1. INTERNAL ADJUSTMENTS IN COPYRIGHT LAWS

Identify and explain any specific instances where market competition and innovation concerns haven been specifically addressed by copyright law or caselaw in your country. This may include by means of:

1.1.- Defining (or interpreting) the scope of exclusive rights to account for competition and innovation concerns.

The choice of the term ‘specifically addressed’ means there is very little to report on. Indirectly competition and innovation concerned did however play a role historically.

The UK has historically recognized situations where non-voluntary licences were made available on grounds of public interest and accessibility. It might be noted that the Statute of Anne 1709 (8 Anne c.19) contained a provision which allowed for a maximum price to be set on the sale of particular books, a provision which has been described as "analogous" to a compulsory licence. The first true compulsory licence was introduced into the UK by the Literary Copyright Act 1842.¹ This provision was aimed at preventing the newly increased term of protection from being used in such a way as to be detrimental to the public interest. It gave the Judicial Committee of the Privy Council a power to grant compulsory licences any time after the death of the author where the owner of the copyright was preventing a work that had previously been published from being republished. This provision was re-enacted in the 1911 Act and the powers of the Judicial Committee of the Privy Council were extended to cover cases where the owner was refusing to grant a licence to allow a work to be performed in public.² These provisions were not repeated in the 1956 Act.

Unusually, another type of compulsory licence was introduced - but not in order to free the market, but to encourage the then infant recording industry in the UK. The statutory recording licence was introduced in 1911 and was maintained in the 1956 Act.³ Under this licence manufacturers were entitled to make records of musical works which had previously been recorded with the consent of the copyright owner, provided the manufacturer gave the copyright owner notice of his intention to do so and paid a royalty. Further provision was made so that words previously associated with such a recording might also be reproduced.⁴ The provisions were repealed by the 1988 Act and no equivalent scheme was substituted. The decision to abolish the statutory recording licence was taken in recognition of the fact that the conditions of the market had long since changed and that there had been a breakdown of the consensus in its favour. Nor was the Government convinced that the statutory recording licence was necessary in order to maintain diversity within the recording industry.⁵

¹ Literary Copyright Act 1842 (5 & 6 Vict. c.45) s.5.
² Copyright Act 1911 s.4.
³ Copyright Act 1956 s.8; Copyright Act 1911 s.19. For a detailed discussion of the provisions, see Copinger, 12th edn, para.8-27, et seq. See also Discount Inter-Shopping Co Ltd v Micrometre Ltd [1984] Ch. 369; [1984] R.P.C. 198.
⁴ Copyright Act 1956 s.8(5).
⁵ “Intellectual Property and Innovation” 1986 (Cmd.9712), para.11.4.
Currently and specifically, the following provisions also deal with the interface between competition and innovation/creativity:

- There is the interface with designs, where section 51 introduces a restriction that opens up opportunities for competition and innovation:

**51 Design documents and models.**

(1) It is not an infringement of any copyright in a design document or model recording or embodying a design for anything other than an artistic work or a typeface to make an article to the design or to copy an article made to the design.

(2) Nor is it an infringement of the copyright to issue to the public, or include in a film or communicate to the public, anything the making of which was, by virtue of subsection (1), not an infringement of that copyright.

(3) In this section—

“design” means the design of the shape or configuration (whether internal or external) of the whole or part of an article, other than surface decoration; and

“design document” means any record of a design, whether in the form of a drawing, a written description, a photograph, data stored in a computer or otherwise.

- And section 54 has a limitation when a protected typeface is used in the ordinary course of printing:

**54 Use of typeface in ordinary course of printing.**

(1) It is not an infringement of copyright in an artistic work consisting of the design of a typeface—

(a) to use the typeface in the ordinary course of typing, composing text, typesetting or printing,

(b) to possess an article for the purpose of such use, or

(c) to do anything in relation to material produced by such use;

and this is so notwithstanding that an article is used which is an infringing copy of the work.

- And there is a very specific limitation for abstracts of scientific or technical articles in section 60:

**60 Abstracts of scientific or technical articles.**

(1) Where an article on a scientific or technical subject is published in a periodical accompanied by an abstract indicating the contents of the article, it is not an infringement of copyright in the abstract, or in the article, to copy the abstract or issue copies of it to the public.

### 1.2.- Defining (or interpreting) the scope of exempted uses (E&L) on account of competition and innovation concerns.

Here we find more examples (and examples with a broader scope):

**28AMaking of temporary copies**
Copyright in a literary work, other than a computer program or a database, or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental, which is an integral and essential part of a technological process and the sole purpose of which is to enable—

(a) a transmission of the work in a network between third parties by an intermediary; or

(b) a lawful use of the work;

and which has no independent economic significance.]

29 Research and private study. (note the limitation to non-commercial purposes!)

[F1(1) Fair dealing with a F2... work for the purposes of research for a non-commercial purpose does not infringe any copyright in the work provided that it is accompanied by a sufficient acknowledgement.]

[F3(1B) No acknowledgement is required in connection with fair dealing for the purposes mentioned in subsection (1) where this would be impossible for reasons of practicality or otherwise.]

(1C) Fair dealing with a F4... work for the purposes of private study does not infringe any copyright in the work.]

F5(2). . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

(3) Copying by a person other than the researcher or student himself is not fair dealing if—

[F6(a) In the case of a librarian, or a person acting on behalf of a librarian, that person does anything which is not permitted under section 42A (copying by librarians: single copies of published works), or]

(b) in any other case, the person doing the copying knows or has reason to believe that it will result in copies of substantially the same material being provided to more than one person at substantially the same time and for substantially the same purpose.

F7 [( 4 ) It is not fair dealing—

(a) to convert a computer program expressed in a low level language into a version expressed in a higher level language, or

(b) incidentally in the course of so converting the program, to copy it,

(these acts being permitted if done in accordance with section 50B (decompilation)).]

[F8(4A) It is not fair dealing to observe, study or test the functioning of a computer program in order to determine the ideas and principles which underlie any element of the program (these acts being permitted if done in accordance with section 50BA (observing, studying and testing)).]

[F9(4B) To the extent that a term of a contract purports to prevent or restrict the doing of any act which, by virtue of this section, would not infringe copyright, that term is unenforceable.]

29A Copies for text and data analysis for non-commercial research

(1) The making of a copy of a work by a person who has lawful access to the work does not infringe copyright in the work provided that—

(a) the copy is made in order that a person who has lawful access to the work may carry out a computational analysis of anything recorded in the work for the sole purpose of research for a non-commercial purpose, and

(b) the copy is accompanied by a sufficient acknowledgement (unless this would be impossible for reasons of practicality or otherwise).

(2) Where a copy of a work has been made under this section, copyright in the work is infringed if—
(a) the copy is transferred to any other person, except where the transfer is authorised by the copyright owner, or

(b) the copy is used for any purpose other than that mentioned in subsection (1)(a), except where the use is authorised by the copyright owner.

(3) If a copy made under this section is subsequently dealt with—

(a) it is to be treated as an infringing copy for the purposes of that dealing, and

(b) if that dealing infringes copyright, it is to be treated as an infringing copy for all subsequent purposes.

(4) In subsection (3) “dealt with” means sold or let for hire, or offered or exposed for sale or hire.

(5) To the extent that a term of a contract purports to prevent or restrict the making of a copy which, by virtue of this section, would not infringe copyright, that term is unenforceable.

508 Decompilation.

(1) It is not an infringement of copyright for a lawful user of a copy of a computer program expressed in a low level language—

(a) to convert it into a version expressed in a higher level language, or

(b) incidentally in the course of so converting the program, to copy it,

(that is, to “decompile” it), provided that the conditions in subsection (2) are met.

(2) The conditions are that—

(a) it is necessary to decompile the program to obtain the information necessary to create an independent program which can be operated with the program decompiled or with another program (“the permitted objective”); and

(b) the information so obtained is not used for any purpose other than the permitted objective.

(3) In particular, the conditions in subsection (2) are not met if the lawful user—

(a) has readily available to him the information necessary to achieve the permitted objective;

(b) does not confine the decompiling to such acts as are necessary to achieve the permitted objective;

(c) supplies the information obtained by the decompiling to any person to whom it is not necessary to supply it in order to achieve the permitted objective; or

(d) uses the information to create a program which is substantially similar in its expression to the program decompiled or to do any act restricted by copyright.

(4) Where an act is permitted under this section, it is irrelevant whether or not there exists any term or condition in an agreement which purports to prohibit or restrict the act [such terms being, by virtue of section 296A, void].

508A Observing, studying and testing of computer programs

(1) It is not an infringement of copyright for a lawful user of a copy of a computer program to observe, study or test the functioning of the program in order to determine the ideas and principles which underlie any element of the program if he does so while performing any of the acts of loading, displaying, running, transmitting or storing the program which he is entitled to do.
Where an act is permitted under this section, it is irrelevant whether or not there exists any term or condition in an agreement which purports to prohibit or restrict the act (such terms being, by virtue of section 296A, void).

1.3.- Imposing licensing conditions (statutory licensing, compulsory licensing, compulsory collective management, ECL, etc) or “joint-tariffs”, “one-stop-shops” … and explain their impact in the market

There is no general provision enabling compulsory licensing on the grounds of public interest or lack of market supply, etc. as such. The 1988 Act and the Rights in Databases Regulations supplement, with reference to copyright, design right, performers’ property rights and database right, the general controls under UK legislation over anticompetitive or monopolistic practices. Thus, s.144 of the 1988 Act provides that where whatever needs to be remedied, mitigated or prevented by the Secretary of State, or (as the case may be) the Competition and Markets Authority under various specified statutory provisions consists of or includes (a) conditions in copyright licences restricting the use of the work by the licensee or the right of the copyright owner to grant other licences, or (b) a refusal on the part of the copyright owner to grant licences on reasonable terms, then the Secretary of State, or (as the case may be) the Competition and Markets Authority is given the power to cancel or modify the licensing conditions, and (instead or in addition) the power to provide that licences shall be available as of right. However, these powers may only be exercised if the person or body exercising them is satisfied that to do so does not contravene any Convention relating to copyright to which the UK is a party. Equivalent provision is made in respect of design right, performers’ property rights and database right.

Compulsory licences may also be made available if a copyright owner is found to have violated art.102 of the Treaty on the Functioning of the European Union (“TFEU”) or the Competition Act 1998 by abusing a dominant position. Specific examples include:

- Section 116A provides the government with the power to provide for licensing of orphan works (along EU lines) and section 116B does the same for extended collective licensing.
- Most relevantly the licensing schemes that can be put in place under the Act can be referred to the Copyright Tribunal, whose role is neatly set out e.g. in section 118:

118 Reference of proposed licensing scheme to tribunal.

(1)The terms of a licensing scheme proposed to be operated by a licensing body may be referred to the Copyright Tribunal by an organisation claiming to be representative of persons claiming that they require licences in cases of a description to which the scheme would apply, either generally or in relation to any description of case.

(2)The Tribunal shall first decide whether to entertain the reference, and may decline to do so on the ground that the reference is premature.

(3)If the Tribunal decides to entertain the reference it shall consider the matter referred and make such order, either confirming or varying the proposed scheme, either generally or so far as it relates to cases of the description to which the reference relates, as the Tribunal may determine to be reasonable in the circumstances.

(4)The order may be made so as to be in force indefinitely or for such period as the Tribunal may determine.

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6 CDPA 1988 s.144(1A).
7 CDPA 1988 s.144(3).
8 CDPA 1988 s.238. Since design right is not covered by any relevant international convention, there is no requirement that the powers in respect of it should only be exercised if the person or body exercising them is satisfied that to do so does not contravene such a convention.
9 CDPA 1988 Sch.2A para.17.
10 The Copyright and Rights in Databases Regulations 1997 (SI 1997/3032) Sch.2 para.15. Since database right is not covered by any relevant international convention, there is no requirement that the powers in respect of it should only be exercised if the person or body exercising them is satisfied that to do so does not contravene such a convention.
Full details for each licensing scheme can be found in sections 118-144 CDPA 1988. Sections 145-152 deal with the tribunal itself.

1.4.- Explain any relevant licensing practices existing in your country that favor market competition and innovation. Please refer to any copyright markets (i.e., software, publishing, news, audiovisual. …)

- Publishers and TV schedules - The Broadcasting Act 1990 introduced provisions into the 1988 copyright law entitling publishers, once certain conditions are satisfied, to reproduce information about programmes which are to be broadcast.\(^{11}\) Since the implementation of the Database Directive\(^ {12} \) by the Copyright and Rights in Databases Regulations\(^ {13} \) the significance of these provisions may well be very limited, for two reasons. First, depending on the facts, copyright may well not subsist in the material which is the subject of the compulsory licence, that is works embodying information as to the titles of programmes and the time of their broadcast.\(^ {14} \) Secondly, to the extent that such material is only covered by database right (which again may well not be the case), the compulsory licence is not available.
  - In News Group Newspapers v ITP Ltd\(^ {15} \) a number of publishers sought to have the terms of payment set for use of information concerning BBC and ITV schedules. While the Tribunal said that the problem of proving a causative link between the use of the information and the profits made by newspapers was insuperable, it held that the rate to be paid should relate to the extent of usage by the publisher. This was best calculated by reference to circulation and to the number of days for which the information was published, with a minimum set to ensure that the marginal costs of supply were met. The Tribunal assessed the basic costs of the broadcasters at £125,000 each and the administrative costs at £200 per publisher. Consequently, it imposed a rate of 0.003p for each day multiplied by the circulation with a £200 minimum per publisher. It calculated that this would give a return to the broadcasters of £500,000 above costs, but stated that even were this as high as £1,600,000 that would not be unreasonable. The BBC and ITP appealed, but a hearing was avoided by a compromise of 0.004p.\(^ {16} \)

- Sound recordings - Prior to 1988 the licences granted by the collecting society Phonograms Performances (PPL) to radio broadcasters were typically limited as regards the length of the periods in which the broadcaster could perform PPL's repertoire.\(^ {17} \) In 1988 the Monopolies and Mergers Commission ("MMC") was requested to report on practices relating to the collective licensing of sound recordings for broadcasting and public performance. The MMC Report\(^ {18} \) concluded that the needletime restriction was an anti-competitive practice which adversely affected radio licensees and that it should be abandoned. The MMC therefore recommended the imposition of an obligation on PPL to permit the use of its repertoire in return for equitable remuneration, initially on the basis of what the licensee thought "appropriate", pending determination by the Copyright Tribunal as to equitable remuneration.
  - The Broadcasting Act 1990 introduced a new compulsory licence allowing the inclusion of sound recordings in broadcasts or cable programme services.
  - Incorporated into the 1988 copyright statute by introducing into it seven new sections, ss.135A–135G, which provided for a statutory right to include sound recordings in broadcasts and cable programme services.

\(^{11}\) Broadcasting Act 1990 Sch.17 para.7(1).
\(^{12}\) Directive 96/9/EC.
\(^{13}\) (SI 1997/3032).
\(^{14}\) For the applicable principles, see now Football Dataco Ltd v Yahoo! UK Ltd (C-604/10) [2012] E.C.D.R. 10; [2012] 2 C.M.L.R. 24 (football fixture lists).
\(^{17}\) These "needletime" restrictions were first imposed in 1946 in response to pressure from the Musicians' Union. Independent radio companies were generally limited to a total of nine hours per day. MMC Report, Collective Licensing: "A Report on Certain Practices in the Collective Licensing of Public Performances and Broadcasting Rights in Sound Recordings", 1988 (Cm. 530), paras 7.44–7.48.
\(^{18}\) Collective Licensing: "A report on certain practices in the collective licensing of public performances and broadcasting rights in sound recordings", 1988 (Cm.530).
The statutory right is available against a licensing body which either restricts the amount of needletime, that imposes restrictions on the total or proportionate time in which such recordings can be played, or imposes unacceptable terms as to payment. These limitations on the copyright in sound recordings are permissible under the Rome Convention, which merely requires contracting states to guarantee to the producers of phonograms an equitable remuneration from (as opposed to an exclusive right to control) the broadcasting or communication to the public of published phonograms.\(^{19}\)

**Equitable remuneration**

93C Equitable remuneration: reference of amount to Copyright Tribunal.

- (1) In default of agreement as to the amount payable by way of equitable remuneration under section 93B, the person by or to whom it is payable may apply to the Copyright Tribunal to determine the amount payable.

98 Undertaking to take licence of right in infringement proceedings.

(1) If in proceedings for infringement of copyright in respect of which a licence is available as of right under section 144 (powers exercisable in consequence of report of [F1Competition and Markets Authority]) the defendant undertakes to take a licence on such terms as may be agreed or, in default of agreement, settled by the Copyright Tribunal under that section—

(a) no injunction shall be granted against him,

(b) no order for delivery up shall be made under section 99,

(c) the amount recoverable against him by way of damages or on an account of profits shall not exceed double the amount which would have been payable by him as licensee if such a licence on those terms had been granted before the earliest infringement.

(2) An undertaking may be given at any time before final order in the proceedings, without any admission of liability.

(3) Nothing in this section affects the remedies available in respect of an infringement committed before licences of right were available.

1.5.- By any other means?

- CDPA Section 171(3) provides a defence of public interest. The cases on this have related mainly to freedom of expression. As pointed out in *Ashdown v Telegraph* [2001] EWCA Civ 1142, this can usually be adequately served within the principles of proportionality by refusing to grant an injunction to restrain publication, rather than using s171(3). In principle the public interest might include competition concerns, but again the courts can take these into account in awarding remedies, especially at the interim stage, where a temporary injunction will likely be refused in an infringement case if the defendant has become established on the market before the injunction is claimed. Such a case may well settle before trial. Although final injunctions will normally be awarded once a case of copyright infringement has been established at trial, their scope can take competition concerns into account: eg, *Ludlow Music v Robbie Williams* [2002] FSR 57, where sales of existing copies of the disputed songs were permitted, but further record pressings were restrained.

2. A STUDY CASE: DATA ECONOMY

Data is called the "new oil" for our economy, as it is being used to develop new products and services. To the extent that this data includes copyrighted works, we want to identify how copyright laws and caselaw are addressing this issue and how

\(^{19}\) Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations art.12.
different national solutions may have a different impact in the market. In the EU, this activity concerns the exceptions and limitations on Text & Data Mining as well as the regulation on Public Sector Information reuse (PSI)

Notice: we are not only talking about corpuses specifically prepared for TDM purposes (i.e., electronic journals, databases, etc), but also about processing (machine reading) of works, in general, (texts, images, etc) available either online, in digital form or in analogue form.

2.1.- Is “machine reading” an act of reproduction? If so, is it being exempted (excluded) under an E&L or as fair use? Is it subject to licensing (if so, what kind of licensing)?

- Section 50B of the Copyright, Designs and Patents Act 1988 implements art.6 of the EU Software Directive and is designed to meet the “interoperability” requirements of the Directive.
- Section 50A provides that: “It is not an infringement of copyright for a lawful user of a copy of a computer program to make any back-up copy of it which is necessary for him to have for the purposes of his lawful use”.
- Section 50C provides that a lawful user\(^20\) may copy or adapt a program where this is necessary for its lawful use and provided that this is not prohibited by a contractual term.\(^21\)
- Section 50D of the Act, (as required by art.6(1) of the Database Directive)\(^22\) provides that it is not an infringement of copyright in a database for a person who has a right to use the database to do, in the exercise of that right, anything which is necessary for the purposes of access to and use of the contents of the database. In this context a “right to use a database” is to include a right to use any part of a database, and the permitted act applies to anything which is necessary to access and use that part. The Act also makes it clear that the exception applies in all circumstances where a person has a right to use a database and not just where the use has been licensed.
- Section 29A(1) provides that where a person has lawful access to a copy of a copyright work, copyright is not infringed where that person makes a copy of the work for the purposes of carrying out a computational analysis of anything recorded in the work for the sole purpose of non-commercial research and the copy is accompanied by a sufficient acknowledgement (unless this would be impossible for reasons of practicality or otherwise).

The UK Government has also launched a major review of UK’s digital strategy which sets out an agenda in relation to IP\(^23\) including (a) an expanded IP education programme for research education to enable commercialisation of research; to support SMEs in commercialising their IP; (b) on whether improved licensing or copyright exceptions could make it easier for innovative businesses and researchers to use copyright material for data mining, including with AI systems.

2.2.- Please provide any examples (laws, caselaw, licensing) regarding the development of databases, search engines, apps, services, etc based on reusing data produced by the Public sector.

The UK has taken the lead in open access and the re-use of public sector information. Lots of data are available under an open government licence. The National Archives play a pivotal role in promoting the system. Both the Meteorological Office and Ordnance Survey have made lots of data available that has been re-used successfully. For both of them their semi-independent status, coupled with the need to auto-finance themselves, has however meant that only datasets and products

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\(^20\) “Lawful user” is again defined to mean any person who has a right to use the program, whether under a licence to do any acts restricted by the copyright in the computer program or otherwise: CDPA 1988 s.50A(2).

\(^21\) s.50C(1).

\(^22\) Directive 96/9.

pertaining to their public task (as defined in their agreement with the government) is typically available for re-use. We are talking here about standard maps, etc. And even in those cases is there an exception when it comes to pricing.

An early successful example is the re-use of maps of cities (London to start with) by app builders who them added the locations where toilets were available.

2.3.- Is there any evidence of how these measures (law, caselaw, licensing) are fostering or deterring the development of new services and products and of downstream markets?

3. EXTERNAL ADJUSTMENTS: ANTI-TRUST AND BEYOND

Please provide examples (law, caselaw, market practices) of how anti-trust law, unfair competition or any other legal adjustments apply to copyright licensing markets (offline and online). For instance, provide examples regarding the following scenarios:

3.1.- “Essential facilities” doctrines to foster the development of downstream markets

As noted above, where refusals to license cause competition law problems, a reference by the competition authorities can lead to licences being made available as of right under CDPA s144, and also under UK unregistered design right under s283. The terms of these may be settled by the Copyright Tribunal and Comptroller of Patents (i.e. the UK Intellectual Property Office) respectively, if not agreed, and may be varied as economic circumstances change. These provisions appear to be very little used; possibly their existence is valuable as a spur to licensing negotiations.

In Intel Corp v Via Technologies [2002] EWCA 1905, it was held that Magill might be applied regardless of whether a vertically integrated dominant undertaking was involved, a criterion that some hold to be necessary to an essential facilities case.

In Her Majesty’s Stationery Office v The Automobile Association [2000] ECC 34, the AA, a motoring organization that publishes maps and offers online route planning, wished (in its defence to copyright infringement proceedings) to challenge the imposition of royalties for re-use of mapping data as an abuse of dominance. The court held that given the lack of evidence of allegations of discrimination, there was no prospect of success and remarked that there was no obligation to offer licences at nil royalty.

3.2.- Vertical integration of markets (producers/distributors); tying sales (e. g. exclusive sale of decoders by pay-TV platforms)?

3.3.- Bundling of rights/means of exploitation (cable, satellite, internet, cellphones): upstream and downstream competition issues.

3.4.- Licensing prices (also under collective licensing) deemed unfair, discriminatory, anti-competitive by courts; arbitration or mediation procedures to set prices; government price-setting …

4. ONLINE MARKETS: “VALUE GAPS” (ONLINE PLATFORMS)

Notice that complete and valuable information resulting from the stakeholders’ dialogue and written consultations currently launched by the EU Commission will be available at the time of the Congress.

Please include only information that is specific to your country.

4.1. Is there any norms and/or relevant caselaw addressing the value gap issue, as applied to UGC platforms?

If you are an EU country, have you addressed the transposition of Art.17 CDSM Directive?

The UK will not be implementing the CDSM Directive generally. Although the UK is no longer an EU country, and expressed its intention not to implement the directive, the decision in Tunel Inc v Warner Music UK Ltd [2021] EWCA Civ 441 has been seen as consistent with Art 17.

4.2. Is there any norms and/or relevant caselaw or licensing addressing news aggregation?

If you are an EU country, have you addressed the transposition of Art.15 CDSM Directive?

The UK will not be implementing the CDSM Directive generally.

4.3. Is there any norms and/or relevant caselaw addressing other value gaps?

For instance, regarding cloud storage and compensation for private copying