

INTERNATIONAL COPYRIGHT CONSIDERATIONS FOR ONLINE MUSIC STORES

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Introduction

This paper explores how national and international copyright laws affect online music stores.¹ Specifically, this paper focuses on the laws of the United States and Canada and the iTunes Music Store (iTMS). It starts with an explanation of iTMS and the basics of copyright law. It then examines the relevant international treaties to which these countries are members and analyzes how these countries have implemented two aspects these treaties: rights granted to songwriters, performers, and producers of recordings, and anticircumvention measures. The paper looks at these issues from the perspective of businesses who are or may be considering running an online music store.

The iTunes Music Store

The iTunes Music Store (iTMS) is used as an example of an online music store for some parts of this paper. On April 28, 2003, Apple “opened” the iTunes Music Store (iTMS) when it released version 4.0 of its iTunes music jukebox software.² iTMS sells a wide variety of downloadable songs³ for \$0.99 per track. Although iTMS was not the first online music store, it was the first to offer content from all five of the major record labels for a flat rate of \$0.99 per track with no subscription fees.⁴ Initially, downloaded tracks could be played on up to three computers, copied to an unlimited number of iPods, and burned to CD an unlimited number of

¹ This paper focuses on online music “stores” versus online music “services” that charge a monthly fee for unlimited streaming or downloading. Examples of online music services are Rhapsody, Napster, and Yahoo! Music Unlimited. These services also offer burnable tracks for \$0.99.

² “Apple Launches the iTunes Music Store.” Apple press release. Apr. 28, 2003, at <http://www.apple.com/pr/library/2003/apr/28musicstore.html>.

³ Because iTMS offers non-musical works such as audiobooks and comedy albums, the term ‘track’ is often used instead of ‘song.’

⁴ John Borland, *Apple unveils music store*, CNET News.com, Apr. 28, 2003, at http://news.com.com/Apple+unveils+music+store/2100-1027_3-998590.html.

times.⁵ Today, tracks can be played on up to five devices (computers or iPods) and burned⁶ to CD up to seven times.⁷

Overview of Copyright Law

Copyright attempts to balance the rights of authors and artists to profit from their work and the right of the public to access and use those works. If authors are not happy with where this balance is set, they may have other ways to protect their rights and/or profit from their works: contract law and digital rights management (DRM, also called technological protection measures, or TPMs). Contract law may allow users to ‘contract away’ rights that copyright otherwise grants them. DRM allows a rightsholder (or an online music store acting as their licensee) to restrict what users can do with the downloaded songs. Copyright defines what practices are allowed and allows rightsholders to sue infringers who exceed the permitted boundaries of their use. DRM, on the other hand, can actually prevent users from committing the infringing acts.

Rights of Copyright Owners

For online music stores, there are two types of protected subject matter and two categories of rightsholders. The song itself (the ‘underlying musical work’) is distinguished from its recording (the ‘phonogram’). Historically, there were two types of licenses for each of these works: the right to reproduce and distribute tangible copies of songs (in the form of sheet music, lyrics, or recordings), and the right to publicly perform songs (via radio or in venues such as restaurants and theaters). These different rights can be licensed individually or a rightsholder can grant all of her rights in a work.

⁵ *Id.*

⁶ This refers to burning songs to audio CDs which can be read by any CD player. Audio CDs can also be converted (or “ripped”) back into digital music files with no use limitations.

⁷ iTunes Music Store Terms of Service, at <http://www.apple.com/support/itunes/legal/terms.html>.

Rights of Users

The rights granted to owners of copyright have important limitations and exceptions. These limitations and exceptions are in the form of rights granted to users of copyrighted works. The rights of users relevant to online music stores are the first sale doctrine and the fair use doctrine. The first sale doctrine (also called the doctrine of exhaustion) is the notion that once a work is sold to an end user, the rightsholder's right to control further distribution is exhausted. This allows end-users to resell (and in some cases, rent) purchased works. Fair use, called fair dealing in Canada, is a right to use copyrighted material in a reasonable manner without the consent of the copyright owner. The sticky part is determining what uses are reasonable. Traditionally, there have been fair use exceptions for education, news reporting, parody, criticism, private use, and reverse engineering for interoperability.⁸ This last right is becoming increasingly important as rightsholders and online music stores are using DRM to control if, when, and how users can use certain works.

International Copyright Treaties

International copyright treaties are generally intended "to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works."⁹ The first international copyright treaty, the Berne Convention for the Protection of Literary and Artistic Works¹⁰ (Berne), established that works created in one member country are protected by the copyright laws in all other member countries as if it were created in that country.¹¹ Berne define

⁸ Digital Media Project team, Berkman Center for Internet and Society at Harvard Law School, iTunes: How Copyright, Contract, and Technology Shape the Business of Digital Media - A Case Study 67 (June 15, 2004), at <http://cyber.law.harvard.edu/media/itunes> [hereinafter *iTunes white paper*].

⁹ Berne Convention for the Protection of Literary and Artistic Works, pmbl. (Sept. 9, 1886; revised July 24, 1971 and amended 1979; entered into force for U.S. Mar. 1, 1989 (Sen. Treaty Doc. 99-27)) 1 B.D.I.E.L. 715, at <http://www.wipo.int/treaties/en/ip/berne/index.html> [hereinafter *Berne*].

¹⁰ *Id.*

¹¹ *Id.*, art. 5.

a minimum level of protection and ensured that it would apply to works in all signatory countries, regardless of where the author is located or where the work was first published. Successive treaties have built on this base to further define what works are protected, what rights are involved, and how those rights are enforced.

Legally, an online music store located in one country cannot sell songs to users in other countries without obtaining rights to do so in the country in which the user is located.¹² This concept is known as the country of destination principle.¹³ These rights must be negotiated separately for each country, and thus an online music store must be sure there will be enough sales in a country to warrant the effort of negotiating to obtain those licenses. International copyright treaties simplify the international licensing process, decrease competition from unlicensed sources (by setting minimum enforcement requirements), and thus ensure a large potential audience for online music stores. Unfortunately, politicians are not well-equipped to keep pace with technology. Early international copyright treaties such as Berne and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)¹⁴ were not written with the Internet in mind. As a result, they are vague about what rights are involved in operating an online music store or leave too many things to the option of signatory countries. As one example, TRIPs states “Producers of phonograms shall enjoy the right to authorize or prohibit the direct or indirect reproduction of their phonograms,”¹⁵ but then later states that any member

¹² Morrison Foerster, *Collecting Society Practices Retard Development of On-Line Music Market*, July 2003, at <http://www.mofo.com/news/updates/files/update1040.html> [hereinafter *Morrison Foerster*].

¹³ *Id.*

¹⁴ Agreement on Trade-Related Aspects Of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1c, Legal Instruments--Results of the Uruguay Round vol. 31, 33 I.L.M. 81 (1994), at http://www.wto.org/english/docs_e/legal_e/legal_e.htm#TRIPs.

¹⁵ *Id.* art. 14(2).

may provide an exception to this protection, including for “private use.”¹⁶ Exceptions such as this resulted in inconsistencies between the laws of different member countries that directly affect the ways online music stores operate.

Recent treaties such as the WIPO Copyright Treaty¹⁷ (WCT) and WIPO Performances and Phonograms Treaty¹⁸ (WPPT) were written with online music stores in mind, but because these issues are so new, the drafting delegations were sometimes unable to achieve consensus.¹⁹ The WCT came into force on March 6, 2002 and the WPPT came into force on May 20, 2002.²⁰ Although the WCT and WPPT have been signed by both the United States and Canada, at the moment only the United States has fully complied with their provisions.²¹

The WCT and WPPT work in tandem to further define copyright terms for the artists who write songs and lyrics, the performers who perform them, and the producers who record them. The WPPT grants to performers and producers of recordings rights that under Berne were only granted to authors of musical works. For performers, it grants the right to control reproduction, to be identified as the performer of their performances, and to object “to any distortion, mutilation or other modification of his performances that would be prejudicial to his reputation.”²²

¹⁶ *Id.* art. 14(6), allowing any condition, limitation, exception to the extent permitted by the Rome Convention. Article 15(1)(a) of the Rome Convention allows States to provide exceptions for private use. International Convention For The Protection Of Performers, Producers Of Phonograms And Broadcasting Organisations, Oct. 26, 1961, at <http://www.wipo.int/treaties/en/ip/rome/index.html>.

¹⁷ WIPO Copyright Treaty, Dec. 20, 1996, at <http://www.wipo.int/treaties/en/ip/wct/index.html> [hereinafter *WCT*].

¹⁸ WIPO Performances and Phonograms Treaty, Dec. 20, 1996, at <http://www.wipo.int/treaties/en/ip/wppt/index.html> [hereinafter *WPPT*].

¹⁹ See *WPPT*, *supra* note 18, at 12 n.12.

²⁰ Summary of the WIPO Copyright Treaty (WCT) (1996), at http://www.wipo.int/treaties/en/ip/wct/summary_wct.html; Summary of the WIPO Performances and Phonograms Treaty (WPPT) (1996) at http://www.wipo.int/treaties/en/ip/wppt/summary_wppt.html.

²¹ See http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=16 and http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=20.

²² *WPPT*, *supra* note 18, art. 7 and 5. Berne, *supra* note 9, art. 9 and 6bis.

Although the Berne Convention grants authors an *exclusive* right to control the broadcasting of their work and any communication to the public,²³ the WPPT only grants performers and producers “the right to a single equitable *remuneration*” for such uses of “phonograms published for commercial purposes.”²⁴ Because this right is not exclusive and does not prevent the broadcast or communication to the public of a work, it essentially establishes a compulsory license.²⁵ The following table lists all of the rights embodied in the WCT and WPPT (including some rights included by reference to Berne).

Work	Right	Source	Comments
Song	Distribution (tangible only)	WCT Article 6	Countries are free to define when this right is exhausted.
	Rental (tangible only)	WCT Article 7	Preexisting rental laws main be maintained provided that they do not materially impair the exclusive right of authors.
	Communication to the public (non-tangible only)	WCT Article 8	“any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.”
	Reproduction	Berne Article 9	Countries are free to impose compulsory licenses (Article 13).
	Public Performance	Berne Article 11	“any communication to the public of the performance of their works”
Recording	Distribution (tangible only)	WPPT Articles 8 and 12	Countries are free to define when this right is exhausted.
	Rental (tangible only)	WPPT Article 9 and 13	Preexisting rental laws main be maintained provided that they do not materially impair the exclusive right of authors.
	Making Available (non-tangible only)	WPPT Article 10 and 14	The right to authorize the making available of phonograms to the public “by wire or wireless means” “in such a way that members of the public may access them from a place and at a time individually chosen by them.”

²³ *Berne*, *supra* note 9, art. 11bis.

²⁴ *WPPT*, *supra* note 18, art. 15.

²⁵ *WIPO Intellectual Property Handbook: Policy, Law and Use* 318 (2d ed. 2004) at <http://www.wipo.int/about-ip/en/iprm/pdf/ch5.pdf>.

	Broadcasting and Communication to the public	WPPT Article 15	The right is only to remuneration and thus creates a compulsory license. Applies to “any communication made to the public.”
	Reproduction	WPPT Articles 7 and 11	Countries are free to impose compulsory licenses based on Article 16, which states that countries can apply to phonograms limitations previously applied to musical works.

For online music stores, the most important right granted by the WCT and WPPT is the ‘make available’ right.²⁶ This is the exclusive right to authorize the making available to the public of one’s songs or performances “in such a way that members of the public may access them from a place and at a time individually chosen by them.”²⁷ This right is not subject to compulsory licenses (as is the reproduction right) and applies to non-tangible reproductions (unlike the distribution right). Although the make available right applies only to non-tangible reproductions (because it refers to access “by wire or wireless means”), it is more encompassing than the communication and public performance rights because it does not require that any reproductions or performances are made before there is an infringement. It also eliminates the question of whether a performance right is required for online music stores--the whole purpose of online music stores is to make tracks available “in such a way that members of the public may access them from a place and at a time individually chosen by them.”

Licensing Differences Between Countries

With so many different types of rights, it would be impossible for an online music store to obtain the necessary licenses for each work individually. Licensing organizations solve this problem by collectively managing and licensing rights for hundreds or thousands of works. Licensing organizations are limited to the territory of the country in which they are based, but

²⁶ *WCT*, *supra* note 17, art. 8 and *WPPT*, *supra* note 18, art. 10 and 14.

²⁷ *WPPT*, *supra* note 18, art. 10.

oftentimes have reciprocal agreements with licensing organizations in other countries allowing them to also negotiate rights for use in other countries.²⁸

The first licensing organizations were created to collectively manage the performance rights of songwriters whose songs were performed in theaters, nightclubs, and restaurants. They charged annual license fees based on the size of the venue (in the case of restaurants, night clubs, etc.). When it was established that the public performance right applied to radio, fees were based on audience size. Licensing organizations had various methods for auditing their licensees to determine what songs were played so they could pay royalties to the appropriate copyright holders. The determination of how two traditional rights (performance and mechanical rights for both songwriters and performers) map to the four rights defined in the WCT and WPPT (making available, communication to the public, public performance, and reproduction) has differed by country.

United States

Although the U.S. is technically in compliance with the WCT and WPPT, there are noticeable differences between U.S. copyright law and these treaties. For one, U.S. copyright law does not distinguish between performers and producers and does not grant any moral rights.

Under U.S. copyright law, owners of copyright in musical works have a right to control performances of the song and the first distribution of a phonogram of the song to the public. After the first distribution to the public, anyone else can make and distribute phonograms of the song as long as they pay a statutorily-set royalty (called a compulsory license) to the copyright holder.²⁹ The owner of copyright in the recording of a musical work can exercise the right to

²⁸ *Morrison Foerster, supra* note 12.

²⁹ 17 U.S.C. § 115 (2003).

control public performances, reproduction, and distribution of the recording and is not subject to compulsory licenses.

In the United States, there are separate licensing organizations to manage mechanical rights and performance rights for musical works. Performance rights for musical works are licensed by one of three organizations: ASCAP, BMI, and SESAC. Although a performance right does not seem to be required for online music stores, collecting societies argue that because DPDs are ‘made available’ to the public, a performance right is also required--even though the end user may never actually play the downloaded song.³⁰ The money these organizations collect are paid to music publishers, which in some cases is the artist herself. The mechanical licenses for musical works are set by statute and are usually licensed by the Harry Fox agency. The license fee is currently 8.50 cents per song for songs 5 minutes or less and 1.65 cents per minute or fraction thereof over 5 minutes.³¹ On January 1, 2006, the statutory license fee goes up to 9.1 cents for songs 5 minutes or less.³² Mechanical and performance rights for recordings (phonograms) are usually handled by the record company.

Canada

Although Canada has signed both the WCT and WPPT, it has not yet enacted implementing legislation.³³ On June 30, 2005, the Minister of Canadian Heritage introduced

³⁰ *Morrison Foerster*, *supra* note 12. There is some dispute as to whether a performance license is required for DPDs. ASCAP claims the Digital Performance Right in Sound Recordings Act of 1995 makes all digital transmissions a public performance. See also Michelle L. Spaulding, *Copyright Protection For Music On The Move* (Sept. 1999) at <http://cyber.law.harvard.edu/mp3/>.

³¹ Harry Fox Agency, Inc., *Statutory Royalty Rates*, at <http://www.harryfox.com/public/licenseeRateCurrent.jsp> (n.d.).

³² *Id.*

³³ *WCT*, *supra* note 17 and *WPPT*, *supra* at 20.

implementing legislation in the form of Bill C-60, An Act to amend the Copyright Act.³⁴

Parliamentary committee hearings are expected to commence on Bill C-60 in the fall.

Royalties for works sold by online music stores are collected in the form of tariffs, which must get prior approval from the Copyright Board of Canada. To date, no tariffs have been approved, but a tariff was filed by two leading publisher licensing organizations (CMRRA and SODRAC) which asked for the greater of \$0.10(CA) for each download or fifteen percent of the gross revenue.³⁵ Another licensing organization has proposed a similar tariff.³⁶

Considering implementation of the WCT and WPPT treaties has not taken place and tariffs for online music stores have not been set, it is surprising to learn that there is already a Canadian iTunes. Even more surprising is that the store is little different than the U.S. iTunes.

There are three main sets of terms that govern use of iTunes: the terms of service, the terms of sale, and the privacy policy. Both the US and Canadian iTunes have the exact same privacy policy. The differences in their terms of sale and terms of use are minor, and indicate that Canadian contract law can cover any gaps in the copyright law. In the following passages, text that only appears in the terms for Canada is underlined.

You shall be authorized to use the Products only for personal, non-commercial use, and not for redistribution, transfer, assignment or sublicense, to the extent permitted by law.³⁷

You shall be authorized to use the Product only for personal, non-commercial use, and not for redistribution, transfer, assignment or sublicense, to the extent permitted by law.³⁸

³⁴ Copyright Policy Branch, Department of Canadian Heritage, *Bill C-60, An Act to amend the Copyright Act*, at http://www.pch.gc.ca/progs/ac-ca/progs/pda-cpb/neuf-new/copyright_short_e.cfm (last modified Jul. 6, 2005).

³⁵ Supplement Canada Gazette, Part I, May 1, 2004, at <http://www.cb-cda.gc.ca/tariffs/proposed/mp01052004%2Db.pdf>.

³⁶ Michael Geist, *The Real Threat To The Music Download Market*, Toronto Star, Apr. 18, 2005, at http://www.michaelgeist.ca/resc/html_bkup/april182005.html.

³⁷ iTunes Music Store Terms of Service, Nov. 29, 2004, at <http://www.apple.com/ca/support/itunes/legal/terms.html>

³⁸ iTunes Terms of Sale, Nov. 29, 2004, at <http://www.apple.com/ca/support/itunes/legal/policies.html>.

You agree that you will not attempt to, or encourage or assist any other person to, circumvent or modify any security technology or software that is part of the Service or used to administer the Usage Rules, or interfere with, remove or alter any rights management information on the Products.³⁹

You agree that you will not attempt to, or encourage or assist any other person to, circumvent or modify any software required for use of the Service or any of these Usage Rules, or interfere with, remove or alter any rights management information on the Products.⁴⁰

Bill C-60 contains provisions to create a ‘make available’ right and prohibit interference with rights management information, which would eliminate these minor differences. What is significantly different between the two services is the content selection. The following table shows the U.S. singles charts for the week June 2 through June 9, 2005⁴¹ and the availability of those songs on iTunes U.S. and iTunes Canada on June 12, 2005 and July 31, 2005. Five of the songs were available on the U.S. iTunes but not on the Canada iTunes on June 12, and only one of those songs had appeared on iTunes Canada two weeks later.

Rank. TITLE - Artist	US	CA (6/12/05)	CA (7/31/05)
1. DON'T CHA - Pussy Cat Dolls	Y	N	Y
2. IN THE KITCHEN/TRAPPED IN THE CLOSET - R. Kelly	Y	Y	Y
3. WHEN YOU TELL ME THAT YOU LOVE ME - American Idol	Y	N	N
4. BLUE ORCHID - White Stripes	Y	Y	Y
5. SO FRESH - Miranda	N	N	N
6. SATURDAY NIGHT - Aaron Carter	Y	N	N
7. DO YOU BELIEVE IN MAGIC - Aly & A.J.	Y	N	N
8. ONE WORD - Kelly Osbourne	Y	N	N
9. SOLDIER - Destiny's Child	Y	Y	Y
10. WE WILL BECOME SILHOUETTES - Postal Service	Y	Y	Y

³⁹ iTunes Music Store Terms of Service, *supra* note 37.

⁴⁰ iTunes Terms of Sale, *supra* note 38.

⁴¹ Nielsen SoundScan, US Top 20 Singles for the week ending June 5 - June 9, 2005, at http://jam.canoe.ca/Music/Charts/us_singles.html.

Anticircumvention Differences Between Countries

The WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT) both have anticircumvention articles.⁴² The language of these two treaties is essentially identical, the only difference being that the WCT covers authors and works, and the WPPT covers performers or producers of phonograms and performances or recorded performances (phonograms). These treaties require members to “provide adequate legal protection and effective legal remedies” against three things: (1) “the circumvention of effective technological measures” used in connection with the exercise of their rights under the treaty and that restrict acts which are not authorized by the rightsholder, (2) “remov[ing] or alter[ing] any electronic rights management information without authority”, and (3) “distribut[ing], import[ing] for distribution, broadcast[ing] or communicat[ing] to the public, without authority, a work or performance knowing the electronic rights management information has been removed or altered without authority.”⁴³

United States

The United States implemented the Digital Millennium Copyright Act (DMCA) in 1998 to comply with the WCT and WPPT.⁴⁴ While the DMCA prohibits circumventing access controls, it does not prohibit copy controls because any copies made would be infringing. The DMCA prohibits trafficking in devices primarily designed for circumventing technology designed to limit access (access controls) or technology designed to prevent or limit making copies of the work (copy controls). Because courts have interpreted the access control definition

⁴² See *WCT*, *supra* note 17, art. 11 and 12 and *WPPT*, *supra* note 18, art. 18 and 19.

⁴³ *Id.*

⁴⁴ *iTunes white paper*, *supra* note 8, at 36.

broadly⁴⁵, the DMCA effectively creates a new right to control access to and use of copyrighted works.⁴⁶ Additionally, under the DMCA, any affected party can bring a civil action for statutory damages against someone who circumvents DRM protection.⁴⁷ This means that the online music store itself can sue an infringing customer to protect its DRM technology without permission or assistance from the copyright holder.

Canada

Bill C-60⁴⁸ bill makes circumvention a crime only when done “for the purpose of an act that is an infringement of the copyright in it or the moral rights in respect of it or for the purpose of making a copy [for private use].”⁴⁹ While circumventing “technological protection measures” (TPMs) for the purpose of copying is prohibited, circumventing access controls does not seem to be. For an online store like iTunes which sells songs and allows them to be copied to multiple computers, access controls are not a problem to begin with, and this exception should not be a problem. But for the emerging category of subscription services that allow an unlimited number of “tethered” downloads, this exception may allow users to continue to play downloaded songs after they have unsubscribed from the service.

Conclusion

At first iTunes was only available in the United States. Today, iTunes is available in nineteen different countries.⁵⁰ Although iTunes could have a single online store, there are three

⁴⁵ See *Universal v. Reimerdes*, 111 F. Supp. 2d 294, 317-318.

⁴⁶ *iTunes white paper*, *supra* note 8, at 36-37.

⁴⁷ 17 U.S.C. § 1203 (2003).

⁴⁸ See *supra*, note 34.

⁴⁹ C-60, First Session, Thirty-eighth Parliament (2005) 20 lines 20-23 (Can.), *at* http://www.parl.gc.ca/38/1/parlbus/chambus/house/bills/government/C-60/C-60_1/C-60_cover-E.html

⁵⁰ USA, Canada, Norway, Switzerland, and fifteen EU countries (UK, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and Sweden)

important reasons for creating separate virtual storefronts for each country: prices are different, the selection is different, and it allows iTunes to regionalize the store based on differences in language and musical tastes. Prices are different because users prefer the price to be displayed in their national currency, licensing costs vary by country, and because iTunes prices must compare to the price of CDs in stores, which varies by country.⁵¹ Selection can vary by country for main reasons: First, an artist may reserve the right to international distribution and then not grant a license in certain countries. Second, iTunes may have obtained a license for a work from the licensing organization in one country, but may not have a relationship with the licensing organization that manages licenses for the work in another country. There are other good reasons to create separate storefronts: it allows Apple to set up subsidiaries in different countries for tax purposes and it allows servers to be located closer to users, decreasing bandwidth costs and increasing speed.

iTunes does all of these things using a single virtual storefront that is customized for the user based on IP address geolocation⁵², but it also allows users to select a different country. This could be for users who are incorrectly geolocated, for users with gift cards from other countries, and as a service to users by allowing them to see what artists are popular in other countries. What it also does is draw attention to the fact that iTunes is only available in a limited number of countries and the selection and prices are not the same for the countries in which it is available. Hopefully, users who are upset by these limitations will direct their anger toward lawmakers instead of Apple and international copyright harmonization will become more of a priority. The result will be that the cost to open online music stores in different countries will decrease and the

⁵¹ If prices are set too high above the price of CDs, there will be fewer sales. If prices are set too low, iTunes may not turn a profit or may make less profit than would otherwise be possible.

⁵² IP geolocation is the ability to approximate the actual location of a user based on the IP address of their computer, which is sent along with most communications over the Internet.

number of cross-licensed works will increase. This would mean more users will have access to more works at lower prices.