

Bootlegging – Its Impact on Sound Recording Industry and Legal Responses

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As is known to all sound recording is considered a subject matter for copyright protection. But it is also a known fact that fixation in a tangible form is a prerequisite to be eligible for protection under the copyright law. This paper looks at the legal standpoint on unauthorized recordings of unfixed performances in the conflicting scenario existing due to the aforementioned stipulations.

Keywords: Bootlegging, copyright, fixation concept

One cannot legally record an officially released compact disc or cassette on to a blank cassette, as it would result in infringement of the copyright existing in that recording. But what about recordings of live performances or studio intakes for commercial purposes or dealings in such recordings that are made without the consent of either the performer or the recording company when it happens to be the holder of exclusive recording contract? In the case of a live performance that is not recorded, there is no fixation¹ involved. Hence, an unauthorized recording of such a performance cannot be called an act of piracy in the ordinary sense, as it does not involve unauthorized reproduction of copyrighted material. Nevertheless this act does involve violation of the performer's rights as we are talking about unauthorized recordings or broadcastings and not mere 'tape trading' as it is a commercial activity. Bootlegging² is the term used to refer to this activity. So one can say in a nutshell, that bootlegging in this context is the commercial recording, reproduction and distribution of music that has never been released by official record labels. The bulk of such material comes from live concerts and studio outtakes.³

There are plenty of arguments in favour of 'bootlegging'. Some of them are that it is a small-scale activity that preserves music and that it does not affect the sale of official releases and no actual loss is caused to the performer. The above arguments are nullified to a large extent due to the commercial nature of the activity.

Free loading of artists is not to be allowed and by not restricting this seemingly innocuous activity we are encouraging the entry of mercenaries into the industry. As is evident from the discussion above, bootlegging does not fall under the traditional copyright law violations, as it is not an act of piracy in the legal sense though in common parlance it is often called so. These unauthorized recordings adversely affect the performers and the music community in general as the royalties that may be due to them are not paid. Moreover their reputation is damaged when consumers purchase poor quality records of their work. The ambit of performer's rights under the law has been widened to include unfixed performances in its purview. These rights conferred on the performers are called neighbouring rights.⁴

These rights in performance are a relatively late development in copyright history. In fact countries like US and Canada did not recognize performer's rights at all till 1994.⁵ Even the UK legislations (since 1925) for performers rights were severely restricted in their domain till the Copyright, Designs and Patents Act of 1988 (CDPA, 1988) came into force. This new emphasis on performers' rights was mainly a reaction against bootlegging.⁶ In the subsequent part of the paper, the developments of anti-bootlegging law under different jurisdictions and also at international treaties and conventions that expedited the process are examined. The international copyright law has played a pivotal role in the development of performers' rights and the evolution of laws in different jurisdictions can be understood only in this background. Hence, international conventions and treaties providing protection to performers are considered first.

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Bootlegging and International Copyright Law

The first major international copyright treaty, Berne Convention, 1886, did not protect sound recordings and also did not provide protection to performances, as the fixation of work in a tangible form was a prerequisite to be eligible for protection under the Convention. But the Convention provided protection for both published and unpublished works. It is significant, as it would also protect those songs, which an artist chooses not to release publicly, but only as musical works that are fixed.

The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention), 1961, was the first international copyright legislation for protection of rights of performers. By Article 7(1) of the Rome Convention, the performer has the rights that would make it possible for him to prevent unauthorized broadcasting, fixation and reproductions of his performances.⁷ The Rome Convention guarantees the protection from fixation, performance or broadcasting as appropriate⁸ for a term of 20 years.

The weakness of both the Berne and the Rome Convention in preventing bootlegging became apparent in the 1980s when bootleggers exploited a series of loopholes that came to be known as the 'protection gap'.⁹ The recording industry realized the need to establish more stringent laws without further delay. The wider ramification of this episode was increased lobbying of the US Government to push for tougher copyright enforcement that culminated in the Agreement on Trade Related-Aspects of Intellectual Property Rights (TRIPS), 1994. TRIPS that became a part of the General Agreement on Tariffs and Trade (GATT) not only established greater levels of protection but also made copyright and other related rights - international trade regulations, the disputes of which are to be arbitrated by the World Trade Organization (WTO).

Under TRIPS, performers are granted the right to prevent unauthorized fixation or transmission of their performances on phonograms, as well as the right to prevent bootleg recordings of their performances for 50 years.¹⁰ It resulted in the strengthening of the protection offered by the Rome Convention.

According to WIPO Performances and Phonograms Treaty (WPPT), 1996, the performers must be accorded inalienable moral rights in respect of live aural performances and performances fixed in phonograms.¹¹ The other rights granted to performers

remained the same as in TRIPS though the words 'exclusive right of authorizing' were used instead of 'right to prevent' under WPPT.

It is pertinent to note that TRIPS and WPPT, both do not protect performers against unauthorized fixation of their live performances (bootlegging) if an audiovisual fixation is involved. In this background consider the legislations, which provide the rights to performers against bootleg recordings in various jurisdictions especially, UK, US and India.

United Kingdom

Historically performers were not protected in the United Kingdom (UK). It was only in 1925 that criminal sanctions were provided by the Dramatic and Musical Performers' Protection Act, 1923 in respect of bootlegging. The law was consolidated and extended over the years, notably to encompass performances of literary, dramatic, musical and artistic works, in 1963 (Performers' Protection Act), and in 1972 when another Performers' Protection Act extended the penalties available.¹² These Acts provided for criminal sanctions against the offenders. However, no right in any civil cause of action, either for the performer or for those with recording contracts was provided under them. Despite this, it was ruled that the law does provide civil remedies to a performer whose performance has been exploited without his consent in addition to the criminal penalties that may be imposed on bootleggers.¹³ But earlier, the Court of Appeal had come to the conclusion that the law did 'not' provide right in civil remedies for recording companies with whom performers had exclusive recording contracts.¹⁴

The UK's obligations under the Rome Convention were fully addressed by the Copyright, Designs and Patents Act (CDPA), 1988. In considering reforms to the regime for performers, the Whitford Committee¹⁵ had recommended that the performer should be given a civil right of action for injunctions and damages, but that this should not amount to copyright. As a result, the CDPA introduced two rights in performances. One of them was a personal non-assignable right for performers and the other was for their exclusive recording contractors, which could be assigned.¹⁶

Thus, the CDPA contains two main categories of rights: performers' non-property rights (non transferable) – rights against bootlegging and performers property rights (transferable)-rights in

copies. Our concern is only with the first category of rights. The non-property rights granted by the CDPA to the performers are as follows:

- Right against fixation and live broadcasting of live performances.¹⁷
- Right against public performance and communication to the public by means of a recording made without consent.¹⁸
- Right against dealing in illicit recordings.¹⁹

Under the terms of the 1988 Act as enacted, these rights were intended to be unlike copyright. There were various differences, the most notable one being that they could not be assigned, although performers' rights were transmissible on death.²⁰ Performers' non-property rights, which are personal and non-assignable, have been described as 'a form of neighbouring right to copyright'.²¹

It is also important to note that no distinction is made in the CDPA between audio visual and sound performers.²² A performance means a dramatic or musical performance, a reading or recitation of a literary work or a performance of a variety act or any similar presentation.²³

The person who makes a recording of the whole or any substantial part of the live performance directly, without consent of the performer infringes the performer's rights.²⁴ As the Section makes it clear, the right refers to the direct recording from a live performance, and makes 'bootleggers' infringers. Use of recordings made without consent and dealing in 'illicit recordings' is also considered as acts of infringement.²⁵ There is however, no infringement if such a copy was made purely for private or domestic use.²⁶ Further, no damages will be awarded against a defendant who shows that at the time of recording he believed on reasonable grounds that consent had been given.²⁷

Thus, we can see that non-property rights of performers found under CDPA adequately provides relief against unauthorized recordings and dealings in such recordings. Recently, an interesting question arose before the courts in a case where copies of bootleg recordings made of performances by well-known performers were confiscated.²⁸ The question that arose for the consideration of the Court was:

'Doesn't selling the discs displaying the names of performers and bearing their names on the accompanying paperwork inside the disc's case

make bootleggers liable under trademark law also, as in most cases the performers' have their professional names registered as trademarks in respect of their recordings?'

Though the matter reached the House of Lords (HL) on a question of whether the bootlegger can be held criminally liable under Section 92 of The Trade Marks Act, 1994 when he can not be held liable for civil infringement under the same Act, the HL opined in this matter as follows:

'Trade Mark Act is only concerned with the restriction of use of a mark as a trademark or in a trademark sense²⁹ and is to be construed accordingly. There is no reason as to why other people should not be free to use the words in a descriptive sense, and not in any trademark sense. To conclude otherwise would be to hold that Parliament intended to grant the proprietor of the trademark what would in effect be commercial copyright in that word or those words'.²⁸

Hence, it was held in this case that there was no trademark infringement, as the performers' names were not used in a trademark sense and protection for rights of performers found in Part II of CDPA, 1988 is the only applicable law.²⁸

India

The Indian Copyright law- Copyright Act of 1957 has also been amended various times to implement India's obligations under treaties like TRIPS and Geneva Phonograms Convention, 1971.³⁰ The 1994, Amendment established copyright related rights in performances and broadcasts. The 1999, Amendment extended the term of protection of performers rights to 50 from the existing 25 years.³¹

Section 14 of the Act sets out broad rights of performance and communication to the public. The 'performers' right' vests in performers and entitles them, *inter alia*, to relief against bootlegging. Section 2(q) defines 'performance' in relation to the performers' right as any visual or acoustic presentation made live by one or more performers.

Under Section 38 of the Act this right is infringed when any person, without the consent of the performer makes a sound or visual recording of his performance, reproduces such recording, or broadcasts or otherwise communicates the performance to the public.

The implementation of these provisions can be seen in the fact that courts have shown their willingness to provide injunctive relief against the unauthorized communication of works to the public, notably against pirated cable transmissions.³² Where a performer has consented to the incorporation of his performance in a cinematograph film, he loses the performer's rights.³³ Further, making of any sound or visual recording of a performance or a broadcast shall not be deemed to be an infringement if it is for the private use of the person making the recording or solely for the purpose of use in reporting of current events or *bona fide* teaching or research or as part of the activities of a club or any similar organization which is not established or conducted for profit.³⁴

But bootlegging or theatrical print theft is still a common practice in India.³⁵ The Act, though well drafted, has certain limitations in meeting the needs of inventors and owners of proprietary works and in fighting against piracy. Hence, the need for a new law on anti- piracy, which will deal solely with piracy related matters. This law would include bootlegging of public performances and theatrical print thefts apart from piracy of literary works, music piracy, software piracy, cable piracy, optical disc piracy, illegal rentals and broadcast piracy or signal theft. Unless otherwise provided, the separate anti- piracy law is to heavily rely on the Copyright Act and Information Technology Act for adjudication of piracy related disputes and offences.³⁶

United States

The United States Copyright (USC) Act of 1976 has also been amended a number of times. After holding out for over 100 years, the US became a signatory to the Berne Convention, w.e.f. 1 March 1989. This served as a catalyst for enacting the Visual Artists Rights Act of 1990, which provides some 'moral rights' protection. The protection however, is very limited and is applicable only to a set of works defined as 'works of visual art'.

With the then President Clinton's signing of GATT in December 1994, a Federal Anti- Bootleg Statute was created. The new Statutes (criminal and civil) provided for creation of a new right to protect live musical performances by incorporating provisions for civil liabilities³⁷ and criminal sanctions³⁸ for engaging in the following acts:

- The unauthorized recording of live musical performances.

- The unauthorized transmission to the public of live musical performances.
- The unauthorized sale and distribution of recordings of live performances.

It should be noted that in contrast to the broad definition of 'performers' in the WPPT, the US Statutes apply to only 'musical performances' and no other form of live performances. Like the preexisting State Statutes, the Federal Statute also provided criminalization of acts of the nature mentioned above. However, the Federal Statute also provides for the seizure of bootleg recordings or music videos manufactured outside US by US Customs at the point of importation. In effect, bootleg recordings are now subject to the seizure and forfeiture in the same manner as other property in violation of Customs Law.³⁹ The maximum penalty for violating the new law is imprisonment upto 10 years and / or a fine of \$250,000.

Although the anti- bootlegging statutes became law in late 1994, there have been very few cases brought under them. The first reported case is the one, challenging the constitutionality of the Statute- a criminal case, *United States v Moghadam*.⁴⁰ The constitutional challenge was based solely on the concept of 'fixation', an offshoot of the 'writings' requirement that is fundamental to copyright law. Moghadam argued that a live performance, by definition, has not been reduced to a fixed form at the time of performance. The Court avoided deciding on the constitutional 'fixation' and 'writings' issue; it alternatively held that the enactment of anti-bootlegging statutes was a legitimate exercise of the power granted to the Congress under the Commerce Clause, Article 1, Section 8, Clause 3 of the US Constitution because the sale and distribution of 'bootleg' recordings were activities that 'substantially affect interstate commerce and that the enactment was not under Congress' Copyright Clause Power. In *Moghadam*, the defendant was convicted of knowingly distributing, selling and trafficking in bootleg compact discs of live recordings of musical performances.

At the end of the opinion, Judge R Lanier Anderson III castigated the defendant's lawyers by expressly emphasizing that there might be a 'limited times' problem with the Statute that could have been raised, as it is a copyright-like protection, but that the defendant's counsel did not raise it.

In 2004, there were two more anti-bootlegging cases, one criminal case and the other a civil case. In *United States v Martignon*,⁴¹ the owner of Midnight Records, a company comprising of a store in Manhattan, a catalogue service, and an Internet site, was arrested and subsequently indicted by a federal grand jury for violating 18 USCA Section 2391A, for selling unauthorized recordings of live performances through his business. In addition to assertion that Section 2391A violated the 'writings' requirement for lack of 'fixation', Martignon's lawyers followed the Eleventh Circuit's advice and also asserted a 'limited times' defense.

Judge Baer, of Southern District of New York, held that the Statute violated the 'limited times' provision by granting seemingly perpetual protection to live musical performances. The Judge also addressed the 'fixation' issue that was avoided by the Eleventh Circuit and held, 'by virtue of the fact that the statute regulates unfixed live performances, the anti-bootlegging statute is not within the purview of Congress' Copyright Clause Power'.

In contrast to the fixation problem, the perpetual copyright-like protection was found to be so fundamentally inconsistent with Copyright Clause's 'limited times' restriction that the legislation was held to be impermissible under the Commerce Clause, as well. The *KISS Catalog v Passport International Productions, Inc.*,⁴² case held direct counter to Martignon that, Congress has the power to protect unfixed performances and that the exercise of this power did not conflict with norms established by the intellectual property clause (e.g. 'limited times').

There are opinions in which both the civil anti-bootlegging statute and the criminal anti-bootlegging statute have been held to be unconstitutional. In this scenario, it is imperative that a decision regarding the constitutionality of the statute be taken at the earliest.

Conclusion

The performer's rights have evolved to a large extent in the past half a century or so. The archaic laws of the past have given way to new legislations in both international and municipal law, which specially cater to protection of the rights of performers against activities like bootlegging. A balance has been struck between the copyright-like nature of rights in unreleased performances and special privileges that are accorded to protect the integrity of artist's work.

But the fact that most laws do not extend the same protection to audiovisual performances is a concern here. It is quite heartening to note in this context that the Indian Copyright law takes care of this aspect also. However, lack of implementation of the laws is the cause of worry as far as the Indian scenario goes. Also, the question of constitutionality of the US Statutes has to be decided soon, only then can rights guaranteed under these laws be better enforced.

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References

- 1 Marshall Lee, *Bootlegging-Romanticism and Copyright in the Music Industry* (Sage Publications India Pvt Ltd, New Delhi) 2005, p. 113. 'Fixation' is the legal term for putting the work in a concrete form. A work has to be 'fixed' to be eligible for copyright, which can mean written down, drawn, recorded and so on.
- 2 In common parlance, bootlegging is used to refer to any illegal sale of smuggled goods. In fact the term originated in US in early 1900's when liquor bottles were smuggled into the country by hiding them in the boots during the time of prohibition.
- 3 Marshall Lee, *Bootlegging-Romanticism and Copyright in the Music Industry* (Sage Publications India Pvt Ltd, New Delhi) 2005, p. 111. There are two types of bootleg recordings, Digital Audio Tapes (DATs) and Soundboards. DATs though similar to cassette tapes in appearance are more expensive, and do not record "air noise". Still one gets more of the crowd than the music on tape, so only concertgoers tend to use this method. Soundboards are the alternative. Bootleg companies purchase these, because of the superior near-studio quality sound. Basically, a soundboard is the audio that enters the microphones on stage, and is stored digitally on a special recording device called the soundboard. This method tends to pick up more of the music, and less of the audience.
- 4 Neighbouring rights, also known as rights neighbouring to copyright, were created for three categories of people who are not technically authors who were granted protection for their creative efforts under copyright: performing artists, producers of phonogrammes, and those involved in radio and television broadcasting.
- 5 Though sound recordings have been protected by copyright in Canada for many years, the protection for performer's performances was first enacted in 1994 and expanded upon as of 1 September 1997.

- 6 Marshall Lee, *Bootlegging-Romanticism and Copyright in the Music Industry* (Sage Publications India Pvt Ltd, New Delhi) 2005, p. 107.
- 7 Article 7(1)(a) and (b) of the Rome Convention establishes the protection of performers in respect of their unfixed (live) performances. It provides that ‘the protection provided for performers by this convention shall include the possibility of preventing: (a) the broadcasting and communication to the public, without their consent, of their performance, except where the performance used in the broadcasting or the public communication is itself already a broadcast performance or is made from a fixation; (b) the fixation, without their consent, of their unfixed performance’.
- 8 Article 14 of Rome Convention.
- 9 Lee Marshall, *Bootlegging-Romanticism and Copyright in the Music Industry* (Sage Publications India Pvt Ltd, New Delhi) 2005, p.108. The period of protection for the recording of live performance varied in different countries and hence ‘legitimate bootlegs’ existed. Also the Rome Convention had not mentioned the importation of infringing discs that were produced legally; the legal issue yet to be decided was whether a product that had been legally produced in one member state could be considered illegal when imported into another member state?
- 10 Article 14 of TRIPS.
- 11 Article 5(1) of WPPT.
- 12 www.wipo.org/documents/en/meetings/2003/avp_im/doc/avp_im_03_4b.doc.
- 13 *Rickless v United Artists Corp* [1988] 1 QB 40.
- 14 *RCA v Pollard* [1983] Ch 135.
- 15 The Committee to consider the law on Copyright and Designs, which reported in 1977.
- 16 www.wipo.org/documents/en/meetings/2003/avp_im/doc/avp_im_03_4b.doc.
- 17 Section 182 of CDPA, 1988.
- 18 Section 183 of CDPA, 1988.
- 19 Section 184 of CDPA, 1988.
- 20 Section 192 of CDPA, 1988; *Copinger and Skone James on Copyright* (Vol 1) (Sweet and Maxwell, London) 2005, p. 674.
- 21 Cornish and Llevellyn, *Intellectual Property* 5th edition (Sweet and Maxwell, London) 2003, Para 13.32.
- 22 www.wipo.org/documents/en/meetings/2003/avp_im/doc/avp_im_03_4b.doc.
- 23 Section 180(2) of CDPA, 1988.
- 24 Section 182 (1)(b) of CDPA, 1988.
- 25 Sections 183 and 184 of CDPA, 1988.
- 26 Section 182(2) of CDPA, 1988.
- 27 Section 182(3) of CDPA, 1988.
- 28 *Regina v Johnstone* [2003] UKHL 28 *on appeal from: [2002] EWCA Crim 194*; www.publications.parliament.uk/pa/ld200203/ldjudgmt/jd030522/john-1.htm.
- 29 A mark is said to be used in a trademark sense when it indicates the origin of the product.
- 30 India became a party to this treaty in 1975.
- 31 Section 40A of the Copyright Act also authorizes the Government to grant rights in performances and broadcasts from non-convention countries on complying with certain conditions.
- 32 Geller P E and Nimmer M B, *International Copyright Law and Practice* (Vol 2) (LexisNexis, New Jersey) October 2004, p. IND-48. e.g, *Tips Film Pvt Ltd & Chopra v Cable Operators Association*, Delhi High Court (Vijendra Jain, J) noted in [1998] Ent LRN- 107 (enjoining cabling of newly released films to the public).
- 33 The person who has been assigned the sound recording rights for a commission or adequate consideration becomes the first owner of copyright subject to any agreement to the contrary. No copyright subsists in the original owner. Section 38(4) and proviso to Section 17 of the Copyright Act, 1957; *Indian Performing Rights Society v Eastern India Motion Picture Association*; AIR 1977 SC 1443.
- 34 Section 39 and 52(1) of the Copyright Act, 1957.
- 35 www.ficci-frames.com/frames2001/Frames%202004/Knowledgebase2004/IPR.htm. According to industry standards, the film industry and music industry loses around Rs 2000 crores and Rs 700 crores respectively, every year due to piracy in India.
- 36 www.ficci-frames.com/frames2001/Frames%202004/Knowledgebase2004/IPR.htm.
- 37 17 USC Section 1001.
- 38 18 USC Section 231A.
- 39 in.dir.yahoo.com/Entertainment/Music/Bootlegs/- 10k/17 Jul 2006.
- 40 175 F 3d 1269 (11th Cir 1999).
- 41 46 F Supp 2d 413 (S D N Y2004).
- 42 350 F Supp 2d 823 (C D Cal2004).