, broadcasts or sound or visual recordings where the extent of the quotation is justified by the purpose and is compatible with fair practice. In other words, quotation shall be compatible with fair practice and does not exceed the extent justified by the purpose (see Art. 10(2) of the proclamation). In this case, reproduction should not conflict with normal exploitation of the work and should not unreasonably prejudice the legitimate interests of the author.

Besides, the person that quotes the work of another has to acknowledge the author. Even he has to indicate the source and the name of the author. That is why Art. 10(3) of the proclamation clearly envisage that where the quotation is taken from a source which contains the name of the author; it shall indicate the source and the name of the author.

### 4.3.3. Reproduction for teaching

A noteworthy limitation to the exclusive right of reproduction is where the work is out of print, copies or reproductions thereof are authorized in several copies for educational purposes. This kind of provision is very important, as it will serve for promotion of educational activities. Accordingly, the proclamation envisages under Art 11(1) as the owner of copyright cannot forbid a reproduction of a published work or sound recording for the purpose of teaching as long as the reproduction doesn't exceed fair practice and the extent justified by the purpose. However, the copy shall indicate as far as practicable the sources of the work or sound

recording reproduced and the name of the author (see art 11(2) of the proclamation).

Thus, for example, it seems that a teacher may copy on to a black board a substantial part of a copyrightable work and his pupils may copy it down. Moreover, copying of works by students as part of their education is permitted. A teacher may also perform and make his own recording of a musical work and use this for purpose of instruction. In relation to a sound recoding, film, broadcast, or cable program, copyright is not infringed by its being copied by making a file or film sound track in the course instruction, or of preparation for instruction, in the making of films or sound tracks, provided the copying is done by a person or receiving instruction, i.e., the copy is only for educational purposes.

Therefore, we can say that if an educational establishment reproduces a copyright work or educational purpose as far as it is with bounds of fair practice and the extent is justified by the purpose, it may not be challenged by the copyright owner. In other words, the making of a copy of the work is not an infringement of copyright if the purpose is educational, but when such copy is subsequently sold, let for hire, offered or exposed for sale or hire, then it is to be treated as an infringing copy for the purpose of that dealing.

### 4.3.4. Reproduction by Libraries, Archives and Similar Institutions

As emphasized above, the ultimate goal of the copyright system is promoting an efficient mechanism of dissemination of information and knowledge so that the required scientific and cultural transformation will materialize. To that end, it is necessary to make sure that institutions that are engaged in this blessed task of dissemination of information are getting the necessary input which in turn is to be made available for the benefit of the general public. Among these information dissemination centers are libraries, archives, museums and similar institutions. Accordingly it has

become important to place certain limitations on copyright owner's right of reproduction and giving rights for those institutions to copy the work even though he does not give permission.

In addition to this, there are other grounds to justify such limitation. Effective research and study requires that the researcher be informed of the findings and opinions of others and has the opportunity to dig out those materials prepared by others. It is here that the libraries, archives and other similar institutions provide indispensable service to research by furnishing the individual researcher with the necessary extensive and published materials for the research and study if they are given the right to copy them.

It is said that the body of scientific and technical literature has grown so rapidly that it would be extremely difficult for the individual scholar or researcher to gain access to the works he may need to consult unless he can obtain copies from a library. Moreover, libraries, archives and other institutions cannot be expected to meet the needs of any number of researchers by loan of copies in their collections. So, in response to these demands of researchers, the above institutions should be equipped to provide researchers with photocopies of materials in their collections.
Apart from the above-mentioned reasons, there are also other purposes for which the institutions may copy protected works. Rare books and manuscripts are usually photocopied to secure against their destruction or loss. Similarly, for the purpose of preservation, photocopies are made of newspapers and other items printed in fast deteriorating paper.

However, this limitation on the rights of the author to reproduce or authorization of reproduction in their works in respect of libraries, archives and others is not in many cases extensive nor is it applicable to every library, archive and others. The exemptions are usually applicable in

respect of those institutions that operate in a manner that may not compete with the economic rights of the author or copyright owner.

In this connection, supplying photocopy to the scholar for his greater convenience, and to serve the public from his outcome, in conducting his study is not seen as a competitive invasion of the copyright owners market for the work to any appreciable degree. So, it is libraries, archives and other similar institutions that operate directly or indirectly in a non–profit basis that are allowed to make copies of protected materials. If we look for example at the 1976 Copyright Act of the USA, section 108 entitles libraries and archives to make one copy of a work as long as it is not alone for commercial advantage. The Act also allows libraries to make the copy of the entire work or substantial part of it where the user makes requests and the copying library, based on a reasonable investigation determined that a copy of the work cannot be obtained at a fair price.

What is important here is since it is the economic right of the author that we are limiting by allowing libraries, archives and others to make copies; we have to make sure that under the guise of making copies for the purpose of furnishing them to researchers the market for the copyright work is not minimized. Therefore, the limitation of library, archive and other copying is applicable only in respect of those institutions that are open to the public and operate on a non – profit making basis.

Likewise, the Ethiopian copyright and neighboring rights proclamations incorporate those situations. The exclusive right of reproduction or authorizing the reproduction of author's work is limited when the reproduction is made by libraries, archives, memorial halls, museums and other similar institutions that are engaged in gainful activities directly or indirectly (see Art. 12(1) of the proclamation). It means the owner of copyright cannot forbid a reproduction of a work by a library, archive,

memorial hall museum or similar institutions whose activity directly or indirectly is not for gain.

However, a copy of copyrightable works shall be made by the above institutions to preserve and, if necessary, to replace a copy or a copy which has been lost, destroyed or rendered unusable in the permanent collection of another similar library or archive; Where it is impossible to obtain a copy under reasonable conditions, and the act or reproduction is an isolated one occurring and if repeated on separate and unrelated occasions (see art 12(3) of the proclamation)

In other words, copies by library, archive, memorial hall, museum or similar institutions are possible only for preservation or to substitute lost, destroyed and unavailable copyrightable works, to get the works, under reasonable conditions are impossible and the reproduction is an isolated one or if related for a separate and unrelated situations.

### 4.3.5. Reproduction, Broadcasting and other Communication to the Public for Informatory Purpose

Articles published in newspaper or periodical on current economic, political, social or religious or similar topics are subject matters of copyright protection. On these works the power to reproduce, broadcast, communicate to the public belongs to the author or copyright owner. However, this exclusive right is limited under Art 13 of the proclamation. In other words, the owner of copyright cannot forbid the reproduction in a newspaper periodical, the broadcasting or other communication to the public of an article published in a newspaper or periodical on current economic, political, social or religious or similar topics (see Art 13(1) of the proclamation). But in order to apply this limitation, the author or copyright owner should not lift such powers in such works. If the right or authorized reproduction or broadcasting or the communication to the public is

expressly reserved on the copies by the author or owner of copyright or in connection with broadcasting or other communication to the public of the work, no person can reproduce, broadcast or communicate to the public without the permission of the author.

Moreover, the right of reproduction, broadcasting or other communication to the public of short excerpts by the author is limited under Art 13(2) of the proclamation. Reproduction and broadcasting other communication to the public of short excerpts of a work seen or heard for the purpose of reporting current events is possible without requesting and blessing the permission of the owner of copyright.

Lastly, the owner of copyright cannot forbid the reproduction in newspaper or periodical, the broadcasting or other communication to public of a political speech, lecture, address, sermon or other work of a similar nature delivered in public or, a speech delivered during legal proceeding to the extent justified by the purpose of providing current information (see Art. 13(3) of the proclamation).
However, the exclusive right of the copyright owner on the reproduction in a newspaper or periodical, the broadcasting or other communication to the public of an article published in a newspaper or periodical on current economic political, social, religious or similar topics.

Short excerpts of a work seen or heard for the purpose of reporting current events, a political speech, lecture, address, sermon or other work of a similar nature delivered in public, or a speech delivered during legal proceedings, to the extent justified by the purpose of providing current event will be limited if it is accompanied by a sufficient acknowledgment identifying the work by its title of other description and, unless the work is anonymous or the author has previously agreed or required that no

acknowledgement of his name should be made, also identifying the name of the author as far as practicable.

### 4.3.6. Reproduction and adaptation of computer programs

The other limitation on the exclusive right of reproduction or adaptation of works is a single copy reproduction or adaptation of computer program pursuant to Art 14(1) of the proclamation. However, this kind of limitation under Art 14(2) of the proclamation is permissible when it is found necessarily to make use of a computer program with a computer for the purpose and extent for which the computer program has been obtained; a back-up copy by a person having a right to use the computer program in so far as it is necessary to ensure future use, or adaptation that is indispensable for using the computer program in conjunction with a machine for the purpose, and to the extent of use, for which the program has been lawfully obtained.

To put it differently, reproduction and adaptation of computer program is not forbidden by owner of copyrightable works if reproduction is made in a single copy and to operate the computer for its normal service, to have a back-up copy to ensure future use and adaptation is made for using the computer program in conjunction with a machine for the purpose.

### 4.3.7. Importation for personal purposes

As we have seen, the author or owner of a work has the exclusive right to carry out or authorize importation of original or copies of a work pursuant to Art .7 (1) (e) of the proclamation. However, this exclusive right is limited to import copyrightable works for personal purposes by physical persons. Accordingly, the owner of copyright cannot forbid importation of a copy of a work by a physical person for his own personal purpose.

One thing that has to be clear is that the importation should be made by a physical person. The juridical person is not empowered to import works of the author unless he permits. Also, the physical person will import works of the author without permission only for his own personal purposes.

### 4.3.8. Private performance free of charge

Limitation on the exclusive right of authors to publicly perform or authorize the performance of their works is another type of specific limitation (exception) to the exclusive copyrights privilege. This limitation is performance of other works in private at family gathering or in a school.

This kind of limitation is evident because prohibiting each and every individual from performing a copyrighted work exclusively for himself is rather absurd. Most importantly, since private performances cannot by any stretch of imagination be prejudicial to the economic interests of the copyright owner, there is no need to prohibit private performance of protected works. Therefore, for such kind of works neither the authorization of the author is required nor this unauthorized use of the works would entail copyright infringement.

Regarding private performance, the 1988 British Act provides that the performance of a literary, dramatic or musical work before an audience consisting of teachers and pupils at an educational establishment and other persons directly connected with the activities of the establishment (a) by a teacher or pupil in the course of the activities of the establishment, or (b) at the establishment for any person for the purpose of instruction is not a public performance for any person for the purposes of infringement of copyright . In addition, the playing or showing of a sound recording, film broadcast or cable program before such an audience at an educational establishment for the purposes of instruction is not playing or showing of the work in public for the purposes of copyright infringement.

Coming to the Ethiopian law, the single limitation on the exclusive right of performance (production) of the author is the one provided under Art 16 of the proclamation. This provision states that the author may not forbid private performances of his work given free of charge at a family gathering or in a school. So the intention of the legislator in precluding the author form forbidding private performance should be construed in light of the last limb of the provision which says, “At a family gathering or a school”

The feature that Art 16 shares with many foreign laws in this aspect is that it exempts non commercial performances i.e. the author is prohibited from forbidding performances that are given free of charge. Also, it is not enough that the performance be given free of charge, the audience is also strictly limited. The performance, though given free of charge, will be an infringement if it is presented to an audience than is outside of a family gathering or a school.

### 4.3.9. Issuance of Non- voluntary license

Relating to free use, servicing similar public purpose, there are other limitations, namely non-voluntary license. Non- voluntary license is justified on the ground that sometimes it is not practical to find the copyright owner and secure his blessing, especially long after its publication. It is also argued that introducing the concept is important to avoid the creation of monopoly that may be against public interest. Accordingly, copyright laws provide general limitations to facilitate this demand in favor of the interest of the public and make works available without request from copyright owners and irrespective of their opposition in some cases. On the other hand, it is criticized on the ground that it creates difficulty to exercise moral rights by the author, and it erodes the bargaining power of the right-holder as the latter is bound to permit the use.

Generally, there are two forms of non-voluntary license systems. The first being statutory license where everything, including the royalty will be determined by the statute recognizing the concept. The second is named "compulsory license" in which the user must negotiate with either the author or collective society representing the interest of the author where he wants to use the work. The author or the society is bound to permit the use against the payment of remuneration

In Ethiopia, the Office is empowered to grant license to authorize the reproduction or translation or broadcasting of a published work even against the objection of the author, heirs or legatees as per Article 17(1) of the proclamation. The Office pursuant to article 2(15) of the proclamation is the Ethiopian Intellectual Property Office established by proclamation No 320 /2003. But the Office has to authorize reproduction, translation or broadcasting published work for public interest. However, the requirement of public interest is not found in the English version of the proclamation but in the Amharic version we can find as "EJœn ¼iN". As the Amharic version is the official text, we have to apply it. Also, as the provision is an exception it should be interpreted narrowly. The other reason is if the office is empowered whenever it likes, it will be invasion of the rights of the author or copyright owner. The conditions, forms of such authorization and in particular the fair compensation to be made to the owner of copyright shall be determined by regulations (see Art. 17/2/ of the proclamation). However, no regulation is enacted up to now.

In fact, the compulsory license can be given only after the publication of the work to the public. For the right to publish falls in the domain of the moral right of the author, which is exclusively personal to him, the Office needs to wait for that moment to come.

It is also to be emphasized that although the act is performed without the permission of the copyright owner or even against his objection, non - voluntary licensing the use of the work is to be made in return for the remuneration to the author. Thus in copyright law the effect of such licensing is that the exclusive right of the copyright owner is reduced to a right to equitable remuneration. Nonetheless, pursuant to Art 17 /3/ of the proclamation, the office may not authorize the alteration of the work come what may.

### 4.3.10. Display of works and distribution of copies of works

As we have seen one of the exclusive economic rights is public displayer of the original or copy of the work. But this right, like other economic rights, is not devoid of limitations. As per Article 18 of the proclamation, without the authorization of the author or owner of copyright public display of originals or copies of works is permitted where the display is made other than by means of film slide, television image or otherwise on screen or by means of any other device or process and the work has been published or the original or the copy displayed has been sold, given away or otherwise transferred to another person by the author or his successor.

The other limitation is on the distribution of copies of works. Where a copy of a published work has been sold to the public such a copy may, without authorization and payment remuneration, be redistributed by means of sale (see Art. 19 of the proclamation).

### 4.3.11. Lapse of Duration of Economic Rights

Talking of copyright duration, two things must be understood at the outset as preliminaries of primary importance. First, copyright term merely concerns itself with the economic aspect of author's rights for we cannot conceive of duration of moral right because it is "in general, perpetual in duration, although certain of its incidents, such as the right to create or to

modify, must lie with the author". However, regarding the enjoyment of moral rights by heirs or legatees Art 8 (4) provides that they will enjoy the moral rights until the expiry of economic rights. Therefore, there is duration of moral rights for heirs or legatees in outlaw.

Secondly, the expiry of copyright marks the end of the protection accorded to the work to which it has been given. Naturally no work can have a period of protection unless it qualifies for protection to start with. If this term expires, the works which for all legal requirements deserve protection will be stripped of copyright and be available to the world at large for use or abuse without any restraint.

Thus, all discussions of copyright duration refer to the economic aspects of the owner (s) alone. But its expiry “Kills” the protection the work has enjoyed and delineates the point in time when exclusive rights of the author disappear. Put differently, regardless of the fulfillment of all other legal prerequisites for existence of copyright, the protection will vanish at the end of the term of copyright which is provided by the law. Thus the “life” of copyright will “die” at the stroke of midnight “leaving not so much as a corpse behind it”.

Under the Ethiopian law, this period of protection is available for the life time of the author plus fifty years. In other words, economic rights shall belong to the author during his life time and to the heirs or legatees for fifty years from the death of the author (see Art. 20(1) of the proclamation). Likewise posthumous works will be protected for a period of fifty years from the date of publication of works pursuant to Art 20 (3) of the proclamation.

In case of a work of joint authorship, the term of fifty years shall commence to run from the death of the last surviving author (see Art. 20 (3) of the proclamation). Where the work is collective work, other than an audiovisual

work, the economic rights shall be protected for fifty years from the date on which the work was either made or first made available to the public, or first published, whichever date is the latest. (See Art. 20(4) of the proclamation.)

Our law also provides a period of protection for works published anonymously or under a pseudonym. Sub articles 5 of Art. 20 provides that where the work is a work published anonymously or under a pseudonym, the economic rights shall be protected for fifty years from the date on which the work was either made or first made available to the public or first published, whichever date is the latest. However, in case where the identity of the author is revealed or is no longer in doubt, prior to this period, where the author is a single author economic rights shall exist during his life time and to the heirs or legatees for fifty years from the date of his death and where the authors are joint authors, fifty years shall commence to run from the death of the last surviving author. (See Art. 20 (6) of the proclamation). Sub articles 7 and 8 of Art. 20 of the proclamation put down the life span of copyrightable photographic and audiovisual works. For photographic works, economic rights shall be protected for twenty five years from the making of the work. In case of audiovisual work, the economic rights shall be protected for fifty years beginning from the date of making of the work or communication of the work to the public, whichever date is the latest.

In determining copyright duration, there are two interests at stake: creators of works of the mind must not be deprived of their just reward for their ingenuity and labor, and the world may not be deprived of the free enjoyment of the works of the mind. The longer the duration, the more is the tiltation of the law in favor of authors; the shorter the term the more unsympathetic is the law to them and that means the public interest is given

primacy. The question in issue is one of striking the balance between two interests and this is recognized in our law.

Be that as it may, when its term expires a copyrightable work is said to be out of copyright or in the public domain. Once its term expires, the same work is not entitled to more than one copyright and it will be a "historical document, a monument" which is striped of copyright protection.

Upon the lapse of the life span of the copyrightable works, the owner (s) of a work will be denied of protection of copyright. Thus a person taking such work as his own without the author's consent infringes no right protected by copyright. In other words, infringement of copyright, in general, is only conceived of when there is copyright in work.

**Review Questions**

1. Think about the bookshops or audio-video centres around you and consider the legality of their activities. Do you think they are entitled to rent any work of authorship which is still enjoying the legal protection of copyright law? If yes, where is the owner's right of control of sale and rent in relation to the involved work?
2. There are lots of limitations imposed on the copyright owners. Would they not affect their interest unreasonably?
3. What is the justification for making a moral right as a nonassignable right?
4. How do you view the legality of performances in wedding, hotels, restaurant, Ethiopian Idol?
5. Discuss the reasons for limiting the exclusive rights of authors.

## Chapter Five: Neighboring Rights

### Introduction

Copyright is not extended to any right related to copyright. There are some rights which are recognized to have close relationship with copyright but cannot be the subject matter of copyright law as such. These rights, for different reasons, deserve legal protection. That is why it is common these days, to see some provisions of recently issued copyright proclamations dedicated for the recognition and protection of these rights. Our copyright law is not an exception to this fact. It is in the current proclamation that these rights are clearly given a legal recognition.

Since they are often closely associated with copyrights, any consideration of copyright laws has to take into account this associated rights. These rights are named neighboring rights or related rights.

This chapter begins with a brief explanation of the origin and development of neighboring rights. We will also discuss the bundles of neighboring rights. Thereafter, a brief analysis of the nature of neighboring rights and the justifications for the protection will follow.

After completing this chapter, students will be able to:

- Explain the nature of neighbouring rights;
- distinguish the specific rights granted for the holders of the rights;
- identify the relationship of copyright with the neighbouring rights;
- Discuss the limitations imposed on neighbouring rights.
-

## 5.1 Origin and Development of Neighboring Rights

The protection of author's rights does not consist merely in preventing the use of their creations and cannot be limited to prohibiting infringement of the rights that laws afford to authors. Their works are intended to be made available to the public at large. Various categories of works are made accessible to the public in various ways: it may be by way of live performances, sound recordings or broadcasts. It means there are intermediaries for making available works of authors to the public. For

instance, where some dramatic and musical works, pantomimes, or other types of creative works intended for either auditive or visual reception of such works are communicated to the public, they are produced or performed or recited with the aid of performers. In such cases, there arises the interest of the performers themselves in relation to the use of their individual interpretation in the performed work. These works may also be produced in sound recordings or broadcast in broadcasts. Thus, the problem for protection of performers, producers and broadcasting organizations, i.e., protection of neighboring rights arise. In this regard, the Italian law, one of the first to recognize these new rights called them connected rights (*diritti conessi*); German law related rights (*verwandle Schutzrechte*); French law neighboring rights (*droit voisins*) and in the English law, the term neighboring rights is now commonly used.

The problem with regard to this category of intermediaries has become more acute with rapid technological developments. These technological developments made possible fixing of performances on a variety of materials, viz., records, cassettes, tapes, films etc. What was earlier a localized and immediate phase of a performance in a hall before a limited audience became an increasingly permanent manifestation capable of unlimited and repeated reproduction and use before an equally unlimited audience that went beyond national frontiers. To put it differently, “these technological innovations, since they have made it possible to reproduce individual performances by performing artists and to use them without their presence and without the users being obliged to reach an agreement with them, have led to a reduction in the number of live performances.” Thus, there is a new dimension to the protection of the interests of performers.

By the same token, “the increasing technological development of phonograms and cassettes and, more recently, compact discs (CDs), and their rapid proliferation, was pointing to the need of protection of producers of phonograms.” “The appeal of the phonogram, as also the easy availability in the market of the variety of increasingly sophisticated recording devices,

created the growing problem of piracy, which has now become a worldwide scourge." In addition, there was an increasing use of records and discs by broadcasting organizations; as they became an essential ingredient of the daily programs of broadcasting organizations. Consequently, just as the performers were seeking their own protection, the producers of phonograms began to pursue the case of their protection against unauthorized duplication of their phonograms, as also for remuneration for the use of phonograms for purposes of broadcasting or other forms of communication to the public.

Finally, there were the interests of broadcasting organizations as regards their individually composed programs. The broadcasting organizations required their own protection for these as well as against the retransmission of their own programs by other similar organizations.

In international laws, the first attempt towards neighboring rights was made by the Berne Union for the Protection of Literary and Artistic Works at its Diplomatic Conference in Rome in 1928. At this time there was a need for the revision of the Berne Convention that was adopted in 1886 for the protection of literary and artistic works to include the protection of neighboring rights. In this Conference the members refused to grant a copyright to performers. But, at the end of the conference of the Berne convention, they considered the possibility of measures intended to safeguard the rights of performers and also other neighboring rights are given due consideration. At the international level, however, it was the development of the phonogram industry that promoted the establishment of special protection for the so called related rights as the phonogram industry looked for protection against unauthorized duplication of sound recordings of musical performances.

Thus, the rights of performers, producers of sound recordings and broadcasting organizations are given due recognition, after long

discussions, under the *Rome Convention* in 1961 (Rome Convention, International Convention Ratified in 1961 for the Protection of Rights of Performers, Producers of Phonograms and Broadcasting Organizations). Unlike most international conventions, which follow national legislations and provide a synthesis of existing laws, the Rome Convention was an attempt to establish international regulations in a new field (neighboring rights) where few national laws existed. This meant that most states would have to draft and enact laws before adhering to the Convention. Since the adoption of the Convention in 1961, a large number of states have legislated in matters related to the Convention, and a number of others are considering the legislation. Besides the Rome Convention, two other international instruments have been drawn up with regard to related rights. These are: The Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of Their Phonograms, "Phonograms Convention", concluded in Geneva in October 1971, and the Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite, "The Satellites Convention" concluded in Brussels in May 1974.

Coming to the development of neighboring right in Ethiopia, Articles 1647-1670 of the Civil Code provisions, which are now replaced by the Proclamation, governed copyright only. According to these provisions, copyright is a right granted to an author of a work of mind, which is either literary or artistic in nature. Works of the mind are defined under Art 1648 of the Civil Code. The Civil Code does not incorporate rights of performers, producers and broadcasting organizations. In other words, the question for protection of neighboring rights was not raised.

Thus, in Ethiopia, neighboring right is recognized for the first time in the Proclamation. The Proclamation incorporates the legal protection of performances, sound recordings and broadcasts. Seen in light of Ethiopia's membership to the Convention Establishing the World Intellectual Property Organization, whose prime objective is the promotion and protection of

intellectual property, and adopted through Proclamation No.90/1997, this legislation could be said very late to be declared.

## 5.2 Nature of Neighboring Rights and Justifications for Protection

### 5.2.1 Nature of Neighboring Rights

The term "neighboring rights" comes from the French "*droits voisins*" referring to those rights which have been developed parallel to and are related to copyrights. They may be loosely defined as rights which do not arise directly from the five major types of intellectual property (patents, copyrights, trade secrets, trademarks and industrial designs) but which are "neighboring" to such rights. In other words, there exist rights related to or "neighboring on" copyrights that are generally referred to as "related rights" or "neighboring rights". Thus, neighboring rights are those rights granted to protect performers, producers of phonograms, and broadcasting organizations in the performance of their works.

To put it differently, "neighboring rights" are rights that are related but not identical with copyrights. The rights of these persons are "neighbors" to copyright in the sense that they evolve from an original work of authorship, but are not works of authorship, and thus not copyrightable by themselves. Accordingly, they concern other categories of owners' rights, namely: performers, the producers of phonograms, and broadcasting organizations. For instance, an actor almost invariably, is not the creator of the role he plays. He rather performs a role in a play written by a playwright. By the same taken, a musician may not necessarily be a composer. He may perform the creative woks of another person. Yet, their contribution does not make them subjects of copyright. Likewise the producers of phonograms produce works of authors as performed by the performers; and broadcasting organizations broadcast such works on their station. The fact that they have intervened in the channeling of the works does not entitle them to claim copyright on the works. However, their assistance in making the work

available to the public entitles them to certain rights that are called neighboring rights.

Thus, the notion of neighboring rights is understood to mean rights granted in an increasing number of countries to protect the interests of performers, producers of phonograms and broadcasting organizations "in relation to their activities in connection with the public use of author's works, all kinds of artists' presentations or the communication to the public of events, information, and any sounds or images".

Coming to the Ethiopian legal system, neighboring rights are the rights performers, producers of sound recordings, broadcasting organizations have over their works as per Art 2(14) of the Proclamation that defines neighboring rights. The most important categories are the right of performers to prevent fixation, broadcasting, reproduction etc of their performances without their consent; the rights of producers of phonograms to authorize or prohibit the reproduction of their phonograms and the import and distribution of unauthorized duplicates thereof; and the rights of broadcasting organization to authorize or prohibit rebroadcasting, fixation and reproduction of their broadcasts.

Some countries also protect the interests of broadcasting organizations by preventing the distribution on or from their territory of any program carrying signal emitted to or passing through a satellite, by a distributor for whom the signal is not intended. "No protection of any related right can, however, be interpreted as limiting or prejudicing the protection secured to authors or beneficiaries of other related rights under national law or an international convention."

Protection of performers is provided in order to safeguard the interest of actors, singers, musicians, dancers or other persons who act, sing, deliver,

declaim, play in or otherwise perform literary or artistic works against unlawful uses of their performances.

Regarding the economic rights of performers, the performer has the right to carry out or to authorize the broadcasting or other communication to the public of their performance; the right to carry out or authorize the fixation of unfixed performance; the right to carry out or authorize the reproduction of a fixation of his performance in any manner or form; the right to make available the first fixation of a performance or copies thereof for sale or by other means of transferring ownership which is known in UK as distributions right; the right to authorize or carry out rental or public lending of a fixation of a performance or copies thereof irrespective of the ownership of the copy rented or lent; and the right of making a fixed performance available to the public by wire or wireless means, in such a way that members of the public may have access to them from a place or at a time individually chosen by them.

Apart from economic rights, a performer has the right to be identified as the performer as regards live performance, the performance fixed in a sound recording; the right to object to any distortion, mutilation or other modification of his performances**.** The performers rights, be it economic or non-economic, shall be protected until the end of the 50$^{th}$ calendar year following the year in which the performance was fixed in a sound recording or in absence of such fixation, from the end of the year in which the performance took place.

The other neighboring right is the right of producers of sound recordings (phonograms). Article 2(21) of the Proclamation defines a “producer of sound recordings” as a person that undertakes the initiative and responsibility for the making of sound recording works. The right owner is the person that first fixes the sounds. This excludes both the technicians

and operators employed by the recording company, and any entity merely pressing records, i.e., duplicating the first fixation which is the original recording.

"Sound recording" means, as per article 2(28) of the Proclamation, an exclusively aural fixation of the sounds of a performance or other sounds or a representation thereof, regardless of the method by which the sounds are fixed or the medium in which the sounds are embodied. It does not, however, include a fixation of sound and images such as the sound track of an audiovisual work. It is important to note that the sounds could be sounds of a performance or other sounds or a representation thereof whether fixed on cassette tape or compact disc etc from which fixed sounds can be perceived, reproduced or otherwise communicated directly or with the aid of machine. The rights of the producer and its limitation will be discussed in greater detail in the next section.

Lastly, broadcasting organizations enjoy neighboring rights. As to the rights of broadcasting organization, a broadcasting organization shall have the exclusive right to carry out or authorize reproduction of its broadcasts, fixation of its broadcasts and reproduction of a fixation of its broadcast as per Article 31 (1) of the Proclamation until the expiry of 20 years following the year in which the broadcast took place.

### 5.2.2 Justifications for the Protection of Neighboring Rights

It is known that copyright and neighboring rights constitute an essential element in the development process of a country. The Preamble of the Proclamation asserts that the protection of works of artistic, literary and scientific nature serves to enhance cultural, social, economic, scientific and technological development of a country.

As to the dependence of the enrichment of the national cultural heritage on the level of protection afforded to literary and artistic works, it is said that: The greater the number of country's intellectual creations, the higher it is renowned the greater the number of production in literature and the arts, the more numerous their so called "auxiliaries" (the performers, producers of phonograms and broadcasting organization) in the book, record and entertainment industries; and indeed, in the final analysis, encouragement of intellectual creation is one of the basic prerequisites of all social, economic and cultural developments. Thus, one of the justifications for the protection of neighboring right is that it will serve for the social, economic and cultural development of the country.

In the same vein, legislations in many countries provide for the protection not only of the creators of intellectual works but also of auxiliaries that help in the dissemination of such works, in respect of their own rights. As noted above, copyright subsists in works of authorship. Works of the mind are created in order to be disseminated among as many people as possible. They cannot be done generally by the author himself, for it requires intermediaries whose professional capability gives to the works those forms of presentations that are appropriate to make them accessible to a wide public. In other words, sometimes another person's contribution, in making of the works available to the public may be necessary. The person may act as a channel or intermediary between the author and the consumer of his work. However, his act or contribution may not be subject to copyright protection, obviously, his effort deserves some sort of protection. Thus, the rights of performers, producers of sound recordings and broadcasting organizations are protected as they are the means for disseminating works of authors.

Also, by protecting the neighboring right holders, particularly in developing countries, the basis for setting up an industry in the tertiary sector of the

economy is ensured. Such an industry, "while guaranteeing the dissemination of national culture, both within the country and throughout the world, can additionally constitute a substantial source of revenue for the county's economy and, in those cases where its activities extend beyond the country's frontiers, can represent an inflow of foreign currency".

On top of this, performers, producers and broadcasting organizations employ their talents or technical skills. Furthermore, they have economic interests on their works. They require economic returns for their investment. Consequently, they have to be accorded with some sort of exclusive legal rights for their respective works.

### 5.3 Scope of Application of the Proclamation on Neighboring Rights

The Proclamation talks about the extent of the application of the Proclamation on the protection of performances, sound recordings and broadcasts. As to performances, to get protection from the Proclamation, performers who have Ethiopian nationality should perform them. For the performers who do not have Ethiopian nationalities, performances should take place in the territory of Ethiopia; or should be incorporated in sound recordings the producers of which are nationals of Ethiopia; or sound recordings first fixed or first published in Ethiopia; or if they have not been fixed in a sound recording they should be included in broadcasts of broadcasting organization, the head quarters of which are situated in Ethiopia or transmitted from transmitters situated in Ethiopia . (Art. 3(3) of the Proclamation)

For sound recordings, the producers of those works should have Ethiopian nationality or the sound recordings should be first fixed or published in Ethiopia. The protection given to broadcasts shall apply to broadcasts of broadcasting organizations where the headquarters are situated in Ethiopia

or broadcasts transmitted from a transmitter situated in Ethiopia. (Art.3 (5) of the Proclamation).

On top of this, the provisions of the Proclamation will be applied for the works of performers, producers of sound recordings and broadcasting organizations that are eligible for protection by virtue of and in accordance with an international convention or other international agreement to which Ethiopia is a party as per Article 3(6) of the Proclamation.

The Proclamation underlines that the provisions concerning copyright and neighboring right shall not extend to a material object. In other words, the protection given to the music or painting or dance will not be applicable for the ownership of the musical instrument or the painting materials pursuant to Art 3(7) of the Proclamation.

### 5.4 Owners and Scope of Neighboring Rights

#### 5.4.1. Performers' right

The first question is who is a performer? The term 'performer' refers to as a musician, an actor in a film or a theatre scene, a radio commentator, etc. These persons, even if they are not exclusive owners of the works they performed, are endowed with privileges reserved beyond the reach of anyone else. In other words, the law without the consent of the right holders entails legal liability. This point is vividly enshrined in our copy right law as follows:

Article 26 Acts requiring authorization of performers

1. Without prejudice to the provision of Article 32 of this proclamation, a performer shall have the exclusive right to carry out or authorize:

a) the broadcasting or other communication to the public of his performance, except where the broadcasting or the other communication is made from a fixation of the performance which the performer has authorized to be made; or

b) a rebroadcasting made or authorized by the organization initially broadcasting the performance;
c) the fixation of his unfixed performance,
d) the reproduction of a fixation of his performance, in any manner or form,
e) making available the first fixation of his performance, or copies thereof;
f) rental or public lending of a fixation of his performance, or copies thereof irrespective of the ownership of the copy rented or lent;
g) making his fixed performance available to the public by wire or wireless means, in such a way that members of the public may have access to them from a place or at a time individually chosen by them.

2. The provisions of Sub-Article (1) of this Article shall not be applicable where the performer has authorized the incorporation of his performance in a visual or audiovisual fixation.
3. Notwithstanding the provision of Sub-Article (1) of this Article, the performer can not forbid the reproduction and the communication to the public of his performance, if it is accessory to an event constituting the principal subject of a scene, or of an audio-visual document.
4. The performer independently of his economic rights or even after the transfer of this right shall have the right:
    a. to be identified as the performer as regards his live performances, the performances fixed in sound recordings, except where omission is dictated by the manner of the use of the performance.
    b. to object to any distortion, mutilation or other modification of the performance that would be prejudicial to his reputation.
5. The provision of Article 8 (2) and (3) shall apply mutatis mutandis to the right of performers granted in this Article.

6. The right referred to in this section shall be protected until the end of the fiftieth Calendar year, following the year in which the performance was fixed in a sound recording or in the absence of such fixation, from the end of the year in which the performance took place.

As can be seen from the aforementioned legal provisions there are some exclusive rights granted for the performer. It follows that a performer, as any other property right owner, enjoys those reserved rights to the exclusion of every person including the government. However, we should not forget the huge fact that the copyright owners of the works involved are not exempted from this exclusion. Another important factor, which is not to be overlooked, is the impact of the fact that the preformed work was being fixed or broadcast properly upon the authorization of the performer (see Art. 26 (1) (a) and (b) ).

The authorization to reduce the work he performed in some tangible form, the reproduction thereof, the distribution of the work involved including rental and public lending are of the economic rights legally reserved for the performer.

Apart from the economic rights, our law provides moral rights of the complete protection of the right holder. This includes the right of paternity and the right of integrity. As moral right, these rights are made to exist independently of the economic rights. That means they remain with the performer even after the transfer of economic right to third parties. By the reference made to Art 8 (2) and (3), these rights are made to be transmutable upon the death of the performer to his heirs or legatees. Moreover, the law recognizes there to susceptibility waiver of the performer, his heirs or his legatees. In this regard, we hope you still remember what we have discussed while considering the moral rights of the

author. With that hope, there is a need to avoid unjustified redundancy by kindly requesting you to revisit that part of our study once again.

With respect to the duration of protection, the law provides alternative terms to be applied to two different situations. If the performance was fixed in a sound recording, the protection lasts up to the expiry of the fifty years to be counted as of the date of fixation. But, where the performance has not been fixed the fifty years period will be calculated as of the end of the year in which the performance took place.

The law is so clear, and therefore it does not leave room for interpretation. But it raises at least a question: *What about a performance which was fixed very lately*? Assume that the performance was fixed on the eve of the fiftieth year of the end of the year in which the performance took place? When should the term begin to run?

### 5.4.2 - Rights of Producers of Sound Recordings and Affiliated Issues

Until the second half of the 19th century the printing press was the sole technology involved in taking literary works of all kinds to their public; in the case of dramatic and musical works the main route of the work to its public was live performance and in the case of artistic works, exhibition. In the second half of the 19th century, technology created photography, sound, recordings and silent films and in the 20th century, films with sounds tracks, radio and television. In effect, these creations entirely transformed the copyright scene.

It became fairly clear by the first decade of the 20th century that sound recordings deserved and needed some protection. Apart from terminology, the debates ranged over the question of who the initial copyright owner should be and what the scope and term of the right should be. In the early days, “a phonogram was no little more than a recording of sounds, a kind of

facsimile reproduction of a performance of musical or literary works, or both, involving only technical skills." But gradually advancing technology made record production an act which probably demands as much creativity as any other derivative work. Thus, the producer who is taking the initiative and responsibility of sound recordings is granted certain exclusive rights in international conventions and national laws of many countries. Hence, the producer of sound recordings enjoys certain rights, independent of the copyright owners, as a neighboring right owner (Art 2(14) of the Proclamation).

Regarding rights, a producer of phonograms enjoys five basic rights: the reproduction right, the importation right, the distribution right, the rental or lending right and the making available to the public right, as would be discussed as follows. (Art. 27 of the Proclamation).

**i) Reproduction**

The right of the owner of copyright to prevent others from making copies of his works is the most basic right in copyright laws. For example, making copies of a protected work is the act performed by a publisher who wishes to distribute copies of a text-based work to the public, whether in the form of printed copies or digital media such as CD-ROMs. Likewise, the right of phonogram producers to manufacture and distribute compact discs /CDs/ containing recorded performance of musical works is based, in part, on the authorization given by the composers of such works to reproduce their compositions in the recording. Therefore, the right to control the act of reproduction is the legal basis for many forms of exploitation of protected works including sound recordings.

The right of reproduction is a right "*erga omnes*" or real right to authorize or prohibit any reproduction of a protected phonogram. In the international arena, the Rome Convention gives the producer the right to prohibit

reproduction whether such reproduction is direct or 'indirect'. The word 'directly' is replaced when works are broadcast and 'indirectly' covered reproduction from a matrix (in case of disc) or from a pre-existing phonogram, such as tape or from a 'recording off the air'. The last mentioned method of reproduction is known as 'home taping', an activity which is simple with the equipment now available in the market in most countries. Such home taping would be contrary to international law in countries which have ratified the Rome Convention unless it is covered by the private use exception of Art.15 (1) (a) of the Convention which is left as a matter of national law. That is so because it is for national laws to determine the content and scope of what constitutes private use.

Regarding reproduction right, it was treated in the 1967 Revision Conference of the Berne Convention in the following way:
If it is considered that reproduction conflicts with the normal exploitation of a work, reproduction is not permitted at all. If it is considered that reproduction does not conflict with the normal exploitation of the work, the next step would be to consider whether it does not unreasonably prejudice the legitimate interest of the author.
Thus, it seems clear that any practice of home taping conflicts with a normal exploitation of the work and unreasonably prejudices the legitimate interest of the copyright owner. Therefore, the practice does not seem to be covered by fair use exception but is an infringement. However, the exercise of the reproduction right by the author and by the phonogram producer in these circumstances would be "an intolerable intrusion in the privacy of the user's home and the right is therefore, unenforceable in practice".

Nonetheless, the reproduction right in phonogram applies to parts of phonograms since, as the Rome convention states, the right of reproduction is not qualified, and is to be understood as including rights against partial reproduction of a phonogram. This is important as it prevents the copying of

one track of long playing record and probably even part of the track if the part is substantial.

This most basic exclusive right of producer, right of reproduction, is stipulated under Art 27 (1) (a) of the Proclamation, which reads "a producer of sound recording shall have the exclusive right to carry out or to authorize reproduction of his sound recordings, in any manner or form". It allows the producer to exclude all others from reproducing the phonograms in the form of a copy. A copy is any material object from which, either with naked eyes or other senses or with the aid of a machine or other device, the work can be perceived, reproduced or communicated.

It is important to note at this juncture the definition of reproduction under Art 2 (25) of the Proclamation. It means reproduction includes the making of one or more copies of a work or sound recording in any manner or form, including any permanent or temporary storage of work or sound recording in electronic form. Note also the definition of reprographic reproduction under Art 2 (26) which means the making of facsimile copies of the original or a copy of a work by means other than printing such as photocopying, whether or not they are reduced or enlarged in scale. It should, therefore, be noted that when we say that the producer has an exclusive right to carry out or authorize reproduction we are certainly referring to all acts enumerated in a not-exhaustive manner under Art.2 (25) and 2(26). These acts should be either undertaken by the producer itself or to undertake those rights, any one should be authorized by the producer subject to the legal limitations to be discussed later.

**ii) Rental or Lending Rights**

New technology in the form of compact discs /CDs/ and digital audio tape /DAT/, apart from improving the quality of the sound base, created a much more durable phonogram. They can be played many times without deterioration. This makes it easier to offer phonograms for hire as well as

for sale. A new trade in renting phonograms was developed first in Japan, which introduced a rental right in phonograms in 1985. In the UK, the USA, France and Spain phonogram producers have an absolute right to authorize or prohibit the rental of their phonograms. This new right, in some countries, is yet another right which can probably only be exercised collectively by a collective society on behalf of all right owners.

Rental right is justified because "technological advances have made it very easy to copy these types of works; experience in some countries has shown that copies were made by customers of rental shops, and therefore, that the right to control rental practices was necessary in order to prevent abuse of the owner's right of reproduction". The protection will also allow the copyright owner to partake in the profits the rental shop gets for renting the copyright owner's work and to control reproduction by customers of the rental shop.

The right here is to authorize or prohibit rental and lending of copies of the sound recordings to the public since the producer has the right to carry out or authorize rental or lending to the public a copy of the sound recording irrespective of the ownership 'of the copy' rented or lent (Art 27(1) (d)). Here, it says only of a copy unlike performers rights that also include the fixation of performance under Article 26(1) (e).

Rental is not for the public; it seems private while lending is to the public. Anyway, this is a right to be exercised by the producer except for limitation of this right. "First sale" doctrine does not apply here, that is why it says irrespective of the ownership of the copy rented or lent.

**iii) Distribution Right**

Some laws include a right to authorize distribution of sound recordings for the producers in order to ensure that the basic right of reproduction is

respected. The right of distribution is usually subject to exhaustion upon first sale or other transfer of ownership of a particular copy, which means that, after the copyright owner has sold or otherwise transferred ownership of a particular copy of a work, the owner of that copy may dispose of it without the copyright owner's further permission, for example, by giving it away or even by reselling it.

One of the rights of a producer of sound recordings that is enshrined under Art.27 (1) (c) of the Proclamation is the distribution of the original or copy of his sound recordings to the public by sale or other means of transfer of ownership. This exclusive right guarantees to the producer the right to distribute the original or a copy of the work to the public by sale or donation or any other form of transfer of ownership.

It appears that Art. 27 (1) (c) of the Proclamation fits the "first sale" doctrine. Once a sale has taken place, the first sale doctrine allows the new owner of the sound recordings to treat the object as his own. Hence, although a producer might transfer ownership to a buyer and impose certain conditions, it is not a violation of the rights of the producer for the buyer to sell the sound recordings to another, even if the producer had conditioned the sale upon a promise of no resale. Therefore, the distribution right only secures to the producer the right to control the first transfer of ownership. The first sale doctrine authorizes continuing sales or other means of transfer of ownership. It should be noted, however, that it does not authorize further copying of the original or its copy. Thus, the distribution right and the first sale limitation upon it apply to the very phonogram that has been sold or otherwise transferred. The producer is however still protected against unauthorized copying of the sound recordings by the reproduction right.

To put it differently, this right is exercisable only to the sound recordings that have not already been subject to a distribution authorized by the producer by sale or other means of transfer of ownership. Means of transfer of ownership other than sale could be acts such as donation and exclusive license; non-exclusive license does not preclude exercising this right against those who are not licensed. Owing to first sale doctrine (doctrine of exhaustion) the producer cannot exercise this right on the sound recordings which have been assigned or granted a license even where the duration of assignment or licensing has lapsed so long as what has been reproduced within the duration of the contract is not totally disposed of.

**iv) Importation Right**

Some copyright laws include a right to control importation of copies as a means of preventing erosion of the principle of territoriality of copyright; that is; "the legitimate economic interests of the copyright owner would be endangered if he would not exercise the rights of reproduction and distribution on territorial basis".

The right to import copies of one's sound recording is provided under Article 27(1) (b) of the Proclamation as follows. "…a producer of a sound recording shall have the exclusive right to carry out or authorize importation of copies of his sound recordings…" This is a right given to producers of sound recording and authors of a work. It should be underlined that this provision deals with the right to import copies of sound recordings. This is obvious because the original sound recording could be undertaken in a place where the producer thinks fit. It is the copy that can be imported being so copied from the original in the countries other than the country where the original recording has taken place due to several reasons including low cost of reproduction or a better technology that results in efficiency. For instance, the reproduction could be undertaken from a copy which is not possible in the place of recording. It is to curb such

kind of practice, which would impair the interest of the producer of sound recording, whom this right is provided.

**V) Right of Making Available**

Due to the highly developed and profitable communication and entertainment industries and technologies of the contemporary world, the right of the producer, to exclude all others from making available to the public of his sound recordings, is one of the most important rights guaranteed by the Proclamation. It is because "large segments of the population in our contemporary world receive copyrighted information through mass media, electronic motion pictures, televisions, tapes and discs, radio broadcasts and a host of other technologies by which information is delivered to the public". Hence, granting a producer to do or to authorize making available to the public of his sound recordings has become invaluable right.

The 'making available' right is an exclusive right of producers to authorize or prohibit the dissemination of their works and other protected material through interactive net-works such as the internet and this exclusive right is one of the most important achievements of the WIPO Treaties and constitutes a basic requirement for the development of electronic commerce. The international community, in the 1996 Diplomatic Conference that adopted the treaties, unanimously acknowledged that record producers in particular needed this exclusive right to cover the use of their phonograms in the digital environment. The reason was not only to fight piracy. The international community also recognized that the dissemination of phonograms in digital networks such as the internet constitutes a primary form of exploitation of music, and therefore should be subject to the control of the right owner.

Moreover, the making available right covers both the actual offering of the phonogram or other protected material and its subsequent transmission to members of the public. The exclusive right provides control over the act of 'making available' by all means of delivery—by wire or wireless means—and whenever members of the public may access the work or phonogram from a place and at a time individually chosen by them. This broad formulation is capable of accommodating many different types of exploitation, from services allowing only the listening of music, to services allowing the download of permanent copies of music tracks, to exciting future uses of technology.

The key element is that the exclusive right covers all types of exploitation that allow the consumer to have a choice as to the time and the place to enjoy music. Therefore, not only 'music on demand' services but also all other services with a like effect (e.g. digital transmissions allowing for the identification and recording of specific music tracks) should be covered by this right. The act of making available is subject to the control of the phonogram producer or other rights owner from the moment the work or phonogram is accessible to members of the public, regardless of whether it has been accessed yet or not. It is the accessibility of the phonogram or work—the potential for it to be received or perceived by members of the public—that is the decisive factor.

As per Article27 (1) (e) of the Proclamation, the producer has an exclusive right of making available to the public of his sound recordings by wire or wireless means and then members of the public have access to such sound recordings from a place or at a time individually chosen by them. It is an individual access at a place or at a time chosen. This right is designed specifically to deal with things being made available on the internet to be downloaded at the convenience of customers. "Making available right is "pull" of content and the right of communication to the public is "push" of

content, by any electronic means". In other words 'the making available right to the public' is offering sound recordings for download via a web site. Once the producer make his sound recordings available to the public, the consumer can access it individually at his own choice without the transmission.

**vi) The Requirement of Labeling a Sound Recording for Commercial Purposes**

In addition to the limitations discussed above, the right of the producer of the sound recording would be subject to the fulfillment of some requirements under Article 28 cum Article 27(1) of the Proclamation. The producer of the sound recording shall state on the label of the recording or on its container: the title of the work or works; the name of the author and of the main performers (a choir or an orchestra shall be referred to by its name and that of its leader, if any); the name or distinguishing mark of the producer and the rights accruing to the producer that we have discussed so far are reserved.

Where a copy of a sound recording is made for a commercial purpose, a notice shall be printed on the label or its container consisting of the symbol (P) and the year in which the recording was first published, placed in such manner as to give reasonable notice of claim to protection of the right of the producer. The purpose of the notice is to serve as prima facie evidence of the facts stated there for the purposes of any proceedings brought under the Proclamation with respect to the rights of the producer of sound recordings (Art 29 of the Proclamation).

It is important to note that the notice is required where a copy of a sound recording is made for commercial purposes. The manner in which the notice is given or placed should be reasonable to be seen and understood as stated by the law. The purpose of the notice is not a requirement for protection; rather it is a purpose of evidence.

The question one may raise in this connection is what if the producer fails to observe the obligation stated under Article 28 in whole or in part? With regard to stating the name or distinguishing mark of the producer and that the rights according to the producer no doubt that are important, it is because; the presumption of ownership requires it. It serves as prima facie evidence and mitigates the burden of proving the said ownership.

The requirement of labeling a sound recording published for commercial purposes is not unique in Ethiopia. It is necessary in order for works and other subject matter to receive protection in a number of foreign countries. For instance, in the USA, certain notices have to be placed or affixed to all published copies. As regards sound recordings,
*"on all the copies in commerce of the published recordings or their containers the symbol (P) accompanied by the year date of first publication places in such a manner as to give reasonable notice of claim of protection, and if the copies or their containers do not identify the producer or the licensee of the producer by carrying his name, trade mark or other appropriate designation, the notice must include the name of the owner of the rights of the producer."*

Furthermore, if the copies or their containers do not identify the principal performer, the notice must also include the name of the person who, in the country in which the fixation was effected, owns the rights of such performers.

In the UK also, section 12 (6) of the 1956 Act provides in effect that the copyright in a sound recording is not infringed by the doing of the acts restricted by the copyright in the recording where: (a) records of the recording have previously been issued to the public in the UK and (b) when the records were so issued, neither the records nor the containers in which

they were so issued bore a label or other mark indicating the year in which the recording was first published, unauthorized issue not taken into account. The apposition of the requisite notice is thus necessary to ensure copyright protection as regards records embodying sound recording; however, lack of notice will not affect the copyright protection of the dramatic, literary or musical works, the performance of which are reproduced by the recordings, or artistic works on the label or covers of the record. The fact that a work does not conform to the formalities required by the legislation of its country of origin does not of itself debar the work from copyright protection in the UK.

**vii) Rights of Participation of the Producer and Performer**

Where a sound recording published for commercial purpose or a reproduction of such sound recording is used directly for broadcasting or other communication to the public or is publicly performed a single equitable remuneration for the performer and the producer of sound recording shall be paid by the user to the producer. (Art. 30 of the Proclamation) The producer, in the absence of an agreement to the contrary, shall apportion this payment equally with the performer. In other words, a sound recording published for a commercial purpose or its reproductions can be used for broadcasting or public performance or other communication to the public directly with a payment of a single equitable remuneration to the producer and performer.

A broadcaster may broadcast a sound recording without infringing the neighboring rights of the producer but the broadcaster must pay the producer a single equitable remuneration. In the same vein, once the owner of a restaurant, hotel, nightclub and others has paid an equitable remuneration, they can perform the sound recordings to the public.

Moreover there is a right of communication to the public by the user after paying remuneration to the producer. Communication to the public is defined under Art 2(6) of the Proclamation as "the transmission by wire or without wire images or sounds or both of a work, a performance, a sound recording, or a broadcast in such a way that the images or sounds can be perceived by a person outside a normal circle of a family and its closest social acquaintance at a place or places so distant from a place where the transmission originates, that without the transmission the images or sounds would not be perceivable and, further, irrespective of whether the person can receive the images or sounds at the same place and time, or at different places and/or times individually chosen by them". In case of communication to the public, sounds or images or both are transmitted by wire or wireless means but they would not be perceived without the transmission. In other words, they are perceived by a person outside a normal circle of a family and its acquaintances only from the place where the transmission originates.

However, there is no solution for the questions of how equitable remuneration is determined and who is going to determine such remuneration. On top of this, limiting the rights of the producer only for asking an equitable remuneration from users would ultimately affect his economic benefit.

One thing that should be clear is that the sound recording that we are talking about is that kind of sound recording published for commercial purposes. Thus, it can be argued that, if it is for commercial purposes, it is available in the market for broadcasting or other means of communication to the public or for public performance and it seems unreasonable to give an exclusive right for the producer on such kinds of sound recordings for public performance or broadcasting or other communication to the public. Further, it would be very difficult, not impossible, to get permission from

the producer to broadcast or perform publicly each sound recording works by the user that would ultimately affect the accessibility of sound recordings to the public.

Article 30 (1) does not permit any person to reproduce, import, distribute or rent or lend the sound recording. It only mentions.

1. Where a sound recording is published for a commercial purpose or a reproduction of such sound recording is used. This means that, first, it must be published; secondly it must have been published for commercial purposes. This can be understood from what has been stated on the label or its container, and thirdly, sound recording published as a reproduction of such recording implies that it is the producer himself who does so.
2. Used – directly for broadcasting or other communication to the public or is publicly performed denotes that only using a copy or the original for stated purposes
3. A single equitable remuneration for the performer and producer makes clear that once an equitable remuneration is paid that would be enough, though what equitable remuneration is up to the courts to decide or up to the parties to agree upon.

It has to be noted that the right to equitable remuneration to the producer of sound recording and performers shall subsist from the date of publication of the sound recording until the end of 50 years following the year of publication, when the sound recording has not been published from the date of fixation of the sound recording until the end of the 50$^{th}$ year following the year of fixation (Art 27(2) and 30(3)of the Proclamation) However, the Proclamation does not mention the moral right of the producer of the sound recordings.

## 4.3. Rights of broadcasting organizations

Broadcasting organizations are, no doubt, the major channels of works in communicating with the public. In recognition of this fact, the law affirms the protection of some exclusive rights to be granted for broadcasting agencies. It naturally follows that the unauthorized performance of the rights, on which the concerned broadcasting organization is given monopoly rights, is a pure case of transgression of legitimate interests. That means, it is no less a ground of court actions and there by a base for entitlement of compensation if any loss is sustained buy the victim.

Art 31 of the copyright proclamation provides those acts which cannot be performed without the authorization of the involved broadcasting organization. Let us see the contents of the provision.

Art 31 Acts requiring authorization of broadcasting Organization

(1) A broadcasting organization shall have the exclusive right to carry out or authorize

a) Rebroadcast of its broadcasts

b) Fixation of its broadcast

c) Reproduction of a fixation of its broadcasts

2) The rights under this Article shall be protective from the moment the broadcast takes place until the expiry of 20 years following the year in which the broadcast took place.

As clearly expressed in the above mentioned legal provision, the law tries to discourage free riders. That means the law is against those who want to get benefit at the effort of others without paying a penny. In the affirmation of the competition between broadcasting organizations, the law requires other broadcasting organizations to secure the blessing of the organization which first broadcast a certain work, if they want to rebroadcast it. It has also been indicated that the fixation, its broadcasts and the reproduction thereof is left to the concerned broadcasting organization.

The term of protection, as any other related protections, is not eternal. It is limited by time. It stays for twenty years following the year in which the broadcast took place.

### 5.5. Limitations Imposed on Neighboring Rights

Neighboring rights are not exceptions to the imposition of limitations on the right holders. However, to explain the nature and purpose of limitations at this level can be justified on no ground. This is mainly because we had enough of it in our previous relevant topics. Therefore, now it is time just to indicate what is considered in the pertinent legal provision. Art 32. Limitations of rights

The rights referred to in Articles 26-31 shall not apply to acts related to:

i. Using short excerpts for reporting current events to the extent justified by the purpose of providing current information
ii. Reproduction solely for scientific research
iii. Reproduction solely for the purpose of fact to face teaching activities, except for perforations and sound recordings as teaching or instructional material
iv. Cases where, under part II, a work can be used without the authorization of the author or other owner of copyright.

In general, the above-mentioned legal provisions share a single purpose, that is, the attainment of public interest. After having emphasized an excuse of reproduction for educational and research purpose under provisions of (b) & (c), the afore-mentioned legal provision establishes that those limitations we noted herein before in relation to the rights of the author and his assignee, are also valid to limit the entitlement of owners of neighbouring rights on the works involved. The law, which limits the right

of the author who is the original source of the work, for stronger reasons, restricts the rights of those who establish neighboring rights on the items.

Thus, exclusive rights of the neighboring right owners, however, are only apparently absolute. For the law is not meant to "permit the protections given here to turn into barriers walling of part or all of our society from the use and enjoyment of sound recordings", the public is entitled to some uses of such works without authorization. This is so because the law provides various exceptions to the rule that 'only the owner enjoys those rights'. So, in a way, the law takes away with one hand some of what it has given by the other. It should be borne in mind that neighboring rights, like copyrights, are a compromise between two interests, i.e. owner's interest to be remunerated and the public interest to get easy access to the phonograms.

Accordingly, there are exceptions which uses do not infringe neighboring right owners rights. These exceptions are presented hereunder to serve as springboards for the in-depth discussions on infringements in the next part.

Firstly, they cannot forbid using excerpts for reporting current events to the extent justified by the purpose of providing current information (Art 31(a) of the proclamation) It appears that this limitation applies to all neighboring right owners. And note carefully that this limitation is similar, though not identical, with the limitation provided for authors under Art 13 (2). Article 13(2) allows broadcasting whereas Art 32(a) does not mention broadcasting, though broadcasting is one of the means to report current events to provide current information. Article 13 (2) also provides that other means of communication to the public other than means of broadcasting is allowed. Here, under Art 32(a) means of communication to the public could be broadcasting stations or any other mass media.

Secondly, they cannot forbid reproduction if it is solely for scientific research. Here what cannot be prohibited is reproduction. (Art 31(b) of the Proclamation). The number of copies is not indicated at all. One should ask whether it is one copy or more than one copy depending on the need of the person undertaking the scientific research. This is not clear but definitely it should not prejudice the interest of the producer.

Thirdly, they cannot forbid reproduction solely for the purpose of face-to-face teaching activities, except for sound recordings, which have been published as teaching or instructional materials. (Art.31(c) of the Proclamation) The reproduction is only face-to-face teaching activity when, for instance, the reproduction is used in classroom or elsewhere the teacher and the student are face to face. Performance and sound recordings, which have been published as teaching or instructional materials cannot be reproduced and used for face-to-face teaching activities.

In addition, the proclamation envisages other grounds of limitation. In this regard, Art 32(d) of the Proclamation provides that cases where, under part II of the Proclamation a work can be used without the authorization of the author or other owner of copyright are the limitations on the rights of owners in appropriate cases. These limitations are those provided from Article 9-20 of the Proclamation.

**Review Questions**

1) Discuss the justifications of the protection of neighboring rights.
2) Does a producer of sound recording have adaptation right on his work?
3) If a producer is a natural person, does he have a moral right?
4) What peculiar features distinguish neighboring right from copyright?

## Chapter Six: Ownership and Transfer of Economic Right(s)

### Introduction

So far, we have observed that the fact that certain work belongs to the

copyrightable domain entails bundles of rights when it satisfies the legal requirements for the subsistence of the protection. In this chapter we will identify who the subjects of copyright laws are, i.e. who owns the copyright in a work? What are the specific rights enjoyed by publishers? Who is the right holder in case of works produced for hire? Is copyright transferable? How? These and other related issues will make up the gist of this chapter.

At the end of this chapter, the student will be able to:

- Identify who the primary owner of a copyright is;
- Distinguish authors from others who may take part in the production of the work;
- Be able to resolve issues related to ownership of works produced by more than a single person;
- Determine the individual and joint entitlements of individuals who contributed to a work published in a collection form;
- Explain the relationship between an employee and employer with respect to a work of authorship;
- Explain the different types of the manners of transfer of copyright

## 6.1 Ownership of Copyright

As has been remarked, ownership of copyright in a work of authorship is enjoyed differently from the material objects in which it is clothed. Accordingly, a purchaser of a book or a cassette becomes the owner of the copy he purchased, but not the copyright in the book or the classification involved. Therefore, it is not possible for such a purchaser to enjoy those exclusive rights reserved for the author. The only person who can legitimately exercise the exclusive rights we noted is *the owner of the copyright*, and he is the only person who can authorize others to do acts upon which the law gives him the sole right to do. The only exception to this huge principle is the possibility of implementing compulsory license by the

concerned office which may authorize some acts even against the objection of the right holder.

But, *who is that 'monopoly right holder'*? The author is the original owner of copyright on the work he created. This general rule is subject to contracts providing otherwise, contrary judicial decisions or stipulation of law to that effect. This shows that the author and the owner of the work may not always be a single person. There may be proprietors of the work other than the author. In the upcoming sub-topics we will be addressing the specific proprietors of a copyrightable work.

### 6.1.1. The Author

It is generally accepted that the first owner of copyright as indicated above, is always the author and all claims to copyright descend from him. This is mainly because of the fact that since the primary purpose of copyright protection is encouragement of creativity the first person who should come to our mind when it comes to protection is the creator of the work, that is, the author. This important principle was well recognized during the promulgation of the civil code. Art 1647(1) of the code provides that an author of a work of the mind shall have the right of ownership on the work he created by the mere fact of his creation. This stand of the law is reaffirmed by the new proclamation, as noted above.

We emphasized that works of authorship manifest the personality of the author. On top of this, the production of a copyrightable work, definitely, costs the author in terms of time, money and other resources. And, therefore, there is no need to have further explanation to justify the status of the author as an original owner of the fruit of his intellectual labour.

Once it is conceded that the author is to be the first owner of copyright on a

work of authorship, it is necessary to understand what is meant when one speaks of the "author" of a work of authorship. *Who is the author?* The civil code does not provide any definition of the term "author" which it uses in its various provisions. Never the less, even if there is no express definition dedicated to this term, there are some provisions which impliedly contribute to the understanding of the work with the contact of the code. In Art 1666(1), it is stated that: In the absence of proof to the contrary, the person under whose name the work is disclosed is to be regarded as the author thereof.

The aforementioned legal provision establishes the presumption of the author. Normally, a work is published in the name of its creator. This indicates that the work is used in its ordinary sense to denote the maker of the work concerned. In fact, it is wise also to recognize the fact that for different reasons works may be published in a name other than that of the author, in a ***pen name*** or even ***anonymously.*** In such circumstances, determination as to the identification of the author depends on the possible evidences to be produced to establish who the author is. Since it is just a presumptive provision, as most presumptive cases, it may be rebutted when contrary evidence is produced to the satisfaction of the court. Therefore, we may end up with conclusion that sometimes the named person is not the author and thus not the owner of the work published in his name. The cumulative reading of Arts 21(1) and 22(1) of the copyright proclamation, as well, upholds a similar stand with this legal position.

Another point to be remarked is that since the copyright protection is extended to the manner of expression of an idea and not to the idea embodied in the work of authorship, when we say originator of the work, we are not referring to the originator of the idea. In other words, the author is not expected to be the originator of the thoughts or ideas which have inspired the work.

Assume that the idea embodied in a work is incepted by Ato Alazar and well expounded by Ato Derje but incorporated in his work of authorship by Ato Zelalem. Who do you think is entitled to claim a monopoly right of ownership on the work of authorship? Is it Ato Alazar because he introduced the idea? Or, Ato Dereje, because he developed the original idea? Or, Ato Zelalem, because he expressed it in a work of authorship form? If you have said 'it must be Ato Zelalem,' let me tell you one big fact: ***you are becoming more familiar with the contents of copyright law, and also the purposes for which the law claims to stand.*** unless of course, it is shown that Ato Zelalem has ***copied*** it from somewhere else.

It is also important to ask as to who can be an author. Is the status of authorship reserved to natural persons only? Or can legal person be regarded as an author?

We hope the term, 'intellectual property' is an adequate implication to reserve authorship for natural persons only since legal persons do not have ***intellect*** which can be a source for creativity. On top of this, we have said that copyright laws protect the moral rights of the author in addition to or even separately, from economic rights of the author. From this we may say that in countries where moral rights are recognized, like the case of ours, the author must be a physical person. This naturally flows from the fact that it is generally submitted that only humans have the moral faculty and thereby can enjoy moral right, which is the component of copyright. This, by no means, means that legal persons cannot be copyright owners. As we noted before, the author may not necessarily be the owner of the work. And therefore, where it is provided by law, contract, or judicial decisions, legal persons may be recognized to be owners of a work of authorship.

In general, we have noted that natural persons are original owners of copyrights. Sometimes, a work of authorship may be produced by the joint efforts of two or more persons. Who is the owner in such a case?

### 6.1.2. The Right of Co-authors

Under this sub-topic we will discuss a 'work of joint ownership'. What is meant by a work of joint ownership? What makes a work to belong to this domain? Are all works in the production of which more than a single person is involved works of joint ownership? Should we take the specific type of contribution of the participants to qualify the work to this domain?

Broadly speaking, it may be said that a joint work is a work prepared by two or more persons with the intention that their contribution be merged into either an ***inseparable*** (E.g. A novel) or ***interdependent*** (the lyrics and music of a song) part of ***a unitary whole***. A joint work is, therefore, a product of the labor of several authors who acted with the view of creating ***a single whole***. Art 2(29) of the copyright proclamation provides that a joint work is different from a collective work. It states: "A work of joint ownership' means a work to the creation of which two or more authors have contributed, provided that the work does not qualify as a 'collective work' under Sub-Article 15 of this proclamation".

As will be noted at a later stage in this work, a joint work is different form 'collective work'. A joint work is attributed with the quality of being either inseparability or interdependence. At this stage the point is *'who should be the man of title on a work which is a fruit of joint efforts?'* Arthur R. Miller and Michael H, Davis, in their book entitled *"intellectual property: patents, trademarks and copyright",* responded to this question in the following brief and sect explanatory manner: Co-authors stand in their relation to each other as do co-owners in respect of any other kind of property, with some modifications peculiar to intellectual property.

Subject to the specific nature of copyrightable works, the co-authors' fate will be determined by the principles of law of property related to joint ownership. As you have noted while taking *'property and land law'*, in our

law, the manner in which the co-authors exercise the right is left to their common agreement. In particular, they may determine their respective share on the commonly owned item. In the absence of such an express arrangement, the legal presumption of Art 1259 which establishes equal share of joint owners will be applied. In such a case each will have equal entitlement to, and equal say on, the work.

Even if the co-authors are left free to regulate their relationship by private agreements made among them, it is evident that copyright laws want to maintain the ***oneness*** of the work. This is more so, especially, where the separate utilization of one's personal contribution is detrimental to the use of the common work.

For instance, according to Art 1668(3) of the civil code independent exercise of a right by a co-author is allowed ***only*** where the works contributed by each author represents a different type of work. Even in this situation, the ***personal use*** should not affect the right of the co-author in the ***joint use*** of the common work.

While addressing the issue as to who the author is, we said that it is assumed that it is the one in whose name the work is published. If that is so, in order to be regarded as a joint owner, it is a must to have ones name on the work. In respect to the relation between the co-authors, the law does not seem to bother about in whose name the work is published. The work may be issued in the name of ***one*** of the contributors, or with the name of the ***few*** or ***all*** participants. The unnamed authors may benefit from the exceptional circumstance envisaged by Art 1661(1) of the civil code. We have noted that authors are legally entitled to remain anonymous. And also the right to be identified is one of the moral rights of the author. But if they are not interested to exercise this right and preferred to remain anonymous, there is no reason to deprive their right of ownership. What the copyright

law wants and should want is just to recover the creativity, and therefore, so far as the unnamed authors can establish or show they are contributors they are no less owners. Obviously, as the co-authors know each other and recognize the respective contribution of each, the named ones should not be give better entitlement than the unnamed ones.

The other question may be *what their relation to third parties is* Art 1669(1) of the civil code provides that in their relation to third parties, it is the person in whose name the work is published who is deemed to be the sole author of the work. This law recognizes that third parties are justified in assuming that the named person is the sole author of the work concerned. Sub-Article three of the aforementioned legal provision goes on to say *"the right of co-authors will not affect third parties",* this is simply because the publication of a work in one or some of the contributors creates the impression in the mind of third parties that there are no other right holders behind the curtain. How could third parties imagine the contrary? As the law says the author is the named, and the named is presumed to be the original owner of the work, third parties are not logically expected to investigate whether there are unnamed authors. The legal presumption benefits the third parties.

However, do not forget that the law is just creating a presumption. And, therefore, as we said time and again, as most of the presumptions, it is susceptible to rebuttal. Since the sole purpose of presumptive provisions is shifting the burden of proof, the reverse position may be held where proof to effect that the third party was aware of the existence of the co-authors is produced.

As we have tried to indicate here-in-above, provisions of law of property are applicable to regulate co-authorship to the extent they are pertinent with respect to the nature of copyrightable works. We hope you still remember that decision on the administration of the jointly owned item requires a

share based majority vote (Art 1365 Civil code). On the other hand, the decision to alienate the item for free or for consideration or to change the establishing purpose of the joint ownership can only be held unanimously. This applies to co-authors of a joint work, *mutatis mutandis*. Therefore, the decision to sale the copyright on the joint work, for instance demands the unanimous vote of the joint owners. From this it naturally follows that if third parties concluded a sale contract with only one or some of the co-authors knowing (or where it is reasonable to expect) the co-authorship, the contract cannot stand in the eyes of the law. That means, such contracts cannot affect the non-contracting authors. This applies even in a situation where the non-contracting authors are not named in the published work, provided that the third parties knew or should have known their existence.

In sum, we can say that co-authors are just joint owners of a property. The law equally protects unnamed co-authors to the extent they are identifiable.

### 6.1.3. Collective works

The civil code which, reasonably, determines issues related to joint ownership fails to regulate expressly the ownership of collective works. Who should be the owner of a collective work? Before addressing this issue, I hope it is necessary to distinguish a ***'collective work'*** from a ***'joint work'***. Art 2(5) of the copyright proclamation states: "collective work" means a literary and artistic work created by two or more physical persons at the initiative and under the direction of a person with the understanding that it will be disclosed in the name of the latter person without indicating the identity of the contributor".

This provision shows that a collective work is one in which a number of contributions, constituting ***separate*** and ***independent*** works in themselves, are assembled into a single whole to be published in the name of the person who has taken the "trouble" of initiating ***and*** directing the

task of producing the work. Therefore, collective works or works published in a collection form are completely different from joint works which are considered to be inseparable or interdependent. In fact, we may say that a single whole which is a product of contributions of more than a single person can be regarded as a collective work if the parts contributed are not inseparable and interdependent.

What a joint work and a collective work have in common is the contribution of more than one person in their production. The interrelationship of the works contributed, however, is different in these two items as we indicated above. When we think of collective works we may mention a publication consisting of, for instance, speeches delivered may be on different scenes, at different times, and on different issues, or musical albums which consist works of different musicians or works of a musician issued at different times, etc.

Thus, who should be the owner of a collective work? Is it all the contributors jointly? In entertaining this issue, the point that we don't have to forget is that a work contributed in a collective work has its own independent author. For instance, if we take a collective work which consists of several short stories the respective authors enjoy separate, independent an unassailable right with respect to their own independent work.

Let's take a book published in Ethiopia comprising short stories which is entitled '*aba defar*'. In this work of authorship both writers (Ato Adamu Reta and Ato Gebeyehu Ayele) enjoy an exclusive right of ownership on the collective work. Of the recently published domestic works a book which is the fruit of the contribution of Ato Bewketu Seyum, Ato Gebeyehu Ayele, and Ato Adamu Reta entitled *"Kinfam Hilmoch"* is a typical example of a collective work on which the contributors can claim independent right of

ownership on their own respective work. In our time, musical works and video clips are being published in a collection form. Here again, each author is legally protected to enjoy right ownership on their contribution to the single whole.

However, what do we mean by saying each contributor is an independent owner in his own domain? As you have learned from your law of property course, it simply means that it entails the enjoyment of the inherent rights of ownership on their own works. Do you remember the contents of rights of ownership? Right of ownership consists of the followings: (1) the right of use; (2) the right to collect and own fruits and (3) the right of alienation.

From this we learn that each contributor (or author) exercises the abovementioned rights upon his rights in an exclusive manner even if his work is incorporated in a collective work. So he may sale it, give it for free or transfer it in whatsoever legally possible means.

We have also noted that computer programs are recognized to be subject matters of copyright laws. Do you remember? More than a single computer program may be comprised in a single compact disk or floppy diskette. Here again, each contributor may use or transfer his own part without the consent and blessing of the other contributors to the single whole. On top of this, each contributor may collect and own fruits of his own work. In general, any benefit that may accrue from the work in its independent existence belongs not to the owner of the collective work but the private contributor. The right of alienation of an owner extends up to the right to destroy the property. An author, who is now a contributor to a collective work, has a final say on the destruction of his own work.

Generally speaking, the administration of the collective work is quite different and independent from the parts included in it. This situation reveals a difference between collective works and joint-works. As noted before, in case of joint works, even if there is no total ban, the possibilities

of using ones own contribution by one of the contributors is very much minimal. What do you think is the basis of such distinction? If you have understood the above mentioned idea you can easily respond to this question. We said that the nature of works contributed in the production of these two types of works of authorship are different. Joint works, as we indicated, are interdependent or inseparable even if they are contributed by more than a single author. For Instance, imagine a film script which is a product of the joint effort of two script writers. In such a case, it is very difficult to distinguish the respective contribution of each script writer. It demands a divine power to identify which manner of expression came out of the mind of which script writer. That is why law, wisely, avoids the independent use of a contributed part.

We noted that joint works are to be interdependent if not inseparable. In contrast to this, works incorporated in a collection form are not required to reflect the quality of being interdependent. Each work, in this case, stands by its own. A collective work may comprise works of a single author published at different times, or it may include works different authors issued at the same or different moments.

Moreover, works included in a collective work may embody contradictory or different ideas. In addition to the possible disrepairs with respect to the contents of the particular works, the form or mode of expression of such works may be different. Take, for instance, a literary work. Some of the collected works may be passages while others are poems; of the passages some may be fictions, others essays and still others descriptions of hard facts. A typical example of such works may be a domestic publication entitled ‘Efeta’ in the production of which famous authors like Sebehat Gebre’egziabher have participated. We may also mention encyclopedias and collection of photographic works as a member of this wide domain.

In sum, so far in this topic we have been trying to distinguish the nature of joint works and collective works. In brief, the inseparability or interdependence of works in a joint work blocks, in principle, the independent utilization of the particular works, while, on the contrary, the reverse nature of works in a collective work is the basis for their separate use and transfer or even distraction. A point that must be emphasized at this stage is the fact that in some exceptional circumstances the above mentioned principle of independent use may be eroded. This happens when such separate use adversely affects the exploitation of the single whole in case of joint work, and when the contributors have agreed with the owner of the single whole to block the independent use in case of a collective work.

So far in this sub topic, we have addressed issues related to ownership in particular reference to works incorporated in collective works. Now, let us see the ownership on the single whole itself. A person may come up with a collective work of authorship in one of the following three circumstances:- (1) the collected works may, entirely, be works of his own; (2) the works may be partly of his own and partly works of others; (3) the works may be totally works of others.

At this stage, it is really important to emphasize that if the duration of protection of a work has not expired yet, the making of a certain work which is part of a collective work demands the consent of its author. At least, if one cannot secure the blessing of the copyright owner of the work, he has to get a compulsory license from the concerned office. Consequently, the incorporation of a protected work in a collective work without the blessing of either its owner or the appropriate office is an infringing act which may entail legal liability. From this, it naturally follows that when we talk about a collective work we are referring to the situation where the person who has taken the trouble of producing the work has legitimately secured the necessary consent. Upon satisfaction of this legal base, Art

21(3) of the copyright proclamation provides what follows: “where the work is a collective work, the person at whose initiative and under whose direction the work has been created shall be the original owner of the rights”.

This implies that when the initiation to produce a collective work is coupled with the task of directing the production entails the right of ownership for the person involved. The cumulative reading of the provisions of Art 21(3) and Art 2(5) dictate us that the original owner of a collective work is just that single person. Moreover, the provisions reveal that it is only natural persons who can be the original owners of a collective work. This stand of the law raises various questions. Consider the following issues:

*-What if a person took the initiative but another person handled the directing for different reasons including expertise?*

*_What if both the initiation and the direction are conducted by more than a single person?*

*_What is wrong if the direction and initiation of the work is made by a legal person?*

### 6.1.4. Works Made for Hire

We have noted that works may be made for a hire for various reasons. This refers to works produced under contract of employment or service. For example, a governmental organization may employ the intellectual labor of individuals for the production of a copyrightable work. Similarly, a person may employ a videographer for the recording of his wedding ceremony. In such circumstances, a work may be produced by the intellectual effort of an employee under the order and cost of the employer.

Who do you think should the owner of a work made for a hire be? In the above-mentioned instances, is that the office or the employee- the bride or the videographer?

A uniform stand has not been taken by the various territories in our world. E.P scone James and et al, in their book entitled *'Copigner and stone James on copyright'* stated that: "….. In many foreign jurisdictions, especially in the Anglo Saxon legal system, an employer, in case of works for hire under a contract of service, is deemed to be the owner of copyright in the work".

This means, incommon law the employer is given the status of being an original owner on the work made for hire. This, in fact, applies unless the contract of employment provides otherwise. The continental law countries, on the other hand, uphold a contradictory stand. In this regard M.A Khan stated in his book entitled *'principles and perspectives of copyright'* as follows: "The Roman law countries approach the problem from a socio-economic point of view and seek to protect the author as the economically weaker party against the entrepreneur with whom he has dealing for the exploitation of his work".

This stand reaffirms the purpose of the law which claims to stand to protect the needy, that is, the weakest party. This is the position taken by France and Germany.

When we turn our face to Ethiopian laws, we observe polar opposite stands. The civil code, following the principle embodied in the continental jurisdictions, made it clear that ownership of copyright in a work rests in the first instance in the author, irrespective of the fact that the latter executed the work in pursuance of contract of employment or contract for the performance of a project entered into with a third party (see Art 1167(3) cum 1647(1) of the civil code). Therefore, according to the provisions of the civil code, it was the employee or the independent contractor who enjoys ownership right on a work financed and supervised by his employer or client, respectively. This would mean that the latter are precluded not only

form being considered as 'authors' but also form automatically becoming the owners thereof.

What do you think the rationale behind preferring the employee by the framers of the civil code? It may be said that it is the result of the influence of being a member of a continental legal system. Actually to belong to a single domain means sharing several common features. On top of this, the fact that the stand was incorporated in the French civil code which highly inspired the Ethiopian civil code strengthens the magnitude of the influence.

Making the employee an original owner of a work made for a hire may be justified on the ground of the purpose of intellectual property rights in general and copyright laws in particular. Admittedly, the primary objective of copyright law is the author. This is to mean that more than direct commercial interests, promotion of creativity is given priority. Thus, an area of law which aims to facilitate the flourishment of art and literature is expected to focus more on the author instead of his employers. This is not to deny the financial interest and contribution of investors in the production of copyrightable works; it rather means that, relatively speaking, the author who is the springboard of the work deserves better threatening than the entrepreneur who extends his financial hands.

Moreover, the supporters of this line of thinking justify the preference to the employee from a socio-economic point of view. This perspective traces its base on the inequality of the employer and the employee. No doubt, the financial status of contracting parties is directly related to their respective bargaining power. It is an overt fact that employers are in a better financial position than employees. The cumulative effect of these premises takes us to an important conclusion. The point is that a gap filling protection needs to be given to the author who is the weakest party. Such an arrangement

facilitates situations for better payment which, in turn, promotes creativity. Based on the above mentioned justifications, the original ownership of a work made for a hire is given to the employee instead of the employer. This, however, by no means implies that the parties cannot make an agreement to the contrary. In other words, even with the above mentioned stand, nothing prevents the employer from becoming an owner of a work produced by the intellectual efforts of his employee. A system which entitles the author to transfer his right of ownership for third parties has no earthly reason to profit the employer who has been financing and supervising the work involved.

As we indicated here-in-above, the copyright proclamation has taken the polar opposite stand to the position preferred by the civil code. In relation to entitlement to ownership of a work made for a hire, Art 21 (4) provides what follows:- Where the work is a work created by an author employed or commissioned by a person in the course of his employment or contract of service, unless agreed otherwise, the original owner of the rights shall be the employer or the person who commissioned the work.

Noticing the fact that this stand of the law erodes the above-mentioned justification, many argue that the provision gives priority to the financial interests of the employer instead of the creative efforts of the authors. Accordingly, the original owner of a work made under the contract of employment is the employer. The law is clear and therefore not open for interpretation.

Before winding up this sub-topic, we have to emphasize that even the law which gives the original ownership of copyright in case of a work made for a hire can by no means take away the moral rights from the author. We have noted that the moral rights stay with the author whether or not the author is the owner of the economic rights. It naturally follows that the employer is not entitled to alter or modify the work to the extent it is against the

interest and reputation of the author. Moreover, the author is entitled even to block the publication of the work. Similarly, even in this case, he is still entitled to claim paternity and therefore the work is to be published in his own name.

### 6.1.5 Publisher's Right

Almost always, copyright work involves third parties at different levels before it reaches the consumers. In particular, publishers and broadcasting agencies serve as a channel for the availability of works for consumption. Setting aside issues related to broadcasting agencies for a topic which has been dealt with "neighboring rights", in this sub-topic we will be focusing on the rights of publishers.

It is a common fact that authors usually, due to financial constraint or lack of administrative facility, do not publish their works by their own. If that is so, what is the legal entitlement of publishers upon the copyright owner on the work entitled, for instance, *"Teretna Misale"* which is written by Ato Kebede Michael and published by Mega publishing enterprise. What is the legal status of the enterprise in relation to the work? Is it ownership or joint ownership or what?

The point is if authors rather assign the task of publishing to publishers, then what rights are transferred to the latter? Does the contract of publication make the publisher an owner of the work of authorship?

Unfortunately, the new copyright proclamation has failed to regulate these and other related issues. Nonetheless, this by no means implies that the matter is totally unregulated in Ethiopia. As has been remarked repeatedly, pertinent laws will be applied to resolve such issues to the extent they are not contradictory with the newly issued copyright proclamation. And, therefore, the provision of the civil code from Art 2672 to2697 will have application so far as they are not in contradiction with the provisions and

spirit of the new proclamation.

Before addressing the abovementioned issues, it is important to note, briefly, how 'publishing agreements' are seen under Ethiopian laws. And then we will proceed to address issues like 'what publication is' and 'who is a publisher'?

Especially, when we take newspapers and magazines, at least three parties will take part before such works reach readers. There is the author (a writer of an article), the concerned publisher (the legally established publisher of the newsletter or magazine) and, thirdly, the printing enterprise. How can we determine the legal relationship as between these three persons?

You remember that while discussing the prerequisites for the subsistence of copyright protection, we said that publication is not a requirement in our law. It has also been remarked that the decision to publish or withhold the publication of a work is totally left for the author himself. This moral right is protected even in case of works made for a hire. From those points we have noted at different stages, we learn that a work is copyrightable prior to publication but at the moment the original work is reduced to a tangible form. On top of this, we have also noted that, unless the contrary is stipulated, the author is the original owner of his work. If so, what is to be transferred to publishers? This will be the gist of this sub-topic.

The above-mentioned part of the civil code defines a publishing agreement in the following manner:

**Art. 2672: Definition**

*A publishing contract is a contract whereby a party, herein after called the author assigns in whole or in part his incorporeal rights in a literary or artistic work to the other party, here in after called the publisher, who undertakes to reproduce or produce the work and to distribute it to the public.*

This provision reflects the rights transferred by the author to the publisher. At this juncture, it is important to distinguish the performance of an act and the ownership of the fruits thereof. It is known that an owner has an exclusive right to use and own the fruits of his personal property. Moreover, he may authorize others to perform certain acts. It is good to emphasize that securing an authorization to act by itself does not mean becoming an owner of the fruits thereof. What are transferred by the abovementioned legal provision are rights to perform certain acts so far as the performance of the contract requires such transfer. The author authorizes the publisher to publish his work. This, as we noted, does not mean making the publisher to be the beneficiary of the economic gains that accrue from that act. Moreover, the nature of the contract implies that once the publisher performed the act, he has no right to do it again unless the contrary is provided. Similarly, the publisher may not publish the work more than the stipulated number of copies or beyond the duration fixed by the publishing agreement. In general, we may say that the publisher performs acts for the performance of which he is authorized either by the express terms of the contract or by the nature of the contract. But the publisher cannot claim right of ownership on the works of authorship he published as of right. Art 2677 emphasizes this notion in the following manner:

2677: Effect

(1) The contract shall transfer to the publisher the author's copyright in his work, in so far as the performance of the contract requires such transfer, in accordance with the provisions of this title.

(2) The parties may depart from these provisions where the law does not expressly forbid the provision substituted therefore.

(3) In case of doubt, the provisions of the contract shall be interpreted in favour of the author.

This legal provision reaffirms that what is provided is not right of ownership; rather it is the performance of necessary acts for the discharge of contractual obligation on the part of the publisher. What is normally demanded in the discharge of a contractual obligation depends partly on the terms of the contract and partly on the nature of the obligation assumed by the contracting parties. Naturally, acts to be performed by the publisher are issuing the work, which extend to the distribution of the work.

Arts 2678 and 2679 warrant a narrower interpretation of terms of publishing contracts in the following manner.

Art 2678 (restrictive interpretation)

(1) The authorization given to the publisher to deal with the work in a certain manner shall be interpreted restrictively.

(2) The publisher may not deal with the work otherwise than provided in the contract.

Arts 2679 authorizes methods of dealing with the work however general the terms of the contract, the publisher shall acquire the right to deal with the work by such methods only as the parties had in view or ought to have had in view on the making of the contract.

In this respect, regard shall be had to the estimation of a reasonable person.

If so, what is the return for the publisher? The economic returns that accrue for the publisher as a result of the publishing agreement may be payment of a fixed amount of price quoted in the contract or a commission to be calculated by a certain percentage of the sold items. In the latter case since the decision of the author (especially, in fixing the number of copies to be distributed or the areas of distribution) may adversely affect the interest of the publisher and hence Art 2684 provides safeguarding mechanisms. Thus, even if the author is still a king in his work his acts should not be detrimental to the publisher. The aforementioned article provides what follows;

Article 2684: rights transferred to the publisher
(1) So long as the editions which the publisher has the right to issue are not out of print, the author may not dispose of the work or any part thereof to the publishers prejudice.
(2) Contributions to a collective work or articles may not be republished, by the author before the expiration of three years from the date when the first publication was completed.

As it is clearly provided by the above mentioned provisions of the law, the author's exclusive and final say on his work of authorship is limited by the legally protected interest of the publisher. It is not very hard to imagine the negative impact of letting another publisher to publish that same work prior to the expiry of the right of the first publisher, provided that he is being paid on a commission basis. It is such undesired acts that the law wants to avoid.

A publishing agreement is normally expected to stipulate the respective rights and obligations of both the author and the publisher. In particular, it is to mention the types of actions to be performed along with their extents, the territorial limitation of the acts, if any, and the duration of the life time of the rights of the publisher. The contract may also mention whether or not the publisher can issue second or further editions of the work. Where the publisher is in a position to issue new a edition, he is obliged to provide the author with the chance to revise his work. These points are well indicated under the provisions of Arts 2688 and 2689 of the Civil Code.

Usually, with the view of avoiding possible future disputes, publishing agreements clearly stipulate the specific actions to be taken by the contracting parties. In the absence of such details the law intervenes and tries to fill the gap. For instance, if the contract has failed to fix the number of copies to be published, the law gives the publisher the right to determine

the extent. However, if nothing is stipulated in the contract as to the right of the publisher to issue new editions, the publisher cannot issue the new editions without securing the consent of the author. In this case, silence of the contract is to be taken as denial of the action. Another legal obligation which emanates from the law is the right of the author to re-visit his work every time it is made ready for edition.

So far, we noted that publishing contract just authorizes the publisher to perform certain acts. That means, the publisher is not entitled to claim right of ownership on the works it has issued. This however, by no means implies that the law prevents the publisher to acquire right of ownership on copyrightable works. If the author consented for the transfer of ownership, as well, there is no reason to block such transfer. Therefore, the point is that there is no automatic transfer of right of ownership by publishing agreements. Therefore, there is a need to make a distinction between two different situations, the first being where the copyright owner transferred his rights in whole; and, next, where only part of the bundles of rights is assigned.

In the former case, the publisher enjoys all the rights that can be exercised by an "owner" of a copyrighted work during the life time of the contract. Simply put, where the whole rights therein are assigned to the publisher, he replaces the assignor to the extent demanded by the performance of the contract. Thus, as far as economic rights are concerned during the period of stipulation in the contract, the publisher becomes the 'absolute' owner of the work subject to the nature and terms of the contract.

Where the contract transfers ***part only*** of the rights of the copyright owner thereof, the right that will be accorded to the publisher are to be determined by the terms of the contract. Here again, the essence of the contract is the setting over of the economic right of the copyright owners.

Yet, as noted above, the extent and type of rights to be transferred will be inferred from the nature and terms of the contract. For instance, the time limit to be placed upon the rights to be assigned to the publisher, the territory within which the publisher may exercise those rights; whether the rights include both publications in book and serial form, etc. will be determined by the publishing agreement.

In sum, the consequences attaching to a publishing agreement in which is contained an assignment of rights in works of authorship may or may not make the publisher the owner thereof depending on the terms of the contract. If the copyright owner agreed to transfer the whole of his economic rights to the publisher, the latter becomes the 'owner' thereof. Simply put, the publisher, in the later case exercises all the economic rights that the transferor would exercise. In all other cases, the will of the parties as expressed in the contract decides the exact rights assumed by the publisher through the 'publishing agreements'. Thus, as noted before, the case of acts, the countries in which such acts may be performed, the duration of the rights, and so on, will be expressed or, at least implied by the contract.

We have noted that the copyright proclamation provides under Art 22(1) that the person in whose name the work is published will be regarded as the author thereof. Sub-Article (2) of the same stipulates that the author may claim the benefit of the above-mentioned presumptions in spite of the fact that he used a pseudonym, provided, however, that there is no doubt as to his identify. And, by virtue of Art 21(1) a person who acquired the status of being an author is recognized to be the original owner of the copyright on the work. What is left undetermined in relation to the topic at hand is about the determination of right of ownership in the absence of the above-mentioned two cases; that means where there is no named author or the

pseudo name indicated on the work is found to be difficult to identify. In such cases the provisions of Art 22(1) and 22(2) are not applicable.

In those two cases who do you think is the owner of the copyright on the work involved? Article 22(3) determines the issue in the following manner: Without prejudice to sub-Articles (1) and (2) of this Article, the publisher whose name appears on the work shall, in the absence of proof to the contrary, be presumed to represent the author and, in this capacity, shall be entitled to exercise and enforce the moral and economic rights of the author. This presumption shall cease to apply when the author reveals his identity.

For various reasons, as we indicated before, authors may not want to disclose their identity either by failing to mention their name or by using a pseudo name which is difficult to trace the author thereof. But, the works are still protected. And, the law provides that the publisher will be put in the shoe of the author for the enforcement and exercise of the moral and economic rights of the author.

In sum, we noted that publishing agreement, normally, transfers the performance of necessary acts for the discharge of contractual obligation of the publisher. The extent and type of such actions will be determined by the nature of the contract. It may, however, be extended by the terms of the contract to the extent of assigning the entire rights of the author to the publisher.

## 6.2. Transfer of Copyright Ownership

### 6.2.1. Transfer in general

We have remarked that, with the exception of works made for a hire, the author is made to be the original owner of the work of authorship. The term ***'original'*** implies that the author is just the first and not the last copyright owner on his works. The author may exercise his right of ownership either by his own or transfer it for others, may be in part or in whole.

In this sub-topic, we consider the author as the transferor of the rights. This, however, does not mean that his assignees cannot re-transfer the rights they have acquired from the author. Therefore, they may be regarded as transferors when they are legitimately entitled to transfer what they enjoy.

While discussing transfer of copyright, a point that must be emphasized is that what can be transferred is merely the economic right of the author. I hope, you still remember that we pointed out that the moral rights shall remain with the author even after the transfer of economic rights. Consequently, the discussion under this sub-topic is reserved to economic rights only.

The transfer of copyright from its original owner to others may take the form of either ***assignment*** or a ***license***. In an attempt to make distinction between the two, M.A Khan in his work entitled '*principles and perspectives of copyright*' stated what follows: The former [assignment] concerns itself with the transfer of ***ownership*** of the whole right or part of it, whereas a license is the ***authorization of acts,*** without which such authorization would amount to infringement. *[Emphasis mine]*

You know that once ownership is relinquished by what so ever legal means, there is no way to get it back. On top of this, the transfer of ownership makes the transferee exercise an exclusive right within his own domains. That means, the assignee (transferee) will have a ***final say*** with respect to the enforcement of the rights that he has acquired through the transfer.

Obviously, such an arrangement entitles the transferee to swallow the fruit of the enforcement of the rights assigned to him.

Being a licensee, on the other hand, means nothing but just securing the ***green light*** to act. Simply the licensee is authorized to act but that does not, necessarily, make him an owner of the fruits of his acts. For instance, we have remarked that a publisher is just authorized to issue the work but he is not the copyright owner of the published work.

If you have grasped these distinctions, it is time to move on to discuss the means of transfer of copyright ownership. This is taken up in what follows.

### 6.2.2. Forms of Transfer of Copyright

As a property owner, an owner of copyright may transfer his monopoly rights in all legally possible ways. An ownership (or a segment of it) of copyright may be transferred in any of the following four ways:- a) will, b )operation of the law, c) contracts and d) judicial decisions

As copyright is property right, no doubt, it constitutes part of the authors estate. And therefore, as any other type of property, it may pass to his legatees upon his death. If the author has made a will with respect to his copyright ownership, the persons named by the will shall be the beneficiaries of the rights therein. Ayan Rand, the famous philosopher and writer, a Russian by birth and blood, but who claims to be an American by choice and conviction, has transferred her right of ownership on her various works of authorship to her fellowmen Leonard Pickoff. The latter enjoys the ownership rights on her works until the moment the expiry of the duration of protection comes to an end. Such incidents re-affirm the recognition of ***copyright*** as a type of ***property***, and ***will*** as a ***manner of transfer*** of ownership of copyrightable works.

We indicated hereinabove that the intervention of the law is the second means of transfer of copyright ownership. This, basically, happens where the author has left no will or even if he has left one, where it is found invalid in the eyes of the law. In such cases, the law of succession plays its role. As a result, certain relatives of the author would inherit the copyright of the deceased.

Judicial decision may also transfer copyright ownership to third parties, where it is appropriate. The basis for this manner of transfer is the principle of laws of obligation which establishes the idea that properties of debtors are guarantees for payments of debts to creditors. Therefore, creditors may extend their hands towards copyrights through the court.

The weakness of copyright protection and the economic realities of our country, which adversely affect the financial status of authors in Ethiopia, would definitely push our authors to become debtors at different levels. A creditor of the poor author may establish his claims, in a court room, to the satisfaction of the court and thereby become a judgment creditor. In such a case, it may happen that the author may own no tangible item ready for attachment order. This makes that moment to be the right time to attach the copyright ownership of the author and satisfy the claims of the judgment creditor. That is how the intervention of the court may work as a transfer of copyright ownership.

In this regard, there is a point which deserves a further emphasis. Consider the following question: What do you think about the fate of judgment creditors who have nothing to attach but the unpublished work of the judgment debtor author?

Assume that the work made by the debtor is already finalized and made to be ready for publication. On top of this, imagine the situation in which the

creditors have extended their lending hand with the sole hope that the debtor will pay them back upon the publication of his work. The author has also given his word to pay from the earnings he would make by publishing his work of authorship. Now, there is nothing under the ownership of this debtor, or even if there is some, it is not sufficient to satisfy the claims of the creditors. In such circumstances, can the court give an order for the publication of the unpublished work of the debtor?

Previously, we have emphasized that the rights of a copyright owner are categorized into two domains- economic and moral. It has also been remarked that the moral rights remain in the hand of the author, under any circumstance. The right of publication, in our law, is made to belong to the domain of moral rights. Moreover, it is my hope that you still do remember that even the Ethiopian intellectual property office, a body entitled to grant compulsory license, is not legally authorized to act unless the work has already been published. Thus, what can be drawn from these premises?

It may be safe to conclude that even if the work is complete and therefore copyrightable prior to the moment of its publication, courts cannot award a judgment for the publication of the work of authorship. In support of this view, in his book entitled 'Principles and Perspectives of Copyright; M.A. Khan stated what follows: ….. if his creditors want to publish a manuscript to satisfy their claims the writer can ***stop*** them. *[Emphasis mine]*

In general, no matter how the creditors have relied on the publication of the work while lending their money, the court cannot take away the personal nature of the right of publication. It is legally established that since the work is the manifestation of the personality of its author, the publication of the work involves the demonstration of the personality of the author. From this it naturally follows that the author must be the only person who may decide ***'whether', 'when', and 'where'*** to reveal his personality by

publishing the fruit of his intellect. That is why we have safely concluded that the judge cannot hit his table with his hammer to pronounce a judgment for publication of unpublished works of debtors who could not discharge their contractual or extra-contractual obligations.

Nonetheless, once it is published, courts of law may give a decision for the transfer of the copyright ownership or a component of it to his creditors. This susceptibility of copyrights for attachment orders of courts establishes intervention of courts as a third manner of transfer of copyrights.

What is left to be noted is contract as a means of transfer of copyright ownership. Obviously, this refers to the contractual agreement made in between the author and his counterpart, making copyright ownership the subject matter of the contract.

We have noted time and again that it is generally accepted that the copyright owner is the king in his own domain. Consequently, speaking through the words of the 17th United States code service as stipulated in the lawyers' edition, *"The copyright owner may license it, alienate or dispose of it by any other legally possible means".*

No doubt, such a transfer may be made with respect to the whole of the right of its owner or only part of it. And, also, it may be made for consideration or gratuitously. In here, suffice it to say that the author and his counterpart exercise the freedom of contract believed to exist in cases of transfer of rights of ownership involving corporeal properties.

### 5.3.3. Extent of Transfer

We have just mentioned that transfer of rights of a copyright owner may involve either its entirety or just part of it. In this regard the copyright proclamation provides what follows:

Art 23. Assignment and license of rights

*1) Economic rights may be assigned or licensed in whole or in part*
*2) Any assignment of right of an economic right, and any license to do an act subject to authorization by the author or other owner of copyright, shall be made in writing.*
*3) Any assignment or licensing of economic rights shall not be deemed to include assignment or license of any other rights not explicitly referred therein*

These provisions of the law are framed in a manner to protect the interest of the copyright owner. As can be seen from Sub-Article one of the aforementioned legal provisions, the copyright owner is recognized to have the final say on his work. It is the owner who can determine the entire or partial assignment of his entitlements to the work. To facilitate a better protection, the law has made the contract to be made in written form. In here, making it in a written form is not just a *formality requirement for proof*; rather it is a *validity requirement.*

Sub-Article (3) of the above cited legal provision confirms that *what is not expressly allowed, when it comes to copyright transfer, is prohibited*. Therefore, the transferee may not go beyond what is explicitly stipulated by the contract of transfer.

Does the position of sub-Article (3) prevent the implementation of implication of the terms of the contact? What about the implications of the nature of the subject matter of the contract? For instance, what if an act is a necessary act for the exercise of the transferred economic right, but it is not mentioned in the contract in an explicit manner? Can the author claim to enjoy it by implication or nature of the contract?

Actually, the parties to the contract are bound by their words as expressed in the contract. I hope, your law of contract course has also given you the chance to learn that implementation of a contract may necessarily trigger

its interpretation. It is also noted that law of contract tries to preserve a contract by rectifying its gaps through positive interpretation. And, interpretation, where it is unavoidable, is not limited to the clear terms of the contract. For that matter, interpretation, by its nature, will be called upon when there is a gap which needs to be filled. As a result, in here, it may not be rational to say that Art 23 of the proclamation is taking away the role given to implications given by law of contracts, especially Article 1732 and the following. What do you think?

Let us see what is provided under Art 24 of the copyright proclamation if it is of any help.

Art 24: Scope of assignment of license

1) The scope of the assignment or license shall be limited to the use or exploitation of the economic right specified in the agreement.
2) The right of a copyright owner or the assignment or licensing of economic rights shall not extend to the ownership of the material object that constitutes the protected work.
3) Where on agreement for the assignment or licensing of specific economic right mentor license shall operate, the assignment or license shall terminate after 10 or 5 years respectively.
4) Whose on argument for the assignment or license of specific economic right, under Sub Articles(2) of this Article, fails to explicitly provide the ways and means of use or exploitation of the right; the assigned or license shall be entitled to exploit the right by such ways and means as are necessary for the purpose envisaged by the parties.

Sub-Article (1) of this provision re-confirms that the content of the right transferred is to be limited to the specification of the contract. On the other hand, Sub-Article (4) of the same introduces the idea of filling gaps by using

the reasonable man's standard. Unfortunately, however, it expressly cross-refers to sub-Article (2) of Article 24.

What is provided under Art 24(2) is the dichotomy between copyrightable work and the material object which embodies the work. From the very outset, in this work, we have been emphasizing that ownership on a copy of a published work (the material thing) can not entitle its buyer copyright ownership on the work enclosed in it. Art 24(2) is telling us the same thing, but it is from a different vantage. It says copyright ownership does not mean ownership on the material object. It follows that the transferor is entitled to claim and get back the material object which constituted the material object. The content of the provision of Art 24(2) limits the scope of application of Art 24(4) to claims related to the material object and nothing else. Therefore, it is obvious that Art 24(2) does not resolve the issue we raised to the extent that it is supposed to.
In view of the fact that the dichotomy of the material object and what is embodied in it is so obvious, do you really think the legislature had intended to dedicate Art 24 (4) to cross refer to Art 24(2)? Or was it rather intended to point at Art 24(1)?

Sub-Article (3) provides the duration of the transfer or the license. It is good to note that the provision is framed not in a manner to restrict the freedom of contract of the parties concerned. It applies ***only if*** the contract failed to stipulate a specific duration. In other words, nothing prevents the parties to agree for the transfer of right up until the moment of the overall expiry of copyright protection on the work involved. That means, the transferee may possibly enjoy copyright of ownership for the entire life time of the author and for the next fifty years after the death of the author. In such a particular case, it is the heirs of the transferee and not that of the author who will succeed to enjoy the right of ownership of copyright which is made to be the

subject matter of the contract of transfer. In the other extreme, a very shorter period, may be a single incident, may be quoted in the contract.

Consequently, without prejudice to the freedom of contract of the parties, the law determines the time framework of the enjoyment of copyright by the transferee. It is clearly stipulated that where the contract is silent in this regard, the assignment of rights lasts for 10 years while license of authorization to perform an act or acts expires after the expiry of the first five years counted as of the date of transfer.

### 6.2.4. Non-use of Economic Rights

Normally, an owner of a right is at liberty to use or not to use his entitlements. Who cares if a farmer failed to collect the crops? Or who cares if a retailer closed his shop once and for all while the items to be sold are still in the shop? Or who cares if a car owner throws his new brand car in an ocean? In fact you do not have to go that far, who cares if you break your own pen?

In principle, no one may raise objection to such actions as they are not triggered against a particular person or group as a victim. If someone is going to be hurt by these acts at all, it is, definitely, the owner himself. And, so far as the action is made upon his own personal free will, he is not going to face any liability or he is not going to face a request to pay for his actions. Art 25 of the copyright proclamation exceptionally provides that the thing is not that simple when it comes to copyright enjoyment. Here you have what it states:

Art 25. Non-use of economic rights

1) Subject to the provision of Sub-Article (2) of this Articles, where a person to whom an economic right in a work has been assigned, or on exclusive license does not exercise his right or does so only

inadequately, and authors legitimate interest are prejudiced by such failure, the author may revoke the assignment or exclusive license.

2) A recantation in accordance with sub-Article (1) shall not be effected where the no exercise or inadequate exercise of a right is primarily due to circumstance which the author can be expected to remedy.
3) The right to revoke on assignment or a license in accordance with Sub-Articles(1) shall not be exercised earlier than 3 years from the date of assignment or license or if the work is supplied subsequently from the data of deriver of the work.
4) The right of revaccination referred to in Sub Article (1) of this Article may not be waived in advance.

For various reasons, the transferee may fail to exercise the rights transferred to him. In here, it is good to remember that once a right on a property is transferred, the transferee enjoys an exclusive entitlement on it. This takes away ***'the say'*** of the transferor, mainly because of the fact that the right no more belongs to him. Under some circumstances, the failure of the transferee of a copyright ownership or part of it may entail losses to the author, now the transferor. Thus, it may instigate a court action.

The failure to take action by the transferee, say, for instance, a publisher, becomes vulnerable to the objection of the author ***only if*** the omission is found to be prejudicial to the ***legitimate interest*** of the author. That means, the moment the failure erodes the legally protected interests of the author, the author is entitled to revoke the assignment or the exclusive license.

At this juncture, it is reasonable to ask as to 'when we can say that the legitimate interests of the author are harmed?' and, for that matter, 'what is meant by "legitimate interest"'.

Logically, one may say that the general term used by Art 24(3) must be interpreted in its broader sense, indeed, with the burden of showing the losses being shouldered on the claimant, that is, the author. No doubt, 'legitimate interest' covers anything which may be claimed through the courts of law. It may extend from cultivation of reputation to huge monetary interests.

Sub-Article (2) and (3) of the aforementioned legal provision limit the scope of implementation of this important right; while, sub-Article (4) of the same tightens it even against the wish of the right holder. Sub-Article (2) is playing the rational in punishing the author for his own failures. Obliviously, no reasonable mind stands by the side of the transferor where the latter is the principal cause for the omission of the transferee. If he does not appear with ***clean hands***, what he deserves is not an award, rather it may be liability to pay compensation if any harm is sustained or is, certainly, going to be sustained by the transferee.

Sub-Article (3) provides ***when to act.*** It says three years after the transferee is put in a position to exercise the rights that he is endowed with. The law wants the author to be patient enough for more than one thousand days. Do you think this time limit is a fair one?

We have been remarking that laws of a certain country are expected to manifest the ***realities of the country***. This is to mean that the issuance of a law is, normally, triggered either by the need to ***discourage*** certain behaviour or with the view to ***promote*** it. If any third alternative is left, it must be an ***introduction*** of an alien but important behaviour. Seen from this perspective, do you think Art 25(3) is framed in a way to attain a desired consequence? Especially, consider the matter, taking into account the financial position of authors in our country and the expectation of the law when it comes to the authors, that is, to appear with clean hands. Since

it is not hard to imagine how many innocent people are made to be vulnerable to harm, as a result of the transferee's failure to act, it may be argued that the fairness of the legislator is being eroded at this level. Regrettably, the clarity of the law disqualifies it from becoming an item for interpretation. What makes the situation worse is the fact that the provision, especially the Amharic Version, is attributed with the quality of being a mandatory provision. Can we justify the need for interpretation, at this stage, on the ground of ***absurdity?***

Finally, it is good to note the ***prohibition of waiver*** of rights prior to the moment necessary for its implementation to come. In other words, during the conclusion of the contract or any time prior to the expiry of the first three years, the law blocks the possibility of waiving ones own right to object omission of the transferee. But once this period has lapsed, the author may give his consent to forgo his right to bring a complaint against the failure of his assignee. In simple language, in here, what is made to be wrong is ***anticipatory submission of rights***.

Let us wind up this sub-topic by reminding the fact that even where the entire rights of the author are transferred, the transferee's act shall not occasion injury to the author's moral rights.

**Review Questions**

1) What are the basic differences between collective and joint works?
2) Are there valid grounds for the revocation of contract of license? Discuss.
3) The copyright proclamation expressly talks about assignment and licensing of the economic right of copyright owners. What about neighbouring rights?
4) Who is an author in our copyright proclamation?

5) How do you view the validity of taking the presumption that economic right belongs to the employer when a work is created on employment or commission basis?

# CHAPTER SEVEN: INFRINGEMENT OF THE RIGHTS OF AUTHOR OR COPYRIGHT OWNER OR NEIGHBOURING RIGHTS AND THE REMEDIES AVAILABLE (FOR THE INFRINGMENT)

## Introduction

In the previous chapters, we have been identifying the subject matter of copyright along with the prerequisites for the extension of the legal protection. We have also noted the scope of protection, that is, the contents of the recognized rights along with their outer limits. We have also discussed earlier, the rights of author or copyright or neighboring right owners are subject to several limitations that aim to counterbalance the interests of the individuals with the interests of the public.

Though such a legal framework is in place, it is inevitable that there arise conflicts between users and author or copyright owners. This chapter will take up in greater detail the issue of infringement of author or copyright owner's rights and available remedies under the Ethiopian law.

NB. The concept copyright owner, in this chapter, may also be used as neighbouring right owner in this part unless the concept requires otherwise.

## Objectives

A t the end of this chapter, you will be able to:

- distinguish infringements of copyright;
- identify the burden of proof of an infringement;
- Discuss civil remedies of the law;
- identify the nature and extent of material and moral damages;
- Explain criminal remedies available for copyright infringement;
- identify the role of mental state of the author in the determination of his liability;

- distinguish the periods of limitation for the institution of cases involving copyright infringement

## 7.1 Infringement on Author or Copyright Owner's Rights

### 7.1.1 Introduction

As any intellectual property, the right of author or copyright owner of copyrightable works is an incorporeal or intangible right. It has a separate existence from the tangible object in which the sound is recorded. This intangible nature of the right makes it difficult to provide protection when invasion or trespass of the right happens. Perception or detection of such invasion is also a complicated task and, consequently, the right of author or copyright owner of copyrightable works is highly exposed to infringement.

Unless remedies are sought for the proper enforcement of the law and mechanisms are devised to tackle infringement, the author or copyright owner of copyrightable works would not be able to derive economic benefits from their work as much as they deserve which would discourage investment in production. It would, therefore, be important to have a better understanding of infringement and acts that constitute infringement before an attempt is made to seek remedies for the problem.

### 7.1.2 Meaning of Infringement: A Definitional Problem

The Ethiopian law of copyright and neighboring rights neither defines infringement nor enumerates acts that constitute infringement. The meaning of infringement of the rights of an author or copyright owner of copyrightable works may be inferred from the most accepted definition of infringement of copyright.

However, the following definition, for copyright infringement, has been accepted in most systems. Infringement in copyright is the doing by any person without the consent of the owner of the copyright of anything the sole right of which is conferred by law on the owner of copyright. In other words, in order to constitute an infringement the act complained of must be done without the consent of the copyright owner that may relate to the whole or part of the work being infringed. The whole work should not necessarily be copied for the act to constitute infringement. "The act of infringement may be in relation to the whole of the work or to any substantial part of it, and measuring the substance of what has been taken depends much more on the quality than on the quantity of what has been taken".

The person who alleges infringement is expected to prove that there is actual copying from his work or substantial part of his work has been copied by the person who is alleged to have infringed his rights. Thus in case of infringement, "[t]he quantity or proportion of matter copied from the work of another is a material factor but more important is the matter of quality, whether the original author's work is substantially appropriated by infringing publication."

As discussed above, the Ethiopian law of copyright and neighboring rights confers on the author or copyright owner the exclusive right to carry out or authorize others reproduction of his copyrightable works, in any manner or form; importation of copies of his copyrightable works; distribution to the public the original copies of his copyrightable works, which have not already been subject to distribution authorized by the author or copyright owner, by sale or other means of transfer of ownership; rental or lending to the public copy of copyrightable works, irrespective of ownership of the copy rented or lent and making available to the public of a copyrightable works by wire or wireless means, in such a way that members of the public may have access to it from a place or at a time individually chosen by him.

(Art 27(1) of the proclamation) The law makes these rights the exclusive rights of the author or copyright owner to be exercised by himself or by other persons based on his authorization.

From the context of the above definition of copyright infringement and these rights of author or copyright owners, infringement of the right of author or copyright owner of copyrightable works may be understood to mean the doing by any person without the consent of the author or copyright owner of any of the aforementioned acts, the sole right of which is conferred by the law on the author or copyright owner of copyrightable works.

Thus, to determine whether there is an infringement or not, one has to consult the scope of the rights granted to author or copyright owners along with limitations listed under the Proclamation. To put it differently, for an act to be considered an infringement it must fall under the exclusive right of the author or copyright owner or it should not be an act covered by limitations provided under the Proclamation and it should be committed without authorization of the author or copyright owner. To be specific, there should be a trespass in the exclusive private domain of the author or copyright owner, which needs the prior consent of the author or copyright owner. If the act falls in the limitations of the rights of the author or copyright owner, there will be no infringement as the law made them acts that do not require the consent of the author or copyright owner.

Obviously, the limitation on the right of the author or copyright owner is a sort of compromise between the interest of the author or copyright owner and that of the public. The public, for instance, is entitled to reproduce copyrightable works for purposes like scientific researches and teaching. Such acts do not require authorization from the author or copyright owner and constitute no act of infringement

Thus, infringement presupposes the existence of legally recognized rights. It occurs when a person does one of the acts restricted by the law including the secondary infringements, without the consent or license of the right owner unless a defense or any of the exceptions, known collectively as the permitted acts, applies. In other words, infringement occurs where a person other than the author or copyright owner carries out or authorizes another to reproduce the copyrightable works, imports copies of the copyrightable works, distributes to the public the original or copies of the copyrightable works, rents or lends for the public a copy of the copyrightable work or makes available to the public a copyrightable works by wire or wireless means without the authorization of the copyrightable work by the author or copyright owner.

Subsequently, one possible way of treating infringements of the rights of author or copyright owner is taking the rights of author or copyright owner and their limitations as a frame of reference. The first of the acts restricted by the Proclamation is "reproduction." By reproduction it is generally meant the right to multiply copies of the work, the production of even one copy being an infringement. The meaning of reproduction is very similar to "copy". What is a copy will be a question of fact and degree. It means the original may be copied or reproduced as it is. Also it may be copied with a certain modification but the copy resembles the original. When the copy is not exact, the court must examine the degree of resemblance. With this in mind for infringement to arise, there must be such a degree of similarity as would lead one to say that the alleged infringement is a copy or reproduction of the original-having, in other words, adopted its essential features and substance.

As discussed above, the author's and author or copyright owner's right of reproduction is limited under Arts 9 and 32(d) of the Proclamation. To fall in this limitation, a reproduction has to be made in a single copy and only for

private use as the conditions are cumulative. In other words, it should be for personal use and without any purpose of deriving gain (directly or indirectly) there from. Personal use is not only use for oneself but also for those who are connected with oneself by a personal tie. Thus, copyrightable works may be copied not only for one's own use but also for a circle or friends of the members of a small choral society. On the issue who could make the copies, Ulmer says "the person contemplating the personal use need not be identical with the maker of the copy. He may order it from another one, in particular an employee with copying."

Nowadays, technology has enabled man to multiply copyrightable works in a very short time with no inconvenience. The presence of the above limitation together with this recent development has made it difficult for the author or copyright owner to be a beneficiary of his reproduction right because an ordinary tape and ordinary computers can reproduce copyrightable works at every home, shops or offices. This substantially prejudices the economic interest of the author or copyright owner.

Regarding home recording, Ulmer is of the view that "tape recording presents us with questions of which the legislature was not aware when the provisions on multiplication for personal use were enacted." Hence, it is held that it is not the intention of the legislator to include tape recording in this limitation. The allegation that home taping shall be excluded from the limitation is strengthened during the 1967 Revision Conference Report of the Berne Convention. It states:

> *It seems clear that the practice of home taping conflicts with a normal exploitation of the work and does unreasonably prejudice the legitimate interest of the author. Therefore, the practice doesn't seem to be covered by any fair use exception but is an infringement.*

If home taping is included in this limitation, i.e., reproduction for personal use without the authorization of the author or copyright owner, it would satisfy the need of most users, as it is the reality and frequent actions done in Ethiopia. The broad interpretation of the exception creates a virtual freedom for all. The author or copyright owner could not get what he deserves. The Federal Supreme Court of Germany decided in the negative when asked whether the provision on multiplication for personal use applies to tape recording.

This limitation (for personal use) is there in almost all countries' laws, though in different forms, for the purpose of promotion of dissemination of knowledge without substantial injury to the interests of the right holder. However, not to defeat the grand aim of limitation, a narrow interpretation of the law should be preferred.

Desbois, a French writer, said in every case, reproduction for personal use is only allowed if it entails no prejudice to the author, or when it is genuinely for purposes of instruction. Otherwise, a wide interpretation of the exception would discourage the author or copyright owners by minimizing their economic benefits. As we said, the technological advancement has enabled man to make high quality reproduction of copyrightable works in large number within a short period of time. Therefore, home taping should not be permitted if it substantially affects the rights of author or copyright owner as it is provided under Art 9 of the Proclamation. However, it is not uncommon to see the infringement of the right of reproduction of copyrightable works granted to the author or copyright owner by way of home taping, reproducing in shops and offices.

The illegally reproduced copyrightable works are distributed to the public through vendors or one to one dealings without the consent of the author or copyright owner. This is against the distribution right of the author or copyright owner. Besides, copyrightable works are made available to the public through wire or wireless means without the author or copyright

owner's authorization which is an infringement against author or copyright owner's right of making available.

The other approach to treat the issue of infringement is by such reference to the author or copyright owner's rights in general rather than by way of listing an independent catalogue of acts that amount to infringement. The exclusive rights of the author or copyright owner are to be found in the law and the infringements of the rights may be classified into different categories depending on the role of the infringing party in the act of infringement. Accordingly, we have two broad categories of infringement of rights of author or copyright owners- direct and indirect- and each will be discussed in turn below.

### 7.1.3. Kinds of Infringement

#### A) Direct Infringement

Any person who doesn't have any legal relation with the copyrightable works and who is not authorized by the author or copyright owner may perform or authorize someone else to do any of the acts the doing of which is made the exclusive right of the author or copyright owner. A direct infringement is an act committed without the consent of the author or copyright owner. It is called direct for the reason that the infringer commits the act directly by himself or by another person through his own personal authorization. An infringement by the infringer himself, without the consent of the author or copyright owner is called primary infringement and an infringement by a third person by authorization of the infringer is termed as vicarious infringement. This shows us that a person will be liable not only for the infringing act committed by himself but also for the act of another person vicariously. This type of infringement is committed when someone does or authorizes another to do the acts, which are exclusively reserved to the author or copyright owner as elaborated above.

**i) Primary Infringement**

Primary infringement is a tort that "occurs without regard to the defendant's state of mind". (Art.2091 (1) of the Civil Code) Infringement of the rights of an author or copyright owner is a tort because it arises from non-contractual relations. A tort is an offence, i.e., a faulty act which may consist in an intentional act or in a mere negligence. This argument springs from the provisions of Article 2029 (2) of the Civil Code which provides that an offence, be it a result of intention or negligence, consists either in an act or failure to act. Also, infringement is the doing by unauthorized person of any of the acts reserved exclusively for the author or copyright owner without his consent. For a primary infringement to be there, it is enough that an exclusive right of author or copyright owner be violated directly by the act of the infringing person. Hence, a publisher may be held guilty of infringement though he has no guilty mental state. In this connection, Fox has said the following:

*Innocent intention affords no defense and ignorance of the existence of copyright is no excuse for infringement. Copyright being proprietary right, it does not avail the defendant to plead motive or intention. Neither intention to infringe nor knowledge is necessary ingredient in the case of an action for infringement.*

The crucial characteristic of the primary infringement is that there is liability even though the infringer is unaware at the time of acting that he is infringing copyright or neighboring right. An infringer is, therefore, liable for the non-contractual liability arising from his acts irrespective of his state of mind. The only fact that has to be proved is the fact that the person, without authorization of the author or copyright owner, committed any of the acts the doing of which exclusively belongs to the author or copyright owner. He shall be liable for having violated an existing law.

Similarly, the Proclamation on copyright and neighboring rights provides that non-awareness or lack of reasonable ground to be aware of the infringement may be a ground to limit compensation. (Art 34(5) of the proclamation) As such, non awareness may be considered in the assessment of compensation for damage to limit compensation to the extent of the profit he gained. It should be noted, however, that it cannot be a defense as to liability. Likewise, the question of guilt would have bearing on the assessment of damages in the laws of England.

**ii) Vicarious or Secondary Infringement**

Vicarious infringement results in the tortuous liability of the infringer for the acts of a third person for whom he is vicariously liable under the law. (Art 2124 of the Civil Code) The infringer, without authorization of the author or copyright owner and without having any right to do so is non-contractually liable for the acts of a third person who does any of the exclusive rights of the author or copyright owner by his authorization.

The vicariously liable infringer will not, however, be liable for the acts of the third person unless he is vicariously answerable for his acts under the law. The fact that the third person has incurred liability arising out of fault or without fault should be proved. For a person to be held liable for acts a third party, such third party must first incur liability "arising out of an offence or resulting from law". (Article 2027 (3) of the Civil Code) Secondly, the relation between the infringer and the third person, whether it is that of employer- employee, principal – agent, parent- child must be shown. In other words, such liability for acts of third parties "exists only with respect to relations and functions specifically enumerated by law." Vicarious responsibility is exceptional since a person cannot be liable for all persons whom he authorizes to infringe the right.

This vicarious liability exists when an act of infringement is committed in the course of the above relationships. However, the existence of such relationship is not sufficient to establish vicarious liability. It seems clear that there would not be infringement unless an employer authorizes his employee to do any of the acts which are exclusively reserved to the author or copyright owner, in discharge of his duties. Under such circumstances the infringer shall be vicariously liable for the acts of that particular person. Nonetheless, there is an argument that the infringer shall be vicariously liable for the only reason that there exists an employer – employee or similar relationship with a third party who infringed the right of the author or copyright owner.

According to this assertion, an employer, say, a building construction enterprise is going to be vicariously liable for infringement of the rights of author or copyright owner by his employee without his authorization and apart from his employment capacity. It would be absurd to make such employer vicariously liable for the acts of his employee which do not have any relation with the employment contract and beyond his authorization and knowledge.

Authorization may be defined as "… sanction, approving, countenancing, where there is authority or control over those who actually infringe…"From this definition, we understand that there has to be some role of sanction, approving or countenancing of the employer or the principal…on the infringing acts of the employee or the agent. According to Fox, "obviously a person will be liable for an infringement committed by an agent or by his servant in the course of his employment or if he aids or abets his master in committing the infringement." In this regard some argue that "infringement of intellectual property right being a tort in the ordinary run of things, an employer will be vicariously liable for any infringement committed in the course of his employment."

Thus in order for a plaintiff to succeed in an action of vicarious infringement, he must show that first a defendant has incurred liability based on fault or a liability resulting from law, which could be referred to as strict liability without any fault. In addition, he must be able to show that the vicarious defendant's relation towards the first defendant is that of a parent or guardian in terms of Articles 2124-2125 of the Civil Code, or of an employer in terms of Articles 2126 and 2130 of the Civil Code and committed the act in discharge of his duties.

The Proclamation provides that authorization to do restricted acts is the sole right of the neighboring right owner or author or copyright owner. Hence it can be argued that whoever authorizes another to do the act restricted by the law infringes the right and he will be liable for infringement. But this should not be interpreted broadly to mean that a person authorizing another for whom he is not answerable would be vicariously liable for infringements committed by that person.

Hence, a person will not be liable vicariously for a person who is not under his control or who does not have relationships and functions recognized under the law. An employer will be liable for an act of infringement of the employee where he incurs liability in the discharge of his duties. (Civil Code Art 2130) In the discharge of his duties means when he is employed to do a certain act and his act of infringement is committed for the purpose of carrying out the duties or is directly related to the act he is employed for. (Civil code Art 2131) A principal is liable for his agent when infringement occurs by the agent who was carrying his duties that arise from the agency and which were not due to the agent's fault. (Civil code Art 2222)
Generally, if someone commits one of the restricted acts or authorizes another to commit the restricted act, he infringes the neighboring rights of the author or copyright owner irrespective of his knowledge about the right

subsisted on that act and regardless of whether or not it is reasonable for him to suspect that the right subsists in the work.

### B) Indirect (Contributory) Infringement

Indirect (contributory) infringement, as the term implies, contributes to the infringement already began or committed, and hence is indirect. Indirect infringements are committed "by a defendant concerned in the commercial exploitation of copies, if he knows or has reason to believe that the copies were infringements when they were made".

A person, who is concerned in the commercial exploitation of copies, knowing that he is dealing with infringing copies, commits them. For example, a person who sells illegal copyrightable works (copies) is an indirect infringer where he knows or has reasons to suspect that he is selling illegal copies. He is contributing to the infringement in such a way that the person making recording commits infringement of reproduction right and the seller sells the illegal copies.

It is called indirect because the infringer here doesn't commit the restricted act directly or authorizes another to do so but he deals with the infringing articles. It is also called contributory infringement as it is continuation of the already committed direct infringement. Unlike in the case of direct infringement, the intention of the contributory infringer is very important. There would be such kind of infringement, if and only if the infringer has knowledge of the fact that he is dealing with infringed copies. Knowledge here refers to an understanding that is expected of an ordinary person in the alleged infringer's line of business. This is notice of the fact that would suggest a reasonable man that breach of right was being committed.

Indirect infringement includes the selling, distributing, importing and exporting of infringing copies for the purpose of commercial exploitation. In other words, indirect infringement occurs when a person knowing or having reasons to believe that an article is an illegal article possesses it in the course of business, sells it or lets it for hire or offers it or exposes it for sale or hire, distributes it in the course of a business or so as to prejudicially affect the honor or reputation of the right owner.

Despite the fact that the law of copyright and neighboring rights doesn't define contributory infringement, it may be defined as the doing by any person of an act of distributing, selling, lending etc of copyrightable works resulting from the act of direct infringement of reproduction without the consent of the author or copyright owner for whom the doing of such acts is exclusively reserved by the law.

In our legal system, the law penalizes both kinds of infringements (direct and indirect). The penalty provision of the Proclamation specifies that any person who intentionally or by gross negligence violates a right protected under the law shall be punished with rigorous imprisonment of a term not less than 5 years and not more than 10 years, and with rigorous imprisonment of a term not less than one year and not more than 5 years respectively. (Art 36(1) and (2) of the Proclamation) No distinction is made between direct and indirect infringements. For instance, if a person is found distributing infringed copies with full knowledge of the fact, he is a contributory infringer and shall be penalized as per the Proclamation. The penalty also includes seizure, forfeiture and destruction of the infringing copies any materials and implements used in the commission of the crime. (Art 36(3) of the Proclamation)

On top of that, making illegal copies is a crime. In criminal law contribution to the crime is a criminal act punishable by law either as accomplice or

criminal conspiracy. (Arts 37 and 38 of the Criminal Code) A person will be considered as an accomplice where he knowingly assists a principal offender either before or during the carrying out of the criminal design whether by information, advice supply of means or material aid or assistance of any kind whatsoever in the commission of the crime. In the above example, the person making illegal copies is doing this for sale and benefit from that and the indirect infringer is helping him by selling the illegal copies and this is giving assistance. Hence he is an accomplice. Let us take another example; a person permitting the use of premises for public performance knowing that the person who is going to publicly perform the copyrightable works did not get authorization or did not pay remuneration is an indirect infringer. At the same time his act amounts to criminal conspiracy according to Article 38 of the Criminal Code of the FDRE. Where two or more persons enter into agreement to achieve an unlawful design or to commit an offence, their act will amount to criminal conspiracy. This person has agreed to achieve an unlawful design, so criminal conspiracy has occurred. Similarly, these persons are liable for criminal sanctions under Art.36 of the Proclamation.

Dealings with illegal copies are still rampant in our country. To do away with this or at least to minimize infringements, mechanism for enforcement should be strong and not only direct infringements are punished but it appears from the above discussion that contributory acts are also punishable by the copyright and neighboring rights law to achieve the purpose of protection of copyright and neighboring rights. Besides, if something is a crime, it might entail civil liability for damage and the court has such powers of awarding damages for the injury sustained.

### 7.2 Reasons for Taking Actions against Infringement

In respect of items protected by laws of copyright and neighboring right, such as copyrightable works on tapes cassettes or CDS or VCDS or VHS,

the organs such as the police, public prosecutors and the judiciary are the enforcement authorities and will take action on the basis of a complaint by the lawful right-owner.

There are several reasons for a state to take efficient measures against piracy activities. The first and perhaps most important reason is that the rights under the Proclamation are violated, which means that the authors, performers, and phonogram author or copyright owners, broadcasters and others suffer considerable economic loss. Thus, the need to accord protection to author or copyright owners for their musical records is justified from a purely economic interest. The author or copyright owner invests a considerable amount of money for recording. Thus it is a given fact that he needs and expects reward from his investment. If others are allowed to reproduce or produce his record, their acts prevent him from getting a reward for the investment. Hence, he needs protection for his work. This means that others should secure his permission to produce or reproduce his records. In other words, it is to underline that he has to be encouraged with reasonable rewards for his investment. Otherwise, if he is not given the right to resist unauthorized reproductions or productions of his records, he will not get enough reward from his investment and refrain or withdraw from the business of recording.

It is also a well known fact that piracy is detrimental not only to the personal economic interests of beneficiaries but also "to society as a whole because it hampers creativity and is contrary to the interests which copyright and neighboring right law is there to serve, including that of establishing domestic cultural industries". Even one of the main reasons for recognizing neighboring rights is that they make literary, artistic and similar works productive. Thus, it goes without saying that if the rights of authors or copyright owners are violated, it will have a negative impact on the productivity of literary, artistic and scientific works.

It should be noted that piracy generally hurts the most those productions which are successful; as they are the only ones which are of interest for pirates. In the phonographic industry only a small share of the productions are economic successes and it is the income from this share that makes it possible for the industry to supply less successful but perhaps more valuable productions. If this incentive is lost, the industry may not be able to continue those productions and the output will be qualitatively lower, something which is, in the long run, detrimental to the interests of the consumers and of the society as a whole.

Thus, the reasons for fighting piracy should be seen both in short and long term perspectives. It is sometimes said that piracy is not a bad phenomenon because it supplies the market with popular products at low prices. Occasionally it is added that the pirates employ a considerable workforce and thus give increased job opportunities and also there are more urgent priorities in society than combating piracy. Although these arguments appear to have some grain of truth, especially in developing countries, they are, naturally, not valid if a state wants to maintain its international reputation and participate in the international exchange of culture, information and entertainment.

In developing countries, in particular, the provision of cheap books or copyrightable works or films, especially those needed for education is a desirable objective. But to pursue this objective through piracy is doubly misguided. In the first place, it is unjust to those who create, produce and distribute legitimate recordings and editions. In the second place, such a policy inhibits the development of local authors and local publishers, these prolonging dependence upon foreign music and literature. Hence, piracy must be eliminated if national culture, national record production, national authorship and publishing are to be protected and encouraged.

"To condone piracy because of its apparent benefit to the dissemination of information and culture or the cause of education will, in the long run, be contrary to the interests of a country, in the same way as the evils of drugs far outweigh any immediate economic returns generated by their cultivation and sale."

Accordingly, infringement of the rights of author or copyright owner of copyrightable works has a multi dimensional effect on the different sectors of the public: the author or copyright owner, the consumer and the government.

Obviously, the first groups of people who are victims of infringement are authors or copyright owners of the recorded work. They invest their money, waste their time and energy, exert their personal skill to produce their original recording work. The act of infringement, which is committed in advanced technology and which doesn't require much cost jeopardizes the right of author or copyright owners to a great extent. Authors or copyright owners are not entitled to recover their cost of reproduction and could not derive moral and economic benefits from their work. In case of piracy, there is a misappropriation of economic returns that would have been paid to publishers or authors or copyright owners. This diversion of economic rewards from authors and their business partners to pirates removes the incentive to the investment of time, effort, skill and resources in the creation of new works. This act usually demoralizes authors or copyright owners, authors and performers. They would in the long run be discouraged to make an attempt to produce an original work. This in turn will affect the cultural development of the nation as a whole.

In spite of the short term benefit that a consumer would derive from pirated copies, pirated copies are usually of inferior quality. While consumers may sometimes see short-term benefit in the availability of cheaper works as a result of piracy, the quality of reproductions made by

pirates is often very inferior. Consumers will be affected in the long run as being left with non-durable pirated copies. Also, consumers as members of the community will also be affected in the long run if new creative works are not encouraged and author or copyright owners are desperate to produce any more original works. In other words, consumers are disadvantaged in the long term by piracy. as a result of the absence of remuneration given to authors and performers by pirates, and the misappropriation of the economic returns to publishers and author or copyright owners.

As we have seen piracy is an illicit act. As any illicit act and clandestine activity, therefore, the government cannot collect tax on the profit derived from such acts. The government will lose a great amount of revenue which it could derive from the field of art. Amongst the adverse consequences of this diminution in governmental revenue may be "a reduction in the amount of government sponsorship available for the arts, as the level of such sponsorship may in part be determined by reference to the contribution which is made to the government budget by taxation derived from the distribution or sale of works subject to copyright protection".

Piracy can be seen to have detrimental effects, therefore, on each of the elements that make up the copyright and neighboring right system. In consequence, piracy threatens to stultify the evolution and development of national cultural identity which the copyright and neighboring right system is designed to promote.

Accordingly, nationwide dissemination of counterfeits, piracies and bootlegging has different facets of implications. The first of this is its economic impact. As we have seen, the reproductions are sold for a very low price as compared to the original ones. This makes them the preference of most customers. On the other hand, we have the author or copyright

owner who has spent a large amount of money but as a result of the wide spread unauthorized reproduction he cannot even cover his production cost, let alone earning profits.

These days, sometimes, it has been difficult for the returns from sales to cover even the cost of production. This has a number of effects. Firstly, it makes the publishing industry lose its attractiveness. And it discourages authors or copyright owners from producing copyrightable works.

Thus, infringements generally affect author or copyright owner's morality, the industry and the government pocket. Even those authors or copyright owners that didn't withdraw were declining many offers for records of music. The effect of these on the author was that the author or copyright owners fear that the piracy does not pay them a deserved amount of money.

Nowadays, there are so many authors or copyright owners that have been engaging in the business of copyrightable works. However, if things return to the previous status, the author or performer will have no body in the future that produces his copyrightable works. In addition the society will be affected by declining number of new copyrightable works from time to time.

The government is also a party to the economic prejudice by the piracy because it losses a significant amount of tax revenue that would have been collected.

The last but not the least far-reaching consequence of the rampant violation of the reproduction right is that it becomes one factor for the spread of other violations of the rights of authors. As the recording business becomes discouraging and authors are discouraged economically and morally, they will not be initiated to create musical works. Also performers will not buy the works of authors since they will not get return from releasing albums. This forces them to resort to already created works without securing the consent of the owners. Hence, the unlawful reproduction indirectly encourages the spread of other unlawful reproduction, distribution and performance.

### 7.3 Poof of Infringement

A right is nothing without proof of the infringement in which it has its origin. The moment the act or fact is contested, it must be proved in order to convince the judge of the existence of the right, without which it cannot be respected. It is thus the proof of one's right which gives life to the right and makes it of value.

As in other civil cases, the burden of proof of infringement is upon the claimant who is the owner of the right whenever there is no admission or presumptions. In our law, unlike copyright owners, there is no presumption in favor of the neighboring right owner. Hence the only option for owners of neighboring right is admission by the defendant. If the defendant admits that he has infringed the right, that resolves the problem and the court proceeds with the issue of compensation.

When the alleged infringer denies, the author or copyright owner is expected to prove that he is the owner of the right in the copyrightable works, may be by showing that it is him who recorded the copyrightable works and the notice of protection (Article 29(1) of the Proclamation) In this regard, the Proclamation requires a notice of protection to be affixed on the production to serve as a prima facie evidence of the facts alleged by the author or copyright owner with respect to his rights. (Article 29(2) of the Proclamation)

In summary be it direct or indirect, any infringement, if it is proved, has generally two categories of effects: its effects on the author or copyright owner and its effects on the infringer. From the point of the author or copyright owner, all infringements are trespasses upon his rights and he will be entitled to different remedies for injuries that have been caused to his interests. From the side of the infringer, all infringements carry different

sanctions both or either of penal and / or civil, and these remedies are the subjects of the following sections.

## 7.4 Remedies to Infringements on Author or Copyright Owner's Rights

### 7.4.1 Introduction

As is well known, the recognition of rights by itself cannot avoid infringement of rights. The law, in addition to recognizing such rights, should set the way by which the recognized rights will be enforced. Otherwise the purpose of recognizing such rights, which is giving protection for those rights, will not be achieved. The Proclamation as has been discussed in chapter two recognizes different rights of author or copyright owners. Besides this it also provides mechanisms of enforcement of these rights. These mechanisms include different remedies for the right owners whose rights are infringed or are endangered.

Remedies for infringement of copyright or violation of neighboring rights consist of civil redress, as where infringers are obliged by courts to cease the infringement and to undertake reparatory action by any appropriate means. Some laws also provide for penal remedies in the form of fines and/or imprisonment. Infringing copies, receipts resulting from infringement and any implement used for the same are usually subject to seizure.

In common – law jurisdictions the usual remedies which are available for copyright owners following the final trial of an infringement action are a perpetual injunction and damages. The perpetual injunction is granted in order to prevent any further repetition of the infringing action. In order to make the injunction effective, it is often coupled with an order for the delivery by the infringer of all infringing copies of the copyrightable works,

which are then subject to destruction so as to ensure that they cannot be re-used or sold.

The object of an award of damages to author or copyright owner is to restore the author or copyright owner to the position he would have been in had his right not been infringed. A difficulty often encountered in obtaining a satisfactory judgment in damages is the production of evidence as to the extent of sales which have taken place and thus as to the extent of damage which has been caused to the author or copyright owner's right.

In the event that an author or copyright owner's rights in copyrightable works have been violated, there are a number of remedies, namely, civil and criminal, that are available to him in order to right the alleged wrong. On the civil side, there are remedies aimed at reinstating the author or copyright owner in the financial position in which he could have been had it not been for the prejudice caused to him due to infringements. Others are meant to punish the tortfeasor while still some others are employed to recognize the grief the author or copyright owner suffered as a result of the tort. On the criminal limb there are punishments to be inflicted on the criminal and hereunder we will discuss different civil and criminal remedies.

### 7.4.2 Civil Remedies

Civil remedies are available for a right owner whose rights are infringed or endangered so that he will be reinstated in the position (economic position) in which he could have been had the infringement not occurred in cases where it occurred or in cases where infringement is going to occur, to prevent the harm from occurring.

The law has to provide the beneficiaries with real and effective possibilities to obtain compensation for the injury caused to them by the violation of

their rights. That compensation should not be limited to mere reparation of the direct losses inflicted on the specific right owner. He should also be compensated, for example, for loss of market shares for the work, possible violations of his moral rights and also other relevant elements. In short, account has to be taken of the material and moral prejudice caused. It may sometimes be difficult to establish the exact size of the compensation. In many national laws there are, however, special provisions aiming at making an equity assessment of the amount to be paid; otherwise, it has to be left to the judges' discretion.

If copies exist which have been produced through unlawful acts, it is important that action is taken to prevent those copies, and their packaging, from being brought on the market without the consent of the author or copyright owner. This is particularly important in the case of pirated copies. The desirable principle should be that such copies should be destroyed unless the injured party requests otherwise. Alternatively they should be surrendered to the injured party. Also, equipment used for the manufacture of unauthorized copies should, by court order, be either destroyed or surrendered to the injured party, at least if there is a real risk that they may be used for continued acts of infringement. In this latter case there should exist possibilities for the courts to issue orders expressly prohibiting the contribution of the acts, with mention of the fine to be paid in case the order is not respected.

Another important aspect in this context is the conservatory measures which should be available particularly in cases of piracy, where the existence on the market of the unlawful copies can cause considerable damage. Such measures are intended to freeze or conserve the situation as it is when the measure is ordered or taken. More specifically, the purpose of such measures is twofold: to prevent the committing or the continuation of the committing, of acts of piracy, and to secure evidence as to the nature,

quantity, location, source and destination of the pirated copies or to the identity of the person who is suspected to have committed or to be likely to commit acts of violations.

Usually such measures have to be taken only at the request of the person or legal entity who claims to be injured or to be threatened by injury in an act of piracy. The measures should include the following: seizure of the goods suspected to be unauthorized copies; sealing the premises where the unauthorized copies are being manufactured, packaged, stored or offered for sale, rental, lending or other distribution; seizure of the tools that could be used to manufacture or package the unauthorized copies and of business documents referring to the said copies; ordering the termination of the manufacture or distribution of the unauthorized copies; and ordering the disclosure of the source of the copies suspected to be unauthorized copies. Under most laws the requesting party will be liable for damages caused by the measure and, where necessary, he should be ordered to post a bond.

Thus, the purposes of civil remedies could be summarized as: i) to provide compensation for the prejudice caused by infringements, ii) to dispose appropriately of the infringing copies (typically through destruction or other disposal outside the normal channels of commerce), iii) to dispose appropriately of implements used for infringing activities, and iv) to grant injunctions to prohibit further infringements. Such remedies should always be available irrespective of whether the infringement has been committed willfully and/or for profit making purposes.

Civil remedies, which are available under our law, are provisional measures, injunction, damages, confiscation of the infringing work, destruction of infringing copies, and border measures. These remedies will be discussed one by one.

**A) Provisional Measures**

As a preliminary remedy there is the so called provisional measure that is known in the UK as Anton Piller order. The Anton Piller order, named after the case in which the English Court of Appeal sanctioned its use (Anton Piller K.G V. Manufacturing Process ltd. [1976] RPC 719), is an order granted by the court permitting the inspection of premises on which it is believed some activity is being carried on which infringes the copyright of the plaintiff. The order has a number of features which makes it a particularly appropriate remedy in the context of piracy.

First, the order will be granted exparte, which is on the application and in the presence alone of the copyright owner, without prior warning being given to the defendant. The essence of order is thus that it takes the defendant by surprise, and precludes the defendant from destroying or removing vital evidence.

Secondly, the terms on which the order is granted enable the copyright owner to inspect the premises of the defendant, and all documents (including business information, such as bills, invoices, sources of supply and customer lists) relating to the alleged infringement. By virtue of these terms, the copyright owner is given the means whereby he may be able to establish the source of supply of pirated works, and the extent of sales which have taken place, which will assist in turn in establishing the amount of damages to which he may be entitled.

Thirdly, the order for inspection will often be accompanied by an injunction restraining the defendant from altering or removing in any way articles or documents referred to in order for inspection.

The Anton Piller order can undoubtedly constitute an important weapon in the armory against piracy. Since it is granted on an exparte basis, however, care needs to be exercised to ensure that the rights of persons against

whom it is granted, and whose actions have not yet been judged, are adequately protected.

Two safeguards, in particular, which have been required by courts in jurisdictions where it is available, should be noted: firstly, it will only be granted where it is essential that the plaintiff should have inspection so that justice can be done between the parties. In order to meet this criterion, usually the copyright owner will have to prove that there is clear evidence that the defendants have in their possession incriminating documents or material; that the circumstances are such that there is a real possibility or grave danger that the incriminating materials will be destroyed or hidden if the defendant is forewarned; and that the potential or actual damage to the plaintiff as a result of the defendant's alleged wrongdoings is very serious.

The second safeguard which is often required is proper respect for the defendant's rights in the execution of the order. In this respect, it may be required that, in executing the order, a copyright owner be attended by his lawyer, give the defendant adequate opportunity of considering the order, and not force entry in to the defendant's premises against his will. Of course, if a defendant were to refuse entry into his premises, this would cause extremely adverse inferences to be drawn against him at the subsequent trial.

The availability of appropriate provisional/conservatory/ measures is an indispensable element of any efficient mechanism for the enforcement of rights of author or copyright owners. The most important objectives of such measures are the prevention of acts of infringement and the other implements that could be used for (further) infringements and that constitute essential evidence that could disappear if not brought under the control of the court. These measures must be available on an exparte basis where giving the defendant prior notices would be counterproductive.

In Ethiopia, the court, where there is a demonstrable risk of evidence being destroyed or where any delay is likely to cause irreparable harm to the right holder, shall order provisional measure which it may think stops the destruction of evidence or which helps to prevent the occurrences of the irreparable harm. (Art 33(1) (a) of the Proclamation)

In general, the remedy, provisional measure will be ordered by the court pursuant to Art.33 (1) of the Proclamation. The justification for granting provisional measure is to prevent an infringement of a right from occurring and to preserve relevant evidence in regard to the alleged infringement by the plaintiff. These measures shall be prompt and effective to prevent the entry into channels of commerce including imported goods immediately after customs clearance. To put it differently, in order to preserve relevant and to prevent an infringement of a right from occurring for protecting the rights of the author or copyright owner the court shall order swift and effective provisional measures.

In this case, the court has the power to adopt provisional measures, where appropriate, on exparte basis (in audita altera parte). The provisional measure on exparte basis will be given by the court where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of destruction of evidence. If evidence is going to be destroyed, unless provisional measure is adopted by the court, the alleged infringer is going to be free by the mere fact that the evidence is being destroyed. Also, if the delay is likely to cause no compensable damage on the right holder, though the decision is in favor of the right holder, it is without effect as the damage sustained by the right holder cannot be compensated in terms of pecuniary value.

However, the provisional measure taken by the court in audita altera parte is a discretionary power of the court. (Art 33(2) of the Proclamation) However if it is ordered by the court, the parties affected should be given notice immediately, after the execution of the measure at the latest. There is also a review of a measure taken by the court that includes modification, revocation or confirmation based on the request of the defendant. (Art 33(6) of the Proclamation)

**B) Injunctive relief**

Injunction is a future looking and classic equitable remedy for neighboring right infringement. It is an order of the court directing a party to litigation to do or refrain from doing an act. Thus the nature of the order is of two kinds: mandatory injunction ordering the defendant to do and prohibitory or preventive injunction ordering him to refrain from or not to do a certain thing. With regard to neighboring rights, which are in the field of intellectual property rights, an injunction is almost always prohibitory (as opposed to mandatory) since it enjoins the commission or continuation of wrongful act.

When the plaintiff is a copyright or neighboring right owner, he can be granted injunctive relief easily by showing a prima facie case of infringement or of threat of infringement of his rights. The grant of injunction is very likely in copyright and neighboring right cases because such infringements in the majority of the cases threaten the owner with irreparable harm. This is owing to the fact that copyright and neighboring right infringement entails mostly a damage of non-pecuniary or damage that cannot be translated directly into money. Thus for irreparable harm is the key for obtaining injunctive relief, such an assumption tends to make injunctions more likely in copyright and neighboring right cases than others.

But the court, before granting injunction, must be shown that the defendant intends to continue his infringement or resume it and thereby cause the plaintiff damage. This does not mean that damage need be proved because injunction can be given to prevent damage with which the plaintiff is threatened. It follows that the right of the owner of the copyright or neighboring right is not determined or measured by the amount of actual damages to him by reason of the infringement.

With this general picture of injunctions in mind, we can categorize injunction depending on the time of their operation. These may be called interlocutory (preliminary) and permanent (final) injunctions.

**i) Interlocutory (preliminary) Injunctions**

As the term itself implies, interlocutory or preliminary injunction is merely provisional in its nature, and does not conclude a right. This kind of injunction is sought not to enforce an established right but to maintain the status quo until a trial of the merits can take place. Thus an interlocutory injunction orders the defendant not to continue or not to embark upon a course of action until the trial of the issue is finalized. In particular it should be possible for the right owners to be granted temporary (preliminary) injunctions to prohibit the committing, or continuation of the committing, of infringements. In short, it is temporary in effect.

Such junction may be granted under Art 33 of the Proclamation upon the proof of the probability of further damage being done if the defendant is not restrained from the act of infringement. And the duration of effectiveness of this injunction is confined to the interim period between institution of the case and rendering of the decision. Also it is a very valuable remedy particularly in countries like Ethiopia where the time between the institution of proceedings and the judgment usually take years.

In order to minimize the damage being inflicted by piracy, it will be important for a copyright and neighboring right owner to take swift action

in seeking to prevent its continuation. As long as piracy continues, he will be deprived of a portion of his potential market, and thus of the capacity to recover the economic reward for his creativity or investment. The aim of the interlocutory injunction is to meet this need by granting speedy and temporary relief during the period before a full trial of an infringement action takes place, thus preventing irreparable damage from occurring to the plaintiff's rights.

One of the difficulties which have been experienced with interlocutory proceedings is that they have tended to become themselves lengthy inquiries involving rather full consideration of the facts of the case with the result that their effectiveness as a means of obtaining temporary relief is prejudiced. In many common law jurisdictions, this has caused a reassessment of the principles on which interlocutory relief is granted and, in particular, of the standard of proof which a plaintiff is required to establish in order to obtain interlocutory relief.

In this jurisdiction, previously, a plaintiff was required to establish a prima-facie case that his copyright was being infringed, that is, to establish on the balance of probabilities that his case for infringement could be defended. In order to overcome the delays and the lengthy proceedings which this standard of proof involved, many jurisdictions have now required that a plaintiff establish only that there is a 'serious question' to be tried. In other words, the merits of the legal issues involved in the case need only be considered at the interlocutory stage to the point where the court is satisfied that the plaintiff's claim for infringement is not frivolous.

Thereafter, the decision as to whether an injunction should be granted is taken on the basis of the factual circumstances of the case, and whether, in particular, each party could be adequately compensated in damages for the temporary impairment of his right where he is unsuccessful at the

interlocutory stage, and later proved to be successful at the trial. The adoption of this approach to interlocutory proceedings assists in avoiding excessive delays in obtaining relief during the period which is most important for the copyright owner, namely, the period immediately following the initial publication and marketing of his work

Preliminary injunctions as a remedy are of the utmost importance to the protection of author or copyright owner's rights. The period from the time of commencement of proceedings to the final determination of a case can allow significant damage in the term of lost sales and profits, to reputation and through other exploitation of material and /or information. Furthermore, the nature of the infringement or other unlawful conduct may be such as to make damages or an account of profits an inadequate remedy. One of the reasons for this is that the defendant may be impecunious or may disappear. But these will not be the only reasons why, in particular case, damages may not be an adequate remedy. More often, this is because of the difficulty of reaching a precise estimate of the loss suffered as a result of an infringement. If in such a case, the defendant's unlawful conduct is restrained at the outset, the problem of damages may either disappear from the case altogether or be very much less difficult than otherwise would be the case.

The primary matter with which the court is concerned in granting an interlocutory injunction is the maintenance of a position that will most easily enable justice to be done when the final determination is made. Thus, a court will sometimes order that an earlier position be restored to, or that the parties arrange their affairs in some other way that is more in accordance with the requirements of justice.

In the UK, in an increasing number of cases interlocutory injunctions were not sufficient to protect copyright and neighboring rights against the threat

of continuing infringement. This is often because the evidence needed to sustain an application for both interim and final relief is not readily available and will not become available through the unusual processes of discovery. In such a case the plaintiff will be unlikely to obtain an interim injunction because he will not have the necessary evidence. Sometimes the defendant will remove or destroy the infringing material. In recent years a speedy and effective means of obtaining and preserving such evidence has been developed by courts in the UK. The belief granted is an exparte order for entry and inspection of premises and removal of evidence. These orders are known as Anton Piller order, and may be a necessary step before an interlocutory injunction can be obtained. (See the previous section on provisional order)

Similarly, the collection of evidence and even a final judgment in favor of a plaintiff may be no avail if the defendant has no assets which can be used to fund any damages ordered. This is a serious problem given the increasing resourcefulness of those attempting to avoid their obligations, the ease with which money can be moved from one country to another, and advances in technology. In order to address these problems the courts of common law countries have formulated and developed “the Mareva injunction which operates to prevent defendants from removing assets from the jurisdiction or from disposing or dealing with them within the jurisdiction in such a way as to frustrate any judgment that may be entered against them”. This kind of remedy is also in a more similar manner provided under Art.154 of the civil procedure code of Ethiopia as a temporary attachment of the property of the defendant.

In Ethiopia, it is the interlocutory injunction which is most effective because of its immediacy, speed and low cost. In practice, it often has the effect of setting the case, as the defendant, deprived of the opportunity to make a quick profit, desists and allows final judgment to be given against him

without trial. Interlocutory injunction is issued when the infringement case is pending or before the trial begins and where the plaintiff applies for order, which prevents the continuance of the alleged infringement until the final decision is given.

Article 33 of the Proclamation provides that an injunction may be granted to restrain the defendant from continuing to commit or as a preemptive measure to restrain him from resuming an act prejudicial to the plaintiff. Thus in Ethiopia injunction is prohibitory in nature and it is a discretionary remedy because the court "may" grant it. In short, this provision is not a mandatory provision compelling the court to grant injunction. This discretionary nature of the remedy is easily graspable from Sub-art 3 (a) and (b) of Art 33 of the Proclamation wherein it is stated that an injunction is to be granted only where there is likelihood of the commission of an act prejudicial to the plaintiff and where the injury with which the plaintiff threatened interest is incapable of redress "by awarding damages". To put it differently, the court in determining whether the interlocutory injunction should be ordered or not, shall consider that the threatened interest of the plaintiff cannot be redressed by awarding damages, whether the threat is imminent, whether there is prima-facie strength of the action and the gravity of the prejudices a decision for or against may cause to the plaintiff or the defendant. (Art 33(3) of the Proclamation)

Hence there are four requirements:-firstly, the interest threatened should be an interest whose injury cannot be redressed by awarding damages. Secondly, there should be prima-facie strength of the action. This means there is a real prospect of success for the plaintiff in his claim. Thirdly, there is an imminent danger to interest-here the court should make sure that the danger to the right certainly will occur if the injunction is not ordered. Interlocutory injunction cannot be ordered for harm whose occurrence is not certain. The last requirement is the gravity of the

prejudice that will result from the injunction on both the alleged infringer and the right owner.

Interlocutory injunction is granted to protect the right owner whose rights are endangered or are infringed. This need to protect the right owner must be weighed against the corresponding need of the alleged infringer to be protected from injury, which will be the result of his being prevented from exercising that act against which the suit is brought.

The Proclamation provides means of protecting the alleged infringer's right in such cases. The plaintiff may be ordered to compensate the defendant when the interlocutory injunction has been ordered and any injury has been caused by the order and such order has been revoked or may be when the case is decided against the plaintiff. (Art 33(7) of the Proclamation) But there might be cases where injuries caused to the defendant are moral injuries which cannot be redressed monetarily. In such cases the court should see both sides and consider the gravity of the prejudice, which will result from the order of injunction.

Until the court renders a final judgment of the infringement cases, the right holder can apply to the court to restrain the infringement against the defendant in a suit for enjoining the defendant from committing an infringement. The temporary injunction will stay from the date of the injunction ordered by the court till the suit is finally disposed by the court.

In deciding an application for temporary injunction, the court shall consider if the threatened interest cannot be redressed by awarding damages, whether the threat is imminent, the prima facie strength of the action and the gravity of the prejudices which a decision for or against may cause to either of the parties. After considering the above conditions, the court may grant injunction that might include on such terms as to the duration of the injunction, the amount of money required from the defendant, keeping an account, giving security or otherwise, as it thinks fit as per Art.33(3)(b) of

the Proclamation. The word "may" in this provision shows the discretionary power of the court for granting temporary injunction.

However, according to Art 33 (3) (c) of the Proclamation, should the application of the above criteria put the parties on equal position, the court has to investigate the relative strength of the parties deeply before granting a temporary injunction.

In order to find out the commission of an infringement, there will be necessity of search and seizure. In this regarded, the provisions of the civil procedure and criminal procedure codes on search and seizure shall be applicable. **(**Art 33(4) of the Proclamation) In other words, courts must be able to order the search, seizure and impounding of suspected unauthorized copies of works and other protected subject matter, of packaging materials, of implements for the making of such copies, of documents, accounts or business papers relating to such copies.

**ii) Permanent (Final) Injunction**

Self-explanatory as it is, the term permanent or final injunction signifies an injunction given to be effective permanently in the future to enjoin the defendant from continuation of commission of or from resuming an act prejudicial to the plaintiff. A plaintiff who is granted final injunction is one that has successfully shown that his rights have been infringed or threatened. It concludes a right as it is given at the end of the trial.

Permanent injunction is issued if the right owner succeeds at the trial in establishing infringement of right and to restrain future infringement. It is granted to be effective permanently in the future to deter the defendant from continuation of commission of an act prejudicial to the plaintiff.

In the normal course of things, a successful plaintiff will be entitled to a final injunction. If an injunction were not granted to a successful author or

copyright owner, the result would be tantamount to enabling the defendant to take a compulsory license under the recordings without having to go through the statutory provisions relating to compulsory licenses. Should the injunction be breached, the plaintiff can move for contempt of court.

Needless to state, it is immaterial whether or not this injunction was preceded by the preliminary injunction. A preliminary injunction might have been denied by the courts for one reason or another, or it has never been sought by the plaintiff. Irrespective of the absence of a preceding interlocutory injunction, therefore, a permanent injunction might be granted if the plaintiff proves successful in the litigation of copyright and neighboring right infringement.

How is an injunction treated under Art.34 of the Proclamation? Is it temporary or permanent? How is awarding such injunction taken as temporary, as it is part of the judgment of the court since it says the court can grant injunction like compensation? The injunction under this provision should be permanent damages. However, the Amharic version says temporary injunction 'giziawi eged´.

**C) Damages**

Damages are pecuniary compensation, which may be recovered in the courts by any person who suffered an injury, loss or detriment whether to his person, property or rights through unlawful act or omission or negligence. Damages is a redress or compensation awarded to remedy an injury.

Injury to a person's material interest affects his 'pocket' whereas injury to a person's moral interest affects his feelings. Material injury can be assessed monetarily and compensated by money. But in case of moral damage or

harm since feelings have no money value, they cannot be assessed monetarily and basically we cannot compensate moral harm with money.

There is however no universally appropriate test or formula for assessing damages. Damages in any of these fields are notoriously difficult to assess with any degree of accuracy and the courts have sensibly taken this into account by declining to lay down general rules.

In certain jurisdiction, a common approach has been to assess damages on the basis of a notional arm's length license: this will arise for example when the parties are competitors. Damages for past infringement are taken based upon a payment of a royalty in respect of, for example, each infringing article. But problems do arise here – particularly when in reality the plaintiff would never have granted a license. Another approach which is more difficult to prove is through consideration of sales lost to the plaintiff; in this case the plaintiff is entitled to the entire lost profit.

We can talk of different kinds (categories) of damages depending upon the type of purposes they serve or the kinds of injury they remedy.

**i) Material Damages**

A person whose neighboring right on copyrightable works is infringed may claim material damages for the economic prejudice caused to him. (Art 34(1) of the Proclamation) When a person other than the author or copyright owner in copyrightable works exercises the exclusive right of the author or copyright owner, he may cause a number of injuries to the economic interest of the author or copyright owner. Material damages are there to remedy this pecuniary injury to the author or copyright owner. When the material interest of an author or copyright owner is affected by an infringement, the infringer will be ordered to compensate him.

The material damage that the author or copyright owner suffered in the hands of the infringer may be present or future. Present material damage is

further divided into damnum emergens (the Latin term for occurrence of loss, that is, diminution of estate) and larcum lessans (the Latin term denoting the prevention of gain that is, non increase of estate). However, the plaintiff's damages is not limited to this present injuries only but future damages may be claimed without waiting it to materialize so long as it is certain to occur. The existence of future damage should not be controversial.

To put it differently, present material damage refers to diminution or prevention of increase of a person's estate. This can be measured by the difference between the right owner's present capital and what would now be his aggregate capital had the infringement for which redress is sought not occurred. The act which resulted in the diminution of estate may cause the occurrence of a loss to the neighboring right owner's interest or may prevent economic gain of the right owner.

A victim of copyright and neighboring right infringement can collect damages both for damnum emergens and larcum lessans if he is successful in showing that the act of infringement has caused him both kinds of material damages. Besides, he can claim future damages, if any. The dividing line between present and future damage is the date of judgment assessing damage.

The assessment of damages in copyright or neighboring cases invariability demands at first step an election by the successful plaintiff as to whether he will take an enquiry as to damages on the one hand, or an account of profits on the other. (Art 34(3) of the Proclamation) These alternatives are of course mutually exclusive since by electing to go for an account, the plaintiff has adopted the defendant's acts as his own. The choice in each case will depend upon the facts. Sometimes, for instance, time may be of the essence and the trial as to liability may have itself generated enough

material evidence to enable a plaintiff to move speedily for an account. Sometimes a defendant may have been able to secure more sales of the product in issue during the infringing period than the plaintiff could possibly have done. In such cases, the plaintiff will again be likely to choose an account rather than an inquiry – which will incidentally be for net profits. Some argued that the Proclamation refers only to material damage which has occurred or which is present damage and it ignores the future damage that may materialize in the future. This argument is not sustainable because future damage is one part of the material damage and compensating material damage is clearly provided under Art 34 of the Proclamation. If future damage is not incorporated in the Proclamation, this is prejudicial to the right owner whose right is infringed because sometimes it might be difficult to conclude that an injury will not occur from an act which is presently committed. And if the law ignores future harm that is certain and that may affect the right owner's interest when it assess compensation, it is to let the infringer go without compensating the harm he caused. So the law considers damage as a damage suffered now and the harm that is certainly going to happen in future. Assessment of future damage may be difficult but there are mechanisms that might be followed in such cases. For example, the court can grant a provisional award and authorize the plaintiff to submit an application of reconsideration of the award when the harm materializes.

Considering the damage caused and the profit gained by the defendant the court will assess the compensation. The Proclamation provides for an adequate compensation to the plaintiff for the material damage including payment of the right holder's expenses and the profit gained from the infringing act. (Art 34(1) of the Proclamation) "Adequate" refers to the equivalent amount to the damage suffered.

In cases where there is no any pecuniary damage on the part of the plaintiff, for example, a copyrightable work, which was published before 20 or 30

years, may not be a source of an economic benefit to the author or copyright owner. So, in cases of infringement, the plaintiff is unable to show loss. But his property right has been a gold mine to infringers. And if he is allowed to claim from the defendant only when he incurs a loss, this will be indirectly denying the property right on the copyrightable works. Thus, to avoid this, the law should entitle the right holder (author or copyright owner) to claim enrichment of an infringer.

Accordingly, the right owner in lieu of the compensation referred may claim for the replacement of unjust enrichment derived from the act of infringement. Unjust enrichment in this case refers to the extent the infringer could have paid as a royalty to the right owner had he asked for an authorization. (Art 34(2) of the Proclamation)

The right owner according to Article 34(3) can also ask an alternative claim of the net profit gained by the infringer from the act of infringement. This may be preferable when the profit gained from the infringing act is greater than the material damage suffered by the right owner. This has been controversial since there were two principles conflicting which are the principle that the right owner should not recover what he did not loose and the principle that the infringer should not keep the benefit that is derived from an act of infringement. But the Proclamation has resolved this issue. According to the Proclamation, if the right owner prefers, can claim net profit the infringer gained from his act of infringement.

Where the person infringing does not know that his act amounts to infringement or he has no reasonable ground to be aware of the fact that his act amounts to infringement, he will not be ordered to compensate the damage he caused except for the payment of the profit he gained from the act of infringement of the right of the author or copyright owner. (Art 34(5) of the Proclamation)

**ii) Moral Damages**

Compared to material damages, which is an injury to a person's economic well-being, moral damage affects his feelings, his emotions and physical well-being. In the author or copyright owner's rights cases, however, the usual basis for claiming substantial damages for infringement relates to the commercial value of the copyrightable work, because the infringements caused the loss of the plaintiff his own opportunities for sale.

Given the principle that moral injury cannot be compensated with money, because feelings have no monetary value, courts are allowed to award monetary compensation for moral injury. The infringer should not be relieved of compensating the right owner even if the compensation he pays may cure the material injury caused completely. Some argued that moral damages are awarded only to performers (from the neighboring right owners) whose rights have been infringed since they are the only persons who have moral rights under the Proclamation. This arises from the argument that moral damages are awarded only where the moral right of a copyright or neighboring right owner is infringed. This argument is not reasonable as it does not achieve the purpose of the Proclamation. The other argument is that the nature of material damage is related to loss of material wellbeing (commercial value of the property) whereas moral damage is related to that damage that affects persons feelings or emotions irrespective of the nature of the right infringed. Even the Proclamation does not limit the payment of moral damages only when the moral right of the copyright and neighboring right is violated. Therefore, as long as the author or copyright owner is a natural person and his feelings or emotions are affected because of the infringement of his rights, he has to be paid moral damages.

Compensation in case of moral damage is assessed based on the extent of the moral damage suffered and shall not be less than birr one hundred

thousand. The amount specified under the civil code, according to Art 2116(3) was not more than one thousand birr. This amount might have been enough to compensate the victim at the time of codification of the Civil Code but it is unfair if we use this amount to compensate a victim now with all the devaluation of the birr and other economic changes. However, according to the Proclamation, the court is expected to reward compensation not less than one hundred thousand birr, for moral damage and potential infringers will be deterred. However, the court denied the plaintiff moral damages, as it can be seen from Annex A, in the case of Zeritu Kebede v Elias Derso.

### 7.4.2. Destruction of Illegal Copies

The other issue worth dealing with is the fate of infringing copies after the case is decided for the right owner. The order of injunction may put an end to reproduction but it leaves the issue open as to what to do with copies already made. Once infringement is proved, the court proceeds to order the cessation of such infringement, i.e., gives permanent injunction in accordance with Art34 (1) (a) of the Proclamation. When this injunction is granted, the court, to make sure that the order for cessation of infringement is properly executed, orders the destruction of illegal copies of the infringing copyrightable works. (Art 34(6) of the Proclamation) In order to make the final injunction effective, it is often coupled with an order for the delivery by the infringer of all infringing copies of the copyrightable works, which are then subject to destruction so as to ensure that they cannot be re-used or sold.

The Proclamation provides that the court shall make the copies outside the channel of commerce, order their destruction, or other reasonable disposition. Where the author or copyright owner requires otherwise, let us say where he wants the infringing copies to be delivered to him, the court shall allow him. There is no need to allow the defendant to keep these

copies, and if allowed, it may open a room for further distribution of these copies by the defendant thereby bringing about further infringement. Thus such copies need to be destroyed at the expense of the defendant.

The only limitation on this right of the author or copyright owner is the right of third parties who acquired the infringing copies in good faith. In this case the author or copyright owner cannot claim for delivery up or for destruction of these copies even if they are infringing or illegal copies. The rationale behind this is to protect third parties who acquire the illegal copies in good faith.

Providing destruction of the infringing copies as a remedy is very important especially for the plaintiff since it prevents the dissemination of infringing copies. However, it is far from complete for it fails to address some questions: Who should do it? At whose expense should it be done? This opens the door for arbitrariness. There are possibilities that the court will order the defendant to destroy it at his own expense or to return the infringing copy and destroyed by the plaintiff. However, if it is left to the defendants would he be honest to do it? Some suggest for Ethiopia to incorporate an approach, adopted in many foreign countries, which involves the delivery of the copies to the plaintiff so that the latter destroys them. This view surely avoids the possibilities of the resumption of engagement by the pirate in infringing act. In fact, this solution may not always be pragmatic. For, the confiscation of the entire copies may be practically impossible. Nevertheless, it is the best option in the circumstances.

### 7.4.3. Border Measures

Another way in which action against infringed copyrightable works can be taken occurs at ports of entry of imports. If an author or copyright owner becomes aware that importation of his copyrightable works is on their way to the country, he can alert the customs authorities, who will keep watch of

the copyrightable works and impound them when they arrive. Action can be taken against the importer.

Piracy is by no means an exclusively national activity, i.e., the production in a country of infringing copies for sale in that country. It is also very much an international operation, with vast quantities of infringing copies being manufactured in one country and shipped to other, often on the other side of the world; quantity of infringing copies which are shipped to other countries substantially undermine legitimate business to the extent that international companies often withdraw from the market and investment in recording and producing local talent virtually dries up. For this reason, the power to stop infringing copies entering a market is of vital importance, and provisions which make this possible are an essential feature of modern copyright legislation.

Border measures are intended to prevent infringing copies- or lawful copies in violation of the right of importation –from being brought into the country concerned. They constitute an effective way to counter acts of infringement, because it is frequently easier to prevent the distribution of infringing copies at the border than after the copies have already been brought into the country and put into circulation. Border measures are usually carried out by administrative authorities (customs authorities) and not by judicial authorities. In most national legislations on this issue, a number of safeguards and appropriate procedural rules are normally found which ensure the fairness and effectiveness of measures applied by such authorities.

The customs authority, where there are, in the opinion of the right owner, infringing goods, shall retain under its control the alleged infringing goods where the right owner submits an application to this effect. (Art 35(1) of the Proclamation) The customs authority after informing the right owner and the owner of the retained goods about the situation will look into the evidences presented by the applicant if any. If the evidence is not justifiable

evidence or if there is no evidence provided by the applicant, the authority will lift the measure within ten days. (Art 35(3) of the Proclamation)

The applicant will be responsible for the damage caused by the retention of goods where the application is proved unfounded.( Art 35(4) of the Proclamation) However, if ordered by court, the customs authority will confiscate the infringed copyrightable works. (Art 35(5) of the Proclamation)

### 7.4.4. Criminal Sanctions

The system of copyright and neighboring rights is a branch of private law in that it grants personal exclusive rights to the individual beneficiaries. Therefore, the basic approach in most countries, is, or has been, that it is for the injured party itself to take action. Consequently, the basic possibility for him is to take civil action. However, there is a change in the attitude in many countries, mainly in view of the alarming growth of the piracy activities. A number of countries have introduced heavy penal sanctions for at least certain kinds of infringement, in particular those which would be considered as piracy.

Civil remedies are not always sufficient deterrents. Where infringement becomes a business, the closing down of one plant with the assistance of courts and law enforcement authorities may only mean that the plant will reopen somewhere else. Infringement committed willfully and with profit-making purposes should be punished by criminal sanctions, and the level of such sanctions must make it clear that such infringements are serious offenses. It is normally preferable that criminal sanctions are also applicable in case of infringements committed through gross negligence, for profit-making purposes, because it may be difficult to prove that infringements are committed willfully. Increased punishments in cases of recidivism are also justified. The criminal sanctions available should

compromise both fines and imprisonment, and, where merited by the case, courts should be able to impose both these sanctions on the infringer.

Criminal sanctions should – and in most countries do – include both fines and imprisonment, the maximum of which may be up to several years. If criminal sanctions are to work satisfactorily, the objective criteria for the infringement must be clearly defined. This means, in particular, that the rights should be framed and described in a clear and unequivocal way so that it is obvious which act or acts are those acts that must not be undertaken without the authorization of the author or copyright owner. Also, the so – called subjective criteria must be determined clearly. The criminal provisions for infringement apply not only to acts which are committed willfully but also to those committed with gross negligence. The sanctions should be applicable not only to the person who directly committed the violation but also to those who contributed to it, for instance by providing equipment used for unauthorized reproduction with full knowledge of the intended use of that equipment.

The criminal sanctions have mainly a repressive function. Such a function is very important in the interest of the society and also for the author or copyright owners in order to ensure respect for the law. The Proclamation provides criminal remedies for infringements of rights. The rationale behind providing for criminal remedies beside the civil remedies is the fact that infringement of intellectual property rights is considered to be theft of intellectual property and since theft is a crime, criminal punishments should be provided. Hence if someone infringes neighboring rights of the author or copyright owner, he will be criminally liable and will be punished according to the punishment specified under the Proclamation.

Criminal remedies for neighboring right infringement are provided under Art 36 of the Proclamation. According to this article, if someone intentionally violates the neighboring right protected under the

Proclamation, he will be punished with rigorous imprisonment of years of five up to ten. And also whosoever, by gross negligence violates neighboring right will be punished with rigorous imprisonment of a term of one year up to five years. However, under the criminal code whoever violates the rights of author or copyright owners intentionally is punishable with rigorous imprisonment not exceeding ten years and for gross negligence not exceeding five years. In this case there is the possibility that the punishment may be less than five or one year respectively. How is the contradiction on the terms of imprisonment being resolved?

The other modes of punishment included under the Proclamation are seizure, forfeiture and destruction of the infringing goods and any material and implements the infringer used in the commission of offence. (Art 36(3) of the Proclamation)

### 7.6. Period of Limitation

In both civil and criminal cases actions must be brought within the time specified under the law in order to benefit from the remedies available. With regard to civil remedies, like any other cases, suits for the infringement of author or copyright owner's right should be instituted with in a limited time. If not, the right to bring the action will be barred by limitation unless the infringer admits the claim. The action of infringement of right in civil code, according to Art 2143 of the civil code, should be brought in two years. In our case the author or copyright owner who is claiming damages shall bring his claim within two years from the time of the occurrence of the damage, as infringement is non contractual. However, if the infringement of the right of the author or copyright owner is from the act of the contracting party, the period of limitation shall be ten years as per Art 1845 of the civil code.

With regard to criminal case, the public prosecutor should bring the case with in 15 years of the occurrence of offence of infringement where the offence is committed intentionally and within ten years where the offence is committed with gross negligence.

**Review Questions**

1. Would the remedies put in the copyright proclamation be exhaustive ones? If so, how do you see nominal damages?
2. Some people argue that copyright cases on the relief of damages should be entertained by Federal First Instance Courts if the pecuniary value is less than 500,000 Birr. How do you see its validity?
3. Is the moral damage put under Art 34 of the proclamation a punitive damage? How do you see its extent?
4. Discuss the difference between present and future damages.
5. Some people argue that moral damages should be paid only when moral right are infringed. How do you evaluate this?

# Part Three: Introduction to Patent Law and Related Rights

## Introduction

Patent is one of the major subject matters of intellectual property law that grants a limited monopoly in return for the disclosure of technical information. While the protection provided by a patent, which is limited to 15 years, is not as long as the protection provided by copyright law or possibly trade mark registration, the rights granted are more extensive. The rights granted to the patent owner cover most commercial uses of the patented invention. Furthermore, the rights will be infringed irrespective of whether or not the defendant copied from the patented invention. Unlike copyright, which arises automatically on creation of the work, patents are only granted after the applicant satisfies the requirements of registration.

Over time, a number of justifications have been given in support of the patent system. The most common justification considers patent as an incentive for disclosure of technical information that is significant in industry, agriculture or social sector. It is argued that the public benefits by the disclosure of the invention that occurred on publication of the patent application. In a nutshell the justification focuses on the role that the patent system played in the generation and circulation of technical information that are useful in the field of technology.

This unit intends to introduce the students of law to the basics of patent law. In this, it endeavors to help them understand the nature of patent law, and the idea of patentability, the exclusive rights of patent holders, and infringement of patent rights and the legal remedies. It also presents a summary of international conventions on patent law.

With these objectives, this unit is carefully outlined into three parts. The first part deals with origin and meaning of patent, patent applications and the idea of patentability. The second part covers the exclusive patent rights and the patent limitations. And the third part addresses the issues of infringement and the legal remedies.

**Objectives**

After going through the Unit, you will be able to:

- Grasp the basic notions of patent and the related right
- Explain the requirements for grant of patent right
- Analyze and determine the scope of patent right
- Discuss issues related to infringement and enforcement of patent right
- State the basic features of international conventions on patent right

## Chapter Eight: Protection of Patent Rights

### 8.1 Origin and development of patent rights

There are two reasons why the study of patent law begins with its historical root. Firstly, the term patent is not literally an English term, and secondly it is thought that our current patent law has not remarkably advanced from its early hatchment. Hence, analyzing the origin of patent law would be helpful for a better understanding of the concept and scope of today's patent law.

The term patent was taken from a Latin word “Patere” which means “Open Letters”. As its normal usage tells, open means make the invention available to the public and likewise, the term Letter refers to grant of title, by a royal decree, for exclusive use of the invention by the owner of the invention. From this patent can be seen as a monopoly offered by a crown as a reward to its subject for making useful inventions to the crown. However, unlike the present patent law, granting patent was exclusively the prerogatives of the crown. There were no formal procedures for granting patent right. And the scope and the duration of privileges under the patent were not known to the public. Everything has to go as per the wishes and whims of the crown. As such, patents were frequently granted to those who demonstrated strong solidarity with the crown even over activities performed by other individuals. This system went well up to the fifteenth century. However, with the proliferation of inventions and the increase in the corresponding request for patents over the course of sixteenth and seventeenth centuries, the crowns prerogative was openly challenged. Eventually the crown was deprived of its prerogative on patent granting. Yet, the changes over the sixteenth and seventeenth centuries were not satisfactory, as there were no clear rules pertaining to the requirements, and scope of patent right.

Substantial change in the patent system occurred by the nineteenth century. Indeed the patent system that exists today is largely a by-product of the developments in the nineteenth century. One of its glaring changes that took place over the course of the nineteenth century was that patent was seen as a product of technical and administrative processes than crown prerogatives. Another important event that happened in the nineteenth century was that several books were written which underpins much modern fundamental notions of patent, including the strongest critics to the patent system.

### 8.2 Definition of patent

As discussed earlier the heart of patent system lies on disclosure of invention and the entitlements to exclusive right to use, make and exploit the invention over a certain period of time. Although it might be useful to consider the definition of patent from different jurisdictions, we have selected the definition given by the United States patent office as the most comprehensive definition of patent. According to the United State's patent office working document, patent refers to:

A statutory right to exclude others from making, using, offering for sale, or selling the invention in the United States, and if the invention is the process,… the right to exclude others from using, offering for sale or selling throughout the United States, or importing into the United State, products made by that process.

From the above definition, we can put the characteristics of patent into three elements. Unlike the crown grant patent, the definition makes patent a statutory right, i.e. a right created by the highest law making body (or a legislator) of a state. It also provides that patent may relate to a product or to a process. And it recognizes the most important element of patent right that is exclusive right to use, make and exploit the invention. However, the definition does not clearly state the limitations to the patent right on grounds of public interest, and even by the lapse of duration.

Unlike the definition given by the United States patent office, our patent law, under proclamation Number 123/1995, provides a very general definition of patent. According to Art.2 Sub.Art.5 of the inventions, minor inventions and industrial design proclamation No.123/1995,

Patent means the title granted to protect inventions; the inventions may relate to a product or a process.

From the above definition, it would be very difficult to ascertain the rights that the patent confers on the inventor or the owner of the patent. It does

not even state that patent guarantees exclusive right to use, make or otherwise exploit in a manner that the patent owner wishes. Moreover, it does not suggest if patent rights could be limited on grounds of public interest or other considerations. Rather, it pushes us away forward to the other sections of the proclamation that together builds a comparatively full and rich concept of the term patent. With this we can define the concept of the term patent from the cumulative reading of ----and----provisions that can be put as follows:

Patent is a legal title that confers on its holder the exclusive rights to make, use or other wise exploit in a manner he/she wishes over a limited period of time. It may relate to a product or a process.

### 8.3 Justifications

Since the nineteenth century, a number of justifications have been expounded in support of the patent system. At times the naturalist dominated the intellectual debate with their assertion that the inventor has a natural right to the products of his mental labor. However over the years, the most common argument focused on the public benefits that flow from the grant of patent monopolies. According to this approach, patent is justified in terms of its utility to the public. The patent system is still the object of wide theoretical debate that hosts the arguments of its proponents and a bludgeon of critics by its opponents. Some of the most common justifications and critics are stated as follows.

#### Economic rationale

One of the most important sets of economic arguments in favor of patents are called “consequentiality” theories. This theory attempts to justify intellectual property rights on the basis of the “good” consequences flowing from their recognition, which can be generally identified by the

advancement in knowledge, industrial progress and economic efficiency. There are two main branches of it, the "utilitarianism" and the "teleology", which both concentrate upon the incentives provided by the law but differ in the way these "good" consequences are identified.

While utilitarianism, also recognized in the modern theories of Law & Economics, measures the good in terms of satisfaction of human preferences, without any judgment on their content, teleological theories focus on the evaluation of what should be identified as good in the prospective of the proper purpose of human life.

Nowadays utilitarianism represents the dominant perspective: intellectual property rights in general deserve special protection if the benefits to the society exceed their costs. This view has been developed in the last century in different and specific theories, which coincide with the main advantages of patents: the "incentive – to invent", the "incentive – to –disclose", the "incentive – to – innovate" and the "prospect theory". Firstly, patents are necessary to give incentives for inventions and to encourage the socially desirable level of investment, because without them the society will under - invest in inventive activity as a result of the "free rider" behavior of other competitors, whose imitation will prevent a proper rate of return for the inventors. In particular, patents provide inventors with some assurance with regard to rewarding the social value of the invention and recovering the development costs, especially the high risks involved in research. In fact, a rational inventor will invest in research until the point where the expected marginal return from more research is equal to the marginal costs. Consequently patents allow the inventor to internalize the externality and to obtain benefits derived from the new discovery by imposing costs on potential imitators. These advantages are basically pointed out in the "incentive – to – invent" theory, also known as "reward" theory, which emphasize some debatable elements too. Moreover, society would suffer

from the reduction of development activity because new inventions may lower production costs of existing devices or increase productivity. Secondly, patents foster and accelerate inventive activity by means of disclosure; otherwise there would be no public access to valuable and new information. Furthermore, no patent systems would create high social costs, waste due to duplicative researches and losses as a consequence of reduction in wider distribution, alternative uses and price competition in the market. This positive effect refers to the "incentive – to – disclose" theory, which has often been concretely applied in judgments, even if many scholars are quite skeptic. However, various sets of empirical data have demonstrated that the utility of disclosure clearly depends on the sector considered, as the predictability of discoveries is higher for mechanical industries than chemical ones, and on other factors such as national policies, the access system and the technological state of countries. Thirdly, patents encourage the investment in innovation by emphasizing post – inventive activities and considering all of the steps required for the commercial exploitation of the new creation during the patent monopoly. This patent advantage is expressed in the "incentive –to – innovate" theory

In conclusion, the grant of patents with a broad scope may perform a prospect function in terms of affording investments in further research, avoiding duplicative researches and coordinating this activity with other firms during the development of the discovery. Moreover, patents may simplify and stimulate bargains by eliminating the risks involved in the negotiations between the patentee and society.

**Philosophical perspectives**

Some fundamental arguments in favor of patents deal with philosophy and are commonly known as the "natural law" or the "moral rights" theory: the inventor is rewarded for the idea incorporated in his invention because it is an expression of his natural rights, belongs to him and could otherwise be

stolen. Two different applications of this theory can be determined: the first, the "Lockean labor theory" considers the inventor's property right as the reward for the difficulties and the efforts due to the labor, while the second, the "Hegelian personality theory", connects the patent right to an expression of the human personality. Unfortunately, both theories present some weaknesses in terms of policy implications and economic incentives; for instance, the Lockean theory does not clarify whether the reward refers to the past work of the inventor or to save future researches of others.

### Critics

The justifications that underpin the current patent system are often subjected to mass critics by vocals and scholars. Some of the critics challenge the existing patent system as excessive and broader in scope, whereas others reject it as undesirable. The points of critics are entertained with a fair detail as follows.

### It stifles competition

From a general point of view patents create monopolies in favor of the patentees and potentially distort competitive markets. In fact, the patent holder may increase prices as a consequence of the monopolistic power and also limit the use of the invention by the public. The issue is who may afford if the monopoly charges an exorbitant price for the use of its invention. And from this it follows that if we cannot use the invention because of the monopoly, what else stimulates us to grant the monopoly that turns out against our use. The opponents, therefore, challenge the patent system as repugnant to consumers.

## Patent relies on false premise

This critic defeats the incentive theory which states that people would be encouraged to create if they are provided with incentives. Opponents argue

that many genius inventions have predated the present patent system. In this regard the opponent mentions early atomic bomb of Albert Einstein, early printing presses, early radio broadcast invented by two brothers and quite others. From this the opponent argues that people generatesinvention not expecting a monitory reward but out of inner satisfaction and peer recognition. They also warn that any research motivated exclusively by incentive would compromise the requisite quality.

## It creates additional costs

Patents generate other undesirable consequences. Firstly, they might encourage a phenomenon known as the "race – to – invent", according to which potential inventors will compete against each other to discover the new product or process. A broad scope obviously will increase the negative effects in terms of duplicative researches and waste of resources with inefficient results as a consequence.

## **8.4** Application and grant of a patent

### A. Contents of Patent Application

A **patent application** is a request pending at a patent office for the grant of a patent for the invention described and claimed by that application. An application consists of a description of the invention (the *patent specification*), together with official forms and correspondence relating to the application. The term **patent application** is also used to refer to the process of applying for a patent, or to the patent specification itself.

In order to obtain the grant of a patent, a person, either legal or natural, must file an application at a patent office. Under our patent system, patent applications are processed by the Ethiopian office of intellectual property.

**Application preparation, filing and prosecution**

The process of obtaining the grant of a patent begins with the preparation of a specification describing the invention. That specification is filed at a patent office for examination and ultimately a patent for the invention described in the application is either granted or refused.

**Patent specification**

A patent specification is a document describing the invention for which a patent is sought and setting out the scope of the protection of the patent. As such, a specification generally contains a section detailing the background and overview of the invention, a description of the invention and embodiments of the invention and claims, which set out the scope of the protection. A specification may include figures to aid the description of the invention, gene sequences and references to biological deposits, or computer code, depending upon the subject matter of the application. A title must also generally be provided for the application.

**Claims**

The claims of a patent specification define the scope of protection of a patent granted by the patent. The claims describe the invention in a specific legal style, setting out the essential features of the invention in a manner to clearly define what will infringe the patent. Claims are often amended during prosecution to narrow or expand their scope.

The claims may contain one or more hierarchical sets of claims, each having one or more main, independent claim setting out the broadest protection, and a number of dependent claims which narrow that protection by defining more specific features of the invention.

**Filing date**

The filing date of an application is important as it sets a cutoff date after which any public disclosures will not form prior art. Usually the right to a patent for an invention lies with the first person to file an application for protection of that invention (See: first to file and first to invent rule). It is therefore generally beneficial to file an application as soon as possible.

**First to file and first to invent rule**

Some times it happens that two persons apply the same application over the same invention. And it may even occur that five persons or more may request patent right over the same subject matter. As such, it would be self defeating to grant patent to all of the applicants. Thus a state would be invariably forced to grant to one and deny the other. In this regard many states apply either the first rule or the first to invent rule.

Almost every country other than the United States uses a first-to-file system. This means that, regardless of who invented first the person or legal entity who files a patent application first is the one who can be granted a patent for the invention. The advantage of this rule is that it encourages speedy disclosure of information.

According to the *first-to-invent* system, the person who conceives the invention first would be granted patent. Under the United States patenting system, invention is generally defined to comprise two steps: conception of the invention and reduction to practice of the invention. When an inventor conceives of an invention and *diligently* reduces the invention to practice (by filing a patent application, by practicing the invention, etc), the inventor's date of invention will be the date of conception. Thus, provided an inventor is diligent in reducing an application to practice, he or she will be the first inventor and the inventor entitled to a patent, even if another

files a patent application (reduces the invention to practice) before the inventor.

Harmonization efforts are underway with the goal being to unify the patent laws of various nations so that inventors have the same rights regardless of which country a patent is granted in.

## B.Priority right

A **priority right** or **right of priority** is a time-limited right, triggered by the first filing of an application for a patent. The priority right belongs to the applicant or his successor in title and allows him to file a subsequent application in another country for the same invention, for this subsequent application, from the date of filing of the first application for the examination of certain requirements. When filing the subsequent application, the applicant must "**claim the priority**" of the first application in order to make use of the right of priority.

According to article 11 of the patent proclamation, the period of priority, i.e. the period during which the priority right exists, is 12 months for patents. The period of priority is often referred to as the "**priority year**".

When a priority is validly claimed, the date of filing of the first application, called the "**priority date**", is considered to be the "**effective date of filing**" for the examination of novelty and inventive step or non-obviousness for the subsequent application claiming the priority of the first application. In other words, the prior art which is taken into account for examining the novelty and inventive step or non-obviousness of the invention claimed in the subsequent application would not be everything made available to the public before the filing date (of the subsequent application) but everything made available to the public before the priority date, i.e. the date of filing of the first application.

The basic purpose of the right of priority is to safeguard, for a limited period, the interests of a patent applicant in his endeavor to obtain international

protection for his invention, thereby alleviating the negative consequences of the principle of territoriality in patent law.

**Patent pending**

Patent pending is a term used to describe an alleged invention that is the subject of a patent application. The term may be used to mark products containing the invention to draw competitor's attention to the fact that they may be infringing a patent if the product is copied after the patent is granted. Our patent system does not explicitly provide for a right to claim patent pending right. However, having regard to its purpose, it seems to be appropriate to issue patent pending mark. .

**Search and examination**

After filing, either systematically or, in some jurisdictions, upon request, a search is carried out for the patent application. The function of the search is to reveal prior art which may be relevant to the patentability of the alleged invention (that is, relevant to what is claimed, the "claimed subject-matter"). In some jurisdictions the search report is published, generally with the application 18 months after the priority date of the application, and as such is a public document. The search report is useful to the applicant to determine whether the application should be pursued or if there is prior art that prevents the grant of a useful patent, in which case the application may be abandoned before incurring further expense. The search report is also useful for the public and the competitors to enable them to gain an idea of the scope of any protection that might be granted based on the pending patent application.

Under our patent system, too, the patent granting office is supposed to undertake a search for the existence or otherwise of any anticipatory event in the prior art. However, there is no indication if the office publishes its search like in other jurisdictions.

**C. Grant of patent**

Once the patent application complies with the requirements of the relevant Patent law, a patent will be granted to the applicant. The date of issue effectively terminates prosecution of a specific application, after which continuing applications cannot be filed, and establishes the date upon which infringement may be charged.

**Post-issue or grant**

Many jurisdictions require periodic payment of fees in order to retain the validity of a patent after it is issued and during its term. Failure to timely pay the fees results in loss of the patent's protection. The validity of an issued patent may also be subject to post-issue challenges of various types, some of which may cause the patent office to re examine the application.

## 8.5 Grounds of Patentability

In the previous sections we looked at the nature of the patent and the processes by which patents are granted. Under this chapter we would analyze the grounds that determine the patentability of an invention. These are that the invention:

I. Is New (Novel)

I I. Involves an inventive step (Non-obviousness)

III. Is industrially applicable, and

I V. consists of a subject matter that is patentable

A patent will not be granted if an application fails to meet any of the above requirements. Having put this general remark, we now turn to look at each requirement with a fair detail.

**A. Novelty**

**Novelty** is the basic patentability test, according to which an invention is not patentable if it was already known before the date of filing or before the date of priority if a priority is claimed, of the patent application. It requires

that the invention must be new and never existed before at the time when an application for obtaining patent is filed. By ensuring that patents are not granted for products or processes which are already known, novelty helps to ensure that patents are not used to stop people from doing what they had already done before the patent was granted.

Now the point that needs to be addressed is how to determine that an invention is novel. We must ascertain whether prior disclosure over the same subject matter anywhere in the world or only in our jurisdiction bars applications filed today.

**Prior Art**

Not surprisingly, the concept of novelty as contemplated in patent laws is better understood in reference to the idea of prior art. In connection to this Art.3 of our patent proclamation states:

An invention shall be considered new if it is not anticipated by prior art. Prior art shall consist of anything disclosed to the public, anywhere in the world by publication or in tangible form or by oral disclosure, by use or in any other way, prior to the filing date where appropriate, the priority date, of the application claiming the invention.

As stated above, novelty is decided in light of prior art. Prior art refers to the state of art that forms civilization before the application date. The categories of state of art seems to be extremely broad and inclusive to include all matters (whether a product, process, information about either, or anything else) which at the priority date of the application in question has been made available to the public by written or oral description, by use or in any other way.

From the phrase ‘anywhere in the world”, we can correctly assert there are no geographical limits placed on where the state of art must be disclosed. Hence, the state of art includes information that is available anywhere in the world (In Ethiopia or elsewhere)

There is no restriction on the mode of disclosure. Information will become part of the state of art irrespective of the way in which it was made available to the public. If the information is accessible, then its age, obscurity, duration, language or location is irrelevant. Similarly there are no minimum requirements on how widely the information must be published for it to be disclosed. Thus a single copy of document or the sale of a single item will be sufficient for the information to become part of the state of art.

While as a general rule novelty prohibits disclosure of information prior to the filing date priority date of the invention, Sub Art.3 of the same provision provides for a grace period that justifies disclosure of information within 12 months preceding the filing date, where applicable the priority date. That is, if the inventor or the successor in title publishes the invention, an application can still be validly filed which will be considered novel despite the publication, provided that the filing is made during the grace period following the publication.

**B. Inventive Step (or Non-obviousness)**

The **inventive step** and **non-obviousness** refer to the same general patentability requirement present in most patent laws, according to which an invention should be sufficiently inventive — i.e., non-obvious — in order to be patented.

The expression "inventive step" is predominantly used, for instance, in Germany, in the United Kingdom and under the European patent convention (EPC), while the expression "non-obviousness" is predominantly used in the United States Patent law. Although the basic principle is roughly the same, the assessment of the inventive step and non-obviousness varies from one country to another. For instance, the practice of the European patent office (EPO) differs from the practice in the United Kingdom

The European patent office almost always applies the "problem-solution approach" in order to decide whether an invention involves an inventive step. The approach consists in:

1. Identifying the **closest prior art**, i.e., the most relevant prior art;
2. Determining the **objective technical problem**, i.e., determining, in the view of the closest prior art, the technical problem which the claimed invention addresses and successfully solves; and
3. Examining **whether** or not **the claimed solution** to the objective technical problem **is obvious** for the skilled person in view of the state of the art in general.

This last step is conducted according to the "could-would approach". Pursuant to this approach, the question to address in order to assess whether the invention involves an inventive step is the following:

> Is there any teaching in the prior art, as a whole, that **would, not simply could**, have prompted the skilled person, faced with the objective technical problem formulated when considering the technical features not disclosed by the closest prior art, to modify or adapt said closest prior art while taking account of that teaching [the teaching of the prior art, not just the teaching of the closest prior art], thereby arriving at something falling within the terms of the claims, and thus achieving what the invention achieves?

If the skilled person would have been prompted to modify the closest prior art in such a way as to arrive at something falling within the terms of the claims, then the invention does not involve an inventive step.

The point is not whether the skilled person could have arrived at the invention by adapting or modifying the closest prior art, but whether he would have done so because the prior art incited him to do so in the hope of solving the objective technical problem or in expectation of some

improvement or advantage. This must have been the case for the skilled person before the filing or priority date valid for the claim under examination.

"Non-obviousness" is the term used in the US patent law to describe one of the three requirements that an invention must meet to qualify for patentability. One of the main requirements of patentability is that the invention being patented is not obvious, meaning that a "person having ordinary skill in the art" would not know how to solve the problem at which the invention is directed by using exactly the same mechanism. The Graham Factors, shown below, are used by courts to determine if the claimed invention is not obvious.

**Teaching-suggestion-motivation (TSM) test**

Further, the combination of previously known elements can be considered obvious. But, there must be a suggestion or teaching in the prior art to combine elements shown in the prior art in order to find a patent obvious. Thus, in general the critical inquiry is whether there is something in the prior art to suggest the desirability, and thus the obvious nature, of the combination of previously known elements.

This requirement is generally referred to as the "teaching-suggestion-motivation" (TSM) test and serves to prevent against hindsight bias. As almost all inventions are some combination of known elements, the TSM test requires a patent examiner (or accused infringer) to show that some suggestion or motivation exists to combine known elements to form a claimed invention. Some critics of the TSM test have claimed that the test requires evidence of an explicit teaching or suggestion to make a particular modification to the prior art, but it was made clear that the motivation may be implicit, and may be provided, for example, by an advantage resulting from the modification. In other words, an explicit prior art teaching or suggestion to make a particular modification is sufficient, but not required

for a finding of obviousness. The TSM test has been the subject of much criticism for its lack of precision and certainty.

**The Graham factors**

The Graham factor is a judicial creation crafted by the US Supreme Court decision in Graham et al. v. John Deere Co. of Kansas City et al. In that case the court considered different factors to determine the obviousness and non-obviousness of an invention. Accordingly, the court held that obviousness should be determined by looking at

1. the scope and content of the prior art;
2. the level of ordinary skill in the art;
3. the differences between the claimed invention and the prior art; and
4. Objective evidence of non-obviousness.

In addition, the court outlined examples of factors that show "objective evidence of non- obviousness". They are:

1. commercial success;
2. long-felt but unsolved needs; and
3. Failure of others.

**C. Industrial applicability**

Industrial applicability or industrial application is a patentability requirement according to which a patent can only be granted for an invention which is susceptible of industrial application, i.e. for an invention which can be made or used in some kind of industry. In this context, the concept of "industry" is far-reaching: it includes indeed agriculture for instance. In this regard Art.3 (5) provides that

An invention shall be considered as industrially applicable where it can be made or used in handicraft, agriculture, fishery, social services and any other sectors.

As the above provision shows, our patent system does not require that the invention should be applied in industry. On the other hand, it can be argued that our patent system considers the requirement of industrial application in terms of usefulness of the invention, more than mere application on industry. According to the second argument, inventions which are not susceptible of industrial application may be patented. Examples of such inventions include: methods for treatment of the human or animal body by Surgery or therapy and diagnostic methods practiced on the human or animal body. However, I f we hold the second argument, we must be ready to accept that the use of the term industrial application is a misnomer or without any purpose.

### 8.6 Excluded Subject Matter

Largely due to growing policy considerations, and established traditions, the patent system excludes certain subject matters. Perhaps our patent law may be labeled as exclusionist in terms of the largest lists of non-patentable inventions that it envisages. According to Art.4, the excluded subject matters consist of the following list:

A. Inventions that are contras to public morality
B. Plant or animal varieties or essentially biological process for the production of animals and plants
C. discoveries, scientific theories or mathematical formulas
D. Schemes, rules, methods of doing business; and computer programs
E. Methods of medical and veterinary treatment
F. Words protected by copyrights

## 8.7 Exclusive rights, duties and exploitations

### 8.7.1 Nature of the exclusive rights

Our patent law, albeit broad, confers upon the patentee (i.e. owner of the patent) an exclusive right to make use and exploit in any other ways. As

such patent right creates exclusionary right in that it excludes third parties from making, or using or exploiting the invention in any manner. Although, the protection provided by patent, which is 15 years, is not as long as the protection provided by our copyright, life + 50 years, or trade mark law, the rights granted by patent are more expensive. The rights granted to the patent owner cover most commercial uses of the patented invention. With this brief, now we shall turn to look at the exclusive rights of the patent owner in more detail.

**A. The right to make the product**

Perhaps the most important right given to the owner of a patent is the exclusive right "to make" the product. Essentially this right implies to the right to manufacture and produce the patented invention. One problem related to the scope of the exclusive right "to make" pertains to repairs and modification of the patented product. On the one hand, it sounds that the purchasers of the patented products should be able to repair and modify those products. On the other hand, however, patent law is keen to ensure that while a person who obtains a patented product is able to use the product, he may not go so far as to make the product anew. In these circumstances, the question arises: How much of a product is a person able to repair or modify before he infringes the owners right to make the product? That is, when does the legitimate act of repairs or modification switch to become the illegitimate making of the patented product?

The way these questions are addressed depends up on the circumstance of the case under consideration. It seems that both quantitative factors, such as the amount of the product that is repaired and qualitative consideration such as the relative importance of the part of the patented product which has been repaired, are likely to be taken in to account. From this it follows that repairing an immaterial part of a product does not infringe the patented product.

**B. The right to use the product**

Patent law also secures the exclusive right to use the patented product. This right is thought to be a natural right that underlies the notion that a person has, just as a matter of right, to use and to enjoy the fruits of his mental labor. Thus, with some exceptions justified under the patent law, a patent owner enjoys exclusive right to use his patented product.

**C. The right to "exploit otherwise"**

As forms of a personal property, patent and patent implication may be assigned, licensed, or mortgaged, and they may devolve by operation of the law (notably through death and bankruptcy. In view of this, the last phrase of Art 22(1) provides that a patent owner has an exclusive right to exploit his invention in any manner he wishes. Obviously, this paragraph envisages the various modes of exploitation of patent right. Under this section, we will discuss only exploitation of patent right by virtue of assignment and license.

**Assignment**

An assignment implies transfer of the ownership of the patent (or application). Like any other personal property it emanates from contract. As a result, the assignment contract entitles the assignee to deal with the patent in a manner he thinks fit. Our patent law does not provide specific forms and conditions. Never the less, it can be well taken that the general contract applies, as there is no undertaking which does fall under the general contract where there is no exclusion otherwise. In some jurisdictions, an assignment must be in writing. And where the patent is owned by more than one party, for the assignment to be valid, all of the co-owners must consent to the assignment.

**License**

Another common way in which patents are exploited is by license. A license provides a party with permission to do an act that otherwise is prohibited. In contrast with assignment, no proprietary interest is passed under a license.

Licenses may be exclusive or non-exclusive. An exclusive license is an agreement under which the owner of a patent grants the licensee permission to use the patented technology to the exclusion of third parties including the patentee (the licensor). On the other hand, non-exclusive license (sometimes called mere license) is simply an act that permits the licensee to use the patented, just as one of the licensee of the patent owner. As such, the non-exclusive license does not prohibit the licensor from using the patent for himself, or from granting further license.

### 8.7.2 Duty of Patent Owner

It is well settled that patent right creates monopolize right, over limited period of time, to make, use or exploit in a manner that the patentee thinks fit. With this there is always a potential risk that the patent owner may fail to work properly with his invention. The patentee may use the patent to prevent the product from being manufactured. Such misuse of patent right sheerly destroys the public use of patents. By issuing patent right to individuals, the public must ensure that it would be provided with sufficient amount of patent products.

With a view to discourage patent misuse, our patent law places, upon the patent owner, the duty to work his invention or to authorize a third party to use the invention to make available patented products (with a sufficient scale). Accordingly, if the patent owner cannot make available his product in a sufficient scale, he must assign or license others to work the patent properly. Having said this, it would be appropriate to assess the consequence of patent misuse.

Our patent law, under Art.-29 subArt.2, puts for the issuance of compulsory license that permits other people other than the patent owner to exploit the invention in situations where the patentee is either unable or unwilling to do so. While compulsory license is issued primarily to ensure adequate supply of patented supply of patented products, it is believed that it stimulates the patentee to work properly with his patent or voluntarily license the patent to others who are capable and willing to provide the public with adequate products of the patent

### 8.8.7.3 Limitations to Patent Right

We have discussed that patent creates monopoly right in favor of the patentee. The monopolistic power enables the patentee to protect himself and his invention by suing those actors who infringe directly or indirectly. However, this does not imply that patent right is limitless. Patent right as well allows certain restrictions/exceptions that limits the monopolistic power of the patentee. In general, the limitations balance the interests of patentee against the interests of the other groups, such as competitors, prior users, trader's users, non-profit making bodies, as well as teaching and research establishments. With these general points, we now turn to look at the exception/limitations to patent right.

#### A. Lapse of duration of patent right

Obviously, patent right does not survive forever. In fact, comparing to copyright and trade marks; it ends over a very limited period of time. Under our patent law, patent right expires after 15 years from its grant. However, where the patentee furnishes proof for the sufficient working of the patent in Ethiopia, his patent right may be extended by another five years. Yet, it is not clear whether the patent granting office could refuse to extend duration of patent right despite the fact that the patentee has adequately put his invention in practice. In all cases where the patent right expires, the

inventive thought would be a public domain, and as such every one would be entitled to use the invention free of charges or any other restrictions.

**B. Non-commercial uses**

Art.25 (1) provides that patent right does not extentdto non-commercial uses of the patented invention. Accordingly, a patent owner cannot prohibit non-commercial uses of his invention by others. This exception is usually justified on the assumption that non-commercial use enhances scientific knowledge over the inventive thought. For example, if a patent owner was to prohibit (or charge) use of his invention at school, college or research institution, there would not be a room for scientific critics and improvements over the whole inventive thought that underlies the patent right. Another argument in favor of the non-commercial uses doesn't pose much of a threat to the patent monopoly. However, it is not going to be easy to distinguish non-commercial from commercial uses. It may occur that a certain activity may have commercial and noncommercial benefits. Our law is silent in this regard. In other jurisdictions, it is necessary to ascertain the subjective intention of the user. If the infringer were motivated by commercial interests, the defense would not apply. However, if the subjective purposes were non-commercial, the defendant could rely on the immunity.

**C. Experimental uses**

The other exception, under Art.25, pertains to acts done for experimental purpose relating to the subject matter of the invention. Supposedly, the most obvious justification to experimental use is that the patent monopoly should not be allowed to inhibit scientific developments.

Our law does not define the scope of the experimental use exception. Under the British patent system, the scope of the exception is determined in light of the purpose of the experimental use. As such, if it can be shown that the

purpose of the activity was to discover something unknown or to test hypothesis, it would be regarded as an experiment, hence immune from liability. On the other hand, if the activity is to prove something that is already known, to demonstrate to a third party that the product works in the way the maker claims, or to obtain official? for a product, these would not be regarded as acts done for experimental purposes.

**D. Doctrine of exhaustion**

Doctrine of exhaustion is another way of restricting monopolistic patent right. According to the Doctrine of exhaustion, the patentee is unable to rely on the patent to prevent the resale of his patented product where he freely disposes them to the market. This is because the sale of a product carries with it an implied license to keep, use, and resell the product. Hence, a buyer, once he lawfully acquired a patented product, will have an absolute freedom to use and exploit that particular product in a manner he thinks fit. Conventionally, the Doctrine of exhaustion takes two forms: Absolute exhaustion and national (or domestic exhaustion). Domestic exhaustion applies to patented articles that are placed in domestic market. Accordingly, a patentee loses the power to control a particular thing where he voluntarily disposes it in domestic market. However, domestic exhaustion does not apply to articles that are disposed in foreign market. This is to say that under the Doctrine of domestic exhaustion, the patentee can prohibit importation of his patented product. On the other hand, the Absolute Doctrine of exhaustion underpins the rule that a patent right over a product or process exhausts where it is freely disposed to a market, domestically or internationally. As such, it would be immaterial where the patentee has placed his product. Its consequence is that the patentee cannot prohibit importation of his patented product from foreign market.

In many ways, absolute and domestic doctrines of exhaustion are mutually exclusive. As such, patent law may not adopt at the same time both

absolute, and domestic doctrine of exhaustion. The most known deviation from this is the arrangements envisaged under many European Union Member Countries. The British patent law, for example, incorporates both absolute and domestic doctrine of exhaustion. The absolute doctrine of exhaustion applies with respect to articles that are disposed in any EU member states. Accordingly, a patentee cannot control further distribution or resell of a thing that he freely disposed in any EU member states. In contrast to this, the domestic doctrine of exhaustion deals with the exhaustion of patent right over articles that are placed in the UK market. In a way the domestic doctrine of exhaustion affects importation of patented articles from non EU-member states. Consequently, under the domestic Doctrine of exhaustion, patent right does not exhaust over articles that are placed in non-EU Member states.

Our patent law envisages both absolute and domestic Doctrine of exhaustion for no distinct reason. Art.22 (2) prohibits import monopoly, and from this it can be asserted that any patented articles in Ethiopia may be freely imported from a foreign market. In furtherance to this, Art.25 (1) (c) provides that patent right does not extend with respect to articles that are placed in Ethiopia. Obviously, Art.25 (1) (c) presents a typical character of doctrine of exhaustion. As such, from the separate reading of Art.22 (2), and Art.25 (1) (c), one would ponder the question of what the doctrine of exhaustion envisaged under our patent law is.

Undoubtedly, patent right always exhausts in respect of articles that are disposed in places where the patent right works. However, there are different practices in relation to the exhaustion of patented products disposed in international markets. In many developed countries, and in fact in some African countries such as Kenya, Nigeria, and South Africa, patent law confers import monopoly right. Its consequence is that the patent owner can prohibit import of articles that he has voluntarily disposed in a

foreign market. On the other hand, in many developing countries, including ours, patent law denies import monopoly right. This means that patent exhausts in respect of goods that are lawfully disposed to market, no matter where the goods are placed (in domestic or foreign market). The reason for denial of import monopoly right in many developing countries is thought to be to satisfy domestic market in sufficient scale of the patented product. It is also argued that prohibition of import monopoly right triggers the patentee to provide the domestic market in adequate scale so that he discourages import of his patented products.

Having the above points in mind, it seems to be odd to argue that our patent law adopts both absolute and domestic doctrine of exhaustion. Under normal circumstances, there seems no special purpose, like in the UK, that both absolute and domestic doctrines of exhaustion operate in parallel under our patent system. This is because our patent law for the better or for the worse is exclusively territorial. Both in fact and by law, our patent law does not have any effect in other jurisdictions. Similarly, the issue of exhaustion of patent in our system arises in relation to the power of the patent owner to prohibit importation of his patented product. In this regard, Art.22 (2) provides that patent owner can not prohibit import of his product. Thus, from the cumulative and closer inspection of Arts.22 (2) and 25(1) (c), and the supposed purpose that they underline, it can be well taken that our patent law adopts absolute doctrine of exhaustion.

**E. Right of Prior Users**

Right of Prior Users is founded on the fundamental principle that prior individual innovative activities shall not be undermined or inhibited by subsequent patents. As such, it allows prior user to continue to use his act that is covered by subsequent patent. In view of this, article 26 of the patent law provides that.

From this provision it is important to note that prior user's right is confined to personal use of the prior act. It cannot be commercialized or transferred to others independently from the sale of the business. However, it can be transmitted on death of the owner of the prior user or upon the sale of the business. It should also be noted that it is available only where the acts were carried out in good faith. Although the notion of good faith is yet to be interpreted by the courts, this may prevent a member of a research team from relying on the prior user exception where he left the research team contrary to an understanding between them.

## 8.8 Infringement and enforcement measures

### 8.8.1 Infringement

In majority of cases patent proceeding deals with infringement. Infringement occurs when a person makes, use of or exploits in any manner a subject matter of a valid patent without the permission of the patentee. Here the judgment of infringement requires the determination of patent scope and the comparison between the patented invention and the accused product or process.

As the scope of patent depends on the claims contained in a patent application, their interpretation might be crucial. In theory it seems to be easy to decide whether a given device or process infringes the claims of a patent. With this it would be only necessary to read the claims, and to apply them to the device or process. For each element under the claims, there must be a corresponding element actually present in the alleged infringement.

However, in practice patent infringement creates dense of complications to the court and the lawyer. In part, the problem arises due to the indeterminacy (lack of precision) of terms and words used to define the claim, and largely the problems in infringement arises out of the doctrines

that have been crafted at different times, and which either extend or narrow the general rule for ascertaining infringement.

Our patent law protects the patentee against unauthorized use or exploitation of his invention. According to Art.24 a patentee has recourse where his patent right is infringed by a third party. However, nowhere under our patent law is found a standard that indicates how infringement occurs. In the absence of records, of course, it would be very difficult to ascertain the reason why the legislator failed to express some guidelines that govern proof of infringement. Nonetheless, considering the complex nature of patent infringement, and the varying doctrines, it would be imperative to put standards that do not retard technological advancements in our country.

**A. Methods of infringement**

In many jurisdictions, a series of standards and rules have been developed by courts, and even by specific acts. Some envisage strict literal infringement, whereas others provide narrower claim in interpretation. And currently, there are emerging rules that lie between the strict literal interpretation and the broader one. Some of these doctrines that are commonly in use would be discussed individually below. Additionally, account of the types of infringement, the defenses, and the legal remedies would be discussed in fair detail.

**Literal Infringement**

This is sometimes called the literal overlap or all element rules. For infringement, literal infringement requires that each and every element of the claim must be present in the alleged infringement. It presumes that each and every element of the claim is material and essential. As such, the patent attorney or the court views the claim as a checklist of features, in which case every element of the claim must be found in the allegedly

infringing device or product in order for the claim to be infringed. If for instance X patent product possesses Z and Y elements under its claim, any other device that uses "Z" and "Y" would be hit for infringing the X product. A literal infringement also occurs where the alleged infringement possesses more elements other than those that are envisaged under the patented product. This is to say that "X" patented product would be infringed if the alleged infringement comprises K and L in addition to the Z and Y elements. However, the consequence of the literal infringement is that if, in our example, Z or Y or both are missing under the alleged infringing devices, there would not be infringement.

The literal infringement is the oldest mechanical rule in the patent jurisprudence. Although it laid down the basis for proof of infringement; it has little or no acceptance in our days. As such it has been vehemently criticized in that it encourages clever copies to make use of the patented invention by changing its shape, size and configuration. It is also defeated as it allows others to make use of the patented invention by omitting even an immaterial or non essential part of the patented invention.

**The Pith and Marrow Doctrine**

The literal infringement ceases to operate where rather than adding to the patented invention a defendant omits to include part of the patented invention in his product or process and on this basis argues that his invention falls outside the scope of the monopoly.

In order to ensure that the patentees' interest are not undermined by defendants who dress up infringing invention to appear as if they fall outside of the scope of the patent monopoly , patent law has long held that it is not necessary for every element of the patented invention to be taken as infringed. The Doctrine that takes into account only the essential elements of the patented invention to determine if they exist under the alleged infringement is called the pith and marrow doctrine. According to

the pith and marrow doctrine, an article can infringe a claim, even though all of the elements of the claim do not read on elements of the article, provided the differences between the article and the claim are only immaterial variations, or omission of non-essential elements. Thus, the fact that a defendant fails to take an immaterial or non-essential part of the patented invention will not allow them to escape liability for infringement.

**Doctrine of equivalence**

Both the literal and the pith and marrow doctrine focus on the material identity of the patented invention with the defendant's product or process. As such, they do not cover cases where the defendant substitutes a material element of an invention with something that is functionally equivalent. Quite beyond the literal language of the patent claims, the doctrine of equivalent holds that infringement occurs where the defendant's device are functionally equivalence to the patented invention. Specifically, a patentee can invoke this theory against the producer of a device, if it performs substantially the same function in substantially the same way to obtain the same result. The equivalence in function, way and result is also known as the triple identity.

From a historical point of view, the concept of infringement by equivalence has been developed nearly over 150 years. Largely, it is the invention of the judiciary. As such, we learn more about equivalence from some major judicial pronouncements. "Winahs V.Denmead" was the first decision in which the supreme court of the United State ascertained the existence of infringement if the changes added by the defendant are not more than imitation, or additions only of a colorable variation.

Furthermore, in the Graver Tank V.Linde Air Prods. Co, the court pondered the issue whether the alleged product used an element known to be "inter changeable" at the time the patentee has filed his application. The court

declared that there is infringement if a person having ordinary skill and Knowledge could expect the practical interchangeability of the defendant's product with those specifically identified in the patent specification. However, this does not set an exclusive test of equivalence. The defendant's product or process might be interchangeable in the broader reading of the claim, but it may still operate in substantially different ways. Thus, equivalence must be complemented by other factors such as the knowledge of the person skilled in the art and the functions performed by the patented device and the substituted element.

The Doctrine of equivalence is clearly an expansive doctrine in the sense that it extends the scope of the patent beyond its literal meaning. Its influences on patent scope and consequently on the economic value of the patent has attracted scholarly debate among different authors. Some authors view the Doctrine of equivalence as an incentive for substantial improvement on a basic technology. Whereas quite many authors reject it on the ground that it may retard or inhibit new technology, others also criticize the doctrine of equivalence as obscure and unpredictable.

**B. Type of infringing activities**

From the reading of our patent law, one would end up without stating any typical forms of infringement. Art 24 envisages the right of recourse against infringement without indicating how infringement could occur and how to implicate liability to infringers for different infringing activities.

As the course of events signifies, however, patent infringement could take place in different ways. The most common type of infringing activities takes the character of direct, indirect, or contributory infringement. Before looking at them in more detail, it is important to note that to infringe, the activity must be carried out without the consent of the patentee, and take place during the duration of the patent.

**Direct infringement**

Direct infringement occurs if a person makes, uses or sales the patented invention without permission. As such, direct infringement involves immediate engagement with the patented product or process. It occurs irrespective of the knowledge of the infringer. This is to say that the exclusive right granted to the patent owner does not allow for any defense based on good faith or ignorance. However, to request damage the patentee must have marked his product invention with notice of the patent or give actual notice to an infringer.

**Indirect infringement**

Indirect infringement applies where a person facilitates the act of infringement. In the Fromberg, Inc.V. Thornhill, it was held that:

> Even if a seller does not commit direct infringement, if he asks or induces another to do so, or if he sells a product with advertising or instructions about an infringing use, and intends to cause the buyer to make, use or sell a patented invention, he may be liable for inducing another to infringe as an indirect infringer.

Accordingly, if a person encourages another to make, use or sell the invention without permission, the person who induces would be liable for indirect infringement. For indirect infringement to take place, two elements need to be met: first the patentee must establish that the means supplied by the defendant relates to an essential element of the invention. Secondly, the supplier must know or it must be obvious to a reasonable person in the circumstances that the means are both “suitable” for and “intended” to be used in putting the invention into effect. The imposition of a knowledge requirement ensures that parties who do not knowingly benefit from the misuse of a patent are not caught as indirect infringers.

**Contributory infringement**

Contributory infringement is a recent concept that is regarded as a broader version of indirect infringement. It occurs only in connection with a sale of a component knowing it to be specially made or adapted for use in a patented device or process and the component is not a staple article suitable for some substantial non-infringing use. For instance, if all parts of an infringing device are sold by the person in a form so that they can be put together easily to make the infringing device, that person will be liable for a contributory infringement. Also if two persons act in concert so that each sells some of the parts necessary to make an infringing device, both will be liable for infringement.

Although good faith or ignorance is defense for direct infringement, that is not the case with contributory infringement. Thus, it is a defense for an accused contributory infringer to show that he had no knowledge that the goods were substantially suitable only for infringement. However, knowledge of the infringer could be easily presumed, as the contributory infringement is founded upon the sale of items for which there is no substantial use other than in the patented invention. It is, therefore, unlikely that a seller could market such items without the knowledge that there was an infringement occurring.

**Defenses to infringement**

Once the patentee has proved that the defendant has performed an activity that fall within the scope of the patent monopoly, the obligation then shifts to the defendant to show that the activity is exempted from liability by one of the defenses to patent infringement that are available to them. Generally the exceptions balance the interests of patentees against the interest of other groups such as non-profit making bodies, research and teaching establishments, prior users, as well as the state. (See details of the exceptions to exclusive patent right on pages___ ?

**Legal remedies to infringement**

Assuming that infringement is established, it would be necessary to designate the right remedies. In general, the remedies could be civil or criminal. Most often than not, the successful plaintiff in an infringement suit chooses damages or an accounting of the defendant's profit. In view of this, Art 24-of the patent proclamation provides that the patentee has a right of recourse against patent infringement. However, from this provision one cannot succinctly tell the specific types of remedies that a patentee might seek. Thus, to suggest the appropriate remedies, we should invariably resort to the civil code, civil procedure code and the new revised criminal code.

According to Art 1674 of the civil code, the patentee can seek the following remedies:

A. Relief of injunction

B. Damage

C. Destruction of the infringing devices

The other available legal remedy pertains to criminal sanction. In line with this, Art 720(2) of the new revised criminal code provides:

> "Whoever unlawfully so acts with respect to intellectual property rights, particularly industrial designs, models, or patented inventions, duty registered and protected by existing law or agreements, national or international, shall be punishable by a rigorous imprisonment not exceeding ten years"

# Chapter Nine: Rights Related to Patent and International Conventions

Under this section we will discuss certain areas that are related, but do not form part of the patent law. These subject matters include patent of introduction, utility model certificate, plant breeders' protection, and industrial design.

## 9.1 Patent of introduction

Art.18 provides that a patent of introduction may be issued for inventions that are introduced from abroad, and never patented before in Ethiopia, and for which the introducer declares that he takes full responsibility. It further

requires that the duration of patent under the foreign law must not expire. Supposedly, its major purposes are to promote and enhance the flow of foreign patent.

The requirement, and the right and obligations available to the standard patent are applicable to the patent of introduction. However, little is known as to whether the patent examined could deny issuance of patent of introduction on the ground that the foreign patented inventions lacks novelty or inventive step. If we say yes, we must be ready to address how we could realize the very purpose that underlies the issuance of patent of introduction.

The duration of patent of introduction is ten years. But, where the patent examinee is satisfied that the foreign patent works adequately, it may extend the patent of introduction by another five years: time.

### 9.2 Utility model certificate

Essentially, utility model certificate is designed to afford protection to small inventions that don't meet the measure of standard patent. In other jurisdictions, it is known by other self-explanatory names such as small patent, petty patent, and innovation patent. It is believed that utility model certificate provides a valuable addition to the existing intellectual property rights. Its proponent further argues that in many cases patent law is too difficult and expensive to obtain, and that proper protection of innovations by small and medium-sized enterprises demands a cheaper, quicker system of protection.

Under our patent law, utility model certificate is issued for minor inventions that possess novelty and industrial applicability. From this, one would conclude that the subject matters of utility model certificate are minor inventions. Now the question is: what is a minor invention? Is it an essential validity requirement for the issuance of utility model certificate?

Our patent law does not define and determine the scope of minor inventions, and hence the subject matter of utility model certificate is not known under our patent law, and there is no indication, under our patent law that requires that an invention must be a minor invention, as an essential validity requirement for the issuance of utility model certificate confers a shorter protection.

Principally, the duration of utility model certificate is five years. But, it can be extended by another five years where it is shown that the invention has been used sufficiently.

### 9.3 Plant breeders' right

As we have discussed earlier, patent law excludes plant varieties. In part this was because of the belief that the development of new varieties was part and parcel of traditional farming practices rather than a distinct activity of breeders. However, largely due to the growth of the seed industries over the turn of the 20th century, many states started to offer plant breeders right for a new plant variety. Inour country, the plant breeders' right is a new arrangement recognized by the plant breeders' protection proclamation no

#### 9.3.1 Validity Requirement

The plant breeders' protection proclamation (here after called PBP) requires that in order to be protected, the plant variety must be new, distinct, uniform and stable. The requirement that the variety be new is not as stringent as the novelty requirement in patent law. As per the Art of the PBP, a variety is new if there has been no sale or disposal propagating harvested material in Ethiopia more than one year prior to the application.

Under the PBP, the requirement of novelty takes three features. The first is that novelty is not lost by prior use (for example, growth) of the Variety, but only by prior sale or disposal. As such a plant can be grown in some ones garden for years prior to application and an application still success. Indeed it seems that the applicant still obtains a plant variety even if they have given away propagating or harvesting materials, as long as this was not for purposes of exploiting the variety. The second notable feature is that the nobility requirement permits for a grace period. That is, it allows for periods in which the applicant can commercialize the plant prior to grant without prejudicing the application. Thirdly, and quit uniquely, the only disposals or sales to be taken into account when considering the novelty of a particular variety are those by the applicant himself or with his consent. Sales of material by a third party that has independently developed the same variety will not render the variety lacking in novelty. In such circumstances, priorities are accorded to the first to apply. However, no protection is given to the independent developer via prior user's right, as a monopoly may be granted to a person over an activity or trade which someone else was doing already.

In addition to the requirement of novelty, the variety must be distinct, uniform, and stable. A variety is distinct if it is clearly distinguishable by one or more characteristics that are capable of a precise description from any other variety whose existence is a matter of common knowledge at the time of application. Distinctiveness may be measured through visible differences in outward appearance, such as height, size of leaves, leave color. It may also be tested through physiological differences associated with the variety particularly chemical or biological, structure, such as resistance to disease, or ability to withstand certain conditions.

A variety is uniform if it is sufficiently uniform in those characteristics that make it distinct. This means that nearly all examples of the variety must

bear the characteristics that make the plant distinct. However, it is not necessary for a variety to be completely uniform. This is to say that a variety will still be uniform even if a few of the plants that are grown do not exhibit the critical characteristics.

A variety is stable if the characteristics that make it distinct remain unchanged after repeated propagation. The idea is that while a first generation might be distinct and uniform, when a second generation is grown a large number of deviants appear. This requires an assessment to be made of the inherent capability of the variety to remain true to its original characteristics. However, as with the testing of uniformity, deviants that appear as a result of pollination by nearby crops are ignored.

### 9.3.2 Rights and limitation

A plant breeder's right confers on the breeders an exclusive right to commercialize propagating materials harvested materials, and derivatives. In a particular, a plant breeder is given the right to produce or reproduce the variety, to harvest the material for the purpose of propagation, and to sell or offer for sale. In addition, the plant breeder's right extends beyond the registered variety to cover varieties that are dependent on the protected variety. Dependent varieties include varieties whose production requires the repeated use of the protected variety.

The other important feature of the plant breeders' right is that it accommodates the competing interests of developers, users, and farmers, in particular. According to Art---- acts done privately and for non-commercial purposes, and acts done for experimental purposes are regarded as justified acts. Furthermore, acts done for the purpose of breeding or discovering and developing other varieties do not infringe plant breeders' right.

The other most important exception pertains to the privilege given to farmers. As per Art------

A farmer is authorized to use the product of his harvest for propagation or multiplication by him on his farm, and to sow them in his farmland. More ever, he is entitled to sell the products of his harvest in his farmland. However, it would constitute infringement if the farmer sells the harvest in the market, which in a way amounts to competing with the proprietor of the plant breeder's right.

### 9.4 Protection of industrial designs

Industrial design rights are intellectual property rights that protect the visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or color, or combination of pattern and color containing aesthetic value. An industrial design can be a two or three dimensional pattern used to produce a product, industrial commodity or handicraft.

Industrial design rights can be acquired through registration, or by use (like prior user in trade mark law). As such, industrial design rights can be created in registered or unregistered designs. Unregistered industrial design rights are common in the UK, and now under the European Union. In many countries, however, industrial design rights are acquired only through registration. Our system of industrial design right is a typical example of the traditions which require registration for obtaining industrial design right.

Our system of industrial design rights act affords five years of protection to industrial designs. Such period may be extended for two periods of five years each by an application for renewal. As such, subject to renewal, the protection of industrial designs is for upto fifteen years (15 years). During the existence of an exclusive right, no person can "make, import for the purpose of trade or business, or sell, rent or offer or expose for sale or rent, any article in respect of which the design is registered.

**Requirements for industrial design protection**

Art. 46 provides that for an industrial design to be protected, the design must be new, and possess practical applicability. According to para.2 (a), an industrial design is considered new when the sum total of its essential features is different from that of another design known either in Ethiopia or abroad and has not been disclosed for more than one year before the date of filing of the application. According to this provision, a design will lack novelty if it is the same as a design that is revealed by the prior art, or if it differs only in respect of immaterial details.

Largely, the concept of novelty in design law seems to be similar to that employed in patent law. This is because in both cases novelty is decided in light of state of art. As per Art46 (2) (a), the relevant state of art is that existing at the date of application for registration or, where priority date is claimed, the foreign date. And similar to the patent law, the state of art covers designs which are registered or published in Ethiopia and anywhere else in the world.

In addition to novelty, Article 46(1) requires that the design must possess practical applicability. This means that the design must be capable of serving as a model for repeated manufacture. In other words, the industrial design should enable the industry to produce a product, industrial commodity or handicraft.

**Exclusions**

Not all designs qualify for protection under the industrial design rights. Although the window of exclusions are deep and wide in other jurisdictions, our system of industrial design right excludes only the following matters: a) an industrial design that is contrary to public order or morality, b) an industrial design that serves solely to obtain a technical result.

## 9.5 International treaties

Not surprisingly, international treaties have long played an important role in shaping national laws. The international treaties which in one way or another deal with the creation, protection and limitations of patent rights are the Paris convention, the Patent Cooperation Treaty, TRIPs, and the Rio convention on biological diversity.

### 9.5.1 Paris Convention

The Paris Convention for the Protection of Industrial Property, signed in Paris, France, on March 20, 1883, was one of the first intellectual property treaties. As a result of this treaty, intellectual property systems, including patents, of any contracting state are accessible to the nationals of other states party to the Convention.

The other important feature of the Paris Convention is that it established the principle of priority right. The priority right provides that an applicant from one contracting state shall be able to use its first filing date (in one of the contracting state) as the effective filing date in another contracting state, provided that the applicant files another application within 6 months (for industrial designs and trademarks) or 12 months (for patents and utility models) from the first filing.

### 9.5.2 Patent cooperation Treaty

The Patent Cooperation Treaty (PCT) is an international patent law treaty, concluded in 1970. It came into force as of 1978. The key feature of the treaty is that it provides a unified procedure for filing patent applications to protect inventions in each of its Contracting States. A patent application filed under the PCT is called an international application or PCT application. Under the PCT, an applicant can only apply to an international office and get an international preliminary examination. It then results in a search performed by an International Searching Authority (ISA), accompanied with

a written opinion regarding the patentability of the invention which is the subject of the application. It is optionally followed by a preliminary examination, performed by an International Preliminary

### 9.5.3 TRIPs

The basic feature of the TRIPs is that it aims at setting common standards with respect to the requirements of patentability, and the subject matters of patent which should be applied in the contracting states. In spite of its underlying objectives to standardize national laws on the patent system, it is often criticized for its failure to show a demonstrable advances from international treaties adopted before it. While the developed countries wish for expanding the subject matters of patent so as to include particularly the patenting of the byproducts of genetic engineering, most of the developing countries require that TRIPs shall ensure access to food, medicine and genetic resources. As such the member states are in the process of reviewing and updating the 1994 agreement. While the details of the negotiations are still unclear, one area that is on the agenda is the review of Article 27.3(b). This provides a limited exception in relation to plant and animal inventions to the general rule that patents should be granted in all areas of technology.

### 9.4.4 The Rio Convention on Biological Diversity

The Rio convention on biological diversity was signed in June 1992. While the convention was not directly concerned with patent standards, it heralds a new approach to the way biological resources are used. The convention provided developing countries with an opportunity to voice their unhappiness at the exploitation of indigenous resources by firms from the developed world. There have been numerous examples of situations where this has occurred: The Neem tree traditionally used in India to make medicines and insecticides has been the subject of thirty-seven patents in Europe and the USA; there have been applications relating to the use of

turmeric for treating wounds, and inventions based on genetic material obtained from the Hagahai people, a small ethnic group in Papua New Guinea, have been patented. The Rio convention on biological diversity offers a potential basis to control the uses made of traditional knowledge. The preamble recognizes the close and traditional dependence of many indigenous and local communities embodying traditional lifestyles on biological resources. It also recognizes the desirability of sharing equitably the benefits arising from the use of traditional knowledge, innovations and practices relevant to the conservation of biological diversity and the sustainable use of its components.

While the Rio convention may not have an immediate impact on patent law, it does represent a change of attitude towards the way natural resources are exploited, which may impact upon the way patents are viewed. In particular,r it may help to undermine the pro-patent attitudes that have dominated for the last forty or so years.

**Self check questions**

1. What are the specific policy matters that underlie the patent system?
2. Z obtained a patent for a cylinder shaped mouse trap on July 2007. Unlike the killer traditional mouse trap that invariably exposes children to contamination with the viruses of the deceased mice, the purpose of the mouse trap is to trap mouse alive into the jar of water in the cylinder. It is a very safe device. Moreover, a single cylinder shaped mouse trap can be reused indefinitely without the risk of contamination of virus from the drowned mice. In the course of transaction, however, Z has known that Y is manufacturing and marketing oval shaped mouse trap that contains a jar for immersing mouse alive. While the oval shaped mouse trap performs a similar purpose like the cylinder shaped mouse trap, the oval shaped mouse trap further involves a ring attached in the upper outer end of the jar that is used for alarm when the mouse is immersed to the jar alive. The purpose of the alarm as described in

the product of the oval shaped mouse trap is to give notice for immediate disposal of the mouse.

Supposing that Z asked you to give him advice on whether to sue Y, what possible theories of infringement would you use to develop your actions against Y.? And assuming that you are the judge looking into the matter how would you resolve the case?

3. Discus the basic difference between the requirement of novelty and non-obviousness.

4. Discus whether the private use of information and internet sources constitute state of art.

5. Some people argue that patent right does not exhaust with respect to specific articles placed in

foreign market. What is your reflection? Does the patent law make a distinction between domestic

and international exhaustion?

6. Discus the requirements for plant breeder's right in light of the standard patent.

7. Try to state the basic reason why the requirement of non-obviousness is missing under the utility model certificate.

# Part four: Trademark law

## Chapter Ten Protection of Trademarks

### Introduction

In the ancient times traders applied marks and symbols to indicate ownership. For example, Egyptians, around 2000 BC, used to brand their cattle, and marked their sheep as a way of identifying their livestock. Similarly, merchants also marked their goods. To specify the source of the goods the original, function of trademark, therefore, was simply to indicate the source or the owner of the goods or animals.

An important change to the traditional role of trademark occurred around the beginning of the 20th century. In this period, trademarks shifted from being merely indicators of origin to valuable assets in their own right. Thus, trademarks became instrumental to build consumer goodwill. Indeed, the mark itself (accompanied by advertising) gave rise to a desire for product that was distinct from a desire based on a belief that the product would be of a particular quality. As such, the trademark serves more as a marketing tool, and less as a means of identifying a product's source.

Nowadays, trademark is taking new characters. While the traditional and the modern notion of trade make functions to identify source and build commercial reputation, recent developments demonstrate that trade mark extends beyond a mark or a symbol to encompass the personality, style, or aura associated with a particular product. A typical example of this is the coca-cola, which is perceived as more than a product, a reputation for a quality and a mark. Instead, it is an image and a way of life that is instituted through the presentation, marketing, advertising and packing as well as the production of the product.

**Objectives**

After going through the Unit, you will be able to:

- Understand the basic notions of trademarks law
- Explain the justification for trademarks law
- State the procedures for registration of trade marks
- Analyze the grounds for refusal of trademarks registration
- Discuss issues related to infringement and enforcement of trademarks
- State the basic features of international conventions on trademarks

## 10.1.1 Definition of trademarks

Trademark is a broad subject matter. At the general level, custom and positive law defines the notion of trademark as any sign or mark that distinguishes the origin of one product from another. Of course, even in our days, the meaning of a mark or sign is not adequately established. As such, although trademark owners welcome the open-ended notion of a trademark, some notorious problem has occurred in relation to registrability of certain marks. In particular, it had been endlessly argued whether the shape of goods and "sensory marks" such as smell and sounds are marks eligible to trademark registration. Be that as it may, the notion of marks or sign is ever increasingly expanding.

The extended notion of trademark can be observed by looking at the trademark statutes of different countries. The British trade act of 1994, for example, defines trademark as:

> "Any sign capable of being represented graphically, and which is capable of distinguishing goods or services of one undertaking from those of others. A trade mark may, in particular, consist of words including personal names, design, letters, numeral, or the shape of goods or their packaging"

According to the above definition, for a trade mark to be validly registered, it is necessary to show that it consists of a sign. Indeed, no statutory definition is given as to what is meant by this term. However, it is construed that the non-exhaustive lists of trademark under the definition potentially allows other things that are capable of distinguishing the origin of one product from another. While not mentioned under the definition, it was held that colors are prima facie registrable where they are used as a trademark, the main problem being showing that the mark is distinctive. It was also contended that sensory marks are eligible for trademark registration.

Similar to the British 1994-trademark act, the TRIPS provide that.

> "Any sign or any combination of signs capable of distinguishing the goods or services of one undertaking from other undertaking shall be capable of constituting a trademark. Such sign, in particular words including personal names, letters, numerals, figurative elements and combination of such sign shall be eligible for registration as trademark"

Perhaps, the above definition is the most comprehensive definition of trademark. Unlike, the British 1994 trademark act, the TRIPS explicitly make combination of colors as sign eligible to trademark registration. It can also be argued that there is nothing that can be used as a mark, save absolute and relative ground for refusal of trademark registration under national legislations (see---).

When we look at our trademark law, the proclamation No 50/2006 for trademark registration and protection defines trademark as:

> "Any visible sign capable of distinguishing goods or services of one person from those of other persons. It includes design, letters, numerals, colors or the shape of goods or their packaging or the combinations thereof"

Comparatively the above definition seems to be narrow in scope. Unlike the TRIPS and the British 1994 trademark Act, it requires that the sign must be visible. Its Consequence is that it excludes non-visible marks such as signs, smells and sounds.

### 10.1.2 Basic features of trademark

Trademark is wieldy known by its two related features: sign and distinctiveness. While the registrability of marks varies from one jurisdiction to another, it is required under any jurisdiction, that it must be a sign that is capable of distinguishing one undertaking from another. Deep inside, the bound of 'sign' is always ill determined. In many jurisdictions, it is an open-ended bundle that potentially represents anything, object, color

or sense that is capable of distinguishing the origin of one product from another. There are few exceptions to the open-ended notion of the term 'sign'. The most typical examples of such exceptions is found under our trademark registration and protection percolation that excludes non-visible signs such as sound, smells, and possibly tests.

The other fundamental features of trademark is "distinctiveness" which represents the phrase '---capable of distinguishing one undertaking from those of other undertakings. Naturally, a trademark must be distinctive if it is to serve its function of identifying the origin of goods and services. As such modern trademark law is founded on the principle that trademarks function to guarantee to the consumer or end-user the identity or origin of the product to which it is applied. Hence, if a trademark is to protect consumers from deception or confusion over what they are purchasing, then the trademark must be identifiable and different from other marks.

In the course of transaction, distinctive marks don't only serve to identify the origin of products but also they become instrumental in building commercial reputation. As such, to the owner of the mark, trademarks serve as a marketing tool in its own right.

Having regard to the role it plays, trademark is invariably bound to be distinctive. The jurisprudential question rather converges on what is not distinctive mark.

The jurisprudential debate that surrounds the character or nature of distinctiveness is not over. However, it is often said that marks that describe (hence descriptive mark) the nature, quality or, quantity or type of a product are straightforward non-distinctive marks. For example, 'soap' for soap is frequently mentioned as typical descriptive term. Similarly, orange for orange would serve only to confuse the consumer, for it would tell nothing about the different origins of a selection of oranges produced by different producers.

The most distinctive marks are arbitrary or fanciful marks. Arbitrary and fanciful marks are naturally unrelated marks to the goods they are applied to. As such, they convey nothing about the nature of the product except through knowledge of the market. For example, the numeral symbol B29 conveys nothing about soap except to those knowledgeable about that trade.

However, it must be noted that an originally descriptive mark may turn to be distinctive at market place through the use of the mark by buyers for a relatively longer period of time. For instance, the mark "red" would be descriptive of apples, and then, ineligible for trade mark registration. However, if a producer effectively markets his apples with the term 'red' and if after a while consumers immediately associate the mark "red" with only one producer or apples, the consumer identification makes the mark eligible for trademark registration. A 'Red' apple, under the example, connotes a certain producer, and not colors at all. The second meaning that a mark acquires through its continuous use by buyers is known as secondary meaning.

> Secondary meaning is acquired rather than inherent and is developed in the market place through use that makes the mark distinctive of the owner's goods or service. It essentially implies that an otherwise descriptive mark has been used so long as it has come to be synonymous with the goods or service with which it is connected, at least with respect to the contents of the particular trade and with respect to the consumers with the market.

At least theoretically, proof of secondary meaning is difficult to establish. Under the United States trademark, there is an established practice that requires the applicant to demonstrate five continuous years use of the mark in the market. Hence, a user of the mark who shows that he has used the

mark for five continuous years may benefit from the presumption despite the fact that the mark is facially descriptive or non distinctive.

### 10.1.3 Trademarks Vis -a -Vis related concepts

#### A. Trademarks as distinguished from patent and copyright

Before, we expose the difference between trademarks, and patent and copy right, it would be helpful to explain how they are related to each other. Or what similar features do they share? It is long established that trademark, patent and copyright are the major subject matters of intellectual property law. In simple parlance, intellectual property law regulates the creation and exploitation of intellectual assets. Even in the jurisprudence of intellectual property law, the term "intellectual asset" is broadly construed to include ideas, expression of ideas, sign/mark, or design etc. Broadly classified, patent protects ideas (or inventive thought) that brings a specific solution to a problem in the field of technology, copy right protects expressions, and trademarks protect marks or signs that are capable of distinguishing the origin of one product from another. Thus, trademark is related to patent and copy right because it deals with protection of intangible assets that do not have material existence in their own right. In other words, trademarks, patent and copyright are related to each other because they share the incorporeal nature and character of intellectual property law.

Apart from being the subject matters of intellectual property, largely, trademarks, patent and copyright are distinguished from each other both in purpose, and content. Trademark protects marks or signs that indicate the commercial source of goods or services. However, trademark cannot be used to stop others from copying the goods or service to which the mark is applied. This is not, however, the case with patent and copy right. Both patent and copyright prohibit unauthorized copying of goods by third parties.

Furthermore, the arguments that are used to justify patent, and copyright, which focus on the protection of labor and personality (whether as recognition of a right or as a reward) are difficult to apply to trademarks. For example, while patent law requires that the inventor must demonstrate a novel thought that is never anticipated before, a trade mark may consist a personal name, or numerals or shape or a word that is already known and in use in the public domain matters. Similarly, copyright law requires that a work must be original, i.e. a work must be the author's own creation. However, it is immaterial under a trademark law that a mark is original, or known. As long as a mark is capable of distinguishing the origin of one producer from those of other products, it would be eligible for trademark registration.

### B. Trade name-Vs- trademark

Consumers are sometimes confused on the difference between trademarks and trade names. However, even if they appear to be similar, they are different in that a trademark is attached on goods, whereas trade name is simply a business name. As such, trademark indicates the commercial source of goods, but a trade name is the name by which a business is known by third parties and the state.

### C. Trademarks and Goodwill

The fundamental advance in the function of trademark inthe late 20$^{th}$c is that trademarks have become marketing instruments in their own right. By using a mark, traders have shifted their focus from indicating that the products originated from them to building a good will on their marks. Good will is the ineffable thing, the magnetism that leads customers to return to the same business or buy the same brand. In the IRC .V. Muller e¯Co's Margarine, case it was stated that

- Goodwill is a good name or reputation that connects consumers with a business. It is the attractive force that brings in custom. It is the

> one thing that distinguishes an old-established business from a new. Goodwill is the benefit and advantage of the business at its first start. The goodwill of a business must emanate from a particular center or source. However, widely or extended or diffused its influence may be, good will is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates. Goodwill is composed of a variety of elements. It differs in its composition in different trades and in different businesses in the same trade- one element preponderate here and another element there.

As the above paragraph expounds, the goodwill must have a power of attraction sufficient to bring customers home to the source from which it emanates. Accordingly, the fact that a trader has started business does not necessarily mean that there will be goodwill. This is because customers might use the business; purchase the goods or service, because it is conveniently located or just because it is there. Rather, for goodwill to exist, customers must be buying the goods or using the services as a result of the reputation that they have developed.

The manifestation of goodwill as described above seems to be envisaged under our Commercial Code. Art.130 provides that "the goodwill results from the creation and operation of a business and is a value that may vary according to the problem or possible relations between a trader and third parties who may acquire from him goods or services." As per this provision, for goodwill to be created, there is a business in operation. Moreover, there must be commercial relationship between the business and customers. The problem with this provision is that it does not explicitly envisage whether goodwill arises in relation to marks, name, sign or logo. The provision seems to imply that good will is associated more with trade name (i.e., business name) than trademark. However, despite the vagueness of Art.130, it will still be absurd to contend that goodwill is not concerned with marks.

It is clear that goodwill is typically developed through the use of words such as Coca Cola, Nike, Abyssinia (spring water) that are understood as indicating that a product or service emanates from a particular trade source. Thus for the provision to make sense, the phrase ……..”From the creation and operation of a business…” must be construed flexibly to include marks as manifestation of goodwill.

### 10.1.4 Types of Marks

There are many types of marks that are capable of distinguishing the commercial source of one product from those of others. This section presents the most commonly known marks, namely, trademark, service mark, collective mark, certification marks.

#### Trade Marks and Service Marks

Originally, the term trademark was understood as referring to a mark or a sign that indicates origin of product or goods or services. However, conventionally, the reference to trade marks became narrow, representing only marks that applied or attached on goods, not services. As such trademarks that apply on goods are sometimes referred to as product trademarks. In essence, service marks are trademarks, and hence they are identical to trademarks in all respects, but they are different from trademarks in that they are used to indicate the source of services instead of goods. Under our trademark law, trademarks and service marks are regulated in the same way.

To constitute a service mark, a word, phrase, or device must be something more than simply the business name of an enterprise. This is no more than saying that the mark must identify and distinguish the service rendered, more than identifying the enterprise as a business organization.

#### Certification marks

A certification mark is used in connection with goods or services to indicate that those products or services originated in a particular region, or that they are of a particular nature, quality, or characteristics or that they were produced by a member of a particular organization. The certification mark helps an organization to indicate that the goods or service meet certain quality or standard, thereby excluding all others from making the same claim with the same or similar marks that might cause confusion. However, it must be noted that the ownership of a mark does not convey what ordinarily are thought of as exclusive right. In particular, the owner of a certification mark cannot prohibit use of the mark to anyone who maintains the standard or characteristics of the mark.

Generally, certification mark are subjects to the requirements for the registrability of trademark. However, unlike trademark that prohibits use of geographical names, a certification mark can be used to certify the geographic origin of goods or service.

The certification of mark does not seem to have entered into the body of our trademark law. It is not envisaged under the commercial code. And it does not seem to be suggested under the new trademark registration and protection proclamation, either. However, in other jurisdiction, it is as important as trademarks, and collective marks. The Lanham Act, in the USA, for example, provides for registration and protection of certification marks.

## Collective marks

Collective marks generally provide a device by which a number of individuals can identify themselves as members of a particular group. It indicates that either goods or services are produced by members of a collective group or simply indicates membership in a particular group.

There are two forms of collective marks: collective trade (or service) mark, and collective membership marks. Collective trademarks are conventional marks in the sense that they indicate the origin of the product or service, which is a member of the group. However, it does not confer ownership of the mark in the producer or provider, but in a group of which each producer or provider is a member. On the other hand, collective membership marks are used to indicate membership, not origin of goods or services.

Under the new trade mark registration and protection proclamation, collective trade mark means 'a trade mark distinguishing the goods or services of members of an organization, which is the owner of the trade mark.' This provision underlines that collective trademark is used to distinguish the goods or services of members of an organization. And it provides that the ownership of the mark belongs to the organization, not individual members

### 10.1.5 Justifications for the legal protection of trade marks

A number of different rationales have been used to justify trade mark protection. The arguments which are used to justify copyright, designs, patents which focus on the protection of labor and personality are difficult to apply to trade marks. This is because while some trademarks may be invented, novelty or originality is not a prerequisite. Rather, the justification for trade mark protection relies on the capacity of the trademarks to supply information on the quality of the goods or services that the mark is applied the and the ethical issues that govern fairness in business.

#### Information

Perhaps the most convincing arguments for the protection of trade signs is that they operate in the public interest insofar as they increase the supply of information to consumers and thereby increase the efficiency of the market. These arguments highlight the fact that trademarks are a short

hand way of communicating information that purchasers need in order to make informed purchasing choices. By 'preventing others from copying a source-identifying mark' trademarks law reduces ' the customer's cost of shopping and making purchasing decisions, for it quickly and easily assures a potential customer that this item-the item with this mark –is made by the same producer as other similarly marked items that he or she liked( or disliked) in the past.

The information provided by the mark is particularly important in relation to goods that a consumer cannot judge merely through inspection. Where the quality and/or the variety of goods is not readily apparent, trademarks enable consumers to choose the product with the desired features. Trademarks also encourage firms to maintain consistent quality and variety standards and to compete over a wide quality and variety. Consequently, it has been said that the

"Primary reason for the existence and protection of trademarks is that they facilitate and enhance consumer decisions and… they create incentives for firms to produce products of desirable qualities even when these are not observable before purchase".

Similar to the above assertion, our trademark registration and protection proclamation no.501/2007 under its preamble provides that '… trade mark …play an important role in guiding customers` choice and protecting their interests'. In here the trade mark registration and protection proclamation does not explicitly mention the function of trade mark registration as an incentive for the production of quality products. However, by emphasizing on the source identifying role of trade mark registration, it can be contended that our trade mark registration and protection proclamation as well encourages the production of quality products.

**Ethical Justification**

Ethical arguments have also been used to justify the trade mark regime. The main ethical ground for the protection of trademarks is based on the idea of fairness or justice. In particular, it is said that a person should not be permitted 'to reap where they have not sown'. More specifically, it is said that by adopting 'someone else's mark, a person is taking advantage of the goodwill generated by the original trade mark owner'. Through this agricultural metaphor, the justification for protecting trademarks is linked to the broader arenas of the protection of traders against 'unfair competition' and 'unjust enrichment'

While the classical cases where a trader uses someone else's trademark on identical goods are clearly objectionable under the principle that a person should not reap what he has not sown, the principle has also been used to justify more extensive protection. For example, it is said that the objection to comparative advertising is that even though it does not confuse consumers, it takes advantage of the reputation that the earlier trade has built up. Similarly, the objections which are made to marks being used on dissimilar goods is that it takes advantage of the repute of earlier mark.

Other ethical arguments have also been used to justify trade mark protection. For example, it is sometimes argued that the misuse of trademarks is justified by reference to moral norms which treat truth-telling as a core good (rather than as necessary for the maintenance of efficient markets). As such it is argued that the law ought to allow a person who suffers harm as a result of lying to bring an action against the liar. Misrepresentations as to the source of goods are equivalent to lying or deception and are simply wrong. While arguments of this sort would justify the law of trademark in some form, they would not appear to justify the protection of one trade mark owner against the innocent adopter of a mark, nor against uses which the public would not understand as indicating a

business connection with the owner. As such, it would only support a very narrowly confined law of trademarks.

## 10.2 Acquisition of rights and registration of trademark

### 10.2.1 Acquisition of rights

It is asked how and when a person may acquire rights over trademark. In particular, it is asked if a person could obtain trademark right by attaching a mark over his goods or service or even by advertising his desire to use the mark in the future in connection to his products or services. Certainly, trademark right is not automatic to the use of the mark over goods or services. In many countries right in trademark emanates from prior use, and registration, or only from registration of the mark.

The concept of prior use has been hatched and developed in the common law trademark law. As such, prior use is understood as the actual use of a mark in the market place over a reasonably extended period of time. It has the same effect with registered trademarks. Thus, like an owner of trademark by registration, the (the prior user) can prohibit similar or identical use of the mark by others. However, while objecting to similar marks, the prior user assumes the burden of proving that his mark was actually in use in the market place for some reasonably longer time before the use of the mark by the defendant.

The other most common acquisition of trademark is registration. According to this method, rights in trademark become effective only after a duly established authority registers it. In many countries, rights in trademark are acquired by registration. Our country is one of them. As per Art.4, a right in trademark is acquired and is binding on third parties upon the grant of a trademark registration.

### 10.2.2 Registration of trade mark

As discussed earlier, many countries require registration of trademarks as a validity requirement. Some authorities resist the registration system as complicated, expensive and unnecessary. However, it is thought that the advantages of the registration system outweigh its potential disadvantage. In particular, it is argued that the registration of trade mark would enable third parties to discover whether other traders had claimed the right to use a particular sign and, where necessary, to locate the proprietor of the sign.

The registration process involves certain procedural steps. Under our trademark registration and protection proclamation, the registration process can be divided into four stages: I) filing of the application, ii) examination, iii) publication, opposition, and iv) registration

#### A. Filing of the application

As per Art. 8, an application for a trademark registration shall contain:

i. Request for registration, including the name and address of the applicant, in the form prescribed under the regulation.
ii. Statement of the goods and services for which the mark is to be registered.
iii. Three copies of a reproduction of the mark (a representation of the mark).
iv. Prescribed fee as may be determined by the regulation.
v. One trademark.

Some of the above requirements are self-explanatory. Thus, we shall discuss only those requirements that demand further explanation.

**Listing of goods or services**

To the trademark registrar, it is highly indispensable that the applicant precisely states goods/or services to which the trademark register applies. This is simply because the statement of the goods/services determines the

scope of the mark. Art.8 (3) (b) requires not only listing of goods or services but also their international classification. Although there is no indication, the international classification referred to under this provision may perhaps mean the international classification of goods or services adopted in 1957 at Nice. Under the Nice international classification of goods /or services, there are thirty four classes of goods, and eight classes of services. The purpose of the classification process is mainly to facilitate the searching of earlier competing marks.

## Representation or reproduction of a mark

The trademark applicant is also required to deposit a representation of the mark. Among others, reproduction of the mark helps to define the scope of the trademark owners right and delineate exactly what sign is protected. It also helps to ensure that third parties are able to search the register and to ascertain things such as the scope of existing marks and to determine whether a fresh application conflicts with earlier marks. And finally, the reproduction of the mark requirement makes the bureaucracy dealing with the sign, its classification and comparison with other signs, more manageable.

**Prohibition of series of marks**

Art.8 (2) provides that an application for registration shall cover only one trade mark. This is clearly a prohibition of a series of marks under one application i.e., one application for one mark. It is not clear why it prohibits register of a series of marks in a single registration. In other jurisdictions, say in the UK, an applicant is allowed to register a series of marks under a single registration. And its major purpose is to reduce bureaucracy, and other expenses. In registering a series of marks, the applicant is required to include a separate representation of each mark in the series.

**B. Examination**

Once the filing process is completed, the registrar further conducts a search for similar marks, and an examination of the application to ensure that the proposed mark does not cover the inadmissible marks envisaged under the trademark registration and protection proclamation. In particular, the registrar, investigates whether the proposed mark:

- Fulfills the formal requirement under Art.8
- Complies with the substantive requirements under Arts. 6 and 7

**C. Publication and opposition**

Once the registrar accepts an application, the next step will be publication of the mark. The purpose of the publication, as per Art. 12, is to allow third parties to oppose the registration of the mark. As per Art.12, the invitation for opposition may be published in the intellectual property Gazette or a newspaper having nation wide circulation at the cost of the applicant. This may also be supplemented by a radio or television broadcast or a website notice. However, while opposition, as per Art.12, occupies an important place in the registration process, it has made it costly. As per Art.13, opposition is not going to be for free. Thus to file opposition, the opposing party has to pay a prescribed fee. I suggest that this requirement of opposition fee would discourage third parties from instituting their opposition. And, as such, the legislator does not seem to have contemplated that the opposing party could be residents (perhaps poor people) other than traders, as opposition of a mark on grounds of morality, for example, may invariably need the comment or opposition of residents. Thus, it does not sound fair to request the community to pay simply for challenging the registration of a mark.

**D. Registration**

Substantive requirements and the subsequent announcement for opposition registration of the mark come into picture. Thus as per Art.15, where the

registrar is convinced that both formal and. As has been discussed, registration is not automatic to the filing of application, nor is it a very short process. It further involves examination by the registrar, and a hearing for opposition by third parties. Largely, due to the expansion of industries and commercial services, and the corresponding proliferation of marks, as well as the mass of exclusion to marks, there is no less probability that the applicant may fail. The registration, an the last day, would, therefore, make the applicant flourish or perish. After going through an examination of the mark in light of formal and substantive requirements, and the subsequent announcement for opposition, registration of the marks follows. Art.15 provides that where no effective opposition is made, the registrar should register the mark. Notice of registration may be made in the same way to the notice for opposition. However, it should be noted that the decision of the registry could be appealed to the regular courts having jurisdiction**.**

## 10.3 Eligibility of trademarks for registration

Although the role of trademark is ever expanding beyond our imagination, primarily, it serves to indicate the origin of goods and/or services. Thus the standard for the eligibility of trademarks for registration is basically determined whether the mark is distinctive. Generally, a trademark shall be eligible for registration if it fulfills the following conditions:

a) It must be a sign as defined under Art.2 (12) which includes words, designs, letters, numbers, colors or the shape of goods or their packaging or the combination thereof;
b) It must be capable of being represented graphically as envisaged under Art.8(3)(a);
c) It must be capable of distinguishing goods or services of one person from those of others;
d) It must be used or proposed to be used in relation to goods and services;

e) The use must be for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be,

f) And some person having the right, either as proprietor or by way of permitted user, to use the mark.

## 10.4 Trademarks ineligible for registration

Generally, trademarks are inadmissible for registration if they fail to meet one or more of the conditions for eligibility of trademarks for registration. In addition to the exclusion of marks that may be implied from the condition for trademark registration, our trademark law lists several grounds for inadmissibility of marks for trademark registration. For simplicity the grounds for exclusion of marks can be divided into: absolute ground, and relative grounds for refusal.

### 10.4.1 Absolute grounds for refusal

Absolute grounds for refusal refer to the exclusion of marks on the basis that they contravene with the substantive requirements. These include the following categories of trademarks:

i. Non-distinctive
ii. Descriptive marks
iii. Misdescriptive marks
iv. Marks contrary to public morality

**Non-distinctive**

Art.6 (1) (a) cum.Art.5, provide that trademarks that are not capable of distinguishing goods or services of a person from those of other persons shall not be eligible for registration. Putting this in other terms, marks that are devoid of any distinctive character are not eligible for registration. Thus, by ensuring that the only marks that are registered are those that are distinctive, the law helps to ensure that trademarks function as indicators of

origin. Now, the most difficult question is what is not distinctive? Or, what does devoid of distinctive character imply?

The trademark registration and protection and protection proclamation does not explicitly provide lists of non-distinctive marks. However, from the inadmissible lists under Art.7, we can identify some typical examples of marks that are excluded nearly as non-distinctive. These include:

a. A trade mark consisting exclusively of signs or indications which have become customary in the current language use in relation to such goods or services for which the registration of a trademarks is applied or which have become customary in economic and business activities.
b. A trademark that consists exclusively of the surname of the applicant

The first exclusion is founded on the basis that every one should be allowed to use a sign or a mark that has become customary (or commonly used) in the current language. This in a way prohibits monopoly over marks that are public domain. There is, however, an exception to such prohibition. This occurs, as per Art.6 (2), where it is shown that the trademarks have been used in Ethiopia as distinguishing the origin of a product that it applies to. This presupposes that there were no other people who have used the mark. So, if other people were also using the trademark, the mark would lose its distinctive quality, and hence the exception would not apply.

As regards surname, it is thought that they lack distinctive quality. This is partly motivated by the inconvenience that the grant of right would have upon other traders who shared the same name. As such, third parties cannot be prohibited to use their name or, even the name of others that could be similar to other trademarks. Thus, where two or more people use

the same surname or family name, consumers would not be able to assume that the name operates to indicate one particular supplier.

**Descriptive marks**

The second absolute grounds for refusal of trademarks relate to descriptive marks. Art.6 excludes from registration trademarks which consist exclusively of sign or indications which may serve, in trade, to designate the: i) kind, quality, quantity, ii) intended purpose, iii) value, iv) geographical origin, v) the time of production of the goods or of the rendering of the services or vi) other characteristics of the goods or services.

Although, exclusion of descriptive marks which characterize goods or services is in part motivated by a desire to protect traders, the primary reason why the various marks are excluded is that they would not of themselves be taken or understood by customers to indicate the origin of goods.

> "The more apt a word is to describe the goods of a manufacturer, the less apt it is to distinguish them from the goods of others."

Before looking at each of these subcategories in more detail, let's make a general explanation on the idea of "exclusivity."

**Exclusivity**

The exclusion under Art.6 (1) (e) applies where the trademark consist exclusively of signs which characterize the goods and services. This gives rise to the question of what is meant by 'exclusively'?

The term 'exclusively' is often construed as covering the whole of the mark. In other words, 'exclusively' means that the whole of the mark must be descriptive. This implies that if it can be shown that part of the mark is non-descriptive, and then it will fall outside the remit of Art.6 (1) (e), as long as that part is not significant or de minim is. Thus marks that are made up

of descriptive and non-descriptive matter can be registered. For example, ZUM fruit could not be treated as being 'exclusively' descriptive of fruits because while fruit is descriptive, ZUM is an arbitrary term. However, it must be noted that a mark would not become registrable by the mere addition of trivialities, such as the addition of prefix or affix terms, or prepositions such as 'The'. This is to say that for a trademark not to fall under Art.6 (1) (e), it is necessary that the additional element is fanciful, imaginative, unusual or peculiar.

In effect, there must be some part of the mark (above and beyond the descriptive parts) that is distinctive. With these general points in mind, we now turn to look at the categories of descriptive marks excluded under Art.6 (1) (e).

### i) Kind, quality or quantity

As per Art (1), marks, which exclusively serve to designate the kind, quality or quantity of goods and services, are excluded from trademark registration. For example, a mark that says "colligate", for a colligate products is ineligible for trademark registration because the mark designates the kind or the type of goods as opposed to non-related terms. And similarly use of a mark, which reads 'hair curl' for an ointment that makes hair curl, would not be registered as it simply indicates the quality or the function of the goods to which the mark applies.

### ii) Intended purpose

A mark that describes what the product does, or suggests what the consumer is to do with the product or outlines would not be registerable. Consequently, a phrase such as "Great excitement "would not be registerable for alcoholic beverages because competitors might wish to use the phrase when advertising their own products.

### iii) Value

Trademarks that consist exclusively of signs that refer to goods or services will not be eligible for trademark registration. The reason is that consumers are unlikely to treat references to value as indications of origin. It also ensures that other traders are free to use common words and expressions to refer to things such as price and value.

**iv) Geographical origin**

The other exclusion envisaged under Art.6 (1)(e) pertains to the signs that consist of geographical names and places essentially, the bar against the geographically descriptive mark to prohibit monopoly of a term by one party that should be in the public domain.

> 'Just as a manufacturer is not entitled to a monopoly of a laudatory or descriptive epithet, so he is not to claim his own territory, whether country, or town, which may in the future if not now, be the seat of the manufacture of goods similar to his own.''

Many marks that consist of geographical names are ineligible for trademarks registration. However, it should not be assumed that there is a blanket prohibition on the registration of all geographical names. For example, if it is shown that consumers associate a geographical name with single sources for particular products, the mark could be eligible for trademarks registration. As such, the registrability of a mark should be determined with respect to the market and the goods of the applicant. Within the market test the inquiry would be whether the term conveys an immediate geographical sense to the consumer with respect to the particular product. If otherwise, geographical term conveys something rather than geographical significance, it is essentially arbitrary, because its relationship to the product is not natural but contrived and unrelated to any inherent meaning in the mark.

**Used marks**

So far we have discussed marks that are inherently ineligible for trademarks registration on the basis of non-distinctiveness. That is, we looked at the registrability of marks in their natural or unused state. This is to explain that it is possible to register otherwise ineligible marks by use. In this regard Art.6 (2) provides that "the provisions of Sub Arts. f and j (those trademarks excluded on the ground that they are non-distinctive, descriptive, or generic terms) of this article do not application for registration of a trademark, if the trademark has as a result of its use becomes well known in Ethiopia". The result of this provision is that even if a mark is inherently lacking distinctiveness, it is now possible to register a mark if it does in fact have become well known in Ethiopia.

Under the above provision, the test for registrability of otherwise non-registrable mark is that there must be actual use, and by virtue of its use, the mark must be well known in Ethiopia. These tests seem to suggest that the actual use of a mark and its popularity in Ethiopia must have made it distinctive for the mark to be registered. The next question that needs to be asked where a mark has been used is: Has the mark in fact acquired a distinctive character?

The inquiry in relation to used marks is exclusively concerned with consumer perception: the needs of other traders are irrelevant. As a result, consumer recognition becomes the litmus test for whether a mark is registrable. The primary goal is to minimize consumer confusion by preventing other traders from using similar mark. To succeed in claim that a mark has become registrable through use, an applicant must be able to show that irrespective of how the mark was perceived in its natural state, the mark now operates as a trademark. That is, an applicant must be able to show that the primary significance of the word or sign indicates a source rather than, for example, merely, describing or praising the product. In this

sense all that the law does is recognizing what already happened in practice.

In summary, if an otherwise descriptive trademark conveys something other than its natural connotation with the goods/or services it applies to, it is possibly eligible for trademark registration. The consumer, no one else, determines whether the trademark has acquired a new meaning other than its natural connotation. Although it is not settled as to how many consumers must certify the acquisition of new meaning, it is thought that it suffice that only a few consumers believe that the trademark indicates the origin of the product other than the original meaning of the term.

**Deceptive Marks**

As discussed earlier, the grand reason for exclusion of many marks lies in the distinctiveness of the mark. Needless to state, a mark that is devoid of distinctiveness is statutorily excluded from trademark registration. Under this section we will see exclusion of marks not for not being non--distinctive, but for their power to deceive the consumer on the quality of the goods/ or services for which the trademark is attached.

Art.6(1)(h) states that a “trade mark that is likely to mislead the public or the business community, in particular as regards the geographical origin of the goods or services concerned, or their nature or characteristics is inadmissible for trade mark registration”. This prohibition tends to be applied to marks that, though distinctive, contain some kind of suggestion or allusion that is inaccurate or false. Consequently, a trademark application would be refused if it relates to a sign that suggests that the goods are made of a particular material, and they are not. This is particularly the case where the material would be a significant factor for a purchaser.

The prohibition against deceptive marks is motivated by the need to protect consumers from confusion, mistake, or deception. Deceptive marks are usually applied to indicate that the goods or services come from a much known state or place, or town for the production of the goods or services, where it is not. No surprisingly, the intention of the trader is to build goodwill by pretending that he produces goods or services in a place that the consumer regards as the most appropriate place for the production of the goods or services. Thus, prohibition against deceptive marks stands as a guard to the public from mistake, confusion or deception. The English trade mark registry, for example, refused an application to register "perfumes de Paris" for toiletries including perfumes on the ground that the mark created an expectation that the perfume would be manufactured in Paris, so that (if they were not) the trade mark would deceive the public not only as to the geographic origin of the goods but also as to their nature and quality.

**Public order and Morality**

The other most obvious absolute grounds relate to trade marks that are repugnant to public order or morality. Art.6 (1)(d) provides that the trademark that is contrary to public order and /or morality shall be inadmissible for a trademark registration. In many respects, it will be very difficult to determine which marks contravene principles of morality or public order. To mention just a few, words or images that are racist or blasphemous, or provocative for conflict are more likely to fall under the prohibition.

### 10.4.2 Relative grounds for refusal

Largely, the absolute grounds for refusal stipulate that trademarks which are inherently non-distinctive, or distractive, or deceptive or repugnant to public order and morality shall not be registrable. As such, the absolute grounds for refusal aim at protecting the public from confusion, mistake, deception, disorder or embarrassment. While the absolute ground for

refusal plays that way, the relative grounds for refusal regulate the non-registrability of trademarks that are identical or similar to pre –existing marks. The relative grounds for refusal help to ensure that the protection given to trade mark owners does not conflict with any pre-existing marks or with any right that exists in the mark. It does this by ensuring that a mark should not be registered if it is similar to a pre-existing mark or if it conflicts with any rights that exist in the mark. This is exactly what Art 7 (para-l) Provides "a trademark shall not be registered because of third party priority rights". When we closely inspect Art .7, we would be apt to raise two basics concerns: the value of the trademark, and its principal function. If a trader was able to gain protection over a mark that was already protected, it would undermine the value given to the earlier trademark. Also if protection was allowed in an identical or similar sign, etc., it would mean that trademarks would not be able to function to indicate origin. Thus, the relative ground for refusal enables the owner of an earlier mark to prevent the registration of a sign by another, where the use of the sign would infringe the rights of the earlier trademark owner. At this juncture, it should be noted that many of the infringement cases are connected to the relative grounds for refusal. Hence, it must be noted that the relative grounds for refusal demand investigation of infringement cases.

The relative grounds for refusal are envisaged under Art.7. These provide that a trademark shall not be registered if, when compared with an earlier mark, it is found that;

i. The marks are identical and the goods or services are identical
ii. The marks are identical, and the goods or services are similar, and there is a likelihood of confusion, which includes the likelyhood of association with the earlier mark
iii. The marks are similar, and the goods or services are either identical or similar, and there is likelihood of confusion, which includes the likelihood of association between the marks

iv. The marks are either identical or similar, and the goods or services are not similar, and where the earlier trademark has a reputation and use of the applicant's trademark would take unfair advantage of, or be detrimental to the earlier trademark

## 10.5 Exploitation and use of trademarks

In its early days, a trademark was meant to indicate sources only. As such traders did not have a proprietary right over their marks. However, gradually, and largely due to the proliferation of commercial enterprises since the early 20th century, trademarks turned out to be assets in their own right. Now trademarks are treated as forms of property that can be used and exploited by the trademark owner. Like other intellectual property rights, trademark law provides both exclusive rights and limitations. Before we go to the detail, it would be indispensable to look at the proprietorships, and some problems related to co-ownership.

### Proprietorship

As per Art.4 ownership right in trademark is acquired by registration. By implication, the owner of a trademark is the person who registers it. In contrast to patent law that creates proprietary right prior to the application for a patent, the trademark law does not recognize that a trademark may have a proprietary before an application is made. The only proprietor is the registered person.

### Co-ownership

Two or more people can own a trademark. From this arises a potential problem as to whether one co-owner can utilize the trademark without the consent of other co-owners. Our trademark law does not as such provide how each co-owner may utilize their rights. However, it sounds to assume that if there are no contract bentween the co-owners of a trade mark, each

of the co-owner is entitled to equal undivided share in the registered trade mark. This also implies that each owner is permitted to do for his own benefit and without the need to account to the other, any act which would otherwise amount to an infringement of the registered mark. As regards the assignment and licensing of trademarks, Art 28(3) provides a that "share in a trademark, which is subject of ownership, may not be transferred without the consent of all the co-owners.

### 10.5.1 Modes of exploitation

Trademarks can be exploited in different ways. The most common technique is for the owner to exploit the mark by himself. However, trademarks can also be exploited through assignment, license, succession or mortgage.

**Self-exploitation**

Often self-exploitation involves making the goods, applying the mark, and selling the goods. While a trademark owner may do all those acts by himself, he can use third parties. For example, a trademark owner may use goods manufactured by some one else, contract manufacture, to which they apply his marks. In these circumstances, the mark is not used to indicate that the goods were manufactured by the trademark owner. Instead, the mark indicates that the goods were selected and approved by the trademark owner.

**Assignment**

An assignment refers to a transfer of ownership of the trademark. As a result of an assignment, the assignee stands in the shoes of the assignor and is entitled to deal with the trademark as he or she pleases. Although the trademark owner enjoys a relative degree of freedom to assign his right in trademarks, any assignment of trademark is subject to substantive and procedural requirements. These requirements basically pertain to the consent of the co-owner, if any, and registration of the assignment by the registrar (office of intellectual property). In order for an assignment to be valid, the office must register it. It also seems that the registration of

assignment of trademark is subject to notification requirements under Art 16. As such, the registration requirement serves a greater role in protecting consumers from confusion or mistake. It should also be noted that in situations where more than one party owns that trademark, each co-owner must consent to such an assignment. It follows that a full assignment of a mark would require the cooperation and signatures of all co-owners.

**License**

The other most common mode of exploitation of trademarks is licensing of the trademarks. In general, a license is an authorization to use a trademark that would otherwise be prohibited without the consent of the trademark owner. In other words, a license enables the licensee to use the trade make for specified goods or services without infringing. Thus, so long as the use falls within the terms of the license, the licensee is immune from an action by the trademark owner.

Usually, license takes two forms: exclusive and non-excusive license. An exclusive license is an agreement according to which the trademark owner not only confers permission on the licensee to use the trademark, but also promises that he will not grant any other license. Moreover, an exclusive license bars the licensor from exploiting the trademark, unless the license contract allows the licensor to use the trademarks for himself. In effect, an exclusive license confers a right in respect of the trademark to the exclusion of all others including the licensor, as the case may be.

Not arguably, the most important aspect of exclusive license is that it prevents others, and even the licensor from using the trademarks. From this arises, a question: Can the exclusive licensee sue infringers in his own name. In part, the issue boils down on whether the exclusive license contract creates effect on third parties.

In contrast to assignment, registration is not a validity requirement to license contract. However, this does not mean that to a license contract would be effective forthwith on third parties. The last paragraph of Art 29 (2) provides “the license contract shall have no effect against third parties

until so registered". The consequence of this provision is that in situations where the exclusive license contract is registered, the licensor could not possibly have any recourse against third parties. From this, it simply follows that the exclusive license cannot sue third parties for infringement. Now the next related question is what if the exclusive license contract is registered.
In many jurisdictions, the exclusive license is given the same rights as an assignee, and therefore has the right to bring proceedings in respect of any infringement that occurs after the date of the license agreement. However, the right to sue by the exclusive license is not explicitly provided under our trademark law. The right of license as per Art. 33, seems to be confined to the right to use the trademark during the duration of the license contract. However, there is not any established reason that prohibits the exclusive license from bringing proceeding against third parties. Undoubtedly, a registered exclusive license contract replaces the trademark owner. So it must be presumed that third parties associate the registered trademark not only with its owner, but also with the exclusive license.

A non-exclusive license is merely a permission to use a trademark for certain duration. Its distinctive feature is that it does not prohibit the owner of the trademark from granting further licenses to third parties or from using the trade mark himself. But, like exclusive license, it must be made in writing.

## 10.6 Duration and Renewal of registration of trade marks

According to Article 24, the registration of a trade mark remains valid for a period of seven years from the date of submission of the application for registration. However, this does not mean that the trade mark would be a public domain right after the seven years period. Unlike the patent system, the jurisprudence of the trademark law always allows for indefinite renewal of trade mark registration. In this regard, Article 25 provides that

'registration of trademark may, upon request of the owner, be renewed for consecutive periods of seven years'. No provision under the trademark registration proclamation envisages a time limit for renewal of trademark registration. Thus, the trademark owner can in no way be discouraged by the initial shorter duration of his trade mark right.

The renewal of the trademark registration meets two related objectives. Primarily, it encourages the trade mark owner to maintain the quality of the goods or services to which the trade mark is attached. And secondly, the use of a trade mark by a single, particularly known trader or company enhances the experience of the consumer to identify the source of the product. As such, the purpose of the renewal of trademark registration is to recover rights which otherwise could have been expired upon the end of the seven years period. Thus, the applicant for renewal of trade mark registration cannot make changes in the trademark or in the list of goods or services in respect of which the trade mark is registered, except that certain goods or services may be eliminated from the list ( as per Article 25 para. 2 ).

## 10.7 Renunciation, invalidation and cancellation of right on a registered trade marks

In spite of the examination process, the trade mark register is not a guarantee of the validity of trade marks. As such, a registered trademark can always be removed from the register after registration. There are three reasons why a mark might be removed from the register. The first is if is renounced by the owner himself as set out under Article 34. The second is if it is held to be invalid. And the third reason why a mark might be removed from register is cancellation for non-use.

**Renunciation of right**

Article 34(1) provides that ' the owner of a registered mark, who wishes to renounce the registration of a mark either wholly or in respect of part of the

goods or services for which the trade mark is registered, may submit his application to the office for cancellation of the registration of the trademark'. The clause '...Who wishes to renounce...' indicates that renunciation is a voluntary act. But this does not mean that the owner of a registered mark can renounce his right at home by saying that he does not want to use it. According to Article 34, the renunciation of right requires that the owner of a registered mark should apply for cancellation. And where the registered mark is under a license contract, the request for the renunciation of the right shall be accepted only upon the submission of a written declaration by which the licensee consents to the renunciation. The renunciation becomes effective only after the decision for cancellation has been entered into the register.

**Invalidation**

The other reason that removes a mark from registration is when the registration is held to be invalid. The grounds for invalidation are set under Articles 6 and 7. These provide that a mark my be declared invalid on the basis that it was registered in breach of one of the absolute or relative grounds for refusal. According to Article 36, the registration of a trade mark may be invalidated, by a written request of any interested person or by the office, in its own motion.

Like the ordinary law of contract, the decision declaring invalidation of registration of a trademark is effective as of the date of registration. However, there is an exception to this retroactive effect of invalidation registered of trademark. The exception as envisaged under para.2 of Article 37 provides:

When the trademark has been subjected to a license and the licensor has benefited from the license contract, the invalidation of the registration shall not enable the licensee to claim the repayment of money.

**Cancellation**

The most common reason why a trademark registration may be cancelled is on the basis of non- use. This reflects the notion that protection for marks is justified as a result of their use. As explained by a South African court, the general purpose of cancellation is:

To restrict the monopoly and protection conferred by registration to the proprietor's legitimate and actual trade requirements and to avoid the inconvenience, cost, oppression, and interference with trade that would result from allowing trademarks to be registered with the intention, not of using them but merely of preventing other traders from using them.

As there are a finite number of useful or valuable marks, cancellation for non-use can also be explained on the basis that it helps to ensure that unused marks are recycled.

The ground for cancellation of registered mark on the basis of non-use is limited by the relevant period of non-use. Article 35 (2) provides that a trademark may be cancelled on the basis that, during a continuous period of at least three years preceding the date of the request for cancellation of the trademark, it has not been put in Ethiopia, by the proprietor, or a licensee in respect of any of the goods or services for which it was registered. The only exception to this is when the owner or a licensee proves that the non-use of the trade mark was due to force majuere.

## 10.8 Infringement and remedies

### 10.8.1 Infringement

Indeed, one of the most important rights secured under the trade marks law is the right to proceed against identical or similar use of marks on the basis that there is a likelihood of confusion with the registered mark. While trademark infringement proceedings will normally be brought by the owner of the mark, it is possible for an action to be brought by an exclusive license. It should be noted that the rights of the proprietor are enforceable against third parties with regard to acts done after the date of registration.

The rights continue for seven years, and may be renewed, possibly indefinitely, for further seven years.

In order to determine whether a trademark has been infringed, it is necessary to compare the registered mark with the alleged infringing sign. The circumstances in which a mark may be infringed are stated under Art.7. These are where

i. The marks age identical and the goods or services age identical
ii. The marks are identical and the goods or services age similar and there is a likelihood of confusion, which includes the likelihood of association with the registered mark.
iii. The marks are similar, and the goods or services are either identical or similar, and there is a likelihood of confusion, between the marks
iv. The marks are either identical or similar, and the goods or services are not similar, and where the registered mark has a reputation and use of the defendant's mark would take unfair advantage of, or be detrimental to the distinctive character or the repute of the registered trademark.

Obviously, the grounds for infringement are the same with relative grounds for refusal. The key difference between an action for infringement and the relative grounds for refusal is that to establish infringement, it is necessary to show that the mark was "used in the course of trade".

### 10.8.2 Remedies

The remedies for infringement under the trade mark registration and protection consists of provisional measures, civil remedies that include injunctive relief and an accounting for profits, and criminal sanctions.

#### a) Provisional measures

It is often said that 'prevention is better than cure'. This medical axiom heavily purports for institutional mechanisms which are directed towards

preventing damage or injuries from occurring. Substantially in a similar context, the trademark registration and protection proclamation seems to give adequate weight to the prevention mechanism (or provisional measure, as it stands under the proclamation). As such, Article 39(a) states that 'a court shall order prompt and effective provisional measures to prevent an infringement of a right from occurring, in particular to prevent the entry into the channels of commerce of import and export goods after completing customs formalities. In addition to the preventive functions of provisional measures, Article 39(b) provides that provisional measure may be in order to preserve relevant evidence in regard to an alleged infringement of a right.

As Article 39(a & b) envisages, a provisional measure needs to be prompt and effective. As such the procedure for adopting provisional measure should not allow the infringer to cause irreparable damage and/or conceal relevant evidence that may be used for establishing infringement. Accordingly, Article 39(2) allows the court to order provisional measures, without summoning the defendant, where it finds it appropriate. This is so, particularly, where any delay is likely to cause irreparable harm to the applicant or where there is a demonstrable risk of evidence being destroyed. According to Article 39(5) the provisional measure may take the form of search and seizure as provided under the civil procedure code and the criminal procedure code.

In deciding on an application for provisional measures, the court may in pursuant to Article 39(4) (a) consider if the threatened interest cannot be redressed by awarding damages; particularly, whether the threat is imminent, the prema facie strength of the action and the gravity of the prejudices a decision for or against may cause to either of the parties. The court may further undertake, as per Article 39(4) (c), a deeper investigation of the relative strength of the parties before granting the temporary

injunction where the application of the criteria under Article 39(4) (a) puts the parties on equal position. The clause 'where the application of the criteria under Article 39(4) (a) puts the parties on equal position' is an important safeguard to the defendant in that it protects him from a surprise by a search and seizure court order. On the other hand, 'deeper investigation' by the court, which is for sure overtaken by other matters, may mean giving the defendant to infringe to the extent irreparable by awarding damage, or possibly it may give the defendant enough time to conceal or destroy relevant evidence.

**b) Civil remedies**

According to Article 40 the civil remedies take the form of permanent injunction and accounting of profits.

**I. Permanent Injunction**

A permanent injunction is granted, in favor of the plaintiff, after infringement of trade mark rights by the defendant is proved. Once ordered, permanent injunction prohibits the defendant from continuing the act of infringement. As such, permanent injunction guarantees the plaintiff from further infringement by the defendant. It also, though incidentally, protects the public from deception.

**II. Accounting of profits**

Article 40(1) (b) cum. Sub article (2) allows the plaintiff to recover profits gained from the use of the trademark, or alternatively the amount of royalty the defendant could have been charged had he used the trademark under the license contract. All the plaintiff has to demonstrate is the defendant's gross income; the burden is upon the defendant to prove items of cost. In other words, the plaintiff is required to prove only the total amount of the defendant's sales and need not worry about what portion of those gross sales are attributable to the cost of the items, advertising, administrative

costs, and any other expenses that are deductible from gross amounts to determine profits.

The whole of the net profit derived from the sale of the defendant's goods or services in connection with the use of the trade mark shall be attributed to the use of the trade mark unless the defendant proves that part of the profit is attributive to other factors.

Additionally, the plaintiff does not have to demonstrate that, had the defendant not made these sales, the consumers would have purchased from the plaintiff instead.

Finally, it must be noted that the accounting for profit is a compensatory measure than a punitive standard. Hence the court must be certain that the accounting for profit does not yield a result that is so high as to work a punishment on the defendant rather than compensation to the plaintiff for any losses. The court should as well guard against the possibility that the accounting fails to consider factors that unfairly deprive the plaintiff of what is justly his.

**c) Criminal Sanctions**

In many countries, trade mark infringements are conventionally classified as civil matters. As such, the remedy for a trademark owner for infringement is to seek compensation, and/or injunction, and/or destruction of the infringing devices. However, mainly due to the insufficiency of the civil remedies to control the malady of piracy, some states have started to use the army of criminal sanction to strengthen the enforcement measures of trademarks rights.

One of the substantial advances envisaged under the new trade mark registration and protection proclamation is the incorporation of criminal

sanctions, in addition to provisional and civil remedies. The criminal sanctions apply not only to acts committed intentionally but also to those acts committed with gross negligence.

The severity of the criminal sanction varies depending on the supposed degree of knowledge of the infringer. Where it is ascertained that the defendant has intentionally infringed rights protected under the trademark registration and protection proclamation, he would be punished with rigorous imprisonment of a term not less than 5 years and not more than 10 years. But, in the case of gross negligence, the punishment ranges from 1-5 years of gross negligence. However, it must be noted that the criminal sanctions under the trademark registration and protection proclamation are applicable only where the criminal code does not impose heavier penalty.

Compare the severity of the criminal sanctions envisaged under the trade mark registration and protection proclamation with that of the new revised criminal code.

### 10.9 International Conventions on trademarks

Various mechanisms have been developed to protect trademarks on a transnational basis. The earliest of these was the Paris convention of 1883 that requires members to apply the principle of national treatment. That is, it requires members to treat foreign nationals of contracting states as they would their own nationals. This ensures the possibility for foreign protection of trademarks. This is further facilitated by provisions that give registrants in one country a short period of priority, and provisions obliging national offices to register any trademark which has been registered in its country of origin.

While the Paris convention was of some assistance to transnational traders, it failed to create a mechanism for the international application for marks. However, afterwards, the Madrid agreement on the international registration of marks of 1891, and the Madrid protocol of 1989 provided mechanisms for international registration of marks. Under these arrangements, an individual or company may apply to the bureau of the world intellectual property organization for an international registration after making a home registration or application. The bureau passes the application on to relevant national trademark offices. If the office of the contracting party does not refuse the application within a limited time, it is treated as registered.

The TRIPs agreement also provides by far the most detailed international prescription of the substantive rules relating to the protection of registered marks. For example, Article 15 defines the protectable subject matter expansively that includes service marks. It also prohibits discrimination as to regisrabilty according to the nature of the goods and services to which a trademark is to be applied. Article 16 requires recognition of certain rights, in particular the use of an identical or similar mark on identical or similar goods or services where such use would result in a likelihood of confusion. Articles 17 and 18 provide, respectively, for limited exceptions to the rights conferred by a trademark, and for the potentially indefinite registration of marks on the basis of renewable terms, each of a minimum of seven years. Article 19 limits the circumstances in which registrations may be revoked for non-use, and Article 21 prohibits the compulsory licensing of marks.

There has been relatively little concern at international level on the protection of unregistered marks. In part this could be explained by the fact that if a business operates on a transnational level, it will typically have the resources to protect its interest through registration. As a result, the protection of unregistered marks tends to be a matter of concern for small

enterprises and as a consequence, has not prompted activities at diplomat level.

However, the geographical expansion in the operations of many businesses has given rise to a form of opportunism, against which international action has taken place. More specifically, the Paris convention has been revised to prevent the preemptive adoption of such marks by interlopers in countries where the proprietor has not yet commenced marketing. As such, Article 6 of the Paris convention imposes an obligation to recognize and protect well-known marks even where they have not been registered.

**Self check questions**

1. Discus the basic difference between certification marks and collective marks.
2. What distinguishes trade mark law from copyright and the patent system?
3. Suppose your client wishes to obtain trade mark registration for 'FUCK CAT' mark for a closing business. Would you advice your client that his application is likely to be rejected on absolute grounds for refusal? Would your answer change if the mark was routinely in use in business?
4. X company wishes to obtain trade mark registration for 'ORGANIC' mark cotton textiles. The cotton textiles are not processed from organically grown plants. Would you advice the X Company to bring an application for trade mark registration for the 'ORGANIC' mark? What are the possible objections against the registration of the 'ORGANIC' mark?
5. Ascertaining the likelihood of confusion is probably more complex than it initially seems. Certainly, it calls for a more robust analysis than merely viewing the marks side by side in the court room. Instead the court must attempt to stimulate the consumer's encounter with the mark and assess similarity with that real world context in mind. How exactly might a court do this?

6. Assume Zuma Company, a manufacturer registered and formed in Addis Ababa, sells body soaps under the mark ABERA. Assume further MEMORY, a competitor located in Mekelle, also sells similar body soaps under the mark ABRSH. Assuming Zuma wishes to sue MEMORY under the confusion based theory of infringement, how would you ascertain the likelihood of confusion.
7. A trade mark owner may prevent use of his mark, even where there is no manifested competition between the owner of the famous mark and other parties, or that there is no likelihood of confusion. Comment on this.