Intellectual Property Colloquium Series: Canada and the Three-Step Test: A Step in Which Direction?

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It is a real pleasure and honor to be here with you and to have an opportunity to talk about copyright reform in Canada. In particular, since this reform process is taking place with a particular international perspective in mind, it should provide an opportunity to discuss the relationship between national law and international norms in the field of copyright law. At the same time, I should like to give some sort of introduction to Canadian copyright law because, even though we are part of the same copyright law family, there are some differences between our two countries. These distinctions mean that some of the issues that will be raised today may be treated somewhat differently in U.S. law.

As you know, of course, copyright law was born with technology and initially started in order to regulate printing in England. This year, we are celebrating the 300th anniversary of the first Copyright Act in the world, the Statute of Anne, which really is the mother of all copyright legislations, particularly in the common law, English-speaking world. And because it is the original reference in copyright law, some of the features of the Statute of Anne have continued in both U.S. copyright law and in what I call Commonwealth copyright law, that is, copyright law derived from England outside the United States. The distinction between copyright law derived from the United States and other Commonwealth states occurred because the United States gained independence much earlier than the other British colonies.
The U.S. law that first developed, however, retained some features of the Statute of Anne. For instance, if one looks at the term of protection that existed here in the United States before 1976, it was a term of protection that depended upon registration—it initially lasted for twenty-eight years and was renewable for a second twenty-eight year term. Such a mechanism is a direct descendent of the Statute of Anne where the term ran for fourteen years from registration, with an additional fourteen year period.

A shift took place in England. Perhaps because it is part of Europe, England has been subject to some continental influences as, for instance, with respect to the term of protection. To wit, in 1842, the old system of a set term renewable for a second set term was replaced by a term of protection of life plus seven years. Thus, in England, a term of protection based on the author’s life was introduced already in 1842.

The 19th century in England witnessed many other kinds of evolutions: copyright law expanded because people realized that it was not just about printing, but also about other forms of artistic expressions. Moreover, because of its role as a colonial power, English copyright laws were applied throughout the British Empire. This dominance culminated in 1911 with the Imperial Copyright Act,¹ which was similar to a restatement of all previous copyright legislation into one act. This Act was made to be applicable to all the then colonies of England that could choose either to adopt the 1911 Act “as is”—which is, for instance, what Australia did in 1912—or to implement their own copyright act that was nevertheless to be in line with the Imperial Act. This process coincided also with the slow coming-of-age of the colonies of the British Empire.

The Canadian Parliament decided to adopt its own statute, and did so in 1921.² The time between the English law and Canada’s decision to adopt its own statute is partly due to the First World War. But the Canadian legislation is a rephrasing to a certain extent of the 1911 British Act. Therefore, this 1921 Act—which is still today, in a certain way, the basis of our current Copyright Act³—reflected 1921, if not 1911 technology.

After the Second World War, many countries started to revise their copyright legislation. The process that started in the 1950s in Canada led to a great number of reports about what should be done to

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¹. See Copyright Act, 1911, 1 & 2 Geo. c. 46, § 24, sched. 1 (Eng.).
². See Copyright Act, 1921 S.C., ch. 24 (Can.).
modernize the Copyright Act, studies upon studies with no real action taking place.\(^4\) The situation became more serious in the 1980s with the advent of computer programs, which had become a particularly pressing issue.\(^5\)

By then, of course, many other technological issues had also developed. The agenda was becoming so large that the Canadian government considered that it could not overhaul the Copyright Act with just one statute. Instead, it wanted to go through the process in phases: Phase I would deal with the more pressing issues, like computer programs, and some other issues that had to be tinkered with,\(^6\) and the rest would be taken care of a few years later with a Phase II.

A “few years” was actually ten years later. Phase II was particularly known for updating exceptions in copyright law and for introducing neighboring rights and a private copying regime. 1997 was also a time when another issue had become apparent: the Internet. The government then decided it did not want to deal with digital issues because it was on the verge of getting a new act. Therefore, it decided to push digital issues onto a next phase. And, the next phase is the process in which we are now.

Actually, the present process started in 2005 when the first bill was tabled to take care of Internet issues.\(^7\) It failed in particular because it was put forth by a minority government that failed soon after. The bill thus died on the order paper. Another bill was introduced three years later by the government that had come into power but which was also a minority government.\(^8\) It failed because it died on the order paper too.


\(^6\) The Act also addressed anti-piracy and the relationship between industrial design legislation and copyright. See, e.g., Bill C-60, An Act to Amend the Copyright Act and to Amend other Acts in Consequence Thereof, 1988 S.C., ch. 15 (Can.); see David Vaver, The Canadian Copyright Amendments of 1988, 4 INTELL. PROP. J. 121(1988).

\(^7\) An Act to amend the Copyright Act, 1997 S.C., ch. 24 (Can.).

\(^8\) Bill C-60: An Act to amend the Copyright Act, 38th Parl., 1st Sess., 53-54 Eliz. II (2004).

\(^9\) Bill C-61: An Act to amend the Copyright Act, 39th Parl., 2d Sess., 56-57 Eliz. II
And now we have in June 2010 Bill C-32, which is the text that is the basis of my talk today.\textsuperscript{10}

What I have been explaining up to now are purely national developments, but, of course, they are only one part of the equation. There are international pressures as well on the updating of copyright law. Perhaps it might be worth mentioning that, up until 1931, Canada’s presence on the international scene was achieved as a Dominion of the British Empire through England. Canada did not have its own seat at international forums, since England was speaking for herself and for her colonies. The situation changed in 1931 when Canada became allowed to have its own independent voice on the international stage, but it can still be said that it has been part of the international scene through England before then. This means, in particular, that it has been part of the main international convention on copyright law since 1886, the year of the inception of the Berne Convention.

The Berne Convention has been updated since 1886, again to reflect technological changes and developments in the thinking of copyright law. Its latest version has been the 1971 Paris Act. Up until 1971, international relations in the area of copyright law were essentially governed by the Berne Convention, but other agreements have taken over since then because of the rise of the developing world. As more and more countries became independent and took their seat in the United Nations, they could also become members of such international conventions. That phenomenon has led to a shift in the balance of power on the international copyright scene. Already in 1971 because of the presence of the developing world, the drafters of the Paris Act of the Convention could very well see that it was becoming increasingly difficult to reach an international consensus and they feared, quite rightly, that this 1971 Act was pretty much the last one that would be achieved within the Berne context itself.

Other treaties on copyright law or neighboring rights, which are other issues dealing with related aspects of copyright law, also exist; but, more specifically, the inability of the Berne Convention to continue to adapt has meant that the forum for change has shifted onto the GATT Agreement.

The GATT Agreement, a general trade agreement as its name implies, included intellectual property in its Uruguay round of (2008).

\textsuperscript{10} Bill C-32: An Act to amend the Copyright Act, 40th Parl., 3d Sess., 59 Eliz. II (2010).
negotiations that started in 1987 and which has led to the World Trade Organization (WTO) Agreement in 1994. This WTO Agreement includes the well-known TRIPS Agreement. If it had become too difficult to modify the Berne Convention in order to modernize it, then the TRIPS Agreement made it possible in its own roundabout way. Intellectual property becomes a bargaining tool against agricultural subsidies or other market considerations and its inclusion in such negotiations highlights how intellectual property is very much part of trade. Thus, the 1994 TRIPS Agreement, which incorporates the substantive provisions of the Berne Convention, has become the international agreement that is the focus of international developments. This is not to say that TRIPS is the perfect solution to the difficulties that came with the Berne Convention. For instance, the implementation of TRIPS has become problematic, despite the fact that many people had high hopes for its efficiency because of the WTO dispute settlement mechanism that accompanied it. The value of this aspect has, thus, become somewhat undermined.

While TRIPS is administered by the WTO, the Berne Convention is administered by the World Intellectual Property Organization (WIPO), a U.N. body which the WTO is not. When it realized that the TRIPS Agreement was being negotiated, WIPO felt that some other institution was stealing its thunder. The reaction it prompted led to two important treaties in 1996: the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. I will only refer today to the WIPO Copyright Treaty. When one notices the dates, one sees that this WIPO Copyright Treaty came into existence in 1996 and that our Phase II occurred in 1997. Canada signed the 1996 WIPO Treaties, but did not implement them at the time because it did not want to address digital issues then for fear of damaging the balance that had been struck among stakeholders at the time. The implementation of the treaties is one of the main objectives of Bill C-32 and of the previous bills that have been tabled since 2005.

My intention today is not to deal with all the Internet or technological aspects of the bill or with some issues that are not Internet or tech-related, but rather to focus on one proposed amendment, “fair dealing for the purpose of education.” It would amend § 29 of the Act. As for many provisions in the bill, many are wondering if it is a provision that complies with international standards. So, I would like first to look at the concept of fair dealing for education in Canada and then, in a second part, look at this provision in the context of the international agreements, in particular the TRIPS Agreement and the
Berne Convention.

A spontaneous reaction to the mention of “fair dealing,” I suppose, is to think that it is another name for “fair use.” However, it is not the equivalent of fair use. The terminology sounds similar, but the functioning is actually quite different. It is very different for two reasons that form the basis of an overall appreciation.

First of all, fair dealing in Canada is not a “catch-all” kind of exception. It covers a series of exceptions that have traditionally existed for three purposes: fair dealing for the purpose of criticism or review; fair dealing for the purpose of private study or research; and fair dealing for the purpose of news communication. We thus have specific purposes for fair dealing, as opposed to a fair use concept that identifies contexts through a series of examples that are introduced with the expression “such as.” With fair dealing, there is no “such as” wording; there are only specific types of fair dealings.

Another element that differentiates the Canadian fair dealing provisions from the U.S. fair use exception is that the Copyright Act does not include a list of criteria by which to judge a fair dealing. Courts have had to come up with their own appreciation of what a fair dealing could be with no statutory guidance. About fifteen years ago, there existed perhaps only two or three cases that interpreted a fair dealing provision. Essentially, they would say that the copying of an entire work as a whole cannot be a fair dealing. Such decisions are not very enlightening in terms of statutory interpretation. But in the past ten to fifteen years, there have been more cases involving the fair dealing exceptions. The most important one is the one that went to the Supreme Court in 2004, CCH Canadian Ltd. v. Law Society of Upper Canada, a test case that has been very important both for fair dealing and for originality. It is a decision to which every Canadian copyright person always refers.

Fair dealing for education: what does it mean? First of all, one must be aware that there are currently educational exceptions in the Act. Indeed, in 1997 several provisions touching upon the educational sector were introduced, but they were non-digital exceptions. For instance,

much fun was made of a dry-erase board exception: writing on a board or on a flip chart is allowed. But, there are other exceptions and, in particular, an exception for photocopying made in certain categories of institutions—in educational institutions as well as in libraries and archives. The implementation of this photocopying exception requires collective management; and therefore, this exception becomes a kind of compulsory license. The educational exceptions that were introduced in 1997 were drafted to apply to “educational institutions,” which are defined in the Act. Overall, some of the educational exceptions are free; others, like the photocopying exception, are subject to the payment of royalties.

The exceptions that Bill C-32 introduces extend the existing exceptions to the digital context, of course, and create some new specific exceptions like the one for the use of works in what is called lessons, “lessons” being any kind of teaching activity in an educational institution. There is, therefore, an increase of specific exceptions that apply to the educational institutions. Most of them involve no payment to copyright owners. The big novelty in this context is the introduction of a fair dealing exception for the purpose of education, which is introduced at the same time as fair dealing for the purpose of parody or satire. Fair dealing for the purpose of parody or satire was an exception that was not clear in Canadian copyright law, but which does not have the same international ramifications as fair dealing for the purpose of education.

The purpose of education is introduced within the context of an exception, fair dealing, that does not have a statutory list of criteria for its evaluation. The fair dealing exception also entails that it applies to all categories of works and to all rights, reproduction rights as well as performing rights. Moreover, its application is not limited to educational institutions because of the following a contrario argument: the wording of the specific educational exceptions shows that they are

15. C 30 §§ 30.3-30.4.
17. Bill C-32, cl. 27 (introducing new § 30.01).
18. Bill C-32, cl. 21 (modifying § 29).
20. “Fair dealing for the purpose of research, private study, education, parody or satire does not infringe copyright.” Bill C-32, cl. 21 (modifying § 29).
intended for educational institutions while that of the fair dealing for the purpose of education makes no such mention. Consequently, the notion of education extends the application of this exception beyond educational institutions. Government representatives say that the exception is to be a test ground for exceptions that may eventually give rise to specific exceptions. However, they still maintain that it refers to education in a structured context.

It is easy to doubt such a statement because educational institutions do represent a structured context. Courts are likely to say that, in the absence of a specific reference to such institutions, the reference to “education” is not limited to structured contexts. So this new exception would introduce a very broad notion of education in a statute that does not include criteria for the appreciation of fair use either. The guidelines that exist, however, are the factors that were mentioned by the Supreme Court in the CCH decision. According to this decision, there are six factors which, if one is familiar with the U.S. fair use factors, pretty much rephrase the four U.S. factors.

In order to determine if a dealing is fair, the Court stated that one must look at the purpose of the dealing, the character of the dealing, the amount of the dealing, the alternatives to the dealing, the nature of the work, and the effect of the dealing on the work. There is no hierarchy among the factors that the Court has identified, just like the fair use factors; although, in the fair use context, many U.S. courts have said that the effect of the use on the value of the work is perhaps an element that should be highlighted more than the others. Moreover, because they are jurisprudential factors, they are subject to change. Since they are not written in the statute, courts can come up with other factors, can drop one or another. Jurisprudential factors do not provide the same level of certainty, if one can say that there is certainty in the fair use

21. See 17 U.S.C. § 107 (2008) that recites four factors to be considered in determining if a use is a fair use.

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
(2) the nature of the copyrighted work;
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
(4) the effect of the use upon the potential market for or value of the copyrighted work.

Id.

Another very important aspect of the CCH decision is the fact that the court has said that fair dealing, like all other exceptions, is a user’s right. This is the way for the court to strike the balance in copyright law: there are copyright owner’s rights and, on the other side, user’s rights. They are of equal importance so that when one assesses exceptions, exceptions are not really exceptions. They are user’s rights. This approach colors very much the light in which the various factors are to be appreciated. Suddenly, fair dealing for the purpose of education becomes a user’s right that the lower courts would be bound to interpret in this manner.

Let us now move on to the international agreements to see how they are relevant in the appreciation of this proposed exception of fair dealing for the purpose of education. International agreements have essentially two main objectives. The first one is to create a recognition system for foreigners in the countries that are bound by the agreement. Traditionally, this is done through the concept of national treatment. Foreigners are treated as nationals because one’s own nationals will be treated like the nationals of the other countries that are members of this Union, such as the one that is created by the Berne Convention. The TRIPS Agreement incorporates this concept. It has also added the concept of most favored nation: A will give to a person from country B the same treatment as it gives to the nationals of country C, which it favors most in the group. This principle is slightly different from national treatment, but it still pertains to a problem of recognition of foreigners. This is one aspect of the international agreements.

Another objective of the international agreements, of course, is to harmonize the substantive provisions of the legal regime at stake. Traditionally, these international agreements have emphasized the rights more than the exceptions. The Berne Convention, which is the older agreement, mentions several rights, of course. It has also identified over time situations that warrant exceptional treatment like, for instance, the exceptions for the retransmission right that cable operators have to abide by,23 which is another example of an exception that can be accompanied by the payment of royalties. Indeed, exceptions do not necessarily mean that the use is a free use. They refer to an encroachment upon the exclusive right of the copyright owner that

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can be for free or against payment. By definition, this payment would represent less than full market value because it is meant to reflect an exceptional situation. It thus generates less value than in the context of a full exercise of the rights, hence its nature as an exception.

In 1948 when a new version of the Berne Convention was drafted, an exception for the use of works in books destined for teaching was introduced.\textsuperscript{24} There has thus been an education-related exception in the Berne Convention since that time. The more relevant exception today is the one that was introduced in the Paris Act of the Convention in 1971. The drafters of the Berne Convention did something very startling in 1971: they recognized the right of reproduction. One may think that it goes without saying that the Berne Convention, the major copyright convention, will declare that all countries must recognize the right of reproduction, but it went so much without saying that it took up till 1971 to write it in the Convention itself.\textsuperscript{25} Along with the recognition of this right came the exception in Article 9, paragraph 2, which is called the three-step test.\textsuperscript{26} Consequently, there exists a right of reproduction, but there may be exceptions to it for special cases that meet the three-step test that requires (1) that the use will not conflict with the normal exploitation of the work, (2) that will not create an unreasonable prejudice, (3) to the legitimate interests of the owners.

This exception was thus drafted in a very broad manner. Already in 1971, copyright specialists could foresee photocopying. Perhaps they could not foresee digital technology and the Internet, but they could foresee mass uses. They did not want to have an exception that was too specific; they preferred a broad framework for exceptions. Also, since

\textsuperscript{24} Id. at art.10(2).

\begin{quote}
It shall be a matter for legislation in the countries of the Union, and for special agreements existing or to be concluded between them, to permit the utilization, to the extent justified by the purpose, of literary or artistic works by way of illustration in publications, broadcasts or sound or visual recordings for teaching, provided such utilization is compatible with fair practice.
\end{quote}

\textit{Id.}

\textsuperscript{25} Id. at art. 9(1). “Authors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form.” \textit{Id.}

\textsuperscript{26} Id. at art. 9(2). “It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work does not unreasonably prejudice the legitimate interests of the author.” \textit{Id.}
more and more countries were members of the Union, this was a way of summarizing their various exceptions because countries could not be expected to rewrite their copyright acts in light of a new series of exceptions. Article 9(2) therefore applies to the reproduction right. What TRIPS did in 1994 was to use the same three-step test, but extend it to all copyright rights. This is why it really became a very important gloss on copyright provisions. The WIPO Copyright Treaty in 1994 also used the same technique in its Article 10.

The reference today to the three-step test is often more in terms of the TRIPS Agreement. Why? Because TRIPS is assorted with sanction provisions where, if it is unhappy with the way another country is implementing the TRIPS Agreement that incorporates the Berne Convention, a country can bring the offending country before a WTO panel. If that country is found in violation of its copyright obligations under the TRIPS Agreement, sanctions can be imposed. This is indeed what happened in 2000 when a WTO panel declared that one of the exceptions in the U.S. Copyright Act that had been introduced in 1998 went against the TRIPS Agreement.

However, in the context of this proposed exception for education, it is according to the structure of the Berne Convention that the validity of an exception is evaluated. This is because there is a mechanism to ensure the compatibility of the various similar conventions by which the countries are bound. The TRIPS Agreement does provide sanctions, but then it recognizes that it cannot require less rights than the existing

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(1) Contracting Parties may, in their national legislation, provide for limitations of or exceptions to the rights granted to authors of literary and artistic works under this Treaty in certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the author.

(2) Contracting Parties shall, when applying the Berne Convention, confine any limitations of or exceptions to rights provided for therein to certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the author.

conventions of which the countries are members. Because the TRIPS Agreement thus validates the Berne Convention, there can be no derogation from its substantive requirements. The Berne definitions of exceptions therefore become relevant in the analysis of the situation.

Let us first look at this proposal for fair dealing for the purpose of education in light of the three-step test because that would be the prism through which the provision would be first studied. But afterwards, let us also have a look at Article 10(2) of the Berne Convention that specifically refers to education. So, first of all, is fair dealing for the purpose of education a special case? Well, education can be so broad that, generally speaking, it can be said that it is a purpose to which all rights in all works may apply. It all depends on the way one looks at it. A don’t-drink-and-drive campaign could be considered educational. The use of music in a dance class can be considered educational. So many activities can be labeled educational that education can actually become a very broad “case,” a result that runs counter to a convention that requires an exception to be for a specific case.

A particular problem with this requirement of “specific case” is that the Copyright Act contains all the other specific exceptions for the educational context. What is really the relationship between fair dealing for the purpose of education and all those detailed exceptions in the area of education? What is the point of having these specific exceptions if they can be summarized as fair dealings for the purpose of education, and therefore come within a general free exception? That is the first major problem with the provision.

Second, does the proposed exception come into conflict with a normal exploitation of the work? This requirement has been taken to mean that the normal exploitation of a work is exploitation through forms that generate significant revenues and through those that are likely to acquire economic or practical importance. This test is taken from the 2000 WTO panel decision. Here, we are in the presence of a conflict between individual and mass uses, a problem that also comes up with the third and final step. The phenomenon of mass use has recently been featured in a case on the current provisions on photocopying in the Act as they can be applied to the use of materials in kindergartens up to

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30. TRIPS Agreement, supra note 27, at art. 2(2). “Nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property Rights in Respect of Integrated Circuits.” Id.

grade twelve in English Canada. A collective society called Access Copyright brought a case to obtain remuneration and had surveys that showed that, in that context—not college, university, or post-graduate institutions—more than a quarter billion pages are photocopied in Canada every year. As a group, this represents a very large use of works, while for each student it probably corresponds to a minimal use of each work. It cannot be said that use in the educational context is a marginal situation nor that it would not be part of a normal exploitation of a work. That decision, which was rendered by the Copyright Board in June 2009, led to a tariff for the photocopying at stake. It was upheld by the Federal Court of Appeal on judicial review in June 2010, and, as can be expected, leave to appeal to the Supreme Court was sought. You may still hear about it in the future.

The third criterion is “no unreasonable prejudice to legitimate interests.” Here, one refers to economic prejudice and one may even envisage intellectual prejudice. What does it mean to suffer from an economic prejudice to legitimate interests? This language refers to a situation that would deprive the rights owners to enjoy and exercise the right as fully as possible since the hindrance would cause an unreasonable loss of income to copyright owners. Again, if one thinks about the figures from the photocopying case, it could be said that this scale of photocopying is creating some loss of income for copyright owners as a group. The test is “unreasonable prejudice,” so “reasonable prejudice” must be accepted. The required prejudice must be a prejudice that would be beyond reasonableness.

At this point in the three-step test, the analysis requires to have a look at collective management and see how this kind of exploitation can be managed in order to make it meaningful from an economic point of view. Of course, those who do not want to pay will argue that, for instance, when something in the range of ten or fifteen pages a month per student is copied for students from kindergarten to the end of high school, such copying does not amount to much. They will also say that, for an author, ten or fifteen pages a month are minimal amounts. Again, individual appraisals are pitted against a mass evaluation of what this activity does to copyright owners and to an industry.

There is also the issue of the intellectual prejudice. The reasoning behind this notion is that an exception can affect the moral rights of the

authors. For instance, with fair dealing for the purpose of criticism or review, the Canadian Act subjects the fairness of the dealing to the mention of the source and, if it is mentioned in the source, of the author’s name. 34 There is thus a built-in recognition of the author as part of the working of the exception. This requirement, which exists for that kind of fair dealing, is not included in the fair dealing for the purpose of education.

Let us look now at Article 10(2) and (3) of the Berne Convention where there is a specific exception for the use of works in teaching materials. It involves a very interesting structural issue within the Berne Convention. On the one hand, there is Article 9, which refers to the right of reproduction coupled with an exception, the three-step test, which applies only in the context of the reproduction right. On the other hand, there is Article 10(2) and (3) where it says that one may use works for teaching purposes in a specific way (illustration for teaching) as long as the source and the author’s name, if it is mentioned, is given. So, what is the relationship between these two exceptions? Does the existence of Article 10(2) exhaust the possibilities of educational exceptions in the context of the Berne Convention? A further argument can be made on the basis that the Berne Convention has an appendix for developing countries that also refers to educational uses. Does the existence of these specific educational exceptions exhaust educational exceptions in the Berne Convention or can Article 9(2), the three-step test in the context of reproduction only, also apply in that context?

These are questions that remain unanswered for the moment and that will become quite interesting over time because the drafters of the convention could not foresee the expansion of the use of performing rights in the educational context nor, of course, the advent of Internet communications. Generally speaking, since the three-step test has become the standard by which to judge exceptions, I would say there is a fairly strong case for stating that the proposed provision on fair dealing for the purpose of education is so broadly drafted that it goes against the three-step test of the Berne Convention and of the TRIPS Agreement. Some countries include the three-step test in their legislation to ensure that the exceptions are interpreted according to that standard. 35

35. See, e.g., Law No. 122-5 of July 2000, Code of Intellectual Property [J.O.] [Official Gazette of France]; Copyright Act, 1968, s. 200AB (Austl.); Decreto Legge, 22 April 1941,
It should be mentioned that the three-step test was devised at a time, in 1971, when the United States was not a member of the Berne Convention. Therefore, the drafters did not have to consider fair use in their summing up of exceptions. The test reflects a preference for specific exceptions as opposed to open-ended ones like fair use.

The three-step test and the structure of the Berne Convention are a reminder of the power game within copyright statutes and copyright agreements. Whether one likes it or not, the very existence of a copyright legislation—or of any other IP legislation, for that matter—relies on the idea that it is legislation that is first designed to provide rights for those who will enjoy these rights and that the exceptions are not, as the Canadian Supreme Court says, the equivalents of these rights. Exceptions raise very important issues that have to be taken into consideration in order to make the rights relevant, meaningful, and acceptable from a policy point of view, but they are not on the same footing as the rights that are recognized by the Convention.

Thank you very much for your attention and I would welcome questions.

n.633 s. 71nonies (It.).