Copyright Law

Second Edition

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Dedication

To the Honorable Edward R. Becker—
a distinguished jurist
in his case opinions and in chambers, an inspiring teacher
an innovative judicial administrator
piano player *extraordinaire*
a generous friend

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Bibliographic Note

The purpose of this monograph is to serve as an introduction to, and a starting point for research about, the law of copyright. It cannot feasibly be minutely detailed in its text or heavily annotated in its footnotes. Fortunately, there are a number of longer works of high quality that can be recommended to serve those latter purposes. For over forty years, the masterful multi-volume treatise, constantly cited by the courts, has been that of the late Professor Melville Nimmer: Melville & David Nimmer, *Nimmer on Copyright*. It has now been joined by an equally outstanding multi-volume treatise by Professor Paul Goldstein, titled simply *Copyright*. Both works are regularly updated. A single-volume treatise that can be recommended, and that is somewhat more detailed than this monograph, is *Understanding Copyright Law* (4th ed. 2005), by Marshall Leaffer.

There are two research services that provide current updates on copyright developments and decisions. These are published by Commerce Clearing House and by the Bureau of National Affairs (*BNA Patent, Trademark & Copyright Journal*). The *United States Patent Quarterly* also publishes advance sheets containing decisions in the fields of patents, trademarks, and copyright. The relatively few federal district court copyright decisions that are not published in the *Federal Supplement* can usually be found in full text in either the CCH or USPQ reports.

The Copyright Office website contains a wealth of information about the substance and administration of the Copyright Act (http://www.copyright.gov). One can find there not only the text of the Act (not always up-to-the-minute, however), but also pending copyright bills, the rules and regulations promulgated by the Copyright Office, news of the activities of the Office, its very useful reports and studies, speeches and statements by the Register of Copyrights, the various application forms, informational circulars, and access to registration records.

The law journal articles written about copyright have vastly proliferated over the past decade, and are published in general law reviews as well as in an increasing number of specialty journals devoted to

intellectual property or to allied fields (such as computer law and entertainment law).

Throughout this monograph, the provisions of the copyright statute now in effect—the Copyright Act, most of the provisions of which went into effect on January 1, 1978—are referred to by their section numbers within title 17 of the U.S. Code. Pertinent definitions from section 101 of the Act are set forth in a glossary at the end of this monograph.

Many courts and scholars have come to regard the report of the House Committee on the Judiciary, H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. (1976), as the most comprehensive, exhaustive, and authoritative legislative source of the history and purposes of the Copyright Act. This monograph makes frequent reference to this significant document, which is denoted simply as "House Report."

Excerpts from most of the cases discussed in this book, and from the House Report, can conveniently be found in Robert Gorman & Jane Ginsburg, *Copyright: Cases and Materials* (7th ed. 2006). The chapters in this monograph are organized to correspond with that book.

The coverage of this monograph is complete as of May 1, 2006.

Chapter 1
History and Background

Copyright is the body of law that deals with the ownership and use of works of literature, music and art. The basic purpose of copyright is to enrich our society's wealth of culture and information. The means for doing so is to grant exclusive rights in the exploitation and marketing of a work as an incentive to those who create it. The Founding Fathers phrased this more elegantly—and provided the constitutional source for Congress's power to enact copyright laws—in Article I, section 8, clause 8 of the Constitution: "The Congress shall have power . . . To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." This provision is both a source of and a limitation on Congress's power to enact copyright and patent statutes.

The Copyright Statutes

British antecedents and the 1790 Act

Oddly, U.S. copyright law traces its source to British censorship laws of the sixteenth century. In 1556, the King granted to the Stationers' Company, made up of the leading publishers of London, a monopoly over book publication, so as better to control the publication of seditious or heretical works. Publishers were given an exclusive and perpetual right of publication of works that passed muster with the Government and the Church (by way of the Star Chamber); there was no intention to protect or reward authors. After nearly a century and a half, licensing laws were left to expire and publishers sprang up independent of the Stationers' Company. The Company turned to Parliament for protective legislation and in 1710 the Statute of Anne was enacted. The basic philosophy and contours of that statute have dominated the U.S. law of copyright for most of our history as a nation. Its purpose was stated to be "for the Encouragement of Learning," which was threatened by the damage done to authors and their families by unauthorized copying of their books. This purpose was to be promoted by granting to authors

an exclusive right of publication to last for 21 years for existing works and for 14 years (subject to renewal by a living author for an additional 14 years) for works published in the future. A condition of copyright was the registration of the title at Stationers' Hall and the deposit of nine copies at official libraries.

The Statute of Anne, and the copyright laws later adopted in the former Colonies, set the stage for the Copyright and Patent Clause of the Constitution and for the enactment by the first Congress in 1790 of the first federal statutes governing copyrights and patents. In the handful of major copyright revisions over the past 200 years, Congress has gradually increased the kinds of works that are eligible for copyright and the kinds of exclusive rights afforded to the copyright owner. Congress has also gradually extended the period of copyright protection and reduced the significance of compliance with statutory formalities. It should be noted that Copyright protection is not limited to works of "high culture," and that its coverage embraces such mundane works as business directories and such technologically oriented works as computer programs.

The Copyright Act of 1909

The Copyright Act that dominated the twentieth century was enacted in 1909. Inartfully drafted and lacking important definitions—and enacted before the invention or widespread commercial use of the phonograph, motion pictures, radio and television, the photocopy machine, the computer, and a wide array of communications media including, of course, the Internet—the 1909 Act was subjected to frequent ad hoc amendment and to unguided judicial interpretation.

A principal feature of the 1909 Act was the preservation of state copyright protection (known as common-law copyright) for unpublished works; once a work was published by dissemination to the public, however, either federal copyright formalities were satisfied or the work fell into the public domain. If the familiar copyright notice was placed on all copies of a published work, federal copyright protection attached, exclusively enforced in federal courts (provided the copyright owner registered the work in the Copyright Office prior to commencing suit). Such federal copyright lasted for 28 years and was subject to re-

newal upon timely registration for an additional 28 years. The most significant exclusive rights accorded to the copyright owner under the 1909 Act were those of printing or otherwise copying, of making adaptations or versions, of selling, and of publicly performing (for musical compositions, publicly performing for profit).

Although the 1909 Copyright Act is no longer in effect, it does govern important aspects of transactions that took place between 1909 and 1978, and many of those transactions continue to be a source of litigation today. Knowledge and application of the 1909 Act will therefore continue to be pertinent to resolve disputes concerning, for example, whether a work published prior to 1978 complied with statutory formalities or was thrust into the public domain,[1] and who is the owner of copyright when claims are traced back to transfers that took place while the 1909 Act was in effect.[2]

The Copyright Act of 1976 and its frequent amendments

After a major effort in the Copyright Office and the Congress to restudy and revise the law, an effort lasting more than 15 years, U.S. copyright law was drastically overhauled in the Copyright Act of 1976, which in most pertinent respects took effect on January 1, 1978. That statute abolished common-law copyright and made federal copyright exclusive from the moment a work is "created," that is, "fixed in a tangible medium of expression," whether in published or unpublished form. Works then in the first term or the renewal term of copyright under the 1909 Act had their term of protection potentially extended to 75 years. Works created on or after January 1, 1978, or first published thereafter, were to be protected for 50 years after the death of the author, and corporate works were to be protected for 75 years after publication. If a work was published after January 1, 1978, it was still required to bear a copyright notice, but failure to use the notice would be subject to cure

1. *E.g.*, Estate of Martin Luther King, Jr., Inc. v. CBS, Inc., 194 F.3d 1211 (11th Cir. 1999); Academy of Motion Picture Arts & Sciences v. Creative House Promotions, Inc., 944 F.2d 1446 (9th Cir. 1991).

2. Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc., 380 F.3d 624 (2d Cir. 2004) (work made for hire); Forward v. Thorogood, 985 F.2d 604 (1st Cir. 1993) (transfer of physical object embodying musical work).

and would not necessarily thrust the work into the public domain. Congress has since eliminated the notice requirement altogether for works published after March 1, 1989. In 1998 20 more years were added to the term of copyright for all works still under copyright protection.

The exclusive rights accorded the copyright owner under the 1976 Act are essentially the same as those given by the 1909 Act, with the addition of the right of "public display" to take account of transmissions by television and computer. A host of intricately delineated exemptions are incorporated in the 1976 Act, so that a variety of uses of copyright-protected works may be made, without securing the authorization of the copyright owner, for certain nonprofit, charitable and educational purposes. The well-known doctrine of fair use, judicially devised in the middle of the nineteenth century, was expressly incorporated in the text of the statute.

In almost every year after the Copyright Act was amended in 1989 to eliminate the requirement of placing a notice on all publicly distributed copies, the statute has been amended further, principally in order to take account of new technological developments or to conform to the provisions of international treaties that have come increasingly to harmonize the copyright laws throughout the world. Only the most significant amendments are noted here.

In 1990 Congress granted to visual artists certain limited rights of attribution and integrity in the original physical copies of their works; expanded the rights of architects in their plans and buildings; and granted commercial-rental rights covering computer programs (as it had done in 1984 for musical recordings). In 1992 the Act was amended to provide for automatic renewal of the copyright terms of pre-1978 works then in their first term of copyright; and to ensure compensation to recording companies and performers in connection with the sale of digital recording machines and media (the Digital Audio Home Recording Act, which also expressly immunized home recording for noncommercial purposes). In 1994, Congress restored copyright protection to non-U.S. works from treaty-signatory nations (the Berne Convention and the World Trade Organization) if those works were still protected in their "countries of origin" but had lost their U.S. protection because they had been published here without the

notice required under the 1909 Act or had not been timely renewed under that Act. In 1995 and again in 1998, Congress extended to sound recordings the exclusive right of digital public performance (e.g., by being played over the Internet), resulting in the copyright owner's full rights over interactive digital transmissions and a compulsory-license regime for most other digital transmissions. In 1998, as noted above, the term of copyright protection was extended from 75 years to 95 years (for corporate works and for works still protected under the 1909 Act), and from "life plus 50" to "life plus 70" for other works created or published after January 1, 1978. In 2003 the Supreme Court sustained this "Sonny Bono Copyright Term Extension Act" against constitutional attack.[3] In 1998 Congress took a significant step beyond conventional copyright in the provisions of the Digital Millennium Copyright Act that prevent the circumvention of technological protections (such as digital encryption) of copyrighted works.

Copyright as an Element of Intellectual Property Law

The general domain of copyright law is often misunderstood. In particular, its boundaries are often confused with those of the law of patents and trademarks. These three fields are commonly grouped together as "intellectual property," but they are quite different in important respects, which are summarized here.

The purpose of copyright and patent is to provide incentives to "promote the progress of science and useful arts" and the constitutional source of Congress's power to legislate is the Copyright and Patent Clause. The purpose of trademark law is to prevent confusion in the commercial marketplace—and thereby to ensure accurate information and the maintenance of quality of goods and services—and the constitutional source of Congress's power to legislate is the Commerce Clause.

3. Eldred v. Ashcroft, 537 U.S. 186 (2003).

Patents

The law of patents[4] embraces the subject matter of products and processes. To be eligible for protection, an invention must be useful, and novel, and—even though it might not have been known before—also "nonobvious," that is, not reasonably anticipatable by a person versed in the current state of the pertinent art. Before a patent is issued by the Patent and Trademark Office, the invention must be determined by an examiner, after a detailed search of prior art, to satisfy these three statutory conditions. Patent protection begins only when the Office issues the patent at the end of the examining process, and the patent lasts for 20 years as measured from the date on which the patent application was initially filed.

The exclusive right granted by the patent law is much more powerful than that accorded by copyright, in two important respects. Copyright infringement requires that the work of the copyright owner have been copied, so independent origination of a similar or identical work is not an infringement; but patent infringement can arise even from a later independently created invention. Copyright gives the author exclusive rights to copy and otherwise exploit only the pattern of expression in the copyrighted work and not the underlying ideas, concepts or systems; patents protect against replication of chemical or mechanical processes as usefully embodied. For example, copyright in a book that describes a newly invented medical device will afford protection only against those who copy or closely paraphrase the author's prose depiction. It will not prevent another person from manufacturing, selling, or using the medical device; only a patent can provide that protection to the inventor.

Similarly, copyright in a computer program protects only against copying or paraphrasing the sequence of commands (whether in "source code" intelligible to humans or in "object code" which directly operates the computer). It does not prevent a person from replicating the process that the computer program implements, provided there is no copying of the program. Thus, a computer program might be designed to run certain tests and move certain machinery compo-

4. 35 U.S.C. §§ 101 et seq.

nents in the course of producing a particular product. Copyright will prevent another from copying the program, but anyone is free—even by means of decoding the program (which has been held to be a "fair use")—to devise another method for running those tests and moving those components, perhaps manually or perhaps by devising another computer program that does not track the commands or structure of the first program. If, however, the production process (which incorporates the computer program) is one that meets the requirements of novelty and nonobviousness under the patent law, a process patent can be issued. This patent will preclude others who seek to use or to market the protected process, even by means of a computer program of altogether different configuration—and, indeed, even though the later program is independently originated.

In sum, copyright protection is much easier to secure and lasts much longer; patent protection is more powerful in curbing competitors. Both patent and copyright are enforced exclusively in the federal courts.[5] Appeals in patent cases are centrally channeled to the Court of Appeals for the Federal Circuit,[6] whereas the appellate channels in copyright cases are the usual, geographically dispersed ones.

Trademarks

The law of trademark protects words or pictures that identify the source of a product or service. Under state common law, a person commits the tort of unfair competition by "passing off" its product or service as that of another through deceptive or confusing use of words or pictures in identifying, advertising or packaging. The plaintiff must prove that its "mark" (or the shape or packaging of its product) has become "distinctive," i.e., has come to be identified by the consuming public principally with that person as the source of the product, and that the defendant's use of a similar mark on a similar product confuses a significant segment of the purchasing public. State and federal law permit owners of such marks to register them in a public record;

5. 28 U.S.C. § 1338(a).

6. *See generally* Herbert F. Schwartz, Patent Law and Practice (3d ed. Federal Judicial Center 2001).

such registration provides constructive notice and other advantages (typically evidentiary but some substantive). Suits under the federal Trademark Act (the Lanham Act)[7] are brought in federal court, whereas suits to enforce state common-law or statutory trademark rights may be brought in state courts. In either forum, the fundamental issues are the same: identification by the public of the mark with the plaintiff as the source (known as secondary meaning), and confusing use of the mark by the defendant on similar products or services.

Trademark rights generally begin when the mark is used in commerce (although a 1988 amendment of the Lanham Act made it possible to register a mark in the Patent and Trademark Office when there is merely "intent to use," subject to other conditions); they last so long as the mark is used and retains its secondary meaning. Some graphic works, or words in conjunction with graphic works, that function as trademarks are also eligible for copyright protection, although many are not protectible for reasons that will be discussed in the next chapter. The figure of Mickey Mouse is a particularly well-known example of an image that is protectible both by copyright and by trademark (as a symbol identifying Disney products and entertainment services). Copyright protection begins earlier, when a work is fixed in tangible form, and can be enforced against copiers even without proof of the plaintiff's use in commerce or of secondary meaning and confusion. Trademark protection is available for a longer period of time (potentially forever) and even against persons whose confusingly similar mark has been adopted independently and without copying from the plaintiff.

Copyright and property law

It is, finally, useful to draw a distinction between copyright law and the body of law that regulates the ownership of tangible personal property. Copyright is a form of "intangible" property. The subject of copyright—the words of a poem or the notes of a song—can exist in the mind of the poet or composer, or can be communicated orally, without being embodied in any tangible medium. Even when thus embod-

7. 15 U.S.C. §§ 1051 et seq.

ied, it is possible for persons to recite a poem, sing a song, perform a play, or view a painting without having physical possession of the original physical embodiment of the creative work. (The painting can be viewed by means of a reproduction or a television transmission.) The Copyright Act attempts to draw a clear distinction between the literary, musical or artistic "work" that is protected against unauthorized exploitation in various forms, and the physical object in which that work is embodied by the author. It is possible to be the owner of one without being the owner of the other.

Although, for example, earlier copyright statutes referred to a "book" as the focus of copyright protection, the 1976 Act makes it clear that protection is for the "literary work" (i.e., the sequence of words or symbols) regardless whether the tangible medium in which that work is embodied is a book, a magnetic audiotape or a computer disk. A sculptor may create a bronze statue and sell it to another, who may in turn keep others from touching it and can place it on the back porch or in the basement; but the buyer does not have the right, accorded by copyright, to make and sell photographs or three-dimensional replicas of the statue. Those latter rights are held initially by the sculptor (as "author" of the sculptural work, under section 201(a) of the Act) and they may be retained by the sculptor despite the transfer of ownership of the physical object to another.

Section 202 of the Copyright Act expressly provides for the separation of copyright and chattel ownership, and sets forth default rules in the event of transfers:

> Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied. Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any rights in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object.

There is, then, a presumption that the exclusive rights that make up the copyright are not transferred when the physical object—the manuscript, the canvas, the sculpture—is transferred. To have an effective

transfer of the copyright, section 204(a) of the Copyright Act requires that there be "an instrument of conveyance, or a note or memorandum of the transfer, . . . in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent." In sum, copyright is transferable intangible property, but an effective voluntary transfer requires clear and signed written evidence, and will not be inferred from an outright sale of the tangible object in which the work is fixed. All of the conventional state rules of chattel ownership are applicable with regard to that object, and are almost without exception not displaced by the federal Copyright Act.

Copyright Office and Judicial Review

Much of the work that is done in the administration of the Copyright Act is in the hands of the Copyright Office and its head, the Register of Copyrights. The Office, *inter alia*, handles applications for copyright registration, records transfers and other documents relating to copyright, and issues regulations (in volume 37 of the Code of Federal Regulations) about such matters as ineligibility for copyright, setting and distributing fees under the various statutory compulsory-license provisions, and the mechanics of registration and deposit.

Unlike most other federal administrative agencies, which are housed within the executive branch, the Copyright Office lies technically within the Library of Congress and is thus an arm of the legislative branch; the Register is appointed by the Librarian of Congress. Nonetheless, the Office operates very much as a typical federal administrative agency, most clearly in its promulgation of regulations that are designed to implement the Copyright Act. Section 702 of the Act expressly grants that power to the Register, and other provisions of Chapter 7 give the Register wide-ranging powers to run the Copyright Office and to be the voice of the U.S. Government in copyright matters.

An important provision in the Copyright Act with respect to the federal courts is section 701(e), which provides that (with very limited exceptions) "[A]ll actions taken by the Register of Copyrights under this title are subject to the provisions of the Administrative Procedure Act of June 11, 1946 . . . ." As with respect to judicial review of admin-

istrative agencies generally under the APA, courts give considerable deference to the regulations and other decisions and practices of the Copyright Office. Perhaps the most pertinent provision of the APA is 5 U.S.C. § 706(2)(A), which provides: "The reviewing court shall . . . hold unlawful and set aside agency action, findings and conclusions found to be . . . arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law . . . ."

Thus, when the Register of Copyrights declines to register a submitted work, because the material deposited does not constitute copyrightable subject matter or because the claim is invalid for any other reason, this decision is subject to review in a federal court through application of the lenient "abuse of discretion" standard, a concession to the vast number of applications passed upon by the Copyright Office.[8] When, however, the Office registers a work, and the defendant in an infringement action asserts that the copyright is invalid, the courts treat this not as a direct and deferential review of the agency, but as a matter of law which is for the court to determine de novo.[9] This approach is buttressed by section 410(c) of the Copyright Act, which provides that a registration certificate issued within five years of first publication of a work (or before its publication) "shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate." In other words, although the registration is helpful as an evidentiary matter in the presentation of the plaintiff's case, it merely shifts the burden to the party challenging the validity of the copyright, an issue that then falls to the court to decide on its own.

On a wide range of issues, particularly when the application or interpretation of Copyright Office regulations or longstanding practices is called into play, courts quite uniformly give deference to the agency. This is generally viewed as dictated by the 1984 Supreme Court decision in *Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*[10] Under the *Chevron* precedent, a court is to defer to an administrative agency whose interpretation of an ambivalent legislative provi-

8. Atari Games Corp. v. Oman, 979 F.2d 242 (D.C. Cir. 1992).

9. OddzOn Prods., Inc. v. Oman, 924 F.2d 346 (D.C. Cir. 1991); Coach, Inc. v. Peters, 386 F. Supp. 2d 495 (S.D.N.Y. 2005).

10. 467 U.S. 837 (1984).

sion is "reasonable" or "permissible."[11] Courts have, for example, invoked this standard in affirming the Register's definition of terms within the complex statutory provisions delineating various compulsory licenses.[12] Even before the development of the *Chevron* standard, the Supreme Court had made it clear that courts should give weight to the statutory interpretation given by the Copyright Office, particularly when manifested in "contemporaneous and long continued construction . . . by the agency charged to administer" the Act.[13]

11. Satellite Broad. & Commc'ns Ass'n of Am. v. Oman, 17 F.3d 344 (11th Cir. 1994) (court must defer even though Copyright Office interpretation disagrees with court's own earlier interpretation; regulations may be struck down only if they contradict "clear meaning" or "plain language" of the Copyright Act). *Cf.* Bonneville Int'l Corp. v. Peters, 347 F.3d 485, 490 n.9 (3d Cir. 2003) (disagreement whether to apply *Chevron* deference or so-called *Skidmore* deference).

12. Cablevision Sys. Dev. Co. v. Motion Picture Ass'n of Am., Inc., 836 F.2d 599 (D.C. Cir. 1988) (deference to "reasonable" agency interpretation is dictated both because of agency's expertise in dealing with a recurrent problem and because it is proper to allow agency to import policy choices when there is a statutory ambiguity).

13. Mazer v. Stein, 347 U.S. 201 (1954). *See also* De Sylva v. Ballentine, 351 U.S. 570 (1956) (dictum). *See* Morris v. Business Concepts, Inc., 283 F.3d 502, 505–06 (2d Cir. 2002) (agency's "specialized experience and broader investigations and information" warrant deference, even if *Chevron* standard does not apply (quoting United States v. Mead Corp., 533 U.S. 218, 220 (2001))).

Chapter 2
The Subject Matter of Copyright

General Principles

Copyright extends to all varieties of literary, artistic and musical works. To be eligible for copyright protection, however, such works must satisfy additional criteria, which find their source in the constitutional provision empowering Congress to enact copyright legislation. Article I, section 8, clause 8 of the Constitution gives to Congress the power "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." Not only does this provision ensure that federal copyright may not be of perpetual duration, but it also requires that the congressional grant of copyright be to "authors" for their "writings."

United States copyright law has therefore always required that a work manifest "original authorship" in a special sense, to be discussed below, and that it be "fixed" in some tangible form. Indeed, precisely these constitutional requirements are reflected in the language of section 102(a) of the Copyright Act of 1976: "Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."

Original authorship

The constitutional terms "author" and "writing" were given very broad interpretations by the first Congress, which in the first copyright statute, enacted in 1790, granted protection to "maps, charts and books." Those two terms were also broadly construed by the Supreme Court in two seminal, and relatively early, decisions. In *Burrow-Giles Lithographic Co. v. Sarony*,[14] decided in 1884, the Court was confronted with

14. 111 U.S. 53 (1884).

a constitutional challenge to Congress's inclusion of photographs in the Copyright Act. It was argued that the photographic process was a purely mechanical one requiring no authorship and that a photograph was not a "writing" as that term was conventionally understood. The Court, however, held that an author is anyone "to whom anything owes its origin," and that a writing is any "production" of an author that includes "all forms of writing, printing, engraving, etching, &c., by which the ideas in the mind of the author are given visible expression."[15] The Court noted that the photograph in litigation—a posed portrait of Oscar Wilde—exhibited "harmonious, characteristic, and graceful" placement of its subject and, rather than a purely mechanical reproduction, was "an original work of art, the product of plaintiff's intellectual invention, of which plaintiff is the author."[16]

Justice Holmes expanded the concept of "authorship" even further in *Bleistein v. Donaldson Lithographing Co.*,[17] in which the Supreme Court upheld copyright in a color poster drawing of circus performers. Even if the performers had been drawn from life while actually engaged in their circus endeavors, the posters would not for that reason fall outside copyright protection any more so than would a portrait painted by Velasquez or Whistler. "The copy is the personal reaction of an individual upon nature. Personality always contains something unique. It expresses its singularity even in handwriting, and a very modest grade of art has in it something irreducible, which is one man's alone. That something he may copyright . . . ."[18] Although it was argued that the poster should be disqualified from copyright because it was a mere advertisement and not a work of "fine art" (a phrase that was then in the Copyright Act), Holmes rejected this argument in an often-cited and important passage:

> A picture is none the less a picture and none the less a subject of copyright that it is used for an advertisement. . . .
>
> It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illus-

15. *Id.* at 58.
16. *Id.* at 60.
17. 188 U.S. 239 (1903).
18. *Id.* at 250.

> trations, outside of the narrowest and most obvious limits. At the one extreme, some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke. . . . At the other end, copyright would be denied to pictures which appealed to a public less educated than the judge. Yet if they command the interest of any public, they have a commercial value—it would be bold to say that they have not an aesthetic and educational value—and the taste of any public is not to be treated with contempt.[19]

These cases, and many others decided at other times by other courts, firmly establish the principle that "authorship" and "originality," although requirements for copyright protection, are readily found even in commonplace works of literature, art and music. "Originality" does not require that the work represent any kind of advance over the existing state of our culture; the patent requirements of "novelty" and "nonobviousness" are completely inapt in applying the law of copyright. In another well-known judicial passage, Learned Hand stated:

> [A]nticipation as such cannot invalidate a copyright. Borrowed the work must indeed not be, for a plagiarist is not himself pro tanto an "author"; but if by some magic a man who had never known it were to compose anew Keats's Ode on a Grecian Urn, he would be an "author," and, if he copyrighted it, others might not copy that poem, though they might of course copy Keats's.[20]

Indeed, even a copy of a work in the public domain—most obviously, a handmade copy of an old master painting—may be eligible for copyright protection because, as Holmes noted in *Bleistein*, it is inevitable that the copyist will bring some independent personality to his or her work. Copyright will be afforded if the copy is a "distinguishable variation," that is, if the author has contributed something more than a "merely trivial variation," something recognizably "his own." "Originality in this context 'means little more than a prohibition of actual

19. *Id.* at 250–51.

20. Sheldon v. Metro-Goldwyn Pictures Corp., 81 F.2d 49, 54 (2d Cir. 1936). *See also* Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991).

copying.' No matter how poor artistically the 'author's' addition, it is enough if it be his own."[21]

The principal source of legislative history for the 1976 Copyright Act, House Report No. 94-1476 (1976)—hereinafter referred to simply as the House Report—endorsed the expansive definition of the earlier cases. In discussing the phrase "original works of authorship" as it appears in section 102 of the Act, the House Report states that this undefined phrase "is intended to incorporate without change the standard of originality established by the courts under the present [1909] copyright statute. This standard does not include requirements of novelty, ingenuity, or esthetic merit, and there is no intention to enlarge the standard of copyright protection to require them."[22]

Despite this broad disclaimer, the Supreme Court has made explicit what was perhaps to be inferred from the earlier jurisprudence: that, in addition to the requirement of noncopying, there is a requirement that a work show some modicum of creativity before it is eligible for copyright protection. This latter requirement was delineated and applied by the Supreme Court in its very significant decision in 1991 in *Feist Publications, Inc. v. Rural Telephone Service Co.*[23] The issue there was whether a telephone company could claim a valid copyright in a white-page directory that listed names (accompanied by telephone number and town) in alphabetical order. The Court stated:

> Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. . . . To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, "no matter how crude, humble or obvious" it might be.[24]

The Court concluded that even though the plaintiff had engaged in useful efforts, and did not copy its directory from others, "[t]he end

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21. Alfred Bell & Co. v. Catalda Fine Arts, Inc., 191 F.2d 99 (2d Cir. 1951) (quoting Hoague-Sprague Corp. v. Frank C. Meyer, Inc., 31 F.2d 583, 586 (E.D.N.Y. 1929)).

22. H.R. Rep. No. 94-1476, at 51 (1976).

23. 499 U.S. 340, 346 (1991).

24. *Id.* at 345 (emphasis added).

product is a garden-variety white pages directory, devoid of even the slightest trace of creativity."[25] Alphabetical sequencing was found to be "time-honored," "commonplace," and indeed "practically inevitable."[26]

The requirement that a work, to manifest originality, must show some modicum of creativity, has been long reflected in regulations promulgated by the Copyright Office. 37 C.F.R. § 202.1(a) states:

> The following are examples of works not subject to copyright and applications for registration of such works cannot be entertained: . . . Words and short phrases such as names, titles, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering or coloring; mere listing of ingredients or contents.

Short phrases and commonplace designs are thought to lack minimal creativity, or are likely to have been copied from others, or are too useful as literary or artistic "building blocks" for other works, so that they should be left free for others to use as well, without undue concern for inviting possible litigation.

Not surprisingly, the decided cases manifest some difference of view as to whether the copyright claimant has manifested a "modicum of creativity" or whether the allegedly infringed materials are too short, familiar or commonplace.[27] The more a phrase is generic or descriptive, or the more it gives instructions to accomplish a functional objective, the more that courts are inclined not to permit copyright to interfere with others seeking to make practical use of the language. Courts have thus refused to extend copyright to such phrases as "apply hook to wall"[28] and "priority message: contents require immediate atten-

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25. *Id.* at 362.

26. *Id.* at 363.

27. *Compare* Tin Pan Apple Inc. v. Miller Brewing Co., 30 U.S.P.Q.2d 1791 (S.D.N.Y. 1994) ("Hugga-Hugga" and "Brr" are "more complex than [a] single drum beat and . . . in that complexity lies, arguably at least, the fruit of creativity"), *with* Perma Greetings Inc. v. Russ Berrie & Co., 598 F. Supp. 445 (E.D. Mo. 1984) ("along the way take time to smell the flowers" not copyrightable).

28. E.H. Tate Co. v. Jiffy Enters., Inc., 16 F.R.D. 571 (E.D. Pa. 1954). *But see* Abli Inc. v. Standard Brands Paint Co., 323 F. Supp. 1400 (C.D. Cal. 1970) (label with instructive phrases held copyrightable).

tion";[29] and so too for a propped-up cardboard star with a large circle in the middle intended for use as a picture frame.[30] But many courts (perhaps with the admonition of Justice Holmes in mind) are reluctant, at least in the case of graphic works—and now, computerized audio-visual works—to find particular ones too trivial for protection.[31]

Tangible medium of expression

As already noted, the additional requirement in section 102 of the Copyright Act of 1976—that works to be protectible by copyright must be "fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device"—is derived from the constitutional requirement that Congress protect "writings," as that word has been liberally construed. Only rarely has the vast enlargement of the word "writings" been questioned. Justice Douglas did so, in a 1954 concurring opinion,[32] in which he stated that it was not obvious to him that "statuettes, book ends, clocks, lamps, door knockers, candlesticks, inkstands, chandeliers, piggy banks, sundials, salt and pepper shakers, fish bowls, casseroles, and ash trays," all of which had been registered for copyright in the Copyright Office, are "writings" in the constitutional sense.[33] Despite Justice Douglas's doubts, there is no question that today these objects would be eligible matter for copyright protection, subject to certain limitations on the protectibility of shapes of useful articles.[34] Moreover, the

29. Magic Mktg. v. Mailing Servs., 634 F. Supp. 769 (W.D. Pa. 1986).

30. Bailie v. Fisher, 258 F.2d 425 (D.C. Cir. 1958).

31. *See* Mattel, Inc. v. Goldberger Doll Mfg. Co., 365 F.3d 133 (2d Cir. 2004) (basic features of doll's face); Atari Games Corp. v. Oman, 888 F.2d 878 (D.C. Cir. 1989) (remand to Register of Copyrights, who had refused to register video game with simple artwork); Kitchens of Sara Lee, Inc. v. Nifty Foods Corp., 266 F.2d 541 (2d Cir. 1957) (upholding copyright in drawing of cakes on packages). *But see* John Muller & Co. v. N.Y. Arrows Soccer Team, 802 F.2d 989 (8th Cir. 1986) (soccer team logo, of arrows-within-arrows, lacking in original authorship).

32. Mazer v. Stein, 347 U.S. 201 (1954).

33. *Id.* at 221 (Douglas, J., concurring).

34. *See infra* pages 43–47.

Copyright Act has since been amended so as to embrace within copyrightable subject matter such "writings" as architectural works, computer programs (even though intended to communicate only with a computer), and sound recordings (even though intended to communicate only to the human ear).

The statutory requirement that a work be "fixed" is of great significance for the application of the statute within our federal system. Federal copyright attaches immediately upon a work's "creation," i.e., when it is "fixed" for the first time, with the authority of the author, in a form that is "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."[35] Before a work is "fixed," states may grant the author protection against copying under their own statutory or common-law rules; an example would be an improvised comedic performance—or a "live" interview—being secretly taped by a member of the audience. But if, say, the comedic author has reduced his or her routine to writing, or captured it on an audiotape, the illicit recorder in the audience may be pursued only under the federal Copyright Act and only in a federal court.[36]

The statute contemplates that a work may be fixed either in a "copy" or a "phonorecord." The latter is defined in section 101 as a material object in which sounds (other than a motion picture soundtrack) are fixed and from which they can then be communicated, either directly or with the aid of a machine. Examples of a "phonorecord" are a 33-rpm vinyl disk, an audiotape, a compact disk or a computer harddrive on which music has been recorded. A "copy" is a material object (other than a phonorecord) in which a work is fixed and from which it can be communicated. In general, a copy communicates a work to the eye, while a phonorecord communicates a work to the ear. In various situations under the statute, the distinction will matter; but fixation in either kind of tangible object is sufficient to bring a work under the federal statute.

Although the point of "creation" or "fixation" is ordinarily the focal point for dividing federal and state power to bar unauthorized

35. Definitions of "created" and "fixed" in 17 U.S.C. § 101.

36. 17 U.S.C. § 301.

copying, there is one significant exception. In 1994 Congress—implementing the treaty known as the Agreement on Trade Related Aspects of Intellectual Property (TRIPs)—enacted section 1101 of the Copyright Act, which protects against unauthorized fixing or broadcasting of "the sounds or sounds and images of a live musical performance" (what has come to be known as "bootleg" recordings or broadcasts). Despite the protection being extended to "unfixed" performances (of a musical and not a dramatic nature), and despite the lack of any express time limitation upon the enforcement of the provision, it has been upheld as an exercise of Congress's Interstate Commerce power rather than its power under the Copyright Clause of the Constitution.[37] A contentious debate continues as to whether Congress may avoid the limitations expressly set forth in the latter constitutional provision by anchoring its powers instead under the Interstate Commerce Clause. In any event, section 1101(d) provides that state common-law or statutory rights and remedies directed against such "bootlegging" of live musical performances are not meant to be annulled.

Under the definition of "fixed" in section 101 of the Act, a radio or television broadcast simultaneously recorded by the broadcaster is "fixed" and thus within the coverage of the Copyright Act. For example, a television program of a professional sports event—which embodies original authorship in its camera-work and its selection of which camera images to display to the home viewer—falls within the federal Act by virtue of its taping simultaneously with its "live" transmission. Unauthorized recording or public performance of such a broadcast by others may thus constitute a federal copyright infringement.

The most significant issues arising in recent years regarding the "fixed in any tangible medium of expression" requirement have concerned new technologies. In the 1980s, a number of cases addressed challenges to the "fixed" nature of video games, typically as on view in game arcades but also as played on game consoles for home viewing. Defendants argued that the constantly changing images on the video

37. United States v. Moghadam, 175 F.3d 1269 (11th Cir. 1999); Kiss Catalog, Ltd. v. Passport Int'l Prods., Inc., 405 F. Supp. 2d 1169 (C.D. Cal. 2005). *Contra* United States v. Martignon, 346 F. Supp. 2d 413 (S.D.N.Y. 2004) (appeal pending).

game screen, subject to seemingly endless varieties of manipulation by the human user, rendered them "unfixed" and therefore freely subject to copying under federal law. The courts, however, consistently held to the contrary. As one court found, "[T]here is always a repetitive sequence of a substantial portion of the sights and sounds of the game, and many aspects of the display remain constant from game to game regardless of how the player operates the controls."[38]

More significantly, courts also rejected the argument that the program that creates screen displays (an application program) or that directly operates a computer (an operating-system program) is ineligible for copyright protection because it is embodied in a disk or in computer hardware that cannot be directly deciphered by a human. As to video games, it was held that "The printed circuit boards are tangible objects from which the audiovisual works may be perceived for a period of time more than transitory. The fact that the audiovisual works cannot be viewed without a machine does not mean the works are not fixed."[39]

It was a natural step, but an important one, to hold that computer programs more generally—whether application programs or operating-system programs—are "literary works" (works "expressed in words, numbers, or other verbal or numerical symbols or indicia") that are eligible for federal copyright protection once they are "fixed" in computer hardware, such as semiconductor chips.[40] The fact that some such programs are designed to interact with the computer and not directly to generate human-readable screen displays does not negate compliance with either the "original authorship" requirement or the "fixed in a tangible medium" requirement of section 102(a) of the Act.

A question that remained after the decisions in the 1980s regarding the storage of computer programs within hardware components was whether a work becomes protected by federal copyright when it is entered into a computer's temporary memory, or random access memory (RAM), which is lost when the computer is shut down. A passage in the

38. Williams Elecs., Inc. v. Artic Int'l, Inc., 685 F.2d 870 (3d Cir. 1982).

39. Midway Mfg. Co. v. Dirkschneider, 543 F. Supp. 466 (D. Neb. 1981). *See also* Stern Elecs., Inc. v. Kaufman, 669 F.2d 852 (2d Cir. 1982).

40. Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240 (3d Cir. 1983).

1976 House Report had stated that there was no "fixation" when there was an "evanescent or transient reproduction" on a television tube or in the "memory" of a computer. But more thoroughly explicated passages in the report of the congressionally created Commission on New Technological Uses of Copyrighted Works (CONTU) led to a 1980 amendment of section 117 of the Copyright Act which manifested an intention to treat such a temporary reproduction of a computer program, as is done simply by turning on the computer, as the making of a "copy" (section 117(a)(1)); and a further amendment of that section in 1998 did the same (section 117(c)). (Those amendments accorded exemptions for such copying when unauthorized, if for the expected use of purchased programs or in connection with the "maintenance or repair" of the computer.) Courts, too, have equated temporary storage of a digitally expressed work with the creation of fixed copies. Several decisions concerning liability for communication of works over digital networks have held not only that the storage of works on a webpage produces a "copy" residing on the server that hosts the webpage, but that making the work available to users to download from the webpage is a distribution of copies to the users' computers.[41] It would follow that when, instead, the transient copy is made by the copyright owner, there is a "fixing" of the work that brings it within the reach of federal copyright.

Categories of works

After setting forth the requirements of original authorship and fixation in a tangible medium, section 102(a) as originally enacted in 1976 goes on to itemize a number of subject-matter categories for works of authorship, which "shall include" literary works, musical works, dramatic works, pantomimes and choreographic works, PGS (pictorial, graphic, and sculptural) works, motion pictures and other audiovisual works, and sound recordings. "Architectural works" were added in 1990. Most of these categories of works are defined in section 101. Although Congress did not intend these listed categories to exhaust its

41. *E.g.*, Playboy Enters. Inc. v. Sanfilippo, 46 U.S.P.Q.2d 1350 (S.D. Cal. 1998); Playboy Enters., Inc. v. Webbworld, Inc., 991 F. Supp. 543 (N.D. Tex. 1997).

constitutional power to accord copyright protection, it appears that every litigated claim of copyright protection has been with respect to a work that fits comfortably within the itemized categories, and it is difficult to think of a creative fixed work that does not.

The statutory categories are very broadly defined. "Literary works," for example, are defined as "works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied." The House Report makes it clear that by using the term "literary," Congress did not intend to import any requirement of "literary merit or qualitative value," and that the term includes such works as catalogues, directories, and other compilations of data, and that computer programs and databases are embraced within the subject matter of section 102.[42] Finally, it should be noted once again that the definition of "literary works" makes a sharp distinction between the work itself and the variety of physical forms in which it can be manifested; copyright protects only the former, while the physical object can be protected under state personal property law (which is distinct from and not preempted by the rights accorded under the federal act).

The Distinction Between Idea and Expression

Copyright protects against the unauthorized copying of an author's "expression," i.e., the particular pattern of words, lines and colors, or musical notes, and not against the copying of an underlying idea. This is a principal way in which copyright "promotes the progress of science and useful arts," as contemplated by the Constitution, and is also a principal way in which the scope of copyright protection differs from that of patent protection. Although securing a copyright is easy—all that need be done is to "fix" an uncopied work embodying a "modicum" of creativity—and although copyright lasts much longer than a patent, the scope of copyright protection is much "thinner" because it

42. H.R. Rep. No. 94-1476, at 54 (1976).

is limited to the expression. Although copyright protects against more than literal copying, and also bars paraphrase, abridgment and other "derivative works," it does not afford an exclusive right to ideas, methods, facts and the like, no matter how startling the discovery or arduous the effort.

The major judicial pronouncement of this principle can be found in *Baker v. Selden*,[43] decided by the Supreme Court in 1879. There, Selden wrote a book describing a new system of bookkeeping, to which he appended certain forms, with various columns and headings, embodying his system. Baker copied the forms with minor changes. Selden claimed that Baker's forms infringed his copyright; he contended that anyone using his bookkeeping system would have to use forms substantially similar to his. The Court framed the issue for decision as "whether the exclusive property in a system of book-keeping can be claimed, under the law of copyright, by means of a book in which that system is explained."[44] It held that copyright in a work that describes a practical method, system or process does not prevent others from putting that method, system or process into use; to secure such exclusive rights, the inventor must satisfy the more exacting requirements of the patent law.

> To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud upon the public. That is the province of letters patent, not of copyright. . . .
>
> . . . He may copyright his book, if he pleases; but that only secures to him the exclusive right of printing and publishing his book.[45]

The Court went on to hold that if it was necessary for Baker to copy Selden's forms in order to make use of the latter's unpatented accounting system, then such copying would not be a copyright infringement.

> [W]here the art [that a work] teaches cannot be used without employing the methods and diagrams used to illustrate the book, or such as are similar to them, such methods and diagrams are to be considered as necessary

43. 101 U.S. 99 (1879).
44. *Id.* at 101.
45. *Id.* at 102–03.

> incidents to the art, and given therewith to the public; not given for the purpose of publication in other works explanatory of the art, but for the purpose of practical application.
>
> . . .
>
> . . . [The bookkeeping system] was not patented, and is open and free to the use of the public. And, of course, in using the art, the ruled lines and headings of accounts must necessarily be used as incident to it.[46]

Despite the Supreme Court's suggestion that the forms appended to Selden's book were subject to copyright and could be infringed by persons copying the forms for "explanatory" purposes rather than for "use," the Court somewhat confusingly concluded its decision by stating: "The conclusion to which we have come is, that blank account-books are not the subject of copyright."[47]

Baker therefore stands for at least three important propositions in copyright law: (1) Copyright in a work does not cover ideas, concepts and systems described therein, but only the form of expression in which they are communicated; (2) if in order to duplicate or put into use an unprotected idea, concept, or system, it is necessary substantially to copy another's otherwise copyrightable expression, such copying is not an infringement; and (3) blank forms—i.e., forms used for the recording of information rather than for explanation—are not eligible for copyright.

The first of these propositions, the most important, is now embodied in section 102(b) of the Copyright Act: "In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." In the words of the House Report, section 102(b) "in no way enlarges or contracts the scope of copyright protection" under prior law; its purpose "is to restate . . . that the basic dichotomy between expression and idea remains unchanged."[48]

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46. *Id.* at 103–04.
47. *Id.* at 105.
48. H.R. Rep. No. 94-1476, at 57 (1976).

Apart from leaving in the public domain unpatentable or unpatented processes and systems, perhaps the most important impact of the idea–expression dichotomy is in the field of fictional literature. Copyright protects against the unauthorized copying or paraphrasing of a short story, novel or drama; it also bars other unauthorized "derivative works," such as abridgments and translations; and it even protects the author against the copying of a detailed story line, with its plot incidents and sequences, even though the copyist uses altogether different language for description and dialogue.[49] But copyright protection does not bar another from copying the more general patterns, themes or story ideas, or character prototypes.[50] Where the line is drawn in fictional works—and indeed in all works, including music and art—between protected expression and unprotected idea is not subject to a litmus test. As Learned Hand said: "Obviously, no principle can be stated as to when an imitator has gone beyond copying the 'idea,' and has borrowed its 'expression.' Decisions must therefore inevitably be *ad hoc*."[51]

It is also generally acknowledged that the determination of how generously to mark off protectible "expression" will depend on the nature of the work, for example, whether the work is fictional or fanciful, on the one hand, or is factual or functional, on the other. Too generous a characterization of material in the latter works as protectible expression runs a greater risk of interfering with the statutory policy favoring free access to discoveries, methods, systems and the like.

The second principle extracted from *Baker* is that even normally protectible material in a copyright-protected work may be freely reproduced when that is necessary in order to use the underlying unprotected system. It is often said in these cases, in which there are limited expressive options, that there is a "merger" between idea and expression, and that the latter becomes unprotected as well. Courts analyze these "merger" situations in at least two different ways: one leads to the

49. Sheldon v. Metro-Goldwyn Pictures Corp., 81 F.2d 49 (2d Cir. 1936).

50. Nichols v. Universal Pictures Corp., 45 F.2d 119 (2d Cir. 1930).

51. Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487 (2d Cir. 1960). *See generally* Mannion v. Coors Brewing Co., 377 F. Supp. 2d 444 (S.D.N.Y. 2005). Application of the idea–expression distinction is discussed *infra* Chapter 6 (at pages 106–10).

conclusion that the work, although copyrightable, is rarely susceptible to infringement; the other denies copyrightability altogether.

The former approach is exemplified in *Continental Casualty Co. v. Beardsley,*[52] in which the claim of copyright was in the text of a set of legal and business documents—a bond that had been drafted so as to cover the replacement of lost securities, along with an affidavit, a contract form, and a form of letter and board resolutions. The Court of Appeals for the Second Circuit held that the language of the forms was copyrightable because the forms were not blank as in *Baker*; but the court also held that because use of the forms necessitated copying them essentially verbatim, such copying would be permitted in order that the underlying business and legal "system" not be monopolized by way of copyright. The court thus granted a "thin" level of copyright protection:

> [The pertinent court decisions] indicate that in the fields of insurance and commerce the use of specific language in forms and documents may be so essential to accomplish a desired result and so integrated with the use of a legal or commercial conception that the proper standard of infringement is one which will protect as far as possible the copyrighted language and yet allow free use of the thought beneath the language. The evidence here shows that [the copyist] in so far as it has used the language of [the copyrighted] forms has done so only as incidental to its use of the underlying idea.[53]

A different and well-known formulation of the "merger" doctrine is found in the case of *Morrissey v. Procter & Gamble Co.*,[54] where the Court of Appeals for the First Circuit held certain rules of a "sweepstakes" promotional contest uncopyrightable. The court found that there were only a limited number of ways that a person could vary the statement of the contest rules while making allowable use of the unprotected contest format. It stated:

> When the uncopyrightable subject matter is very narrow, so that "the topic necessarily requires," if not only one form of expression, at best

52. 253 F.2d 702 (2d Cir. 1958).
53. *Id.* at 706.
54. 379 F.2d 675 (1st Cir. 1967).

> only a limited number, to permit copyrighting would mean that a party or parties, by copyrighting a mere handful of forms, could exhaust all possibilities of future use of the substance.[55]

The principle that copyright should not be extended even to "expression" when there is a finite range of ways to express an underlying subject matter has also been employed in the field of art, where it has been held that a piece of jewelry in the shape of a bee with small jewels arrayed on its surface reflected an unprotectible "idea."[56]

Closely related to the distinction between protectible expression and unprotectible idea is the distinction between expression and fact. A fact, or a group of facts, no matter how significant or how arduous the effort of discovery, cannot be protected by copyright against use, duplication or communication by others.[57] That facts are unprotectible is supported in part by the exclusion of any "discovery" from copyrightable subject matter by virtue of section 102(b) of the Copyright Act of 1976, and in part by the observation that no person can be said to be the "original author" of a fact which he or she uncovers. Thus, the facts—and even speculations as to facts—that are unearthed by an historian or biographer can be reiterated by a copyist, provided the latter uses his or her own expressive language to do so.[58] Although many courts both under the 1909 and 1976 Acts appeared to sustain copyright in factual research, and in data embodied in compilations, on the basis of "sweat of the brow"—the time, effort and expense invested in unearthing information—this approach has been unequivocally rejected by the Supreme Court. In *Feist Publications, Inc. v. Rural Telephone Service Co.,*[59] decided in 1991, the Court referred to the "fact/expression dichotomy" and stated:

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55. *Id.* at 678.

56. Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738 (9th Cir. 1971). *See* Mannion v. Coors Brewing Co., 377 F. Supp. 2d 444 (S.D.N.Y. 2005).

57. Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991). The principal exception to this proposition is when the facts are selected, coordinated, or organized in an "original" manner. The issue of "compilation copyright" is discussed *infra* pages 32–40.

58. Miller v. Universal City Studios, Inc., 650 F.2d 1365 (5th Cir. 1981); Hoehling v. Universal City Studios, Inc., 618 F.2d 972 (2d Cir. 1980).

59. 499 U.S. 340 (1991).

> Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in another's publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement. . . . Facts, whether alone or as part of a compilation, are not original and therefore may not be copyrighted.[60]

The final "offspring" of *Baker* to be discussed is its holding that "blank forms" are not copyrightable. This is reflected in the text of section 202.1(c) of the Copyright Office Regulations:

> The following are examples of works not subject to copyright and applications for registration of such works cannot be entertained: . . . blank forms, such as time cards, graph paper, account books, diaries, bank checks, scorecards, address books, report forms, order forms and the like, which are designed for recording information and do not in themselves convey information.

The rationale for excluding protection for blank forms is partly that the forms are intentionally designed to be put into use in the course of implementing an unprotectible system. Moreover, a blank form with little or no writing might be thought to lack "original authorship" as required of all copyrightable works. Not surprisingly, courts have disagreed as to whether forms containing various degrees of text and graphic design should or should not be treated as "blank" and therefore unprotectible under *Baker* and regulation 202.1.[61]

Copyrightability of computer materials

The idea–expression dichotomy—articulated by the Supreme Court in *Baker v. Selden* and by Congress in section 102(b) of the Copyright Act—and other copyright doctrines frequently applied to conventional literary and graphic works have also been applied by the courts in ruling upon the copyrightability of computer materials. Courts dealing with computer programs and screen displays have attempted to protect

60. *Id.* at 349–50.

61. *See* Bibbero Sys. v. Colwell Sys., Inc., 893 F.2d 1104 (9th Cir. 1990). *Cf.* ABR Benefits Servs. Inc. v. NCO Group, 52 U.S.P.Q.2d 1119 (E.D. Pa. 1999) (applying Third Circuit's view that "blank forms may be copyrighted if they are sufficiently innovative that their arrangement of information is itself informative").

expressive authorship without interfering with wide access to computer features that are either functionally dictated or are at a level of abstraction warranting treatment as an "idea."

A computer program is defined in section 101 of the Act as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result" and is thus one form of "literary work" within the coverage of section 102(a). Whether expressed in so-called "source code" (written and read by a human being) or "object code" (the string of ones and zeroes meant to operate the circuitry of a computer), a computer program may embody sufficient creativity as to justify copyright. This was the intention of the Congress in 1980 when it amended the Copyright Act so as, among other things, to include the above-quoted definition, and in later amendments to the statute allowing certain copying of computer programs but only in narrowly defined circumstances.[62] The federal courts of appeals have consistently held that a computer program—the sequence of instructions, not unlike an instructional manual written for humans—is copyrightable.[63]

Baker, however, teaches that copyright protection for computer programs and related materials should be accorded with an eye toward allowing the use of the program's underlying principles. There is indeed an obvious facial tension between the definition of a computer program, intended to fall within the subject matter of copyright, and the mandate of section 102(b) that "methods of operation" shall not be given copyright protection. In any event, the House Report makes clear that copyright does not extend protection to the "methodology or processes adopted by the programmer."[64] And, by application of the "merger" doctrine espoused in *Baker*, if the detailed sequence of instructions in a copyrighted computer program is essentially necessary to implement such an unprotected methodology or process in an effi-

62. *See* 17 U.S.C. §§ 117(a), (c).

63. Computer Assocs. Int'l, Inc. v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992); Sega Enters., Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992). Perhaps the most illuminating discussion is to be found in the decision of the Court of Appeals for the Third Circuit in *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240 (3d Cir. 1983).

64. H.R. Rep. No. 94-1476, at 57 (1976).

cient fashion, then the program may lawfully be copied by others in the design of other programs.[65] On the other hand, "if other programs can be written or created which perform the same function as an Apple's operating system program, then that [Apple] program is an expression of the idea and hence copyrightable."[66]

Courts have applied this analysis so as to protect not only detailed computer-program language but also what have come to be referred to as the "nonliteral" elements of computer programs. By this is meant the structural features of a program that lie somewhere between the detailed commands of the program code and an abstract statement of the functional purpose of the program. This is based on the jurisprudence that, in conventional literary works such as novels and plays, treats the detailed story line and incidents as protectible "expression" and the more general themes as unprotectible "ideas." The task of drawing the line between idea and expression in literary works of all kinds, including computer programs, is a demanding and somewhat unguided one.[67]

The idea–expression dichotomy also applies with respect to computer screen displays, and the same principles of "merger" or "constraints" are utilized. If the colorful action scenes depicted on a screen in connection with a video game are essentially dictated by the subject matter—e.g., the appearance of a baseball diamond or football field or racetrack—courts will not protect these elements against copying, given the limited number of ways they can be visually expressed.[68] In assessing copyrightability, the court must, however, consider the totality of

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65. Perhaps the most thorough and influential treatment of the nonprotection of "ideas" embodied in computer programs, and the application of the merger doctrine in this context, is in *Computer Associates International, Inc. v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992).

66. Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240, 1253 (3d Cir. 1983).

67. *See infra* Chapter 6, Infringement.

68. Data E. USA, Inc. v. Epyx, Inc., 862 F.2d 204 (9th Cir. 1988) (karate video game); Frybarger v. IBM Corp., 812 F.2d 525 (9th Cir. 1987) (mousetrap video game) (expression that is "indispensable" or "standard" is protectible only against "virtually identical copying"). These cases invoke the *scènes à faire* doctrine typically applied in literary infringement cases involving novels, plays and films.

the visual elements and not simply the discrete components (which might on their own be too "simple" to be protected).[69]

There is less consensus about how best to apply the idea–expression dichotomy in cases involving the copyrightability of so-called "user interface," which is the set of commands given by a human user to a computer by striking certain keys or clicking on a screen image. For any given computer program, such as an accounting spreadsheet or a tax calculator, the commands meant to be chosen by the user may number in the hundreds, and they may be grouped or clustered under dozens of headings and subheadings; thus is formed a "menu command hierarchy" or "tree." This interface is to be distinguished from the internal operations of the computer (protectible if at all by patent), the program that brings about those operations, and the screen display (the graphic presentation of the command tree on the computer monitor). Some courts have concluded that these commands, even viewed as a composite and not as individual words and keystrokes, are necessary to bring about the computer's functioning and are thus a "method of operation" falling outside the scope of copyright protection by virtue of section 102(b).[70] Other courts have concluded that, so long as these commands can be expressed and grouped together in a variety of different ways, then the way chosen by the plaintiff is "expression" and not an uncopyrightable idea or method of operation.[71]

Compilations and Derivative Works

In many kinds of copyrightable works, the authorship takes the form of "originality" in the expression of preexisting materials. An anthologist may collect and sequence poems written by others. A scholar may

69. Atari Games Corp. v. Oman, 979 F.2d 242 (D.C. Cir. 1992).

70. Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807 (1st Cir. 1995), *aff'd by an equally divided Court*, 516 U.S. 233 (1996); Mitek Holdings, Inc. v. ArcE Eng'g Co., 89 F.3d 1548 (11th Cir. 1996).

71. Mitel, Inc. v. Iqtel, Inc., 124 F.3d 1366 (10th Cir. 1997). See also the cases upholding copyright in a detailed subject-matter taxonomy, e.g., *American Dental Ass'n v. Delta Dental Plans Ass'n*, 126 F.3d 977 (7th Cir. 1997).

translate another's play from French to English. A cataloguer may prepare a directory by gathering and organizing information about individuals or businesses. If there is original authorship manifested in the anthology, the translation, and the directory, these works are eligible for copyright protection—but only to the extent of the copyright claimant's original contributions. If the underlying poems and play are in the public domain, as are the facts in the directory, they remain in the public domain for others to copy and base their works on. If the underlying poems and play are still in copyright, their use by the anthologist and the translator does not alter the duration or ownership of that copyright.[72]

The anthology and the directory are examples of what the Copyright Act refers to as a "compilation." A compilation as defined in section 101 is "a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." The translation is an example of what is defined in section 101 as a "derivative work":

> A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."

The relationship and differences between compilations and derivative works are well described in the House Report:

> Between them the terms "compilations" and "derivative works" which are defined in section 101, comprehend every copyrightable work that employs preexisting material or data of any kind. There is necessarily some overlapping between the two, but they basically represent different concepts. A "compilation" results from a process of selecting, bringing together, organizing, and arranging previously existing material of all kinds, regardless of whether the individual items in the material have

72. 17 U.S.C. § 103(b).

> been or ever could have been subject to copyright. A "derivative work," on the other hand, requires a process of recasting, transforming, or adapting "one or more preexisting works"; the "preexisting work" must come within the general subject matter of copyright set forth in section 102, regardless of whether it is or was ever copyrighted.[73]

Because copyright protection turns upon original creation, copyright in a compilation or derivative work attaches—as noted just above—only to those original contributions made by the compiler or by the creator of the derivative work. Section 103(b) of the Copyright Act provides:

> The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

A motion picture based on a classic novel will not remove the novel from the public domain; nor will it prevent another motion picture producer from basing a new film on the same novel, although the second filmmaker will be barred from copying original elements from the first film (most obviously, for example, music on the soundtrack).

Another important principle is set forth in section 103(a), which provides, in pertinent part: "[P]rotection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully." Thus, an unauthorized translation of a copyrighted novel will infringe the exclusive right of the novelist to make derivative works, under section 106(2); such unlawful use, which permeates the derivative translation, will render it uncopyrightable. If, however, the unauthorized use of the copyrighted novel were to take the form of, for example, a drama with music, it is likely that the music would be copyrightable, because it would not make unlawful use of the protected material in the novel. In the former example, the translator might well complain that, even

73. H.R. Rep. No. 94-1476, at 57 (1976).

though he might be an infringer, that fact does not justify denying him a claim against another who makes an unauthorized copy of *his* translation; Congress, however, has rejected that contention and has stripped the infringer of a copyright claim in his infringing material, no matter how creative it might be.

In the sections that immediately follow, compilations and derivative works are considered separately.

Compilations

It is possible for an author to gather a group of otherwise uncopyrightable elements, and by their minimally creative linkage to create a compilation that is protectible by copyright. The designer of a greeting card can pair a simple drawing on the outside with a simple phrase on the inside; it has been held that another's card will infringe the "compilation" of the two elements even though its drawing is a bit different and the copied phrase is uncopyrightable.[74] This decision pushed the concept of "compilation" to the brink by holding that only two coordinated elements will suffice; and it introduced an unfortunate phrase into the copyright lexicon by announcing that the "concept and feel" of the two cards were alike, so that the later card infringed (even though it is quite clear that copyright should not be used to protect either a concept or a feel). In any event, merely grouping disparate uncopyrightable elements will not necessarily create a "compilation"; courts have held that a compilation comes into existence only when there is some synergy among the elements.[75]

How the definition of "original work of authorship" applies to a compilation has for many years been a subject of considerable dispute. Both under the 1909 Act and the 1976 Act, a substantial number of courts had extended copyright protection to directories—even, routinely, to alphabetically organized white-page telephone directories—

74. Roth Greeting Cards v. United Card Co., 429 F.2d 1106 (9th Cir. 1970).

75. Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 674, 688 (2d Cir. 1998) (West's "editorial enhancements" in its case reports do not together constitute a copyrightable compilation, but are rather a "piling up" of trivial elements "each in its discrete way in its discrete spot"); Sem-Torq, Inc. v. K Mart Corp., 936 F.2d 851 (6th Cir. 1991) (set of five placards, to be sold as a group in department store, not a compilation).

by giving weight (often only implicitly) to the effort, time, and expense devoted to gathering and organizing the underlying factual data that were themselves undeniably in the public domain. This rationale became known as the "sweat of the brow" or "industrious collection" theory.

In a major decision, *Feist Publications, Inc. v. Rural Telephone Service Co.,*[76] the Supreme Court in 1991 explicitly and uncategorically repudiated the "sweat of the brow" theory as inconsistent with fundamental principles of copyright (as manifested both in the Constitution and the statute) and with the specific definition of "compilation" in the 1976 Act. The Court in *Feist* defined "originality," the prerequisite to copyright protection, to require not only independent creation (i.e., noncopying) but also "some minimal degree of creativity," "some creative spark." Although the Court acknowledged that "the requisite level of creativity is extremely low" and that "even a small amount will suffice," it concluded that white-page telephone directories fail to satisfy this test.

Even the plaintiff directory compiler had conceded that the factual information contained in the book was in the public domain and unprotectible by copyright. The Court agreed; even assuming that such facts—name, telephone number, and town—were unearthed by the plaintiff, it could not claim authorship, for these facts did not "owe their origin" to, and indeed existed prior to, the plaintiff's publication.

Nonetheless, the plaintiff claimed protection for the overall coordination and presentation of those facts. The Court therefore went on to parse the statutory definition of "compilation" and found it to compel the following conclusions: (1) merely collecting and gathering information, no matter how arduous it may be to do so, are not in themselves sufficient to warrant copyright; (2) compilations must satisfy the "originality" requirement in the same manner as all other kinds of works eligible for copyright and cannot properly be treated differently under any "sweat of the brow" theory; and, most important for the Court, (3) because the compiler of facts "can claim originality, if at all, only in the way the facts are presented," there will inevitably be some

76. 499 U.S. 340 (1991).

fact-based works that lack the required "minimal level of creativity" in selection, coordination, and arrangement—"a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent."[77]

Feist held—contrary to decades of decisions by lower courts—that the white-page telephone directory falls within that fatally flawed category. The plaintiff there might have worked hard in making a directory that was useful, but there was "insufficient creativity to make it original."[78] The Supreme Court found the selection of listings to have been obvious; so too were the book's coordination and arrangement of facts:

> [T]here is nothing remotely creative about arranging names alphabetically in a white pages directory. It is an age-old practice, firmly rooted in tradition and so commonplace that it has come to be expected as a matter of course. . . . It is not only unoriginal, it is practically inevitable. This time-honored tradition does not possess the minimal creative spark required by the Copyright Act and the Constitution. . . . Given that some works must fail [the test of originality], we cannot imagine a more likely candidate. Indeed, were we to hold that [the plaintiff's] white pages pass muster, it is hard to believe that any collection of facts could fail. [79]

Although the Court in *Feist* stated several times that the creativity requirement was a quite modest one ("no matter how crude, humble or obvious"), its reliance upon a subjective and unquantifiable standard (a modicum, a spark) has introduced an element of uncertainty—as perhaps is inherent in the matter—in drawing a line between the copyrightable and the uncreative. (This line, the Court reminds us, finds its source not simply in the statutory language of section 102(a) but also in the word "author" in the Constitution.) Thus, in what was perhaps an overzealous application of the *Feist* authorship standard, the en banc Court of Appeals for the Eleventh Circuit held that the typical yellow-page telephone directory lacks creativity in the selection of some 7,000 classified headings (as to which there are a great number

77. *Id.* at 359.
78. *Id.* at 363.
79. *Id.* at 363–64.

of options in nomenclature) and in the linking of some 100,000 business entities to those headings.[80]

Some sorts of familiar anthologies will almost certainly pass the test of original authorship, e.g., selecting a finite number of poems from among the entire corpus of world poetry throughout history, or even from among the poets of a particular nation in a particular literary time period. The statutory term "compilation" contemplates authorship in the manner in which preexisting works or data are "selected, coordinated, *or* arranged."[81] Although the poetry anthology will likely pass the test for all three kinds of intellectual endeavor, authorship in only one will suffice. Similarly, the Court of Appeals for the Second Circuit has held that a comprehensive listing of 18,000 baseball cards (with information about price and the like), and a designation of 5,000 as "premium" cards, represented a copyrightable work.[82] It reached the same conclusion for the well-known directory of used-car values (the so-called *Red Book*), organized by make and model, five-year periods, and selected accessories.[83]

But the same court found that the gathering of five discrete bits of daily information regarding redeemable bonds was inadequate to justify copyright protection for the cards embodying that information.[84] And two courts of appeals have denied copyright protection to lists of numbers generated and compiled to identify product parts: fasteners such as screws in one case[85] and automotive-transmission parts in the other.[86] The courts invoked a number of theories—such as lack of originality, the idea–expression dichotomy, merger, *scènes à faire,* and short phrases—and declined to follow another circuit court's grant of

80. BellSouth Adver. & Publ'g Corp. v. Donnelley Info. Publ'g, Inc., 999 F.2d 1436 (11th Cir. 1993) (en banc). *But see* Key Publ'ns, Inc. v. Chinatown Today Publ'g Enters., Inc., 945 F.2d 509 (2d Cir. 1991) (classified directory of businesses of likely interest to Chinese-American community in New York City).

81. Section 101 (emphasis added).

82. Eckes v. Card Prices Update, 736 F.2d 859 (2d Cir. 1984).

83. CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, 44 F.3d 61 (2d Cir. 1994).

84. Fin. Info., Inc. v. Moody's Investors Serv., 808 F.2d 204 (2d Cir. 1986).

85. Southco, Inc. v. Kanebridge Corp., 390 F.3d 276 (3d Cir. 2004) (en banc).

86. ATC Distrib. Group, Inc. v. Whatever It Takes Transmissions & Parts, Inc., 402 F.3d 700 (6th Cir. 2005).

copyright protection to a taxonomy taking the form of numbers used to identify various dental procedures.[87]

Several cases of particular interest to lawyers and judges have involved claims by the West Publishing Company of copyrightability for certain "compiled" elements of its case reporters. On the one hand, West does not claim copyright in the text of the judges' opinions as they issue from the courthouse; and on the other hand, even its competitors have acknowledged that West's copyright does extend to its syllabi and headnotes, along with its key-system taxonomy and its tables and indices prepared by the West staff.

But in a case decided prior to the *Feist* decision, *West Publishing Co. v. Mead Data Central, Inc.*,[88] the LEXIS computerized research service announced its intention to incorporate in its screen displays of case decisions "star pagination" reflecting all page breaks in the unofficial West federal and regional reports. West prevailed in its claim that this would constitute an infringement of its copyright in its case compilations, which the Court of Appeals for the Eighth Circuit held reflected "authorship" in the distribution, sequencing and organization of cases. A flatly contradictory decision was issued by the Second Circuit Court of Appeals several years after *Feist*, by which time the technology had moved to the point that West's competitors (Matthew Bender and Hyperlaw) sought to insert West page numbers in their CD-ROM products.[89] In part because those numbers were found to derive not from West's creativity but from the mechanical layout of its pages, the court held that its competitors could copy them, and it held the earlier case in the Eighth Circuit to have been erroneously decided. In a companion case,[90] the Second Circuit also held that West's various "editorial enhancements" to the courthouse opinions—such as case captions, attorney information, and insertion of parallel citations—were too trivial, and too dictated by citation conventions, so that they,

87. American Dental Ass'n v. Delta Dental Plans Ass'n, 126 F.3d 977 (7th Cir. 1997).

88. 99 F.2d 1219 (8th Cir. 1986).

89. Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 693 (2d Cir. 1998) (2–1 decision).

90. Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 674 (2d Cir. 1998) (2–1 decision).

both in isolation and as an alleged compilation, could be copied by West's competitors.[91]

The same principles that govern copyrightability of compilations will govern when the claim relates to the particularly modern-day compilation known as the computer database, which is no more than a collection of discrete factual data fixed in tangible form in a computer chip or disk.

Because of the legal uncertainties introduced by the *Feist* case into the matter of copyright protection for fact-based directories—at least exhaustive ones straightforwardly arranged—and in light of the time, effort and expense devoted to the preparation of many such directories, bills have been introduced in Congress that would protect hard-copy and computerized databases against unauthorized copying. These bills have been based not on copyright but rather on theories of misappropriation and unfair competition. As yet, no such bills have been enacted into law.

Derivative works

Although the 1991 Supreme Court decision in *Feist* has helped to eliminate much of the earlier uncertainty about the "original authorship" requirement in compilation cases, there remains a comparable uncertainty about the application of that requirement in cases involving derivative works. Derivative works require some sort of "recasting, transformation or adaptation" of underlying works within the subject matter of copyright. If a novel is translated into another language or is expanded into a motion picture film, there is usually little doubt that the translation and the film are copyrightable derivative works; they clearly incorporate creative and "distinguishable variations" beyond the underlying novel. Given the minimal standard of authorship—essentially nonliteral copying—in copyright law, it is not surprising that modest but discernible variations on the underlying work (for example,

91. *See also* Skinder-Strauss Assocs. v. Mass. Continuing Legal Ed., Inc., 914 F. Supp. 665 (D. Mass. 1995) (holding directory of lawyers' contact information uncopyrightable).

a work of art translated from canvas to a woodcut or engraving) will sustain a copyright.[92]

Some courts, however, have applied the "authorship" requirement to derivative works in a way that arguably departs from these basic principles. The principles are particularly put to the test in cases in which the derivative art works derive their aesthetic worth and their economic value from the exactness of their verisimilitude to the underlying work. For example, in *L. Batlin & Son, Inc. v. Snyder*,[93] the Court of Appeals for the Second Circuit, sitting en banc, held that a plastic "Uncle Sam Bank" modeled on a cast-iron public domain bank from the late nineteenth century lacked sufficient elements of originality to warrant copyright protection. The copier had used Snyder's plastic bank as a model for its own, and had not copied directly from the public domain bank. Although there were some purposeful design variations in Snyder's plastic bank, the court found them to be trivial, not readily discernible, and largely dictated by the mechanical needs of the plastic-molding process.[94]

A similar demanding approach was used by the Court of Appeals for the Seventh Circuit, in *Gracen v. Bradford Exchange*,[95] in which an authorized drawing of the Dorothy (Judy Garland) character from the motion picture film *The Wizard of Oz* was found to lack sufficient creativity, even though it had been chosen as a contest winner. The court held that "originality" with respect to derivative works "is not to guide aesthetic judgments but to assure a sufficiently gross difference between the underlying and the derivative work to avoid entangling subsequent artists depicting the underlying work in copyright problems."[96] That is, the creator of a nearly exact derivative work, if given a copyright, could

92. Alfred Bell & Co. v. Catalda Fine Arts, Inc., 191 F.2d 99 (2d Cir. 1951).

93. 536 F.2d 486 (2d Cir. 1976) (en banc).

94. *See also* Sherry Mfg. Co. v. Towel King of Fla., Inc., 753 F.2d 1565 (11th Cir. 1985) (variations in graphic design on towels were trivial, and improperly motivated). *But see* Eden Toys, Inc. v. Florelee Undergarment Co., 697 F.2d 27 (2d Cir. 1982) (depicting Paddington Bear image as "smoother" and "cleaner" is nontrivial variation and thus copyrightable).

95. 698 F.2d 300 (7th Cir. 1983).

96. *Id.* at 305.

threaten litigation that would chill legitimate recourse by others to the underlying work.

Whether for this reason or another, some courts have imposed what appears to be a higher standard of authorship for derivative art works than for other subject matter within the coverage of the Copyright Act,[97] or have accorded only "thin" copyright protection.[98] It is not clear that this comports with the very low threshold for creativity announced by the Supreme Court in its *Feist* decision.

Pictorial, Graphic, and Sculptural Works

One of the categories of copyrightable works in section 102(a) of the Act is "pictorial, graphic, and sculptural works" (PGS works). The same requirement of original authorship obtains for artistic works as for literary works, and in neither case does it import any standard of aesthetic merit or appeal—only noncopying and a minimal measure of creativity. The latter element has been reflected for many years in section 202.1(a) of the Copyright Office regulations, which excludes from copyright "familiar symbols or designs" and "mere variations of typographic ornamentation, lettering or coloring." Even before the Supreme Court in *Feist* definitively announced the requirement of minimal creativity, courts had denied copyright to a cardboard display-stand in the shape of a circle within a five-pointed star,[99] to a handful of overlapping angular lines (evoking arrowheads) in a sports-team logo,[100] and to variations in color choices for map territories.[101]

On the other hand, "colorized" versions of motion picture films originally made in black and white have been declared by the Copyright Office generally to contain enough original authorship in color selection as to constitute separately copyrightable derivative works.[102]

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97. Entm't Research Group, Inc. v. Genesis Creative Group, Inc., 122 F.3d 1211 (9th Cir. 1997).

98. Ets-Hokin v. Skyy Spirits, Inc., 323 F.3d 763 (9th Cir. 2003).

99. Bailie v. Fisher, 258 F.2d 425 (D.C. Cir. 1958).

100. John Muller & Co. v. N.Y. Arrows Soccer Team, 802 F.2d 989 (8th Cir. 1986).

101. United States v. Hamilton, 583 F.2d 448 (9th Cir. 1978).

102. 52 Fed. Reg. 23,442 (1987).

Copyright has also been sustained in a realistic color drawing of a slice of chocolate cake, designed for use on a cake wrapper;[103] and the same court of appeals, much more recently, overturned a summary judgment of noncopyrightability of the Barbie Doll's nose, lips and eyes.[104] It has, in fact, been held that the common snapshot or home motion picture film is eligible for copyright, given the photographer's judgment regarding angle, placement, shading, timing and the like.[105] This approach was extended by the Court of Appeals for the Ninth Circuit to protect a head-on product photograph of a bottle of vodka[106]—although the court ultimately concluded that the "merger" of idea and expression justified only a "thin" copyright and held that a nearly identical photograph did not infringe.[107]

Useful articles

Perhaps the most difficult issue that arises regarding the copyrightability of pictorial, graphic, and sculptural works concerns those works, typically "sculptural," that serve useful functions, such as furniture, flatware, television sets, computers, garments, and automobiles. The pertinent law begins with an important Supreme Court decision, moves through some not altogether clear provisions of the 1976 Act, and continues today in a number of court decisions applying the statute in an inconsistent and uncertain manner.

Until 1954, when the Supreme Court decided *Mazer v. Stein*,[108] it was widely assumed that protection for the design of useful articles had to be secured through the design-patent law—which requires that the design be "novel" and "unobvious"—and that copyright protection was not available. In *Mazer*, the Court held that copyright protection could be extended to sculptural figures that were used as bases for lamps. The Court stated that, so long as the statues embodied originality, copyright was not displaced by virtue of the potential availability of

103. Kitchens of Sara Lee, Inc. v. Nifty Foods Corp., 266 F.2d 541 (2d Cir. 1957).
104. Mattel, Inc. v. Goldberger Doll Mfg. Co., 365 F.3d 133 (2d Cir. 2004).
105. Time, Inc. v. Bernard Geis Assocs., 293 F. Supp. 130 (S.D.N.Y. 1968).
106. Ets-Hokin v. Skyy Spirits, Inc., 225 F.3d 1068 (9th Cir. 2000).
107. Ets-Hokin v. Skyy Spirits, Inc., 323 F.3d 763 (9th Cir. 2003).
108. 347 U.S. 201 (1954).

design-patent protection or by the fact that the design was embodied in a useful article that was mass-produced and merchandised commercially. Since the *Mazer* decision, the Copyright Office has registered many ornamentally shaped useful articles. Section 113(a) of the Copyright Act now provides that the copyright in a PGS work "includes the right to reproduce the work in or on any kind of article, whether useful or otherwise."

A perplexing problem that remained after *Mazer* was whether copyright could extend not simply to a separate and independent artistic drawing or sculpture that was incorporated as part of a useful article (such as the lamp base in that case), but also to attractively shaped useful articles in themselves. To permit the copyright owner to prevent the manufacture of a useful article would create the risk that copyright—quick and easy to secure, and long in duration—could be used to secure a patent-like monopoly over articles of manufacture without complying with the more exacting prerequisites for a product patent or a design patent. This concern induced several courts to hold under the 1909 Act that copyright in a two-dimensional drawing of a useful article would not carry with it the exclusive right to manufacture the article itself, and that copyright was not appropriate for the overall three-dimensional shape of such an article.[109] Congress, in section 113(b) of the 1976 Act, approved these earlier precedents, simply by incorporating by reference the law as it had existed on December 31, 1977—in effect withholding from the copyright owner the exclusive right to finish or to build the object portrayed.

Congress attempted a formulation of the scope of protection for useful articles by its definitions in section 101. A "useful article" is defined as "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." (A dress or an automobile is thus a "useful article" but a designer's rendering in a drawing or photograph is not because it would

109. *E.g.*, Muller v. Triborough Bridge Auth., 43 F. Supp. 298 (S.D.N.Y. 1942) (plan for cloverleaf bridge approach).

"portray the appearance of the article."[110]) "Pictorial, graphic, and sculptural works"

> include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans. Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.[111]

If, for example, a corkscrew is composed of a small plastic sculptured human head and a pointed spiral-shaped piece of metal, it is a PGS work, but copyright extends only to the sculptured head and not to the shape of the spiraling metal.

In the words of the House Report, the statutory definitions attempt to distinguish between "works of applied art protectible under the bill and industrial designs not subject to copyright protection."[112] The Report continues:

> A two-dimensional painting, drawing, or graphic work is still capable of being identified as such when it is printed on or applied to utilitarian articles such as textile fabrics, wallpaper, containers, and the like. The same is true when a statue or carving is used to embellish an industrial product or, as in the *Mazer* case, is incorporated into a product without losing its ability to exist independently as a work of art. On the other hand, although the shape of an industrial product may be aesthetically satisfying and

110. Courts have disagreed on the question whether mannequins are "useful articles," with the line apparently being drawn—somewhat unconvincingly—between human mannequins (yes), *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411 (2d Cir. 1985), and animal mannequins (no), *Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320 (2d Cir. 1996). *See* Pivot Point Int'l, Inc. v. Charlene Prods., Inc., 372 F.3d 913 (7th Cir. 2004). Animal masks are not "useful articles" (they portray an appearance) but animal costumes are (they function as clothing as well). *See, e.g.*, Celebration Int'l, Inc. v. Chosun Int'l, Inc., 234 F. Supp. 2d 905 (S.D. Ind. 2002).

111. 17 U.S.C. § 101.

112. H.R. Rep. No. 94-1476, at 55 (1976).

> valuable, the Committee's intention is not to offer it copyright protection under the bill. Unless the shape of an automobile, airplane, ladies' dress, food processor, television set, or any other industrial product contains some element that, physically or conceptually, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted under the bill.[113]

As to the attractive shape of useful articles in themselves, Congress had, during the copyright revision process, formulated a separate body of legislation that would have extended a special 10-year term of copyright to "the design of a useful article" including its "two-dimensional or three-dimensional features of shape and surface, which make up the appearance of the article"; but this legislation was never enacted. Repeated efforts since to enact such design-protection legislation have been unsuccessful, except for the rather curious and particularistic protection accorded to the shape of vessel hulls.[114]

The key to copyright protection of the features of useful articles thus depends on whether the feature is—in the words of the House Report—physically or conceptually separable from the utilitarian features. Examples given in the Report include a carving on the back of a chair or a floral relief design on silver flatware. Although copyrightability might be clear at that extreme, and noncopyrightability clear at the other extreme of a flat rectangular table top resting on four cylindrical legs at each corner, it is of course the intermediate cases that reach the courts, sometimes after a refusal by the Copyright Office to register the work.

The effort to apply the "separability" standard has not resulted in a clear or consistent pattern of decisions. In noteworthy decisions of the Court of Appeals for the Second Circuit, copyright protection has been upheld for an attractively contoured belt buckle (in part, no doubt, because many persons wore the buckle separately as pinned-on jewelry),[115] but has been denied for the shape of mannequin torsos used for the draping of shirts in clothing stores (despite the allusion to the

113. *Id.*

114. 17 U.S.C. §§ 1301–1332.

115. Kieselstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989 (2d Cir. 1980).

sculptures of ancient Greece and Rome)[116] and for the undulating "sine-curve" design of a bicycle rack.[117] The Seventh Circuit has more recently drawn upon those decisions to develop a "separability" test of its own.[118] All that can be said with any confidence is that the more flamboyant the shape, and the less the shape is dictated by the function, the more readily copyright will protect the overall shape of useful articles.

Architectural works

Another example of a useful article—one that has given rise to some difficulties in determining the proper scope of copyright protection—is architecture. Both under the 1909 Act and the 1976 Act as originally enacted, courts generally held that although architectural plans and three-dimensional models were copyrightable, that protection would not afford the copyright owner the exclusive right to build the structure depicted therein. By virtue of analysis stemming from *Baker v. Selden*,[119] courts were reluctant to permit copyright—rather easily secured and of long duration—to be used to prevent the construction of houses and office buildings; there was also, no doubt, reluctance to uphold copyright in architectural "styles" manifested in standard design elements. Under the "pre-1978 saving clause" in section 113(b) of the 1976 Act and the "separability" requirement in the definition of PGS works, these earlier precedents have been applied so that the unauthorized construction of a building would not constitute copyright infringement.[120]

This body of law was significantly altered when, in October 1990, Congress amended the Copyright Act so as to extend its protection to the overall shape of three-dimensional works of architecture. The Architectural Works Copyright Protection Act, among other things, amended section 101 to define "architectural work" as "the design of a

116. Carol Barnhart Inc. v. Econ. Cover Corp., 773 F.2d 411 (2d Cir. 1985).

117. Brandir Int'l v. Cascade Pac. Lumber Co., 834 F.2d 1142 (2d Cir. 1987).

118. Pivot Point Int'l, Inc. v. Charlene Prods., Inc., 372 F.3d 913 (7th Cir. 2004) (2–1 decision). *See also* Bonazoli v. R.S.V.P. Int'l, Inc., 353 F. Supp. 2d 218 (D.R.I. 2005).

119. 101 U.S. 99 (1879).

120. Demetriades v. Kaufman, 680 F. Supp. 658 (S.D.N.Y. 1988).

building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form and elements in the design, but does not include individual standard features." By protecting the "overall form" of buildings, and by defining "architectural work" separately from all other PGS works so that the "separability" requirement does not obtain for this particular category of useful article, the amended statute now makes it an infringement to construct a building that copies from another's protectible two- or three-dimensional design. The purpose of the 1990 statutory changes was to bring U.S. law more into harmony with the architectural-protection provisions of the Berne Convention.

The protection for building designs is subject to certain statutory limitations found principally in section 120: it is not an infringement to draw or photograph a building that is "located in or ordinarily visible from a public space," and the owner of a building embodying a copyrighted design does not infringe by making alterations to the building or by destroying it. Moreover, the extended copyright protection described here does not apply to buildings that were completed or "substantially constructed" before December 1, 1990.[121]

Works of visual art

In what is perhaps an even more dramatic change in the Copyright Act than the inclusion of architectural works, the October 1990 amendments expressly accorded visual artists for the first time as a matter of federal law the rights of "attribution and integrity." These are the two principal components of what is known in civil-law nations as "moral rights." These rights—basically, the right to have a work attributed to the artist, and the artist's right to prevent mutilation or destruction—were granted by the Visual Artists Rights Act (VARA) of 1990 and are now set forth in section 106A of the Copyright Act (to be discussed more fully *infra* Chapter 6).

These two newly created statutory rights are given only to authors of what is defined as a "work of visual art" and not to authors of all pictorial, graphic, or sculptural works. The definition of a "work of

121. Zitz v. Pereira, 232 F.3d 290 (2d Cir. 2000).

visual art" (particularly the exclusions) is elaborate. It covers a painting, a sculpture, and a "still photographic image produced for exhibition purposes only," in their embodiment as a single copy or in numbered and signed limited editions not in excess of 200. Excluded are works made for hire and a broad range of graphic works such as posters, technical drawings, applied art, motion pictures and other audiovisual works, art in books, newspapers and periodicals, and advertising[122] and packaging materials.

These excluded categories of works remain within the definition of "pictorial, graphic, and sculptural works," and they are accorded protection against unauthorized reproduction and unauthorized preparation of derivative works. They are not, however, protected against nonattribution or physical mutilation or destruction.

VARA therefore contemplates three sets of rights in art works—the copyright owner of a PGS work can assert the basic right of reproduction set forth in section 106; the artist who has created "a work of visual art" can assert the moral rights set forth in section 106A; and the owner of the physical canvas or sculpture can assert chattel ownership rights under state law. Section 106A(e)(2) expressly provides for this fragmentation of rights.

A dozen states have enacted similar "moral rights" statutes for the protection of artists; most of these laws are broader in both subject-matter coverage and substantive rights than the federal Act. Section 301(f) of the Copyright Act preempts the enforcement of state-law rights equivalent to those conferred by section 106A upon "works of visual art," but this would allow states to grant rights of attribution and integrity to works that fall outside that federally defined phrase (such as motion pictures) and to grant perhaps more expansive substantive rights even to "works of visual art." In any event, section 301(f) expressly saves state rights that extend beyond the life of the artist.

122. Pollara v. Seymour, 344 F.3d 265 (2d Cir. 2003).

Pictorial and Literary Characters

Owners of copyright in literary or pictorial stories have on occasion attempted to assert an exclusive right to the characters depicted therein. The right to continue certain characters in television series, or in novelistic and motion picture sequels, or video games, is of great economic value, as is the right to "merchandise" these characters on shirts, bed linens, dolls and other such paraphernalia.

Pictorial characters drawn for comic books or film cartoons are readily protected by copyright, as pictorial and graphic works, provided they meet the minimal requirements for "original authorship."[123] The copyrightable elements of an animated character have been said to "extend not merely to the physical appearance of the animated figure, but also to the manner in which it moves, acts and portrays a combination of characteristics."[124]

Far less likely to be protected by copyright are characters who are delineated by words in literary works. Most such literary characters are "types" with a limited number of not uncommon personality attributes; their "character" is more a reflection of a story line or plot than of any intrinsic detailed nature. Literary characters as such are thus commonly regarded as falling on the "idea" side of the dichotomy between unprotectible idea and protectible expression. Frequently cited are the memorable lines penned by Learned Hand in 1930:

> If Twelfth Night were copyrighted, it is quite possible that a second comer might so closely imitate Sir Toby Belch or Malvolio as to infringe, but it would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress. These would be no more than Shakespeare's "ideas" in the play, as little capable of monopoly as Einstein's Doctrine of Relativity, or Darwin's theory of the Origin of Species. It follows that the less developed the characters, the less they can

123. Gaiman v. McFarlane, 360 F.3d 644 (7th Cir. 2004); Walt Disney Prods. v. Air Pirates, 581 F.2d 751 (9th Cir. 1978) (Mickey Mouse parodied in defendant's risqué comic books).

124. DeCarlo v. Archie Comic Publ'ns, Inc., 127 F. Supp. 2d 497 (S.D.N.Y.), *aff'd*, 11 Fed. Appx. 26 (2d Cir. 2001) (unpublished).

> be copyrighted; that is the penalty an author must bear for marking them too indistinctly.[125]

No court appears to have held that a strictly literary character (i.e., one described only in words intended for reading) that was the subject of litigation meets the standard of copyrightability, so that it would infringe to depict such a character (particularly without his or her name) in an altogether different tale. The Court of Appeals for the Second Circuit has however intimated, without elaboration, that the Hopalong Cassidy and Amos & Andy characters, in their textual description, pass Judge Hand's test.[126]

Characters that are delineated through human actors on the motion-picture or television screen fall somewhere between cartoon or animated characters on the one hand and literary characters on the other.[127] Although the decided cases are few, courts appear to be inclined to grant copyright to those film characters—perhaps indeed to an extent that affords copyright to stock character "types" and thus to literary "ideas." Thus, a televised automobile commercial depicting a fast-driving debonair and handsome tuxedoed man, saving himself and his attractive female partner from the clutches of a high-tech villain, was held to infringe the James Bond character (even though that name was not used).[128] And another district court held: "This Court has no difficulty ruling as a matter of law that the Rocky characters are delineated so extensively that they are protected from bodily appropriation when taken as a group and transposed into a sequel by another author."[129] This conclusion—resting on the Learned Hand test of de-

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125. Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d Cir. 1930) (holding play, *Abie's Irish Rose*, and its characters not infringed by motion picture, *The Cohens and the Kellys*).

126. Filmvideo Releasing Corp. v. Hastings, 668 F.2d 91 (2d Cir. 1981); Silverman v. CBS, Inc., 870 F.2d 40 (2d Cir. 1989).

127. *See* Gaiman v. McFarlane, 360 F.3d 644 (7th Cir. 2004) ("The description of a character in prose leaves much to the imagination, even when the description is detailed. . . ." *Id.* at 660. "[O]ne hardly knows what Sam Spade looked like. But everyone knows what Humphrey Bogart looked like." *Id.* at 661.).

128. Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co., 900 F. Supp. 1287 (C.D. Cal. 1995).

129. Anderson v. Stallone, 11 U.S.P.Q.2d (C.D. Cal. 1989).

tailed "delineation"—was no doubt reinforced by the fact that Rocky, Adrian, Apollo, Clubber and Paulie had already been developed in three motion pictures and that their names were carried forward in the screenplay of the alleged infringer.

Government Works

It is obviously in the public interest that persons be able freely to quote from—and indeed to reproduce in full—federal statutes, regulations, court opinions, legislative and commission reports, and the like. Section 105 of the Copyright Act provides: "Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise." In section 101, a "work of the United States Government" is defined as "a work prepared by an officer or employee of the United States Government as part of that person's official duties." The House Report states that the intention is to apply this definition in the same manner as the definition of "works made for hire" by employees in the scope of their employment.[130] Not swept within the exclusion under section 105 would be a work commissioned by a branch of the U.S. Government and authored by an "independent contractor" or a freelance writer or artist.

As an example of the operation of these statutory provisions, one might consider this monograph on copyright law, prepared under contract for the Federal Judicial Center. Its author is not an "employee" of the U.S. Government, and so it cannot be prepared as part of any "official duties" with the Government. Accordingly, this monograph is eligible for copyright protection in the name of the author. (The author has in fact agreed voluntarily to transfer the copyright to the Federal Judicial Center, which may and does hold a valid copyright as transferee pursuant to section 105. It is, of course, for the Center to decide whether to enforce that copyright or rather to allow some or all members of the public to make copies.) Had the work instead been

130. H.R. Rep. No. 94-1476, at 58 (1976).

written by, say, an employee in the Copyright Office as part of his or her job responsibilities, it would indeed be treated as a work of the U.S. Government and would thus be ineligible for copyright protection.

No express provision of the Copyright Act similarly consigns to the public domain works prepared by employees of state and local governments. In 1888, however, the Supreme Court in *Banks v. Manchester*[131] held that state judicial opinions are ineligible for federal copyright protection because state judges are paid with public funds (the implication being that the public is therefore the owner), and because, as a matter of policy, the public interest is served by free access to the law by persons expected to conform their conduct to it (a "due process" rationale). The same rationales were without much dispute extended to state legislation and administrative regulations. After an uncontentious century, the issue of copyrightability of official state materials has recently come to the fore in two contexts.

The first is the nature and range of state materials that are to be analogized to legislation and court decisions, with copyright denied. The Court of Appeals for the Second Circuit has held[132] that official county "tax maps"—showing the ownership, size, and location of real property parcels in each of the political subdivisions of Suffolk County in New York—are not automatically stripped of copyright simply because they are authored by county officials and because they are used as a basis for the assessment of property taxes. The court held that the taxing statute affords the public adequate notice of their obligations, so that state ownership of the maps would create no problems of due process, and it remanded so that further evidence could be presented on the issue of the county's need for copyright as a financial incentive for its mapmaking activity.

The second relevant issue of current importance is whether privately authored codes—such as building codes and fire codes, or even model laws—that are written by expert groups lose their copyright when they are adopted (often simply by reference) by a legislative

131. 128 U.S. 244 (1888).

132. County of Suffolk, N.Y. v. First Am. Real Estate Solutions, 261 F.3d 179 (2d Cir. 2001).

body, say in a county or town. The few cases addressing this question have provided a less-than-definitive answer. However, the Court of Appeals for the Fifth Circuit, sitting en banc, concluded in 2002 in a sharply divided decision[133] that—although such privately drafted codes are protected by copyright at the outset—they are thrust into the public domain when they are adopted by a town as its authoritative legal text, at least when such adoption is actively sought by the drafting body. The principles of *Banks v. Manchester* were held to be controlling, although the dissent concluded that a denial of copyright would pose a threat to the useful provision of such codes to busy and underfunded municipal entities. The majority distinguished the situation from the several cases involving the mere "reference" by a city or state to some copyrighted material, privately authored and already in private commercial use; in those cases, involving for example a state's reference for insurance purposes to automobile values contained in the well-known *Red Book* (of the National Automobile Dealers' Association), the courts have concluded that copyright is not lost.[134]

133. Veeck v. Southern Bldg. Code Cong. Int'l, Inc., 293 F.3d 791 (5th Cir. 2002) (en banc).

134. Practice Mgmt. Info. Corp. v. American Med. Ass'n, 121 F.3d 516 (9th Cir. 1997) (AMA coding system to identify medical procedures); CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, 44 F.3d 61 (2d Cir. 1994) (NADA *Red Book* auto values).

Chapter 3
Duration and Renewal

The Copyright Clause of the Constitution empowers Congress to grant exclusive rights to authors "for limited times." The first United States Copyright Act, enacted in 1790, was patterned on the Statute of Anne of 1710 and gave authors a 14-year period of protection for published works and a right to renew the copyright for 14 more years if the author was alive at the end of the first term. The renewal format, with two rather short terms of protection, was a feature of U.S. copyright law through 1977. The 1909 Copyright Act granted an initial term of protection for 28 years and a renewal term of another 28 years upon timely registration by the author or by certain designated statutory successors. Under the 1909 Act, an author of an unpublished work could invoke state common-law copyright protection indefinitely until the work was "published" (a term of art to be discussed at pages 86–89); for most unpublished works, the author had the option to secure federal copyright protection by registering the work with the Copyright Office. For published works, common-law copyright was preempted and protection could be secured only by compliance with the formalities of the federal act.

With the 1976 Copyright Act, effective January 1, 1978, both the starting point and ending point of federal copyright protection were changed. As already noted, copyright attaches as soon as a work is "created," i.e., as soon as it is "fixed" in a tangible medium of expression. This is true even for works that were created before the effective date of that Act, whether those preexisting works were at the time published or unpublished. State common-law copyright for "fixed" works was from that date displaced by federal copyright.[135]

The 1976 Act also dramatically altered the period during which copyright protection lasts, most notably by abandoning the renewal format for works created (or first published) after January 1, 1978, and substituting a term of protection for such works of the author's life plus

135. 17 U.S.C. §§ 301(a), (b).

50 years. The renewal provisions of the 1909 Act remain important, however, if only because disputes concerning renewal rights (who owns them? were they properly secured?) that accrued in 1977 or earlier will no doubt continue to be presented in future litigation. Moreover, Congress in the 1976 Act preserved the renewal format, with some modifications to be explored immediately below, for works first published between 1950 and 1977 (during the life of the 1909 Act) so that they still have fallen within that format as they have reached the twenty-eighth year thereafter (between 1978 and 2005).

A discussion of the renewal format is followed by a discussion of the term of copyright under the 1976 Act and the Sonny Bono Copyright Term Extension Act of 1998 (named for the late popular singer and congressman).

The Renewal Format

Under section 24 of the 1909 Copyright Act, the author or a person claiming copyright (for example, by way of an assignment) was entitled to a 28-year initial term of copyright protection. Although such protection was available for most unpublished works, the typical work protected by the statute was a work that had been "published," i.e., distributed in copies to the public, with proper notice of copyright. Copyright protection continued for 28 years from the date of publication, and could be continued for another 28-year term upon timely application by the person designated in the statute:

> [T]he author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the Copyright Office and duly registered therein within one year prior to the expiration of the original term of copyright.

The renewal term, in effect, granted a statutory reversion of interest. Congress's purpose was principally to afford to the author or the author's family an opportunity to claim ownership and to make new

transfers for a new remuneration, free and clear of any transfers of or encumbrances on the initial copyright term. An author who had conveyed copyright before or shortly after the publication of his or her work, at a time when its economic value was unknown or speculative, was given by Congress an opportunity to market the copyright a second time, when its economic value was more readily determinable.

If the author were not alive in the twenty-eighth year of the initial copyright term, the right to apply for and to claim the renewal copyright fell to the next available statutory successor. If the author left a widow, widower or children, such person(s) would become the owner(s) of the copyright for the renewal term. Despite the precise statutory language, the Supreme Court held that, in a case in which the author was outlived by a widow or widower *and* one or more children, all of those survivors would take ownership as a class, and the surviving spouse would not take all.[136] The Court, however, did not have to determine whether the spouse takes half and the children divide the other half or whether all of the surviving family members share the copyright equally. Indeed, no lower federal court was called upon for a holding on this issue for nearly a century (after 1909), when in 2005 two different courts of appeals did decide the matter. The First and Sixth Circuit Courts of Appeals both held that the surviving spouse takes 50% of the renewal interest and the children share equally in the other 50%.[137]

If the author left no widow, widower or children, then section 24 of the 1909 Act provided that the renewal copyright could be claimed by the "author's executors." As interpreted, this provision gave ownership of the renewal term to the executors as trustees for the persons named in the author's will as legatees; the executor was not to hold the renewal copyright on behalf of the author's estate, which would be subject to the claims of creditors. In default of any persons in the first three statutory categories, the author's "next of kin" could validly claim the renewal term of copyright.

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136. De Sylva v. Ballentine, 351 U.S. 570 (1956).

137. Venegas-Hernandez v. Asociacion de Compositores, Editores De Musica Latinoamericana, 424 F.3d 50 (1st Cir. 2005); Broadcast Music, Inc. v. Roger Miller Music, Inc., 396 F.3d 762 (6th Cir. 2005). Both courts drew upon the *per stirpes* ownership principle found in the termination-of-transfer provisions of 17 U.S.C. §§ 203 and 304(c).

An example will demonstrate the operation of the statutory renewal provision of the 1909 Act. If an author during his lifetime licensed a publisher to print and distribute his book in paperback form, and the author died unmarried and without children prior to the twenty-eighth year from the date of publication, the renewal term could be claimed by the author's executors holding on behalf of the persons designated in his will. The publisher's license would be terminated at the end of 28 years, and the legatees could bargain for a new license with the same or a different publisher, for new compensation, free and clear of the earlier transfer. (As noted above, effective in 1978, 19 years were added to existing 28-year renewal terms, and another 20 years were added to those terms in 1998, for 67 total renewal years—and a possible 95 overall years of protection for such older works.)

It became common under the 1909 Act for a transferee of copyright to negotiate with an author for the ownership of both the initial and the renewal terms of copyright. Most conspicuously, in the case of popular musical compositions the popularity of which might well span beyond the initial 28-year term, the publisher wanted to ensure that it would have the right to derive income from sheet music and public performances into the renewal term. The statute made it clear that an author's transfer of the renewal copyright during the initial term of copyright could not deprive the statutory successor—such as the widow—of her ownership of the renewal term in the event the author–husband was not alive in the twenty-eighth year. The statute did not make it quite so clear whether, in the event the author lived through the initial term, the renewal term to which the author was entitled would immediately be owned by the transferee. In other words, the statute left open the question whether an initial-term transfer of the renewal copyright would be valid and enforceable (if the author survived into the renewal term).

In a controversial 1943 decision, *Fred Fisher Music Co. v. M. Witmark & Sons*,[138] a divided Supreme Court held—despite the obvious author-protective purpose of the renewal format—that an early assignment of the renewal term was binding and valid. But all that can be transferred is the author's contingent interest in that term, dependent

138. 318 U.S. 643 (1943).

upon his survival through the initial term. If, despite such a purported transfer, the author dies before expiration of the initial term, then the assignee's contingent interest in the renewal term is terminated and the widow or children, or subsequent statutory successors, can assert superior claims to the renewal term. Of course, under *Fisher v. Witmark*, there would be nothing to prevent the assignee from securing from the widow or children valid transfers of *their* contingent interests in the renewal term.

The four-tiered succession to the renewal term, as outlined above, applies for most copyrighted works. Section 24 of the 1909 Act, however, listed a number of exceptions, the most important of which are works made for hire and "posthumous works"; both excluded categories were left undefined by the 1909 Act. In such cases, section 24 provided that "the proprietor of such copyright shall be entitled to a renewal and extension of the copyright" for the 28-year term upon timely registration. In other words, the person who was the owner of the copyright at the end of the initial term of copyright was the valid claimant of the renewal term as well—and family members were not given the sort of priority they had in the generality of copyrighted works as described above. This allocation of ownership of the renewal term was preserved in the 1976 Act, with "work made for hire" being defined and with the House Report endorsing a narrow view of the still undefined phrase "posthumous work."[139]

Although a feature of the U.S. Copyright Act for more than two centuries, the renewal format was almost unique in the world's copyright jurisprudence and became subject to increasing criticism as many individuals (and even corporations) neglected, by oversight, to comply with the renewal technicalities, which required a timely filing of an application with the Copyright Office. For that reason, the 1976 Act provided that for works created or published thereafter, there would be a single term of protection measured from the death of the author. Works already in copyright under the 1909 Act were not disturbed, however, with respect to the renewal framework, and timely renewal still had to be secured in order to extend the term beyond the first 28

139. See H.R. Rep. No. 94-1476, at 139–40, expressly approving the construction given in *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941 (2d Cir. 1975).

years. With inadvertent failures to renew continuing even after 1978, Congress decided in 1992 to provide for the *automatic* renewal of pre-1978 works then in their first term of copyright. The law thus substituted the equivalent of a single 75-year term for the prior dual terms, by making the second term (extended by 19 years) vest without filing for renewal.[140] Then, in 1998, the Sonny Bono Copyright Term Extension Act added another 20 years, for a total of 95. This means that pre-1978 works then in their first term of copyright, i.e., works first published between 1964 and 1977 (inclusive), will enjoy the full 95-year copyright term, without having to register initially and then to renew the registration during the twenty-eighth year following publication.

However, Congress in 1994 coupled the new automatic-renewal arrangements with certain incentives to renew "voluntarily." These are set forth in the rather elaborate provisions of section 304(a) of the Copyright Act. One such incentive, for example, is that with a voluntary renewal application the certificate of registration that is issued by the Copyright Office is to constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate (such as those relating to the author, date of publication, and the like).

Derivative works prepared during the initial term

A difficult and important question that arises from the renewal provisions of the 1909 Act as carried forward in the 1976 Act relates to the utilization, during the renewal term of copyright, of derivative works that had been validly prepared by others during the initial term of copyright in the underlying work. For example, the author and copyright owner of a novel might, during the initial copyright term, license another to prepare a motion picture based on that novel; the motion picture, which will typically involve substantial creative contributions by the film producer and those it employs (actors, director, cinematographer, composer), will itself be a copyrightable work. If the license expressly included the right to exhibit and distribute the derivative film

140. *See* Kahle v. Ashcroft, 72 U.S.P.Q.2d 1888 (N.D. Cal. 2004) (sustaining constitutionality of automatic-renewal statute against Copyright Clause and First Amendment challenges).

during the renewal term of the novel, and if the author of the novel survived into the renewal term, the film producer could lawfully continue to utilize the film during the renewal term of the novel.

If, however, the license did not expressly cover the renewal term, or if it did but the novelist died during the initial term of copyright in the novel and another person succeeded to the renewal copyright, then the question arises whether the film can continue to be exploited by its copyright owner during the renewal term of the underlying novel.

A strict application of the principles of the renewal format would suggest that once the renewal copyright in the underlying novel "springs back" to the author or to the author's statutory successor, it does so free and clear of any licenses given during the initial term. Thus the continued exhibition or distribution of the film—which contains copyrightable elements from the novel—would constitute an infringement of copyright in the novel. Under this approach, not only would the novelist during the renewal term be able undeniably to license some other motion picture producer to base a new film on the novel, but he would also be entitled to renegotiate with the copyright owner of the first film for the right to continue its exploitation. This would, of course, deprive the producer or copyright owner of the first film of the fruits of its own copyrightable contributions, which may as a practical matter account far more for the film's success than do its borrowed elements from the novel.

An arguably more equitable view would be that the creative and copyrighted derivative work, the motion picture film produced pursuant to a license from the novelist, should be treated as "taking on a life of its own" such that it can continue to be exhibited and distributed even after the beginning of the renewal term of copyright in the underlying novel. The film producer could not, however, produce a *new* film based on the underlying novel without the consent of the owner of the renewal copyright in the latter work.

The courts of appeals were unable to make a clear and consistent choice between these two theories.[141] The Supreme Court ultimately

141. *Compare* G. Ricordi & Co. v. Paramount Pictures, Inc., 189 F.2d 469 (2d Cir. 1951) (the opera *Madame Butterfly* cannot be converted by initial licensee into a motion picture after renewal of the underlying novel), *with* Rohauer v. Killiam Shows, Inc., 551 F.2d 484

resolved the uncertainties when, in 1990, it decided *Stewart v. Abend*.[142] There, the Court held that the continued exhibition and distribution of the well-known Hitchcock film *Rear Window*, as well as the marketing of videocassettes of the film, constituted an infringement of the renewal copyright in the short story on which the film was based. The Court relied on the terms and legislative histories of the 1909 and 1976 Copyright Acts, and its own precedents, in holding that an author seeking to convey a license to create a derivative motion picture can transfer only the contingent interest that he has in the renewal term; if the author dies before the end of the initial term of the underlying story (as occurred in *Stewart*), the interest of his statutory successor to the renewal term cannot be diluted by the continued unauthorized exploitation of the derivative work.

In 1992, in addition to providing for the future automatic renewal of works originally published beginning in 1964, Congress allowed for "voluntary" renewals, and provided incentives to apply for the latter. One such incentive is that a person who voluntarily renews gets the benefits of the rule in *Stewart* that cuts off continued exploitation by others of derivative works they may have created during the initial term of an underlying work, while in the case of an automatic renewal section 304(a)(4)(A) now provides that "a derivative work prepared under authority of a grant of a transfer or license of the copyright that is made before the expiration of the original term of copyright may continue to be used under the terms of the grant during the renewed and extended term of copyright without infringing the copyright."

Duration of Copyright Under the 1976 Act

The duration of copyright protection under the 1909 Act, which was in effect through the end of 1977, was as noted 28 years from the date of publication, with the possibility of renewal for an additional 28 years upon application to the Copyright Office in the twenty-eighth year of the initial term. This term of protection was significantly modified by

(2d Cir. 1977) (Valentino film, *Son of the Sheik*, may be shown on television during the renewal term of the underlying novel).

142. 495 U.S. 207 (1990).

the 1976 Act and again by the 1998 "Sonny Bono Copyright Term Extension Act" (CTEA). Under the current law, the term of copyright protection depends principally upon what the copyright status of the work was on the effective date of the 1976 Act, January 1, 1978. Five situations are possible:

(1) If on that date a work was already in the public domain under the 1909 Act or earlier laws, the work remains in the public domain and no copyright protection is available.[143]

(2) If on January 1, 1978, a work was in its *initial* 28-year copyright term under the 1909 Act, the copyright expires at the end of that term, unless the copyright is renewed by timely application. (Renewal was made automatic for works published between 1964 and 1977.) If it is renewed, the renewal term will last not for 28 years but rather for 67 years (with 19 years having been added by the 1976 Act and another 20 years by the CTEA). Section 304(a) so provides, for what is thus effectively a 95-year term of copyright. Although Congress was interested in extending the period of statutory copyright protection and discarding the renewal format, it nevertheless chose to retain that format for works then under federal copyright in order to avoid the undue disruption of expectations and transactions.

(3) Under section 304(b) of the 1976 Act, works in their *renewal* term of copyright as of January 1, 1978, are to be automatically accorded an extended term of protection lasting for a total of 95 years from the date copyright was originally secured. In effect, the renewal term of such works is extended from 28 years to 67 years. Because Congress, as early as 1962, anticipated major imminent changes in the copyright law and particularly an extension of the period of copyright protection, it granted what are known as "interim extensions" of protection for works the renewal term of which was about to expire; these works were thus still in their renewal term when the 1976 Act became effective and had their copyright extended to the full 75-year term. For example, a work published and copyrighted in 1925, and renewed in 1953, would in due course (under the 1909 Act) have fallen into the public domain after 1981; by virtue of the 47-year renewal term as so

143. Transitional and supplementary provisions, section 103.

extended in 1976 and the 20-year extension of 1998, section 304(b) now keeps the copyright in existence through the year 2020.

It was largely for works such as those from the 1920s and 1930s—motion pictures, songs (by Gershwin, Kern, Berlin and Porter), and novels (by Fitzgerald and Hemingway)—that Congress in 1998 enacted the CTEA, which kept these works from falling into the public domain after 75 years. The earliest works to benefit from the Act were published in 1923, and these will thus fall into the public domain not at the end of 1998 but rather at the end of 2018. Congress's purposes were to provide for authors' heirs at a time when individuals are living longer, to give them the benefit of the new technological and entertainment media, and to move the duration of U.S. works into closer conformity to the norm prevailing in Europe (where the long-prevailing term of life-plus-50-years was moved to life-plus-70-years in the course of the 1990s). The 20-year extension granted by the CTEA, and its underlying rationales, were the targets of considerable criticism—particularly with respect to its retroactive application to works already created and published—and ultimately of a challenge that reached the Supreme Court.

In *Eldred v. Ashcroft*,[144] decided in 2003, the Court, with two Justices dissenting, sustained the CTEA against claims that the recurrent extensions of copyright violated the "limited times" restriction in the Copyright and Patent Clause of the Constitution; that the retroactive application of the CTEA could not "promote the progress of science" as required by that constitutional clause; and that the CTEA inhibited creative speech in violation of the First Amendment. The Court concluded that no heightened scrutiny was appropriate for assessing the validity of the CTEA; that Congress's reasons for the 20-year extension were principally a legislative matter and were in any event tenable; and that retroactive application to existing works was a feature of the several congressional term extensions throughout our copyright history stretching back to the early nineteenth century (and even to the first Copyright Act of 1790).

(4) Perhaps the most significant step taken by Congress in the 1976 Act, as originally written, with regard to duration was to provide in

144. 537 U.S. 186 (2003).

section 302(a) that "Copyright in a work created on or after January 1, 1978, subsists from its creation and, except as provided by the following subsections, endures for a term consisting of the life of the author and fifty years after the author's death." The drafters of the law had concluded early in the revision process that the "28 plus 28" copyright term was inadequate and should be discarded. Authors were living longer than in 1909, and many were seeing their works fall into the public domain during their lifetime. The growth of communications media was lengthening the commercial life of many works. The renewal format, placing a premium on the definition of the elusive term "publication" as well as on timely renewal applications, resulted in unfairly shortened copyright protection in many cases. Finally, in the words of the House Report, "a very large majority of the world's countries have adopted a copyright term of the life of the author and fifty years after the author's death."[145]

The move to the formula of "life plus 50" also provided a clear measuring rod for the period of copyright protection and had the convenient byproduct of sending all of an author's post-1977 works into the public domain at the same time, rather than on varying dates depending upon the date of initial publication.

By 1998, the nations of the European Union had added 20 years to the copyright term under their respective laws, and Congress decided to follow suit, in large measure to ensure that U.S. authors would have their works protected in Europe for as long as the works of European authors. The CTEA therefore added 20 years to all of the terms then provided in the 1976 Act, including the now life-plus-70 term provided for works first created after January 1, 1978, under section 302(a).

Having decided in the 1976 Act to measure copyright protection from the death of the author, Congress had to deal with certain instances where such a measure might lead to uncertainty in calculating the term. In the case of a jointly authored work—defined in section 101 as a "work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole"—section 302(b) provides (as amended by the

145. H.R. Rep. No. 94-1476, at 133–36 (1976).

CTEA) that "copyright endures for a term consisting of the life of the last surviving author and 70 years after such last surviving author's death." In the case of works made for hire, section 302(c) provides that copyright endures "for a term of 95 years from the year of its first publication, or a term of 120 years from the year of its creation, whichever expires first." This term applies whether the "employer–author" of a work made for hire is a human or a corporate person. The 95-from-publication/120-from-creation measuring period also applies to anonymous and pseudonymous works.

(5) The final category of work treated in the 1976 Act—a work created prior to January 1, 1978, but unpublished as of that date—is also made subject to the now "life-plus-70" period of protection. Because this would have the effect of throwing many works immediately into the public domain—for example, unpublished letters or manuscripts of eighteenth and nineteenth century authors—section 303 currently provides: "In no case . . . shall the term of copyright in such a work expire before December 31, 2002; and, if the work is published on or before December 31, 2002, the term of copyright shall not expire before December 31, 2047." The provision affords such unpublished works 25 years of protection under the federal act, in lieu of the potentially perpetual protection previously afforded by common-law copyright. It also provides the copyright owner of such work with an incentive to publish it during that 25-year period, by offering yet another 45 years of federal protection in the event of such publication.

Under the 1909 Act, the 28- and 56-year periods of protection were measured from the precise date of publication, resulting in often inconvenient calculations. Under section 305 of the 1976 Act, "all terms of copyright provided by sections 302 through 304 run to the end of the calendar year in which they would otherwise expire." The key date, therefore, for such matters as applying for renewal copyright, the end of the renewal term, and the end of the "life-plus-70" term, will be December 31 of the pertinent year.

Duration and Renewal: The Transition from the 1909 Act to the 1976 Act

Date of Work	*When Protection Attaches*	*First Term*	*Renewal Term*
Created in 1978 or later	Upon fixation	Unitary term of life plus 70 years (or, if anonymous or pseudonymous work, or work for hire, 95 years from publication, or 120 years from creation, whichever is first)	
Published 1964–1977	Upon publication with notice	28 years	67 years, second term commenced automatically; renewal registration optional
Published between 1923 and 1963 inclusive	Upon publication with notice	28 years	67 years, if renewal was sought, otherwise these works are in the public domain
Published before 1923: the work is now in the public domain			
Created, but not published, before 1978	On 1/1/78, when federal copyright displaced state copyright	Unitary term of at least life plus 70 years, earliest expiration dates 12/31/2002 (if work remained unpublished) or 12/31/2047 (if work was published by the end of 2002)	

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Chapter 4
Ownership of Copyright

The provisions of the Copyright Act that deal with the ownership of copyright are for the most part straightforward. They declare that the author of a work is the initial copyright owner; that joint authors are co-owners of copyright; that the employer in the case of a work made for hire is considered the author and is presumed to be the copyright owner; that copyright ownership of a contribution to a collective work is different from the copyright ownership of the collective work itself; that copyright may be transferred in whole or in part; and that copyright ownership is distinct from ownership of the physical object in which the copyrighted work is embodied (a distinction discussed *supra* Chapter 1).[146] What remains is to explicate these principles and also to consider the somewhat unusual provision of the Copyright Act that gives to an author who has transferred the copyright the power to terminate that transfer and recapture the copyright.

Initial Ownership of Copyright

Under section 201(a) of the Copyright Act, copyright ownership of a work vests initially in the author. The statute deals not only with works authored by an individual but also with works that are jointly authored and works that are prepared at the direction of others such as employers and commissioning parties.

Joint works

If the work is a "joint work," the authors are co-owners of the copyright. The term "joint work" is defined in section 101 to mean "a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." If a popular song is created collaboratively by composer and lyricist, they are both regarded as co-owners of the copyright. If, how-

146. 17 U.S.C. §§ 201, 202.

ever, the tune is written initially as a purely instrumental work without lyrics, is marketed that way, and the lyrics are added at a later date by a lyricist at the composer's invitation, the work is not a "joint work" within the statutory definition.

A work may be treated as a joint work under the Copyright Act even though the contributions of the collaborating authors are by no means equal, whether measured by quantity, quality, or commercial value. Even though, for example, the musical public may be enthralled by a song's catchy melody and may have only the faintest recollection of the accompanying lyrics, both composer and lyricist will be treated as joint authors provided the statutory definition is satisfied. It is commonly recognized, however, that to be a joint author one's contribution must be more than *de minimis* and must manifest original authorship. Therefore a homebuyer who makes suggestions or provides fragmentary sketches to an architect cannot claim joint authorship of the final and detailed architectural plans;[147] an explanation by a business person to a computer programmer regarding the operations of the business and the desired functions to be performed through the program does not make the business person a joint author of the program;[148] and a person does not become a joint author of a play merely by contributing factual research and general character suggestions.[149]

In these situations, where there is a stark imbalance between the contributions of each of the two (or multiple) authors, the courts are concerned that a finding of joint authorship will result (as developed immediately below) in an equal sharing of the proceeds derived from the exploitation of the copyrighted work; before the "subordinate" author can make a convincing claim to such equal financial rewards, he or she must do more than contribute general ideas, suggestions or the like, and should bear the burden of protecting his or her financial

147. Meltzer v. Zoller, 520 F. Supp. 847 (D.N.J. 1981).

148. Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc., 609 F. Supp. 1307 (E.D. Pa. 1985), *aff'd on other grounds*, 797 F.2d 1222 (3d Cir. 1986).

149. Childress v. Taylor, 945 F.2d 500 (2d Cir. 1991). *But see* Gaiman v. McFarlane, 360 F.3d 644 (7th Cir. 2004) (comic book joint authorship). There is some question whether, to be a joint author, one's creative contribution—no matter how detailed and substantial—must be fixed in a tangible medium of expression. *Meltzer*, 520 F. Supp. 847 (homeowner did not "fix" specific suggestions).

interests through a negotiated contract.[150] There is also an apparent concern that a less demanding rule will too readily invite claims of joint authorship on the part of any number of persons who are involved in a collaborative creative enterprise (such as putting the final touches to the text of a play or screenplay), and who make minor suggestions that are adopted by the playwright or director.[151] To rationalize these safeguards, courts have come to adopt the approach that—in addition to the statutory requirement of a mutual subjective intention to merge contributions into a unitary work—it is also necessary, to create a joint work, that there be a mutual intention to share authorship, as manifested by shared credit or billing and by shared approval over revisions, promotion and the like.[152]

Although the copyright law has never expressly defined the nature of the co-ownership held by joint authors, courts through the years have treated joint copyright owners as tenants in common, each owning an undivided interest in the whole of the copyright. Each co-owner is therefore entitled to exercise all of the exclusive rights set forth in section 106 of the Act, or to license other persons to exercise those rights; but there is a duty to account to all other co-owners for their respective shares of the proceeds of authorized exploitation.[153] Upon the death of a co-owner of copyright, his or her share passes pursuant to will or through the usual intestate channels; it is not automatically vested in the surviving co-owners.

Thus, if Composer and Lyricist together write a popular song, either one of them may license the performance of the song or its recording onto a motion picture soundtrack, subject to a duty to account to the other for half of the proceeds (subject to any contractual agreement to share in some other proportion). If Composer dies, his half interest in the copyright will pass to his widow if she is named as legatee in the will, and not to Lyricist by way of survivorship.

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150. *See Childress*, 945 F.2d 500.

151. Erickson v. Trinity Theatre, Inc., 13 F.3d 1061 (7th Cir. 1994).

152. Thomson v. Larson, 147 F.3d 195 (2d Cir. 1998). *See also* Aalmuhammed v. Lee, 202 F.3d 1227 (9th Cir. 2000).

153. *Larson,* 147 F.3d 195.

If, however, the song was not created as a "joint work" within the statutory definition—for example, because the melody is written one year and the lyrics are added years later—then Composer would own the copyright only in the tune, and Lyricist would own the copyright only in the words. Neither could exploit the entire song, or license a third person to do so, without securing the consent of the other—and the duration of copyright protection would be calculated separately for each of the two components.

Works made for hire

A most important concept in the area of copyright ownership is the "work made for hire." If a biochemist employed by a pharmaceutical company prepares as part of her duties a technical manual on the company's research and development procedures, the manual would be a clear example of a "work made for hire." In such a case, section 201(b) of the Copyright Act declares that the employer rather than the creative human employee is considered the "author" for all purposes under the Act. Moreover, the employer is deemed to be the owner of the copyright unless the employer and employee agree otherwise in a signed writing.

Because characterizing a work as one "made for hire" has implications not only for ownership of copyright, but also for duration (as noted above, the "life-plus-70" formula does not apply) and other important aspects of the statute, it is useful to set out the statutory definition in section 101:

> A "work made for hire" is—(1) a work prepared by an employee within the scope of his or her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

The elaborate definition is a congressional reaction to the failure of the 1909 Act to define the phrase and to the confusion in much of the case law that had developed under that Act.[154]

Despite the detail, the definition of "work made for hire" proved soon after 1978 to be a source of disagreement among a number of courts of appeals. In particular, there was confusion as to whether a commissioned work could become the equivalent of a work prepared by an employee when the commissioning party closely supervised the execution of the work by the independent contractor. A unanimous Supreme Court dispelled such a misconception in its 1989 decision in *Community for Creative Non-Violence v. Reid*,[155] which involved conflicting ownership claims in a statue that was prepared by a sculptor at the request of a group devoted to advocacy of the rights of the homeless. The Court examined the 1976 Act's structure, its purpose, and the underlying legislative and judicial history, and concluded that—absent compliance with the strict requirements in the second part of the definition of "work made for hire"—a work will be such only if it is created within the scope of employment by a person found to be an "employee" under the rules of agency commonly applied in tort cases. There is to be essentially an airtight differentiation of works by employees and works by independent contractors, and the latter must fall within both the subject-category and writing requirements to be works made for hire. The Court held that whether the "employee" standard is satisfied is a factual determination to be made on a case-by-case basis by examining a number of circumstances.

> In determining whether a hired party is an employee under the general common law of agency, we consider the hiring party's right to control the manner and means by which the product is accomplished. Among the other factors relevant to this inquiry are the skill required; the source of the instrumentalities and tools; the location of the work; the duration of the relationship between the parties; whether the hiring party has the

154. For works created before 1978, the work-for-hire precedents under the 1909 Act will still govern. *See* Twentieth Century Fox Film Corp. v. Entm't Distrib., 429 F.3d 869 (9th Cir. 2005); Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc., 380 F.3d 624 (2d Cir. 2004).

155. 490 U.S. 730 (1989).

> right to assign additional projects to the hired party; the extent of the hired party's discretion over when and how long to work; the method of payment; the hired party's role in hiring and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party. See Restatement [of Agency, Second] § 220(2) (setting forth a nonexhaustive list of factors relevant to determining whether a hired party is an employee). No one of these factors is determinative.[156]

The outcome in *Reid* is of great significance to many freelance writers and artists whose works do not fall within the "independent contractor" subject-matter categories of the statutory definition, or who have not stipulated in writing that their work has been made for hire. Because under *Reid* their works will be found *not* to be works made for hire, the freelancers (or their surviving family members) are given the power, as will be seen shortly below, after a substantial number of years to recapture the copyright from the putative "employer" and to assert all the rights of ownership. The power to terminate copyright transfers does not apply to works made for hire.[157]

Although the Supreme Court, in *Reid*, stressed the importance of advance predictability in resolving questions of ownership, the multifactor definition of "employee" that it borrowed from the Restatement of Agency is of course among the most elusive definitions in the law. Accordingly, courts of appeals have gradually come to identify those fewer elements that are the most important in applying the first part of the "work made for hire" definition: the hiring party's right to control the manner and means of creation; the skill required; whether the hiring party has the right to assign additional projects; the provision of employee benefits; and the tax treatment of the hired party.[158] Moreover, under the statutory definition, even an "employee's" creative

156. *Id.* at 751–52 (citations and footnotes omitted).

157. Nor are the artist-protective provisions of the Visual Artists Rights Act (section 106A of the Copyright Act) applicable to works made for hire. *See* Carter v. Helmsley-Spear, Inc., 71 F.3d 77 (2d Cir. 1995).

158. Aymes v. Bonelli, 980 F.2d 857 (2d Cir. 1992) (emphasizing in particular the latter two factors).

work will not be a work for hire if it is prepared otherwise than "within the scope of employment," and here too the pertinent definition is provided by the Restatement of Agency.[159]

Collective works

Another area of confusion under prior law had been the respective rights of, on one side, persons contributing articles to journals, magazines, encyclopedias, and other "collective works" and, on the other side, the person who owns copyright in the collective work. Section 101 of the 1976 Act defines "collective work" as "a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole." Collective works are thus a species of "compilation," and as with all compilations,[160] a copyright in a collective work embraces only those elements of original authorship manifested therein, which may be no more than the choice of contributions and the sequence in which those contributions are published.

Section 201(c) makes clear that copyright in an individual contribution vests initially in the author of that contribution and is distinct from copyright in the collective work as a whole. Absent an express written transfer from that author, the owner of copyright in the collective work (e.g., the magazine) does not own the copyright in the individual contribution, but is presumed to have acquired "only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series." The publisher cannot, therefore, revise the contribution itself or publish it in an altogether different magazine.

A significant question was decided in 2001 by the Supreme Court, interpreting the statutory language just quoted. In *New York Times Co. v. Tasini*,[161] freelance authors had contributed articles to (and been

159. Shaul v. Cherry Valley–Springfield Cent. Sch. Dist., 363 F.3d 177, 185–86 (2d Cir. 2004); Avtec Sys., Inc. v. Peiffer, 21 F.3d 568 (4th Cir. 1994).

160. *See supra* pages 32–40.

161. 533 U.S. 483 (2001).

paid therefor by) newspapers and magazines, which had published those articles in hardcopy form. Nothing was said, orally or in writing, about the electronic publication rights because in many cases the Internet and the CD-ROM were not yet on the scene when the freelancers authorized publication. When, at a later date, the newspapers and magazines licensed the distribution of those articles online (in Lexis-Nexis, among other places) and on disks, the authors complained that they had never initially conveyed those rights and that they were thus entitled to new and separate compensation therefor. The respective rights of the publishers (the owners of copyright in the hardcopy collective works) and the authors turned upon whether the statutory presumption that the former may make "any revision of that collective work" embraced the incorporation of the articles in digital compilations. The Supreme Court held for the authors. The Court found that the articles were individually searchable from among the thousands of articles in the electronic databases and could be retrieved by the user altogether out of the context of the hardcopy collective work, so that it was a distortion of language to find that the latter had merely been "revised."

Courts of appeals have differed, however, on the question whether there is an allowable "revision" under section 201(c) when the electronic version visually reproduces the totality of the pages and journal issues as they appeared in the print version, including photographs, advertisements and the like.[162]

Transfer of Copyright Ownership

Copyright, like other forms of tangible and intangible property, can be transferred *inter vivos* or upon death from the author, or a subsequent copyright owner, and transferred again. This basic principle is affirmed in section 201(d)(1) of the 1976 Act, which provides: "The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or

162. *Compare* Faulkner v. National Geographic Enters. Inc., 409 F.3d 26 (2d Cir. 2005), *with* Greenberg v. National Geographic Soc'y, 244 F.3d 1267 (11th Cir. 2001).

pass as personal property by the applicable laws of intestate succession."

Under prior law, courts developed an important distinction between an "assignment" of copyright, which carried the entire copyright to a person who then was known as the "proprietor" or owner of copyright, and a "license," which carried to another less than the entire copyright, for example, only the right to dramatize a novel or to publicly perform a musical composition. Copyright was generally said to be "indivisible," in the sense that only one person at any given time could validly claim to "own" it. The concept of indivisibility and the distinction between an assignment and a license were important under the 1909 Act, because only the name of the "proprietor" could properly be placed in the copyright notice (the insertion of the wrong name could thrust the work into the public domain), and only the "proprietor" could bring an action for copyright infringement.

The 1976 Act made a significant break with the past when it abandoned the concept of indivisibility of copyright ownership along with its more dubious ramifications. Section 201(d)(2) provides:

> Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.

Thus, a person who owns no more than an exclusive license to perform publicly a dramatic work or a musical composition (but not to make or sell copies) is nonetheless regarded as the "owner" of that right. It is that person who can properly bring an action for infringement of that particular exclusive right.[163] The Copyright Act refers to the conveyance of either all rights or less than all rights as a "transfer," and it eliminates the significance of characterizing a transfer as either an assignment or a license.

163. Section 501(b).

Under current law, what is important in connection with copyright transfers is whether the transfer is exclusive or nonexclusive.[164] Section 204(a) provides that "a transfer of copyright ownership, other than by operation of law, is not valid unless an instrument of conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent." Because section 101 defines "transfer of copyright ownership" to include both assignments and exclusive licenses, a grant of an exclusive license of any of the rights or subdivisions of rights in section 106 must be manifested in a signed writing if it is to be effective, by virtue of the copyright statute of frauds set forth in section 204(a). The grant of a nonexclusive license—for example, separate grants to several production companies to perform a dramatic work—will be valid even without a signed written memorial (although, of course, the practicing attorney will routinely give or take such a license by written agreement). Such a transfer can often be inferred simply from the conduct of the parties, without any kind of writing.[165]

In the interest of maintaining intelligible records relating to copyright ownership, the Copyright Office not only *registers* initial (and renewal) claims of copyright but also *records* "any transfer of copyright ownership or other document pertaining to a copyright," under section 205(a) of the Copyright Act. Recordation of a transfer of copyright in a registered work will provide constructive notice of the facts stated in the recorded document; and, much like a recording system for real estate, copyright recordation will protect the transferee of the copyright against subsequent conflicting transfers even to good-faith purchasers.[166]

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164. The influence of the old law, however, is still felt. For example, the Court of Appeals for the Ninth Circuit, incorporating doctrine developed under the 1909 Act, has held that the transferee of an exclusive right must, in order to make a valid retransfer of that right to a third party, give notice to and secure the assent of its own initial transferor. Gardner v. Nike, Inc., 279 F.3d 774 (9th Cir. 2003).

165. Effects Assocs. v. Cohen, 908 F.2d 555 (9th Cir. 1990) (short footage was prepared at request of motion picture producer; for lack of a writing, this was found to transfer to the latter an implied nonexclusive license to incorporate the footage, and distribute it, as part of the film).

166. Sections 205(c), (e), (f).

Even when there is a valid transfer of an exclusive right—properly documented by a signed writing—there are many cases in which, after the passing of years and the development of a commercially remunerative new technology, the parties dispute whether the grant was meant to embrace the new technology. This first became an issue when dramatization rights were granted prior to the advent of motion pictures, and when film rights were granted prior to the advent of television. More recently, there have been disputes about whether the grant of film rights includes the right to make and distribute videocassettes and DVDs of the film, and whether magazine or book publishing rights embrace digital versions (online and in CD-ROM form). The principal complicating factor is that in most such cases the contract was made before the new technology was even known, let alone commercially widespread, so that it is something of a fiction to describe contract interpretation as a search for the parties' "intentions."

The court decisions (placing weight more on contract analysis than analysis of the Copyright Act) do not form a consistent pattern: some courts emphasize the lack of awareness of the new technology and the obligation of the drafter (usually the large media company) to make its intentions clear;[167] other courts emphasize that new technologies will ordinarily be facilitated through a contract presumption favoring transfer of rights.[168] Most recently, book publishers have been found not to have taken transfers of the right to publish in the form of electronic books, so that several major authors were held to have acted lawfully when conveying "e-Book" rights to digital publishers.[169] And a similar result was reached (as explained immediately above) by the Supreme Court in *New York Times Co. v. Tasini*,[170] when the Court interpreted section 201(c) of the Copyright Act to give to a freelance author, rather

167. *E.g.*, Cohen v. Paramount Pictures Corp., 845 F.2d 851 (9th Cir. 1988) (music incorporated in motion picture, later distributed in videocassettes).

168. *E.g.*, Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co., 145 F.3d 481 (2d Cir. 1998) (Stravinsky's transfer of music rights for Disney film *Fantasia*, later distributed in videocassettes) (relying on Bartsch v. Metro-Goldwyn-Mayer, Inc., 391 F.2d 150 (2d Cir. 1968)).

169. Random House, Inc. v. Rosetta Books, L.L.C., 150 F. Supp. 2d 613 (S.D.N.Y. 2001).

170. 533 U.S. 483 (2001).

than to his or her newspaper or magazine publisher, the right to distribute articles online and on CD-ROM, in the absence of an express contract to the contrary.

Termination of Transfers

An unusual and important feature of the 1976 Copyright Act is its grant to the author or to the author's survivors of the power to terminate transfers of copyright. It will be recalled that the principal purpose of the renewal provisions of earlier U.S. copyright statutes was to give to authors the power at the end of the initial term of copyright to reclaim the copyright for a second term free and clear of any earlier transfers or encumbrances, and to afford authors an opportunity to renegotiate assignments and licenses with a better knowledge of the economic value of their works. It will also be recalled that the renewal right has been abolished for works created or first published on or after January 1, 1978, the term of copyright protection of which is now the life of the author plus 70 years. If, for example, a work is created in 1979 and the author transfers copyright in 1980, that copyright might continue—depending on when the author dies—for another 75 or 125 years, without any renewal term that can restore an unencumbered copyright to the author.

Congress therefore decided to grant to authors and their survivors a power to recapture the copyright, similar to the right to claim the renewal copyright provided under the 1909 Act and its predecessors. The very elaborate provisions for the termination of transfers of copyright are set forth in section 203. Given the background just recounted, the power to terminate under section 203 applies only to copyright transfers (and licenses), whether exclusive or nonexclusive, executed by the author on or after January 1, 1978. By serving a timely notice of termination, the author may effect such a termination—and recapture an unencumbered copyright—"at any time during a period of five years beginning at the end of thirty-five years from the date of execution of the grant." Mindful of the controversial Supreme Court decision that held that the author could, during the initial term of copyright, validly transfer his interest in the renewal term, Congress pro-

vided to the contrary in section 203(a)(5) with regard to the power to terminate transfers: "Termination of the grant may be effected notwithstanding any agreement to the contrary, including an agreement to make a will or to make any future grant."[171] Although the termination power is inalienable, it must be exercised in a timely manner, through the proper procedures, and by the proper persons announced in the statute; the transfer is not terminated automatically when 35 years have passed.

Section 203 is detailed and complex, but its main points can be summarized here. The termination power does not apply to works made for hire, and it applies only to *inter vivos* grants made by the author (not by the author's will, and not by the author's widow, widower or children). If the notice of termination is to be served after the author's death, then the author's surviving family members may terminate the author's earlier grant, provided they can amass more than one half of the author's termination interest as calculated pursuant to a statutory formula (e.g., the author's widow would own one half of such termination interest, and each of three surviving children one sixth).

Particularly significant is the provision, in section 203(b)(1), that

> A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.

Thus, the copyright is not necessarily returned to the author or family altogether unencumbered. For example, assume that our hypothetical novelist transferred in 1980 an exclusive license to base a motion pic-

171. The Court of Appeals for the Second Circuit held that, when an agreement settling a dispute about copyright ownership stipulated that the work had been "made for hire" many years before, this constituted an "agreement to the contrary" (because the termination power does not apply at all to works made for hire) and thus did not validly extinguish the author's termination power. Marvel Characters, Inc. v. Simon, 310 F.3d 280 (2d Cir. 2002). *But compare* Milne *ex rel.* Coyne v. Stephen Slesinger, Inc., 430 F.3d 1036 (9th Cir. 2005) (1983 renegotiation by author's heir revokes 1930 grant of Winnie the Pooh merchandising rights, and so deprives later heir of termination right under section 304(d) governing pre-1978 transfers).

ture on his novel, the motion picture is released in 1985, and the author terminates his transfer effective 2015. The motion picture producer (or its successor as copyright owner in 2015) may continue to exhibit and distribute the film thereafter, pursuant to the terms of the 1980 license. But the film producer may not after 2015 remake the film with a new cast; that would be an infringement of the author's recaptured copyright.

It is appropriate at this point to mention that the statute contains a different provision for termination of transfers of copyright that were made *prior to* January 1, 1978. Recall that Congress, in enacting the 1976 Copyright Act, provided that works then in statutory copyright would have their term of renewal automatically extended from 28 years to 47 years (resulting in a total of 75 years of protection). Prior to the effective date of the statute, many persons had already transferred their renewal interests to third persons, with both parties believing that the renewal term would last for only 28 years. When Congress added 19 years to the renewal term, effective January 1, 1978, it also decided that persons who had previously transferred their renewal interests should be allowed to recapture those transfers at the end of 56 years from the initial date of copyright, so that the statutory "windfall" of the additional 19 years could be enjoyed by the author or the author's survivors, rather than by the then current owner of the renewal term.

Section 304(c) therefore provides that "in the case of any copyright subsisting in either its first or renewal term on January 1, 1978, other than a copyright in a work made for hire, the exclusive or nonexclusive grant of a transfer or license of the renewal copyright or any right under it, executed before January 1, 1978"—by the author or by any of the statutory successors to the renewal term under the 1909 Act, otherwise than by will—is subject to termination, effective 56 years from the date copyright was originally secured. The details regarding the serving of notice, the persons entitled to do so, the inalienable but nonautomatic nature of the termination right, and the like are essentially identical to those provided in section 203 for transfers made *after* January 1, 1978.

When Congress in 1998 added 20 years to the various copyright terms, it once again decided to address the issue of persons who had

transferred renewal interests prior to January 1, 1978, because neither such a transferor nor his or her transferee could have at that time foreseen the extension of the renewal term from 28 years to what is now 67 years. Accordingly, section 304(d) provides that such a renewal-term transfer may be terminated (provided there has been no earlier termination and recapture of the 19-year addition) in the same manner, by the same class of persons, and with the same consequences as under section 304(c), effective during the five-year period beginning at the end of 75 years from the beginning of the copyright term.[172]

In 1985 a divided Supreme Court rendered a controversial decision regarding the language in sections 203 and 304 that provides that when a copyright transfer is terminated, derivative works lawfully prepared under contract prior to termination may continue to be utilized after termination. In *Mills Music, Inc. v. Snyder*,[173] simplifying the facts slightly, a songwriter conveyed his interest in the initial and renewal terms of copyright to a music publisher, prior to January 1, 1978; the publisher in turn entered into licenses for the manufacture of phonograph records and tapes of the song, with the license fees to be paid half to the publishing company and half to the songwriter. When the songwriter's widow validly terminated the transfer of the latter part of the copyright renewal term, effective 56 years from the date of initial copyright, there was no doubt that the recording company could lawfully continue to manufacture and distribute recordings of the song. The question that remained was whether the termination entitled the widow to 100% of the recording royalties or whether the publishing company (no longer the copyright owner) remained entitled to 50% of those royalties. The Court majority held that the publishing company could continue to collect 50% of the recording royalties "under the terms of the grant after its termination," in the language of the statute.

172. *See Milne*, 430 F.3d 1036 (1983 agreement with author's heir displaced author's 1930 transfer, so that neither could be terminated under section 304(d)).

173. 469 U.S. 153 (1985).

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Chapter 5
Copyright Formalities

In the slightly more than a decade between 1977 and 1989, no feature of U.S. copyright law was more dramatically changed than the law relating to the so-called formalities of copyright—notice, registration and deposit. Most notably, Congress, effective March 1, 1989, eliminated the requirement that the copyright owner give public notice of his or her claim of copyright, a requirement that had been a central feature of our law since 1790.

Formalities Under the 1909 Copyright Act

Because the drafters of the 1976 Copyright Act did not intend to restore to copyright works that had previously fallen into the public domain,[174] it is imperative to understand the somewhat Byzantine rules that had developed under the 1909 Act for purposes of determining when a work had been "published" so as to precipitate the requirement to place proper notice on copies of the work. Litigation taking place even in the twenty-first century will no doubt continue to bring before the federal courts claims that the plaintiff's copyright on a work created prior to January 1, 1978, was lost by failure to comply with the notice requirements of the 1909 Act.

Under the 1909 Act, a work that was kept unpublished could be protected by state law against unauthorized copying, performance or other exploitation. State common-law copyright afforded to the author (or the author's assignee) the right to publish a work for the first time. Once the work was published, state copyright protection was ousted, by virtue both of state law and of the federal statute. If such publication was accompanied by compliance with the federal statutory formalities—in particular the placement of proper notice on all copies distributed to the public—federal copyright protection was afforded. Section 10 of the 1909 Act provided that

174. Transitional and supplementary provisions, section 103.

> Any person entitled thereto by this title may secure copyright for his work by publication thereof with the notice of copyright required by this title; and such notice shall be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor.

Once federal copyright attached, it would last for 28 years from the date of publication, subject to renewal for another 28 years.

If, however, the owner of common-law copyright published the work but failed to place a proper copyright notice on the distributed copies, this was generally regarded as fatal to the copyright. If the wrong name was placed in the notice (i.e., the name of someone other than the "proprietor" of copyright), or if the year of publication was materially inaccurate, or if either of those elements was omitted or the notice was omitted altogether, the work would be thrust irretrievably into the public domain. Moreover, if the notice—even though accurate in form and conspicuous—was placed on the work in a location other than that dictated by the statute, it could be expected that a court would hold that this too was a fatal error and that the work had fallen into the public domain.[175]

"*Publication*"

Determining when a work was "published" was thus crucial under the 1909 Act, for it served to determine three important features of copyright protection: the demarcation between state and federal protection, the loss of all protection for failure to comply with federal formalities, and the beginning point from which the 28- or 56-year term of federal copyright was measured.

As was the case with almost all such crucial language, the 1909 Act did not define "publication." It was therefore left to the courts to define, and the courts—sometimes federal and sometimes state—generated a number of important interpretive rules. Perhaps most important was the rule that only a "general publication" would divest a work of copyright protection, while a "limited publication" would

175. *See* Robert A. Gorman & Jane C. Ginsburg, Copyright: Cases and Materials, Chapter 5A (7th ed. 2006).

not.[176] The courts found a limited publication when a work was disseminated only to a limited group of persons for a limited purpose. A striking application of the doctrine was that of the Court of Appeals for the Ninth Circuit in *Academy of Motion Picture Arts & Sciences v. Creative House Promotions, Inc.*[177] In that 1991 decision, the court addressed the question whether the distribution of 159 Oscar statuettes by the Academy between 1929 and 1941—without notices of copyright—constituted a divestive general publication that thrust the familiar sculptural figure into the public domain. The court found that the Oscar was awarded only to a select group of persons, that the purpose was limited (to advance the art of motion-picture making), and that no recipient had the right of sale or further distribution. And in 1999, in *Estate of Martin Luther King, Jr., Inc. v. CBS, Inc.*,[178] the Court of Appeals for the Eleventh Circuit, confronted with the question whether Reverend King lost the copyright on his epochal "I Have a Dream" speech, concluded that even Dr. King's distribution of copies (without a copyright notice) to the news media was merely a "limited publication" because that was for the purpose of enabling the reporting of a newsworthy event and not a distribution directly to the general public. These cases clearly demonstrate that the limited-publication doctrine is, as the court stated in *Academy of Motion Picture Arts & Sciences*, "an attempt by courts to mitigate the harsh forfeiture effects of a divesting general publication."[179]

Other examples of limited publications that would not, in all likelihood, have required the use of a copyright notice (there were no squarely authoritative judicial decisions) are the distribution of a manuscript to several magazine or book publishers for the purpose of soliciting expressions of interest, and the distribution of the professor's own teaching materials to students in a university course.

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176. Estate of Martin Luther King, Jr., Inc. v. CBS, Inc., 194 F.3d 1211 (11th Cir. 1999); Academy of Motion Picture Arts & Sciences v. Creative House Promotions, Inc., 944 F.2d 1446 (9th Cir. 1991).

177. 944 F.2d 1446 (9th Cir. 1991).

178. 194 F.3d 1211 (11th Cir. 1999).

179. *Academy of Motion Picture Arts & Sciences*, 944 F.2d at 1452 (citing American Vitagraph, Inc. v. Levy, 659 F.2d 1023, 1027 (9th Cir. 1981)).

Another important aspect of the definition of "publication" that evolved under the 1909 Act was the prevailing view that the performance of a work, no matter how many times to no matter how large an audience, would not constitute a publication that would divest the author of common-law copyright protection.[180] The performance of a play, for example, every night to a packed house in a large theater would not be regarded as a divestive publication. The rule was also applied in the *King* case so as to preserve common-law copyright in the speech given by Dr. King to the 200,000 people in attendance and over radio and television broadcasts.[181]

It therefore came to be understood that, in order for a work to be "published" for copyright purposes, tangible copies had to be distributed, essentially indiscriminately, to any interested member of the public. If a work was thus distributed, the copies had to bear a proper notice, or else the work would fall into the public domain. It was therefore generally understood that the exhibition of a painting or sculpture was not a divestive general publication, at least if the artist or gallery did not permit members of the public to photograph or make copies of the work.[182] It was also held that the public distribution of phonograph records of a song did not constitute a divestive general publication, because the records were not eye-readable copies.[183] This focus on eye-readability characterized the judicial interpretation of the 1909 Act in several important respects, though it has been essentially abandoned under the present Copyright Act. A few cases also raised the question whether the public exhibition of a motion picture or television film was

180. Ferris v. Frohman, 223 U.S. 424 (1912).

181. *King*, 194 F.3d 1211.

182. Letter Edged in Black Press, Inc. v. Pub. Bldg. Comm'n of Chicago, 320 F. Supp. 1303 (N.D. Ill. 1970).

183. Rosette v. Rainbo Record Mfg. Corp., 354 F. Supp. 1183 (S.D.N.Y. 1973), *aff'd per curiam*, 546 F.2d 461 (2d Cir. 1976). In a striking departure, the Court of Appeals for the Ninth Circuit held in 1995 that the distribution of phonorecords did constitute a divestive publication under the 1909 Act. La Cienega Music Co. v. ZZ Top, 53 F.3d 950 (9th Cir. 1995). Congress within two years overruled that decision by adding section 303(b) to the Copyright Act: "The distribution before January 1, 1978, of a phonorecord shall not for any purpose constitute a publication of the musical work embodied therein."

to be regarded as a divestive general publication, and it was usually held that such exhibition (like a performance) was not.[184]

It has been a widespread misconception that copyright attaches to a work only when registration of the copyright is secured with the Copyright Office. Registration was not, under the 1909 Act (and is not today), a prerequisite of a valid copyright. All that was necessary to secure copyright in a published work under the 1909 Act was that a proper notice be placed on all publicly distributed copies. At that point, federal protection attached and the copyright owner could validly enter into transactions involving the copyright, such as assignments and licenses. Registration was, however, a prerequisite for the commencement of an action for copyright infringement,[185] and registration for an initial copyright term was a prerequisite for a valid renewal application.

Copyright Notice Under the 1976 Act

Upon the effective date of the 1976 Copyright Act, January 1, 1978, the drastic consequences of failing to place a copyright notice on published works were initially ameliorated and ultimately eliminated altogether. From January 1978 through February 1989, notice was still required, but neither mistakes in nor complete omission of notice thrust the work into the public domain, and reasonable steps could be taken by the copyright owner to preserve the copyright. Since March 1, 1989, when the Copyright Act was further amended in order to permit United States adherence to the Berne Convention, the notice requirement has been eliminated completely for works published on or after that date.

Under the 1976 Act, federal copyright attaches to a work immediately upon its "creation," i.e., its manifestation in a tangible medium of expression; common-law copyright is preempted and "publication" no longer serves as the dividing line between state and federal protection. Nonetheless, the federal protection that attaches once a work was fixed could—under the 1976 Act as originally enacted—be forfeited if proper copyright notice was omitted when the work was later "published."

184. *See, e.g.,* Burke v. NBC, 598 F.2d 688 (1st Cir. 1979).

185. *See* Washingtonian Publ'g Co. v. Pearson, 306 U.S. 30 (1939).

Both the act of "publication" and the requirement of notice thus continued to be significant under the 1976 Act.

"Publication"

Unlike the 1909 Copyright Act, the 1976 Act defines "publication":

> "Publication" is the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

"Publication" still requires an authorized distribution to the public, but the work may be distributed either in the form of "copies" that appeal to the eye or of "phonorecords" that appeal to the ear. Moreover, as was the case under the 1909 Act, neither public performance nor public display in itself constitutes the kind of publication that requires the use of a copyright notice. The statute also defines a "public" display or performance, a definition that can provide some guidance in determining whether a "distribution" of copies or phonorecords is "to the public"; this would contemplate a distribution to members of the public generally or to a substantial number of persons "outside of a normal circle of a family and its social acquaintances." The distribution of a manuscript to a number of magazines for the purpose of generating an offer to print would most likely not be a publication, but the status of a distribution of teaching materials to a large class is somewhat unclear.

The notice requirement

In any event, given an authorized distribution of a work to the public in the form of copies, section 401 of the 1976 Act as originally enacted required that copyright notice be placed on each copy in order to preserve the copyright. Section 401(a) provided:

> Whenever a work protected under this title is published in the United States or elsewhere by authority of the copyright owner, a notice of

> copyright as provided by this section shall be placed on all publicly distributed copies from which the work can be visually perceived, either directly or with the aid of a machine or device.

Section 401(b) prescribes the form of notice; it is the familiar © or the word "Copyright" (or "Copr.") plus the year of first publication and the name of the copyright owner. Section 401(c) announces a far more flexible set of rules than under the 1909 Act for the placement of the notice: it "shall be affixed to the copies in such manner and location as to give reasonable notice of the claim of copyright."

Section 402 announces comparable rules for what is known as a "P notice" (℗), which is to be affixed to phonorecords that are distributed to the public, as a way of signaling that there is a claim of copyright in the sound recording as distinguished from the musical or literary work that is performed on the recording.

Before discussing the potential adverse effects of failure to comply with the notice provisions of sections 401 and 402, it is essential to point out that the mandated notice applies only to copies and phonorecords distributed to the public between January 1, 1978, and February 28, 1989. On March 1, 1989, the Berne Convention Implementation Act of 1988 went into effect. In order to make our law compatible with the Berne Convention, which forbids making compliance with formalities a condition of enjoying copyright protection, Congress for the first time eliminated the mandatory notice provisions of our law.[186] This was accomplished by replacing the phrase "shall be placed" in sections 401 and 402 with the phrase "may be placed." The amended statute gives the copyright owner only one explicit incentive to place a copyright notice on copies and phonorecords distributed after March 1, 1989: a defendant copying such a work will be unable to claim that it is an "innocent infringer" entitled thereby to reduced liability for damages.

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186. *See* Kahle v. Ashcroft, 72 U.S.P.Q.2d 1888 (N.D. Cal. 2004) (rejecting constitutional challenge to elimination of notice requirement). But the elimination of this formality is not retroactive. The rules relating to copyright notice for the 11-year period under discussion are preserved. *See* 17 U.S.C. §§ 405(a) & 406(a).

Effect of noncompliance for 1978–1989 publications

An omission of copyright notice on works distributed prior to January 1, 1978, is generally fatal to the copyright, whereas an omission on or after March 1, 1989, is of very limited significance. Only for copies distributed in the intervening 11 years are the mandatory-notice provisions of the 1976 Act important.

The consequences of noncompliance with those provisions are set forth in sections 405 and 406. Under section 405, a complete omission of notice from copies or phonorecords distributed by authority of the copyright owner does not invalidate the copyright if "the notice has been omitted from no more than a relatively small number" of such copies or phonorecords, or if the notice was omitted in violation of an express written agreement by which the copyright owner made the use of the notice a condition of the authority to distribute. Most significantly, section 405(a)(2) permits a copyright owner to "cure" the omission of notice from more than a "relatively small" number of copies or phonorecords, provided two steps are taken: (1) registration for the work is made prior to, or within five years after, publication without notice; and (2) "a reasonable effort is made to add notice to all copies or phonorecords that are distributed to the public in the United States after the omission has been discovered." If, after the distribution without notice, registration is not secured within five years *or* reasonable efforts are not made to add notice to later-distributed copies or phonorecords, the copyright is invalidated and the work falls into the public domain.

For instances in which the copyright owner's omission of notice was not fatal, Congress saw a need (during the period January 1, 1978, to February 28, 1989) to protect a person innocently relying on that omission of notice in copying or otherwise exploiting the work in question. Under section 405(b), such an innocent infringer is sheltered against an award of damages resulting from infringing acts committed before receiving actual notice that the copyright has been timely registered; however, even such an innocent infringer may be required to disgorge all or part of its profits and is subject to an injunction for the future.

On occasion, a copyright owner will attempt to comply with the notice provisions of the 1976 Act but will make an error or omission with regard to one component. Section 406 deals with the implications of such an error or omission in the name or date alone. The general framework is to protect a person who acts innocently in reliance upon the mistaken name; to use an erroneously early date as the measuring rod for copyright where the publication date is pertinent; and to treat an erroneously late date (by more than one year) as equivalent to a total omission of copyright notice—which will be fatal to the copyright unless cured within five years, a rather harsh sanction for an error that is typically of negligible significance in the administration of the copyright system.

Such oversights—by way of errors in the notice, or its total omission—manifested on copies and phonorecords distributed on or after March 1, 1989, will not result in any loss of copyright and will not give rise to any "innocent infringer" defenses (apart from possibly reducing the defendant's exposure to damages in a very limited number of circumstances). The elimination of the notice requirement thus imposes a responsibility on putative copyists to investigate in the Copyright Office—or to inquire of author or publisher—to determine the status of recently published works that lack copyright notice. Despite this highly significant, and favorable, change in the law concerning copyright formalities, publishers have continued since 1989 to use copyright notices in any event, both because of human and institutional inertia and because the notice inexpensively serves the useful function of signaling that the work is in copyright and that copyists should beware (or secure a license).

Deposit and Registration

Much less need be said about the other two elements of formalities that have been a fixture of our copyright law since the beginning of the twentieth century: deposit and registration. In the interest of maintaining a full collection in the Library of Congress, section 407 of the 1976 Copyright Act—unaffected by the 1988 Berne Implementation Act—requires the copyright owner to deposit with the Copyright Office,

within three months after publication of a work, two copies or phonorecords of the "best edition" (subject to some exemptions). If no deposit is made, the Register of Copyrights may make a written demand for such deposit, and continued failure of the copyright owner to comply may result in a fine. Failure to make the required deposit will not, however, invalidate the copyright. There is, in any event, no requirement to deposit copies of unpublished works.

As distinguished from the requirement of *deposit* of copies of a published work, there is no requirement that the copyright owner *register* the copyright in the Copyright Office; registration is optional. Under section 408, a registration application may be filed with respect to either a published or unpublished work by "the owner of copyright or of any exclusive right in the work," and is to be accompanied by the application fee (presently $30) and the deposit of copies or phonorecords of the work. A deposit made in compliance with the statutory requirement of section 407 also satisfies the deposit provision of section 408 relating to registration.

Although registration is not a condition of a valid copyright, it has been a prerequisite for the commencement of an infringement action, both under the 1909 Act and the 1976 Act as originally enacted.[187] The 1976 Act contains other incentives for the copyright owner to apply for registration:

(1) if registration is made within five years after first publication of the work, the certificate issued by the Copyright Office shall, in an infringement action, "constitute *prima facie* evidence of the validity of the copyright and of the facts stated in the certificate";[188] and
(2) in an infringement action, prompt registration is a condition to an award of attorneys' fees and, even more significantly, of statutory damages, which can be as high as $30,000 (and as high as $150,000 for willful infringement) for each work in-

187. *See* Washingtonian Publ'g Co. v. Pearson, 306 U.S. 30 (1939); 17 U.S.C. § 411(a).
188. 17 U.S.C. § 410(c).

> fringed even in the absence of specific proof of actual damages or profits.[189]

The Berne Convention Implementation Act (BCIA),[190] effective March 1, 1989, made a significant change in the registration provisions of the Copyright Act. Because there was serious doubt that making registration a condition of an infringement action was consistent with the Berne Convention, Congress decided to eliminate such a condition with respect to "Berne Convention works whose country of origin is not the United States," i.e., for works initially published in some other nation that adheres to the Berne Convention. Because the Berne Convention does not require any adhering nation to abolish formalities (as a condition on the enjoyment of copyright) for works published *domestically*, the 1976 Act as amended by the BCIA still requires, in section 411(a), that registration be made as a condition of an infringement action relating to a work first published in the United States. Whatever the country in which a work is first published, prompt registration—even though permissive—will continue to provide significant advantages for copyright owners, particularly with respect to proof and remedies in infringement actions.

Because copyright exists from the moment a work is fixed regardless of registration with the Copyright Office, and because the registration-before-suing requirement is merely to foster somewhat greater completeness of registration files (despite the nonregistration of vast numbers of protected works), it would seem that courts might well be tolerant of minor shortfalls in plaintiff compliance. Nonetheless, recent cases show that courts have been demanding. The Court of Appeals for the Second Circuit, for example, has held that registration by the plaintiff of its 20-inch doll will not avoid dismissal of an action for the copying of its 48-inch version, which was not registered.[191] The court has also held the registration of a journal will not provide jurisdiction to sue for infringement of an article that was included therein when the

189. *Id.* §§ 412, 504(c).

190. Pub. L. No. 100-568, 102 Stat. 2853 (1988).

191. Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp., 354 F.3d 112 (2d Cir. 2003).

copyright is owned by another person.[192] The courts are sharply divided on the question whether the registration prerequisite is satisfied "the moment that the plaintiff delivers the fee, deposit and application to the Copyright Office," or whether the Office must in fact have acted upon the application by actually granting or denying registration.[193]

Section 410(b) of the 1976 Copyright Act expressly authorizes the Register of Copyrights to refuse to register a work, provided the applicant is notified of the reasons therefor. Although no intensive scrutiny of the "prior art" is carried out in the Examining Division of the Copyright Office—in contrast to the search undertaken in connection with patent applications—the Register will on occasion refuse to issue a certificate of copyright. For example, he or she may determine that the work lacks original authorship (such as in the case of blank forms or slogans) or that it comprises solely uncopyrightable subject matter (such as useful articles having no separable decorative elements). Section 411(a) of the 1976 Act allows a person making an application for registration to institute an infringement action despite the Register's refusal, provided that the applicant gives notice thereof to the Register, who may then intervene to challenge the validity of the copyright.

192. Morris v. Business Concepts, Inc., 323 F.3d 502 (2d Cir. 2002).

193. The authorities are discussed in *Corbis Corp. v. Amazon.com*, 351 F. Supp. 2d 1090, 1111 (W.D. Wash. 2004) (quoting Loree Rodkin Mgmt. Corp. v. Ross-Simons, Inc., 315 F. Supp. 2d 1053, 1054–55 (C.D. Cal. 2004)).

Formalities Under the 1909 Act and Under the 1976 Act Before and After Berne Convention Implementation Act

	Work published before 1978	*1978–Feb. 1989*	*After Feb. 1989*
Notice	Federal copyright arose upon publication with notice; if no notice, work fell into public domain.	Affixation of notice perfected protection; five years to cure omissions, otherwise work fell into public domain.	Optional: incentive—unavailability of innocent infringer defense.
Registration	Optional until last year of first term; mandatory for renewal of works first published before 1964; prerequisite to initiation of infringement suit during *both* terms of copyright.	Optional, *but* prerequisite to initiation of suit. Incentives: statutory damages and attorney's fees not available unless work was registered before infringement commenced.	Optional for non-U.S. Berne and WTO works; remains prerequisite to suit for U.S. and other foreign works. Same incentives apply.
Deposit	Prerequisite to suit; in addition, fines may be imposed for failure to deposit copies with Library of Congress.	Same.	No longer a prerequisite to suit for non-U.S. Berne works; *but* fines may still be imposed.
Recordation of Transfers	Unrecorded transfer void against subsequent good faith purchaser for value.	Same, plus a prerequisite to suit.	No longer a prerequisite to suit; unrecorded transfers still void against subsequent good faith purchasers for value.

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Chapter 6
Exclusive Rights of the Copyright Owner (herein of Infringement)

Perhaps the most significant provisions of the Copyright Act are found in section 106, which sets forth the exclusive rights of the copyright owner. Anyone who violates any of those rights is (by virtue of section 501) "an infringer of the copyright." Section 106 gives the owner of copyright

> the exclusive rights to do and to authorize any of the following:
>
> (1) to reproduce the copyrighted work in copies or phonorecords;
> (2) to prepare derivative works based upon the copyrighted work;
> (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
> (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
> (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
> (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

It should be noted that the copyright owner has the exclusive right not only to do the listed acts but also to authorize others to do them. Thus, if *A* owns the copyright in a novel, which is published by *B,* and *B* (without *A*'s consent) authorizes producer *C* to make a motion picture based upon the novel, when *C*'s film is later released *A* can bring infringement actions against both *B* and *C*. The Supreme Court has, in effect, concluded that this "authorize" language furnishes the basis for incorporating into copyright law the principle of contributory in-

fringement.[194] Note also that although a work to be eligible for copyright protection must be fixed in tangible form, unauthorized conduct can infringe even though it does not involve a fixing of the work by the defendant—for it may be by public sale, performance or display. Most obviously, for example, a copyrighted song or play can be infringed by an unauthorized (and "unfixed") public performance in a theater.

The first three listed exclusive rights—reproduction, preparation of derivative works, and public distribution—are applicable to all forms of copyrightable works listed in section 102(a). The next two listed rights—public performance and public display—are, by their nature, applicable only to certain categories of copyrightable works, and those categories are expressly set forth in sections 106(4) and (5). For example, the right of public performance attaches to musical works but not to sound recordings; that means that an unauthorized public playing by a disk jockey in a nightclub of a recording of a copyrighted song will constitute an infringement of the song but not of the sound recording, so that the songwriter–author will have legal redress but the record manufacturer and performer will not. If, however, the public playing of the recorded song is "by means of a digital audio transmission," such as from a website on the Internet, then this is among the exclusive rights of the sound-recording copyright owner, by virtue of a 1995 amendment that added section 106(6) to the Copyright Act.

All of the exclusive rights in section 106 are subject to the provisions in sections 107 through 122. Those provisions exempt from liability a wide range of reproductions, derivative works, and the like that would otherwise constitute infringements, particularly for nonprofit, charitable or educational purposes. These exemption provisions will be discussed in some detail in Chapter 7.

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194. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 435 & n.17 (1984) (manufacturer-seller of videotape recorder is not contributorily liable for home taping of copyrighted television programs, which is fair use under the circumstances). *See* Columbia Pictures Indus. v. Aveco, Inc., 800 F.3d 59 (3d Cir. 1986). For more recent developments concerning secondary infringement, see *infra* pages 131–37.

The Right of Reproduction

The first U.S. copyright act, enacted in 1790, forbade unauthorized printing of copyrighted works. Today, the equivalent right, afforded by section 106(1) of the 1976 Act, is the right "to reproduce the copyrighted work in copies or phonorecords."

Reproduction in copies or phonorecords

Copies and phonorecords are the tangible forms in which reproductions of a work can be made; copies communicate to the eye while phonorecords communicate to the ear. More precisely, "phonorecords" are defined in section 101 as "material objects in which sounds . . . are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." "Copies" are defined as "material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." The owner of copyright in a musical composition has the exclusive right, therefore, to make "copies" in the form of music notations intended for piano or for orchestra, as well as to make "phonorecords" that can be activated by a playback device such as an audiotape-player or compact disk player. A significant reason for distinguishing copies and phonorecords relates to the proper form of optional copyright notice—with the © notice on copies, and the ℗ notice (for the sound recording) on phonorecords.

The application of the word "copy" as used in section 106(1) has kept up with the advent of new technologies. Thus, if unauthorized copies are generated through the use of a fax machine, that will infringe.[195] So too, if a copyrighted photograph is scanned, without permission, from a magazine into a computer for storage in a hard-drive or on a website, that will generate a copy and an infringement; the unauthorized transmission of that digitized photograph to others is

195. Pasha Publ'ns, Inc. v. Enmark Gas Corp., 22 U.S.P.Q.2d 1076 (N.D. Tex. 1992).

treated as a distribution of copies that has been held unlawful under section 106(3).[196] The Supreme Court in 2005, in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*,[197] involving so-called peer-to-peer file-sharing of music recordings through the Internet, assumed—as did even the defendants who made available the file-sharing software—that the private users of computers for downloading were making illicit copies. This was directly so held, soon after, by the Court of Appeals for the Seventh Circuit.[198] There is disagreement in the scholarly literature as to whether the more transient storage of a work in the random access memory (RAM) of a computer—as is done in the case of an operating-system program when a computer is simply switched on—constitutes the making of a "copy." But the fact that Congress has thought it necessary to write certain narrow exemptions for RAM copying in section 117 of the Copyright Act points clearly toward a congressional understanding that such copying would otherwise be infringing under section 106.[199]

Proving copying and infringement

The exclusive right to "reproduce" the copyrighted work—which involves copying—is more confined than the patent right, which can be infringed even by a product or process that has been developed wholly independent of, and has not been copied from, the patented invention. Perhaps the best-known discussion of proof of copyright infringement is found in *Arnstein v. Porter*,[200] decided by the Court of Appeals for the Second Circuit in 1946. Judge Frank there stated, "[I]t is important to avoid confusing two separate elements essential to a plaintiff's case in such a suit: (a) that defendant copied from plaintiff's copyrighted

196. Playboy Enters., Inc. v. Webbworld, Inc., 991 F. Supp. 543 (N.D. Tex. 1997); Phillips v. Kidsoft, L.L.C., 52 U.S.P.Q.2d 1102 (D. Md. 1999).

197. 125 S. Ct. 2764 (2005).

198. BMG Music v. Gonzalez, 430 F.3d 888 (7th Cir. 2005) (finding infringement in unauthorized downloading of more than 1,300 songs, despite defendant's claim of fair use). *See also* A & M Records, Inc. v. Napster, Inc., 239 F.3d 1004 (9th Cir. 2001).

199. *See* 17 U.S.C. §§ 117(a), (c); MAI Sys. Corp. v. Peak Computer, Inc., 991 F.2d 511 (9th Cir. 1993).

200. 154 F.2d 464 (2d Cir. 1946).

work and (b) that the copying (assuming it to be proved) went so far as to constitute improper appropriation."[201] Proof of copying can be found, said the court, either in defendant's admission or, as is almost uniformly the case, by circumstantial evidence—usually evidence of access and similarity—from which the trier of fact may reasonably infer copying. Of course, if there are no similarities, no amount of evidence of access will suffice to prove copying. If there is evidence of access and similarities exist, then the trier of fact must determine whether the similarities are sufficient to prove copying. On this issue, analysis ("dissection") is relevant, and the testimony of experts may be received to aid the trier of fact.

Although "similarity" is an element of both stages of the *Arnstein* test for infringement, the purposes and scope are different. At the first stage, similarity is used for the purpose of determining whether there has been copying. The similarities between the two works need not be extensive, so long as they are "probative" of copying: for example, the Rural Company planted four fictitious directory entries in its white-page telephone directory, and these entries then showed up in the Feist directory, which obviously negated independent creation.[202] On the other hand, the similarities that are necessary to make out an illicit taking, at the second stage, must be "substantial" as measured either qualitatively or quantitatively.

In proving copying through the use of circumstantial evidence, there is sometimes said to be an inverse proportion between the weight of proof of access and of similarity: the less likely it is that the defendant had access to the plaintiff's work, the more convincing must be proof of similarities in the two works; the fewer the similarities, the more compelling must be the proof of access. An inference of copying can be drawn even in the absence of specific evidence of access if the similarities between the plaintiff's and defendant's works are found to be "striking." As the Court of Appeals for the Seventh Circuit has

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201. *Id.* at 468.

202. Feist Publ'ns, Inc. v. Rural Tel. Serv., 499 U.S. 340 (1991). See generally *Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357 (5th Cir. 2004), and *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131 (2d Cir. 1992), for thoughtful discussions of "probative similarity" and its implications.

stated: "A similarity that is so close as to be highly unlikely to have been an accident of independent creation *is* evidence of access. . . . Access (and copying) may be inferred when two works are so similar to each other and not to anything in the public domain that it is likely that the creator of the second work copied the first, but the inference can be rebutted by disproving access or otherwise showing independent creation."[203]

In any event, proof of copying is not sufficient to make out a case of infringement. The plaintiff must also prove that what has been copied is substantial in degree; only then, in the words of the *Arnstein* decision, is the copying illicit and the appropriation unlawful. Although *Arnstein* acknowledged that expert witnesses, through dissection of the two compared works, may usefully contribute to an understanding by the trier of fact as to the similarities for the purpose of determining copying, such expert dissection is essentially regarded as irrelevant on the second issue, as to which "the test is the response of the ordinary lay hearer."[204] In a later case involving claimed infringement of a fabric pattern, Learned Hand stated that the perspective in determining whether the alleged infringing work is "substantially similar" to the copyrighted work must be that of "the ordinary observer."[205] If the parties' works are intended for purchase or appreciation by a particular audience—such as choir directors or even very young children—the question of substantial similarity is to be addressed with those persons in mind.[206]

Under this universally accepted two-step approach to proof of infringement,[207] it might be found that although the defendant did copy

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203. Ty, Inc. v. GMA Accessories, Inc., 132 F.3d 1167 (7th Cir. 1997).

204. *Arnstein*, 154 F.2d at 468.

205. Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487 (2d Cir. 1960). *See also* Steinberg v. Columbia Pictures Indus., Inc., 663 F. Supp. 706 (S.D.N.Y. 1987).

206. Dawson v. Hinshaw Music, Inc., 905 F.2d 731 (4th Cir. 1990) (religious musical arrangement); Lyons P'ship, L.P. v. Morris Costumers, Inc., 243 F.3d 789 (4th Cir. 2001) (animal costumes purchased by adults for the entertainment of children).

207. Other courts have sometimes utilized a different form of two-step infringement analysis, involving the application of so-called extrinsic and intrinsic tests. The source of that approach is *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977). This test is rather confusing and misleading, has been applied

from the plaintiff's copyrighted novel, song or fabric design, proof of substantial similarity is lacking, so that there is no infringement. This would occur, for example, if the defendant copied only isolated and minor elements that did not create an appearance of similarity when viewed or heard by a typical member of the audience to whom the two works are addressed. In these cases, the doctrine of *de minimis* would apply.[208] An example would be a case in which a short, even perhaps copyrightable, pattern in a recorded song is digitally duplicated, or "sampled," on another recording.[209]

Relatedly, even if the defendant has recognizably copied from the plaintiff's copyrighted work, there is no infringement if he or she has copied only elements that are themselves unprotected by copyright. Thus, anyone is free to copy concepts, methods, and systems described in the plaintiff's work, and to express them in his or her own words, for such concepts, methods, and systems fall outside the protection of copyright by virtue of section 102(b) of the Copyright Act. The same is true when the defendant copies such unprotectible elements as commonplace phrases, or language that is in the public domain. As the Supreme Court observed in a case involving copyright protection for fact-based directories,[210] copyright may protect the original pattern in which the facts are organized but the facts themselves are in the public domain and free for all to use. The Court stated:

> As applied to a factual compilation, assuming the absence of original [prose] expression, only the compiler's selection and arrangement may be protected; the raw facts may be copied at will. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art.[211]

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inconsistently, and in any event largely reduces itself to an analysis very much like that in *Arnstein*.

208. See *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70 (2d Cir. 1997), for a thorough discussion of the variant uses of the *de minimis* doctrine in copyright.

209. Newton v. Diamond, 349 F.3d 591 (9th Cir. 2003). *But see* Bridgeport Music, Inc. v. Dimension Films, 410 F.3d 792 (6th Cir. 2005) (*de minimis* doctrine inapplicable to sampling of music recordings).

210. *See* Feist Publ'ns, Inc. v. Rural Tel. Serv., 499 U.S. 340 (1991).

211. *Id.* at 350.

If protectible expression has been substantially copied, it is not a defense that the copying was done unknowingly; like trespass in the law of real property, even unintended encroaching upon another's copyright is unlawful. This principle takes two forms. First, if *B* takes to publisher *C* a work actually written by copyright owner *A*, and *B* represents to publisher *C* that *B* is the author and copyright owner, *C*'s publication of the work will infringe *A*'s copyright, no matter how honestly *C* may have believed that *B* was the true copyright owner.[212] Obviously, *C* is in a better position than *A* to protect its rights, either through a copyright search, insurance, or contractual indemnity arrangements with *B*. Second, one may infringe even through "unconscious" copying. In a well-known case,[213] then-former Beatle George Harrison was found to have written a song essentially identical to a popular song written by another, through assimilation of the earlier song in Harrison's subconscious. Although the court found the copying was not deliberate, it concluded that infringement "is no less so even though subconsciously accomplished."[214]

Idea versus expression

Recall that there is no infringement when one copies unprotectible ideas from another—as distinguished from protectible "expression." The distinction between idea and expression is perhaps the most elusive of all lines in copyright jurisprudence. As Learned Hand has stated: "Obviously, no principle can be stated as to when an imitator has gone beyond copying the 'idea,' and has borrowed its 'expression.' Decisions must therefore inevitably be ad hoc."[215]

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212. De Acosta v. Brown, 146 F.2d 408 (2d Cir. 1944).

213. Bright Tunes Music Corp. v. Harrisongs Music, Ltd., 420 F. Supp. 177 (S.D.N.Y. 1976).

214. *Id.* at 181. *See also* Three Boys Music Corp. v. Bolton, 212 F.3d 477 (9th Cir. 2000). The principle of "subconscious infringement" was endorsed by Learned Hand in *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49 (2d Cir. 1936), perhaps as a means of avoiding a finding that the defendant's executives had been less than truthful when denying copying.

215. Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487 (2d Cir. 1960).

In cases involving literary works, copyright protection would, of course, be trivialized were it limited to no more than the precise sequence of the author's words, or were it even extended to embrace no more than very close paraphrase. It is undisputed that copyright also protects the details and sequences of plot, story line, and character development, but that it does not protect the author's more general themes. Hand is once again the source of eloquent insight:

> [W]hen the plagiarist does not take out a block in situ, but an abstract of the whole, decision is more troublesome. Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his "ideas," to which, apart from their expression, his property is never extended. Nobody has ever been able to fix that boundary, and nobody ever can.[216]

In the case from which this observation is taken, *Nichols v. Universal Pictures Corp.*, Judge Hand concluded that a very popular copyrighted play, *Abie's Irish Rose,* was not infringed by the defendant's motion picture *The Cohens and the Kellys*. The only story elements that were similar (and that were, for purposes of decision, assumed to have been original with the plaintiff and copied by the defendant) were a conflict between Irish and Jewish fathers, the marriage of their children, the birth of a grandchild, and the reconciliation of the elders. The court characterized these elements as "too generalized an abstraction . . . only a part of [the playwright's] 'ideas.'"[217] The plaintiff also failed in her claim that her characters, isolated from the story line, were infringed; the court found them to be stock characters, too vaguely drawn for protection.

A court's determination that a plot or a character is an unprotectible "idea" reflects its conclusion that the plot or character is so skeletal or fundamental that to protect it by copyright would "fence off" too

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216. Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d Cir. 1930).

217. *Id.* at 122.

great a preserve for the plaintiff and would inhibit the creative use and embellishment of such plot or character by other authors. For the same reason, copyright does not extend to simply recorded facts, to commonplace phrases, or to what are known as *scènes à faire*, i.e., plot incidents that are commonplace or stock or that are necessarily dictated by a story's general themes (such as soldiers nervously partying on the eve of battle, or the exchange of salutes between military personnel).[218]

The same approach to the idea–expression dichotomy is found in cases involving pictorial, graphic, or sculptural works.[219] Copyright does not extend to commonplace designs, lest others be forbidden—potentially for more than a century—to borrow these "building blocks" on which to base other creative works. In ruling that a jewelry designer could not preclude another from copying his jeweled pin in the shape of a bee, a court stated:

> The guiding consideration in drawing the line is the preservation of the balance between competition and protection reflected in the patent and copyright laws.
>
> What is basically at stake is the extent of the copyright owner's monopoly—from how large an area of activity did Congress intend to allow the copyright owner to exclude others? We think the production of jeweled bee pins is a larger private preserve than Congress intended to be set aside in the public market without a patent. A jeweled bee pin is therefore an "idea" that defendants were free to copy.[220]

A contrary outcome was reached by Judge Learned Hand, in a decision usually contrasted with his decision in *Nichols*. He found infringement in *Sheldon v. Metro-Goldwyn Pictures Corp.*,[221] because the defendant's motion picture had copied too many detailed plot incidents and scenes from the plaintiff's play. Whether or not those incidents or scenes were protectible "expression" when each was consid-

218. Narell v. Freeman, 872 F.2d 907 (9th Cir. 1989); Hoehling v. Universal City Studios, Inc., 618 F.2d 972 (2d Cir. 1980).

219. *But see* Mannion v. Coors Brewing Co., 377 F. Supp. 2d 444 (S.D.N.Y. 2005) (finding the dichotomy inapplicable to photographic works).

220. Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738, 742 (9th Cir. 1971).

221. 81 F.2d 49 (2d Cir. 1936).

ered separately, their sequential grouping—and thus the detailed storytelling—was deemed protectible by copyright.

Similar tests for distinguishing idea and expression have been applied in all varieties of copyrighted works, including computer programs. The tasks to be accomplished by a computer program, either in driving the computer hardware or in effecting a particular external result (such as creating the sights and sounds of a video game, or accomplishing word-processing tasks) are not subject to copyright protection; they are methods or systems that can be protected, if at all, only by satisfying the more rigorous demands of the patent system. On the other hand, the exact or very close copying of computer-program code—whether in human-readable source code or in object code (a string of ones and zeroes) intended to be "read" by and to operate the computer—will constitute an infringement of copyright.[222] As is true in literature, music and art, difficult questions can arise in drawing the line for infringement at various places in between a program's overall purpose and its literal code; there is no question, however, that the fact that computer code is shaped by uniquely functional objectives justifies a "thinner" copyright for programs than for art as broadly understood.

Perhaps the most influential formulation for determining what "nonliteral" elements of computer code warrant copyright protection is found in *Computer Associates International, Inc. v. Altai, Inc.*[223] There, the Court of Appeals for the Second Circuit articulated a three-step process of analysis. At the first, or "abstraction" step, very much like the "patterns" analysis of Learned Hand in the *Nichols* and *Sheldon* drama cases,

> a court should dissect the allegedly copied program's structure and isolate each level of abstraction contained within it. This process begins with the code and ends with an articulation of the program's ultimate function. . . . A program has structure at every level of abstraction at which it is

222. *See* Sega Enters., Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992) (decompiling computer code creates a copy that technically infringes, even though only an "intermediate" copy, but under the circumstances of the case was privileged as a "fair use").

223. 982 F.2d 693 (2d Cir. 1992).

> viewed. At low levels of abstraction, a program's structure may be quite complex; at the highest level it is trivial.[224]

At the second, or "filtration," step, nonprotectible materials are removed from the plaintiff's computer program.

> This process entails examining the structural components at each level of abstraction to determine whether their particular inclusion at that level was "idea" or was dictated by considerations of efficiency, so as to be necessarily incidental to that idea; required by factors external to the program itself; or taken from the public domain and hence is non-protectable expression. . . . By applying well developed doctrines of copyright law, it may ultimately leave behind a "core of protectable material."[225]

At the third, or "comparison," step, the court compares what is left (the "golden nugget") of protectible material in the plaintiff's work and "focuses on whether the defendant copied any aspect of this protected expression, as well as an assessment of the copied portion's relative importance with respect to the plaintiff's overall program."[226] Despite the influence of the court's analysis—and indeed its importation into cases involving novels, plays, and motion pictures—it is arguably too focused upon the deletion of uncopyrightable elements and insufficiently attentive to the possible creative ways in which those elements can be selected, coordinated, or arranged so as to generate a protectible work in the nature of a compilation.[227]

Reproduction of Music and Sound Recordings

The exclusive right to reproduce the copyrighted work, afforded by section 106(1), applies not only when the work is reproduced in "copies," i.e., material objects that are perceivable by the human eye, but also when the work is embodied in "phonorecords." A copyright-protected dramatic or nondramatic literary work (a short story, poem

224. *Id.* at 707.

225. *Id.*

226. *Id.* at 710.

227. *Compare* Apple Computer, Inc. v. Microsoft Corp., 779 F. Supp. 133 (N.D. Cal. 1991).

and lecture are examples of the latter) is infringed by an unauthorized taping or recording of the text of that work.

Reproducing musical works in phonorecords

The same is true of musical compositions, subject to an important exception known as the compulsory license. Section 115(a)(1) of the Copyright Act provides:

> When phonorecords of a nondramatic musical work have been distributed to the public in the United States under the authority of the copyright owner, any other person may, by complying with the provisions of this section, obtain a compulsory license to make and distribute phonorecords of the work.

In substance, once the copyright owner of a musical composition permits one person to manufacture and distribute recordings in the United States, any other person may record the composition (with its own performers) and distribute its own recordings, provided that person complies with the provisions of section 115—most significantly by paying to the copyright owner a royalty provided by statute "for every phonorecord made and distributed in accordance with the license."[228]

The compulsory license for musical recordings (known as "mechanical" royalties, based on the early statutory language) can be traced back to the 1909 Copyright Act, enacted when the recording industry was in its infancy and when Congress was concerned that a single record manufacturer (the Aeolian Company) would secure a monopoly by buying up all recording rights from popular songwriters. By "compelling" the copyright owner to license such rights to all record companies, after the initial recording and distribution, Congress facilitated the development of many smaller record companies and the competitive nature of the industry that remains one of its characteristics today. The statutory royalty rate in the 1909 Act was 2 cents per record of the copyrighted song. In 1976, Congress increased that rate only to 2.75 cents. Realizing that economic conditions might warrant a change in the statutory rate, and that it would be inconvenient to

228. 17 U.S.C. § 115(c)(2).

achieve such change through statutory amendment, Congress in the 1976 Act created an administrative agency called the Copyright Royalty Tribunal and empowered it periodically to reconsider the royalty rate under section 115 and to promulgate new rates. In 1993 Congress transferred the functions of the Tribunal to ad hoc arbitration panels convened by the Librarian of Congress; and in 2004 the Act was amended to give such authority instead to three Copyright Royalty Judges, also appointed by the Librarian of Congress, with decisions of the Copyright Royalty Judges being appealable to the District of Columbia Circuit.

Section 801(b)(1) of the Copyright Act directs the Copyright Royalty Judges, in their rate-setting under the compulsory-license provisions for recorded music, to achieve the following objectives:

> (A) To maximize the availability of creative works to the public. (B) To afford the copyright owner a fair return for his or her creative work and the copyright user a fair income under existing economic conditions. (C) To reflect the relative roles of the copyright owner and the copyright user in the product made available to the public with respect to relative creative contribution, technological contribution, capital investment, cost, risk, and contribution to the opening of new markets for creative expression and media for their communication. (D) To minimize any disruptive impact on the structure of the industries involved and on generally prevailing industry practices.

After formal hearings, the Copyright Royalty Tribunal in 1980 increased the statutory rate from 2.75 cents per record to 4 cents per record, and between then and the year 2000, the royalty rate mounted gradually through formal linkage to the Consumer Price Index. Beginning on January 1, 2000, Copyright Office regulations endorsed an agreement reached by representatives of music copyright owners (songwriters and publishers) and of the recording companies, providing for biannual rate increases beginning at 7.55 cents per song; the rate for 2004–2005 was 8.5 cents (or 1.65 cents per minute), and beginning January 1, 2006, the rate has become 9.1 cents per song (or 1.75 cents per minute). These compulsory-license royalty rates are set forth in Copyright Office regulations at 37 C.F.R. § 255.3. This royalty figure is for each recording made of each copyrighted composition embodied

in the phonorecord; it is not a single amount covering the aggregate of all of the music on a multiple-track compact disk or audiotape.

To avail itself of the compulsory license, a record manufacturer must file a timely "notice of intention" with the copyright owner, file regular accounting statements, and make monthly royalty payments to the copyright owner. Failure to comply with these requirements entitles the copyright owner to terminate the license and sue for infringement. The monitoring of the compulsory license system, and particularly the scrutiny of accounting statements and the collection of royalties from the recording companies, is a major administrative task; most musical-work copyright owners have turned over that task to an organization (based in New York City) known as the Harry Fox Agency.

Congress, of course, contemplated that persons making music recordings (known in the industry as "covers") pursuant to the statutory compulsory license under section 115 would use the services of recording artists selected by them and make arrangements of the music suitable to the artists' performing style. Section 115(a)(2) provides, however, that such "arrangement shall not change the basic melody or fundamental character of the work, and shall not be subject to protection as a derivative work under this title, except with the express consent of the copyright owner." The statute places three other important limitations upon the availability of the compulsory license. It does not apply to works other than "nondramatic musical works" (that is, it does not authorize the making of recordings of literary works or of operas); it comes into operation only after the first authorized recording; and it authorizes only the making of recordings that are intended primarily for distribution to the public for private use (i.e., it does not apply to recordings for music subscription services, such as Muzak, or the incorporation of the music in a motion-picture soundtrack).

Until recently, the compulsory license for the recording of copyright-protected music resulted in phonorecords—whether vinyl records, audiotapes, or compact disks—that reached the public through sales in retail record stores. With the advent of the Internet, retail-store purchases are gradually being displaced by the online sale of music recordings. (Much music "sharing" through the Internet is regrettably unlawful, but not all.) When the computer user downloads recorded

music, say for 99 cents per song, this is what the Copyright Act refers to in section 115(c)(3) as a "digital phonorecord delivery." Because of their functional equivalence, the compulsory royalty rate to be paid to the music copyright owner by the recording company for such digital phonorecord deliveries is the same as for phonorecords sold in retail stores.

Reproducing sound recordings in phonorecords

The right under section 106(1) to reproduce a copyrighted work in the form of phonorecords applies to all copyrighted works, including not only musical works but also sound recordings. "Sound recordings" are defined in section 101 of the Copyright Act as "works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied." Sound recordings are copyrightable works distinct from the musical or literary works that are performed on those recordings.[229] There can, for example, be a copyrightable sound recording of a public domain classical musical composition.

Section 114 of the Copyright Act limits the exclusive right to reproduce a sound recording to "the right to duplicate the sound recording in the form of phonorecords that directly or indirectly recapture the actual sounds fixed in the recording." Infringement of this right is familiarly known as record piracy, and involves the dubbing of the sounds of the copyrighted sound recording onto another sound medium—for example, from a pre-recorded compact disk onto a blank audiotape or from a computer hard-drive onto a blank CD (i.e., "burning"). Copyright in a sound recording is therefore not infringed by the "independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording," as expressly stated in section 114(b).

Thus, when a commercial recording incorporates a "digital sample" taken directly from another recording, without permission, there

229. *See* Newton v. Diamond, 349 F.3d 591 (9th Cir. 2003).

is technically a violation of section 106(1), because the first "sound recording" (as well as the thread of musical notes) is being "reproduced in phonorecords." These samples, although usually of only a small bit of recorded music, are often "catchy" and thus of qualitative significance and possible commercial value. Courts take differing views on whether the sampling, under particular circumstances, is nonetheless privileged, typically by invoking (or not) the *de minimis* principle[230] or the principle of fair use. In the recording industry, it is common practice to pay voluntary royalties for such samples (on the theory that today's borrower may find himself or herself sampled tomorrow and will wish to be compensated).

A major issue under section 106(1) is the "home recording" of copyright-protected music and sound recordings. Again, this is technically a violation of section 106(1). However, at the time of enactment of the 1976 Act, it was generally understood that the "taping" of music from radio broadcasts or from recordings, for personal use and without commercial objective, was allowable. This was at a time when the analog technology was such that multiple and serial copying was inherently limited. This legal conclusion was essentially confirmed by the Supreme Court in the somewhat different context of home videotaping for "time-shifting" purposes (rather than for permanent retention).[231] For the first time in U.S. statutory copyright law, Congress in 1992 enacted legislation specifically addressing the problem of private copying: the Audio Home Recording Act (AHRA).[232] The AHRA, enacted in response to the advent of digital audiotape (which ultimately proved to have only limited commercial success), *inter alia* prohibited in section 1008 infringement actions "based on the noncommercial use by a consumer of a [digital audio recording device or an analog recording] device or medium for making digital or analog musical recordings." In

230. *Compare* Williams v. Broadus, 60 U.S.P.Q.2d 1051 (S.D.N.Y. 2001) (question of fact whether sampling 2 of 54 musical measures, consisting of opening 10 notes, is substantial copying), *with* Bridgeport Music, Inc. v. Dimension Films, 410 F.3d 792 (6th Cir. 2005) (announcing a "bright line" test making all sampling unlawful, and *de minimis* standard inapplicable).

231. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984).

232. 17 U.S.C. §§ 1001–1010.

other words, home reproduction for noncommercial purposes, whether by analog or digital means, is exempted from the reach of the section 106(1) reproduction right held by owners of copyright in musical works and in sound recordings. Such copyright owners are to be recompensed through the payment of a royalty on the sales of digital recording machines and blank digital recording media.[233] The issue of using home computers to "swap" recorded music by means of software available on the Internet is more broad-ranging and has been found not to fall within the section 1008 exemption (this issue is discussed below).

The Right to Prepare Derivative Works

Among the most valuable rights given by the Copyright Act is the right under section 106(2) "to prepare derivative works based upon the copyrighted work." The copyright owner thus has the exclusive right to convert her novel into a motion picture, to translate her play into a foreign language, to make an orchestral arrangement of her piano piece, or to make reproductions of her painting or sculpture—or to license third persons to do so. As defined in section 101, a derivative work

> is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."

In the cases already discussed—infringing motion pictures based on copyrighted plays or novels—the courts have traditionally analyzed them as involving "copies" under the 1909 Act or "reproductions"

233. *Id.* §§ 1003–1007. *See also* Recording Indus. Ass'n of Am. v. Diamond Multimedia Sys., Inc., 180 F.3d 1072 (9th Cir. 1999) (holding that hand-held digital devices that store music recordings transferred from computer hard-drives are not the sort of devices ("digital audio recording device") for which royalties must be paid).

under the 1976 Act. The courts could just as well have analyzed these cases as allegedly infringing derivative works under what is today section 106(2). The elements of proof are the same: the plaintiff must show that the defendant copied protectible elements from the copyrighted work and that as a result the infringing work is "substantially similar."

The derivative work need not be "fixed in a tangible medium" in order to make out a case of infringement. The live performance of an arrangement of a copyrighted song, without the authorization of the copyright owner, will infringe section 106(2). (The performance, if public, will constitute a separate infringement under section 106(4).) Nor need any words be borrowed from the copyrighted work. In a classic copyright case, Justice Holmes spoke for the Supreme Court in finding that a silent motion picture adaptation of the novel *Ben Hur* constituted copyright infringement.[234] In a more recent treatment of a similar issue, the Court of Appeals for the Second Circuit held that a book containing a series of still photographs of performers dancing a copyrighted choreographic work (Balanchine's *Nutcracker* ballet) can be an infringing derivative work if there is "substantial similarity," even though it is not possible to reconstruct the ballet from the photographs alone, and even if permission for the book was secured from the ballet company, the set and costume designers, and the dancers—but not from the choreographer–copyright owner.[235]

An infringing derivative work may take the form of deletion, abbreviation, and abridgment as well as elaboration and embellishment. The Court of Appeals for the Second Circuit, in the well-known case *Gilliam v. American Broadcasting Companies*,[236] thus held that the heavy editing of television programs without the consent of the Monty Python comedy group, which held the copyrights in the underlying scripts, constituted copyright infringement.

The courts are split on the question whether an infringing derivative work is created when one lawfully purchases a lawfully made pictorial work (say, a color photograph from a magazine, or a drawing on

234. Kalem Co. v. Harper Bros., 222 U.S. 55 (1911).

235. Horgan v. MacMillan, Inc., 789 F.2d 157 (2d Cir. 1986).

236. 538 F.2d 14 (2d Cir. 1976).

the face of a greeting card) and affixes it to a hard substance, thus creating a border around the work, and applies some transparent sealing substance. As will be seen immediately below, the purchase and resale of the artwork is not a copyright infringement, but the copyright owner of the photograph or greeting card has claimed that an infringing derivative work has been created. The Court of Appeals for the Ninth Circuit holds that, absent consent, a new bordered work has been unlawfully created; while the Seventh Circuit holds that there has been no "recasting" or "transforming" of the underlying artwork but simply what is equivalent to framing, and so no derivative work at all.[237] In a case involving an Internet analogy—the unauthorized "framing" by one website owner of images from another (complaining) website that are called forward through a linking process—a district court in the Ninth Circuit has found an unauthorized derivative work.[238]

The Right of Public Distribution

Section 106(3) of the Copyright Act gives the copyright owner the exclusive right "to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending." Thus, if *A* owns the copyright in a novel, and *B* prints unauthorized copies and supplies them to *C*, who sells them to the public, both *B* and *C* are copyright infringers—*B* violates section 106(1) and *C* violates section 106(3).[239] *C* will be liable, under the general rule of copyright that recognizes even "innocent" infringement, regardless whether he sells the books in the belief *B* was their lawful author.

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237. *Compare* Mirage Editions, Inc. v. Albuquerque A.R.T. Co., 856 F.2d 1341 (9th Cir. 1988), *with* Lee v. A.R.T. Co., 125 F.3d 580 (7th Cir. 1997). A district court within the Ninth Circuit has indeed held that what is essentially mere framing of an artwork constitutes the unlawful creation of a derivative work. Greenwich Workshop, Inc. v. Timber Creations, Inc., 932 F. Supp. 1210 (C.D. Cal. 1996).

238. Futuredontics, Inc. v. Applied Anagramics, Inc., 45 U.S.P.Q.2d 2005 (C.D. Cal. 1998).

239. Columbia Pictures Indus., Inc. v. Garcia, 996 F. Supp. 770 (N.D. Ill. 1998).

Just as there is a public distribution when a bookseller distributes copies throughout the United States, so too a person who, without authorization, places copyrighted material on an Internet bulletin board or website and makes it available for all interested persons to download into their computer hard-drive (or even simply to view on their computer monitors) has publicly distributed that material, and has infringed.[240] If, however, the alleged infringer is merely an online service provider that plays a passive role in allowing access to an infringing website, without creating or controlling the content of the information available to its subscribers, it will generally be found not to have made an unlawful public distribution.[241]

First-sale doctrine

If read literally, section 106(3) would make it an infringement for a book dealer to sell used books or for any private person to lend a book to friends. This anomaly is quickly dispelled by virtue of section 109(a), which provides:

> Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.

This provision articulates what has been a fundamental part of our copyright jurisprudence for a century: the "first-sale doctrine." The Supreme Court in its 1908 decision in *Bobbs-Merrill Co. v. Straus* stated: "[O]ne who has sold a copyrighted article, without restriction, has parted with all right to control the sale of it. The purchaser of a book, once sold by authority of the owner of the copyright, may sell it again,

240. *E.g.,* Playboy Enters., Inc. v. Webbworld, Inc., 991 F. Supp. 543 (N.D. Tex. 1997) (website operator "distributes" copyright-protected works "by allowing its users to download and print copies of electronic image files").

241. Religious Tech. Ctr. v. Netcom On-Line Communication Servs., Inc., 907 F. Supp. 1361 (N.D. Cal. 1995). The liability of internet service providers for contributory and vicarious liability is a matter of detailed regulation under section 512 of the Copyright Act, added in 1998.

although he could not publish a new edition of it."[242] The exclusive right to distribute the copyrighted work to the public thus embraces only the first sale, and purchasers of copies or phonorecords are free to transfer them to others by sale, gift, or otherwise. The first sale "exhausts" the right of the copyright owner under section 106(3), and he or she must exact whatever royalty can be negotiated from the initial publisher–distributor, knowing that that will have to provide recompense for all subsequent transfers as well.

Thus it is lawful, for example, for a person to purchase secondhand copies of copyrighted works, to remove the covers or to bind them in new covers, and to resell them to the public.[243] If, however, the reseller goes a step farther and makes some alteration in or compilation of the lawfully purchased works, he or she may be found liable for creating an unlawful *derivative work* even if not for unlawful *public distribution*. A court so held when the defendant purchased old copies of *National Geographic* magazine, tore out articles, and bound together for sale articles relating to a common subject matter.[244]

In 1998, in *Quality King Distributors, Inc. v. L'Anza Research International, Inc.,*[245] the Supreme Court confronted the question whether the first-sale doctrine applies not only to copies and phonorecords manufactured in the United States and subsequently sold here, but also when those subsequent sales follow purchases made abroad. To answer that question, the Court analyzed section 602(a), which gives the U.S. copyright owner the exclusive right of importation. The central issue was whether the first-sale limitation set forth in section 109(a) applied to imported goods, or whether section 602(a) afforded a "free standing" right not subject to the various exemptions (including fair use and first sale) in the Copyright Act. The Court concluded that the importation right under section 602(a) is a species of the public-distribution right under section 106(3), so that the copyright owner exercises that right subject to the first-sale doctrine. So-

242. 210 U.S. 339, 350 (1908).

243. Fawcett Publ'ns, Inc. v. Elliot Publ'g Co., 46 F. Supp. 717 (S.D.N.Y. 1942).

244. Nat'l Geographic Soc'y v. Classified Geographic, Inc., 27 F. Supp. 655 (D. Mass. 1939).

245. 523 U.S. 135 (1998).

called grey goods or parallel imports, at unauthorized discounted prices, cannot thus be restricted by U.S. manufacturers by invoking the Copyright Act.

By virtue of the first-sale doctrine, U.S. law does not afford the kind of "public lending right" given to the copyright owner in such nations as Great Britain and Germany. U.S. copyright owners can claim no royalty, and can interpose no ban, when third persons—such as public libraries or private lending libraries—lawfully purchase one or two copies of a work and lend them to the public many times, either free or for a price. Section 109(a) negates any such lending right.

There are, however, two exceptions to this rule. They relate to the rental for profit of either a phonorecord embodying a copyrighted sound recording of music or a copy of a copyrighted computer program. Congress concluded in 1984 that the newly emerging "record rental store" was being used by consumers as an inexpensive supplier of musical sound recordings that could be inexpensively taped at home, thus substituting for a purchase of the recording. Comparable conclusions were reached in 1990 with respect to the rental of computer software, which was also susceptible to reproduction for nonprofit personal use, by individuals on their home computers.

In the Record Rental Amendment of 1984 and the Computer Software Rental Amendments Act of 1990, Congress forbade the owner of a phonorecord or the possessor of a copy of a computer program "for the purposes of direct or indirect commercial advantage, [to] dispose of, or authorize the disposal of, the possession of that phonorecord or computer program . . . by rental, lease, or lending, or by any other act or practice in the nature of rental, lease, or lending." These exceptions to the first-sale doctrine are codified in section 109(b) of the Copyright Act. Explicitly excluded from the ban is the not-for-profit rental, lease, or lending of phonorecords or computer software by most nonprofit libraries and educational institutions.

The Right of Public Performance

Another exclusive right under section 106 of the Copyright Act is the right "to perform the copyrighted work publicly." The public-

performance right is a particularly significant right for dramatic works, motion pictures, and musical works. But it is accorded to all categories of copyright-protected works except for pictorial, graphic, and sculptural works (for obvious reasons) and sound recordings (sound-engineered performances captured on phonorecords). The exclusion of sound recordings from section 106(4) is largely for historical reasons; although music has had public-performance rights in the U.S. since the turn of the twentieth century, our copyright law was slow to recognize original authorship in recorded performances and gave no protection to sound recordings at all until 1971 and then only against direct "dubbing" or piracy of the recorded sounds. Thus, even today, when a song recording is broadcast over the air on the radio, or is played by a disk jockey in a nightclub, that is potentially a copyright infringement of the song, but it is not an infringement of the sound recording; the songwriter (or other copyright owner in the song) can claim a royalty, but neither the record company nor the recording artist can. As will be discussed below, however, Congress in 1995 added section 106(6) to the Copyright Act, which accords to the copyright owner of a sound recording (typically the recording company) the exclusive right "to perform the work publicly by means of a digital audio transmission"; this is a right that has become highly important in the age of the Internet.

Performance

Section 101 sets forth broad definitions of "perform" and "publicly."

> To "perform" a work means to recite, render, play, dance, or act it, either directly or by means of any device or process or, in the case of a motion picture or other audiovisual work, to show its images in any sequence or to make the sounds accompanying it audible.
>
> To perform or display a work "publicly" means—
>
> (1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered;
>
> (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process, whether the members of the public capable of re-

> ceiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

The definition of "perform" embraces not only live face-to-face performances but also "rendering" a work by any device or process, such as a compact disk player for music and a DVD player for motion pictures, as well as by radio or television transmission. The definitive House Committee Report states that a performance can be effected through "all kinds of equipment for reproducing or amplifying sounds or visual images, any sort of transmitting apparatus, any type of electronic retrieval system, and any other techniques and systems not yet in use or even invented."[246] Just as a live dramatic production constitutes a "performance" of the work, as does its broadcast on television, the theater exhibition of a motion picture (which "shows its images in . . . sequence") also constitutes a "performance" that if unauthorized will infringe the copyright.

Because of the breadth of the definition of "perform," the television broadcast of a singer's rendition of a copyrighted song will give rise to a multiple series of "performances." As is stated in the House Report:

> [A] singer is performing when he or she sings a song; a broadcasting network is performing when it transmits his or her performance (whether simultaneously or from records); a local broadcaster is performing when it transmits the network broadcast; a cable television system is performing when it retransmits the broadcast to its subscribers; and any individual is performing whenever he or she plays a phonorecord embodying the performance or communicates the performance by turning on a receiving set.[247]

The private set-owner, although a "performer" of the broadcast song, would not normally be liable for infringement, because his or her performance would not be "public."

246. H.R. Rep. No. 94-1476, at 63 (1976).
247. *Id.*

Public performance

Of course, to infringe, section 106(4) provides that the performance must be "public." The definition of that word in section 101 is designed to dispel the confusion that had arisen under the 1909 Act, which had left the word undefined. As stated in the House Report: "[P]erformances in 'semipublic' places such as clubs, lodges, factories, summer camps, and schools are 'public performances' subject to copyright control. . . . Routine meetings of businesses and governmental personnel would be excluded because they do not represent the gathering of a 'substantial number of persons.'"[248] Performances that take place at any of the former venues are, in the words of the statute, "at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered."

The definition in section 101 also makes it clear that a *transmitted* performance is "public" even though the recipients are themselves located in private settings, such as their own homes or hotel rooms. (Under another definition in section 101, to "transmit" a performance is "to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent.") A public performance thus takes place when a work is transmitted by radio or television, or to a computer over the Internet.

Although Congress took pains to define words like "public" with great care and detail, there will inevitably be a need for judicial interpretation. An example is the performance held "at a place open to the public." The Court of Appeals for the Third Circuit has held that copyright in motion pictures was infringed by a business that invited members of the public to rent videotapes (lawfully made and purchased) and then to view them in rooms provided under the same roof for very small groups of family or friends.[249] The court concluded that the showings in even the small rooms were "public," and that the defendant store had "authorized" those public performances and thus infringed. A different outcome was reached, however, by the Court of Appeals for the Ninth Circuit in the case of a motel that rented video-

248. *Id.* at 64.

249. Columbia Pictures Indus., Inc. v. Aveco, Inc., 800 F.2d 59 (3d Cir. 1986).

cassettes for viewing in private guest rooms; the motel was deemed to be facilitating a number of discrete private performances.[250]

The right of public performance is more broadly written than had been the case under the 1909 Copyright Act. Under the earlier statute, the exclusive right to perform music had been limited to public performances "for profit." Accordingly, performances of copyrighted music in schools, in public parks, at charitable events, and the like were not infringements and generated no royalties for the copyright owner. Performances of copyrighted dramatic works would infringe, if in public, regardless whether or not they were "for profit." This distinction between dramatic and musical works was abandoned in the definition of exclusive rights under the 1976 Copyright Act; section 106(4) eliminates the "for profit" limitation upon the music performance right. Nonetheless, the present statute provides certain specific exemptions for public performances of music that do not obtain for public performances of dramatic works; these exemptions will be explored below.

Conspicuously omitted from the section 106(4) exclusive right of public performance is the "sound recording," which is the work created through the combined creative efforts of performing artists and recording company—as distinguished from the "musical work," which does get the benefit of the public-performance right. Thus, when a musical recording is played on the radio, licenses must be secured from and royalties paid to the owner of copyright in the song, but not to the owner of copyright in the sound recording. This differentiation is more a matter of historical development than anything else.

But in the 1990s, with the widespread development of digital media for storing and transmitting music, Congress concluded that recording artists and companies should be compensated for uses that would likely displace the purchase of conventional recordings. In 1995, Congress thus added to the Copyright Act section 106(6), which gives the exclusive right "in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission." Initially, this provided compensation for the playing of recordings on digital home subscription services akin to cable-television services, but

250. Columbia Pictures Indus., Inc. v. Prof'l Real Estate Investors, Inc., 866 F.2d 278 (9th Cir. 1989).

an even greater potential source of revenue became evident as home computers, powered by the Internet, came more widely to be used to listen to music (and potentially to substitute for record purchases). Congress in 1998, as part of the Digital Millennium Copyright Act, saw the need for further articulation of policy concerning the digital transmission of music on the Internet ("nonsubscription transmission"), and many of these transmissions are allowed subject to a compulsory license, spelled out in complex detail in section 114. Compulsory licenses are discussed in Chapter 7.

Performing rights societies

It is obvious that the owners of copyright in, say, a popular song cannot personally monitor, license, and collect royalties from the potentially vast number of public performances of their music—in live nightclub and restaurant performances, in jukebox plays, in radio and television broadcasts, in music subscription services such as Muzak, in supermarkets and production plants, on college campuses, in "streamed" music programs on the Internet, in motion picture theaters from film soundtracks, and the like. The owners of musical copyright (songwriters and their assignees, music publishers) have formed so-called performing rights societies to do so. The first such society in the United States, ASCAP (American Society of Composers, Authors and Publishers), was formed in 1914 by eminent American composers including Victor Herbert and John Philip Sousa. The other major performing rights societies are BMI (Broadcast Music, Inc.), formed in 1939, and SESAC (formerly, Society of European Stage Authors and Composers). Technically, these societies serve as nonexclusive licensees, which in turn license others (principally entertainment venues and broadcasters) pursuant to standard royalty arrangements the terms of which are regulated by antitrust decrees. Suits for infringement, brought in the name of the copyright owner, are typically managed by representatives of the performing rights societies. Public-performance royalties collected by these societies total about $1.5 billion per year and are distributed to their members according to elaborate formulas.

Section 116 of the Copyright Act explicitly recognizes these societies and assigns them a role in the distribution of royalties generated by jukebox performances of recorded music.

The Right of Public Display

Under the 1909 Act, it was unclear how to treat the public display of copyrighted works (e.g., the showing of a painting, sculpture, or literary manuscript on television). This form of exploitation did not fit comfortably within the statutory terms "copy" and "performance." Congress dispelled the uncertainty by providing in section 106(5) of the 1976 Copyright Act for the exclusive right "to display the copyrighted work publicly." This right applies to all copyrighted works except for sound recordings (for obvious reasons); the showing of a motion picture or other audiovisual work is treated as a "performance," but the showing of "individual images of a motion picture or other audiovisual work" falls within the display right.

Section 101 defines the "display" of a work as the showing of "a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images nonsequentially." The "public" display of a work is defined in precisely the same manner as the public performance of a work. Thus, to show a painting or sculpture on a television broadcast is a public display of the work, which must be authorized in order to avoid infringement.

The public-display right of the copyright owner has taken on added significance with the development of the Internet. If, for example, a copyright-protected work of art is incorporated on a website, so that the accessing of that site by any Internet user produces an image of that artwork on a computer monitor, this constitutes a public display, which if unauthorized will infringe. (The same is true for the text of a literary work.) A number of courts have held that the unauthorized scanning of a copyrighted picture from a magazine, and its resulting conversion into digital form for storage on a computer hard-drive—an infringing "reproduction"—will generate an infringing public display when that image is made available by "uploading" over the Internet

(on a website or bulletin board) to persons who can then view and download the image on their computer (whether or not they make their own hardcopy at the receiving end).[251]

Were the language of section 106(5) not conditioned in any way, the owner of a copyrighted work of art would infringe by displaying the work in a public exhibition space—or even by holding it up in a classroom or other public gathering. Just as Congress's concern about private ownership of material objects has counterbalanced the right of "public distribution" through the first-sale doctrine, so too has Congress decided to limit the newly created public-display right by a specific exemption for the owner of the physical object in which the copyrighted work is embodied. Section 109(c) provides:

> Notwithstanding the provisions of section 106(5), the owner of a particular copy lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to display that copy publicly, either directly or by the projection of no more than one image at a time, to viewers present at the place where the copy is located.

Thus, a face-to-face display by the owner of a copy of a copyrighted work to a public gathering will not infringe; nor will the use of a projection device to throw an image of the work onto a screen. If, however, the display is by closed-circuit television with the work in one location and the viewers in another, or if the display is by multiple television screens or computer monitors to facilitate closer audience viewing, the exemption in section 109(c) will not obtain, and the unauthorized display will constitute an infringement. This fine line reflects Congress's desire to protect the copyright interest of the artist against the incursion of new technological developments that may threaten to displace the artist's market for individual copies (with attendant dilution of royalty rights).

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251. Playboy Enters., Inc. v. Webbworld, Inc., 991 F. Supp. 543 (N.D. Tex. 1997); Playboy Enters., Inc. v. Frena, 839 F. Supp. 1552 (M.D. Fla. 1993).

Visual Artists' Rights

In the Visual Artists Rights Act (VARA) of 1990, Congress amended the Copyright Act to give to an "author of a work of visual art" rights that are different from those given to a copyright owner. These are the rights of "attribution and integrity" and are equivalent to those "moral rights" recognized in most civil-law nations as well as in the Berne Convention.

These statutory rights are accorded by section 106A to persons who, under the definition of "work of visual art"[252] in section 101 of the Copyright Act, create singular paintings, sculptures, or photographs produced for exhibition only, or such works in a signed and numbered series of no more than 200.

The "right of attribution" entitles a visual artist to "claim authorship" of a work of visual art, and to prevent the use of his or her name as author of a work created by another or as author of his or her own work in distorted or mutilated form. The artist could, for example, secure an injunction directing a museum to identify a displayed work as her own (rather than misattributing it to another artist), or money damages for harm to her reputation that results from attributing to her a physically mangled canvas or sculpture.

The "right of integrity" entitles the visual artist "to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation." If, for example, an artist produces a three-segment painting, and a purchaser of that painting separates the three segments in an effort to maximize the proceeds of resale (or simply for display in three separate locations), the artist has a claim for copyright infringement provided she can prove that there has been prejudice to her reputation. Section 106A—as part of the right of integrity—also bars the intentional or grossly negligent "destruction of a work of recognized stature." (The latter term is not defined, although its content was delineated in earlier versions of the legislation.)

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252. The definition is narrowly drawn, and excludes *inter alia* "advertising." *See* Pollara v. Seymour, 344 F.3d 265 (2d Cir. 2003).

The 1990 amendments also added a new section 113(d) to deal with the removal of works of visual art that are incorporated into buildings, such as murals or fixed statuary.

The Visual Artists Rights Act excludes from infringement the modification or distortion of a work that results from the "passage of time or the inherent nature of the materials" or that results from conservation efforts (unless grossly negligent) or from the lighting or placement of the work in a public exhibition. Perhaps most important, the statute expressly excludes from its ban alleged distortions or mutilations that take the form of "any reproduction, depiction, portrayal, or other use of a work" in books, magazines, newspapers, posters, advertising material, motion pictures and other forms set forth in sections 101 and 106A(c)(3). In other words, it is the physical integrity of the singular work of art that is protected, and not its use in discolored or badly cropped reproductions. (Such reproductions might, however, be barred by the copyright owner as unauthorized derivative works prepared in violation of section 106(2).)

Because a "work of visual art" is a category that fits within the larger category of "pictorial, graphic and sculptural work," a case could arise in which an artist's right of integrity conflicts with the rights of a copyright owner to create a derivative work under section 106(2). Thus, if in the hypothetical set forth above, the artist of a three-segment painting were to transfer both the physical property and the copyright in that painting to another, the copyright owner's claim to separate the segments—and thus to create "derivative works"—could presumably be defeated by the artist's claim under section 106A that such action constitutes an infringing distortion, mutilation, or modification. The 1990 amendments do not expressly deal with this possible clash of equivalent statutory rights.

Under section 106A(d)(2), the protections of VARA are not afforded to works created (i.e., fixed in a tangible medium) before the effective date of that Act, June 1, 1991, unless the title to such work was not as of that date transferred from the artist.[253]

253. *See* Pavia v. 1120 Ave. of the Americas Assocs., 901 F. Supp. 620 (S.D.N.Y. 1995) (work was created, title was transferred, and work was dismantled without authorization,

Secondary Liability: Contributory and Vicarious Infringement

A copyright owner may bring infringement actions not only against the person actually engaging in the unauthorized exercise of one of the exclusive rights in section 106, but also against "contributory" and "vicarious" infringers. The Copyright Act makes no specific provision for thus extending the range of liability, but these doctrines have been a part of our copyright jurisprudence for many decades.[254] Courts have come only fairly recently to articulate the differences between the two theories of secondary liability—and both theories are being increasingly invoked by plaintiffs in infringement cases, particularly when it would be costly and complicated to proceed against a host of direct infringers, as is the situation with Internet copying.

The Supreme Court endorsed and applied the law of contributory copyright liability in *Sony Corp. of America v. Universal City Studios, Inc.*[255] The plaintiff film studio contended that the manufacturer–distributor of a popular brand of videotape recorder was responsible for contributory infringement, based on the direct infringement allegedly committed by the home-taper. The Court, in effect, concluded that even though contributory liability is not mentioned in the Copyright Act (unlike the specific provision therefor in the patent statute[256]), it is encompassed within section 106, which gives the copyright owner the exclusive right not only to make copies but "to authorize" others to make copies. Moreover, contributory liability is akin to such liability in tort cases more generally, which treat a person who knowingly participates in or furthers a tortious act as jointly and severally liable with the primary tortfeasor. The Court essentially endorsed the definition contained in an earlier and still frequently cited decision of the Court of Appeals for the Second Circuit: "[O]ne who, with knowledge of the

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all before June 1991; its continued display in that condition after June 1991 was held not to violate VARA).

254. *See*, *e.g.*, Polygram Int'l Publ'g, Inc. v. Nevada/TIG, Inc., 855 F. Supp. 1314 (D. Mass. 1994); Demetriades v. Kaufmann, 690 F. Supp. 289 (S.D.N.Y. 1988).

255. 464 U.S. 417 (1984).

256. *See* 35 U.S.C. §§ 271(b), (c).

infringing activity, induces, causes, or materially contributes to the infringing conduct of another, may be held liable as a 'contributory' infringer."[257]

The Supreme Court in *Sony* cautioned, however, that the manufacturers and sellers of videotape machines could not be liable merely because they had constructive knowledge that their purchasers *might* use the equipment to make infringing copies. Borrowing from the so-called "staple article" exception in patent law,[258] the Court held that selling the videotape recorders would not constitute contributory infringement "if the product is widely used for legitimate, unobjectionable purposes. Indeed it need merely be capable of substantial noninfringing uses."[259] Because many copyright owners of television programs do not object to home videotaping, and because even unauthorized home videotaping, for time-shifting purposes, is a fair use, the Court concluded that "the Betamax is, therefore, capable of substantial noninfringing uses. Sony's sale of such equipment to the general public does not constitute contributory infringement of respondents' copyrights."[260]

Vicarious liability, on the other hand, can be imposed on persons who do not "induce, cause or materially contribute to" direct infringement or indeed who do not even know that another is involved in infringing activity. Again, as in the law of torts generally, vicarious copyright liability can be imposed on the basis of principles akin to those underpinning so-called "enterprise liability," as exemplified in the doctrine of *respondeat superior*. In a seminal case on the issue, *Shapiro, Bernstein & Co. v. H.L. Green Co.*, the Court of Appeals for the Second Circuit held:

> When the right and ability to supervise coalesce with an obvious and direct financial interest in the exploitation of copyrighted materials—even in the absence of actual knowledge that the copyright monopoly is being

257. Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc., 443 F.2d 1159, 1162 (2d Cir. 1971).

258. 35 U.S.C. § 271(c).

259. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 442 (1984).

260. *Id.* at 456.

> impaired—the purposes of copyright law may be best effectuated by the imposition of liability upon the beneficiary of that exploitation.[261]

In that case, the court imposed liability for the sales of unlawfully made phonograph records upon the proprietor of a department store, as well as upon the record concessionaire actually doing the selling within the store; the store owner had the right to supervise the concessionaire and to share in its gross receipts from the sale of records.[262]

These two theories of secondary liability were brought to bear in an influential decision of the Court of Appeals for the Ninth Circuit, *Fonovisa, Inc. v. Cherry Auction, Inc.*[263] The plaintiff held copyrights in Hispanic music recordings, and claimed infringement on the part of the operators of a flea market (or "swap meet") where third-party vendors routinely sold counterfeit recordings. The vendors rented space for their booths, and Cherry Auction advertised, supplied parking and refreshments (from which it derived income, to add to its admissions fees), and retained the right to exclude any vendor for any reason. The trial court had dismissed the complaint, but the court of appeals viewed the allegations as sufficient to sustain secondary-infringement claims. After a thorough review of the precedents, the court of appeals held that Cherry Auction would be vicariously liable for the vendors' directly infringing record sales, because through its right to terminate vendors it had the ability to control their activities, and because it reaped "substantial financial benefits from admission fees, concession stand sales and parking fees, all of which flow directly from customers who want to buy the counterfeit recordings at bargain basement prices."[264] The court also found sufficient allegations of contributory

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261. Shapiro, Bernstein & Co. v. H.L. Green Co., 316 F.2d 304, 307 (2d Cir. 1963).

262. In an effort to apply or extend the principle of vicarious liability (often with a view toward finding more solvent defendants), plaintiffs have named as defendants such entities as radio stations on which allegedly pirated merchandise is advertised, as well as sponsors of allegedly infringing broadcasts. *See* Screen Gems-Columbia Music, Inc. v. Mark-Fi Records, Inc., 256 F. Supp. 399 (S.D.N.Y. 1966) (advertising agency); Davis v. E.I. DuPont de Nemours & Co., 240 F. Supp. 612 (S.D.N.Y. 1965) (sponsor of television show and its advertising agency).

263. 76 F.3d 259 (9th Cir. 1996). *See also* Arista Records, Inc. v. Flea World, Inc., 2006 WL 842883 (D.N.J. 2006).

264. *Id.* at 263.

infringement because Cherry Auction allegedly knew of the directly infringing sales and because it provided the "site and facilities" (i.e., space, utilities, parking, advertising, plumbing and customers) for those infringements.

It was only a matter of time before these principles and precedents were applied so as to determine whether there was secondary infringement on the part of website operators—such as Napster, StreamCast, and Grokster—that have provided file-sharing software that can be used to facilitate the unauthorized exchange of music recordings on the Internet. The first important decision was that of the Court of Appeals for the Ninth Circuit in *A & M Records, Inc. v. Napster, Inc.*[265] There the court concluded that individual Napster users were infringing (by duplicating and distributing copyright-protected music and recordings) and were not engaging in fair use, and that Napster, Inc. was secondarily liable. There was contributory infringement: "Napster has actual knowledge that specific infringing material is available using its system, that it could block access to the system by suppliers of the infringing material, and that it failed to remove the material,"[266] and Napster provided the "site and facilities" to assist finding and downloading the recordings. As for vicarious infringement, Napster had the ability to locate infringing material on its search indices and the right to terminate users' access to the system; it also derived ever-increasing advertising revenues as more users were drawn to its website through the appeal of the infringing music.[267]

The same court, the Ninth Circuit, reached a different conclusion—neither contributory nor vicarious infringement—in a later case involving the Grokster software, which created a more decentralized file-sharing network than in Napster, allowing the defendants to "step aside," as it were, and to let the music-file swappers do so directly, without going through a centralized server and indexer. When the case

265. 239 F.3d 1004 (9th Cir. 2001).

266. *Id.* at 1022.

267. In a later case in which the defendant's file-sharing technology was somewhat different, the Seventh Circuit reached essentially the same conclusion concerning contributory liability as did the *Napster* court, and reserved judgment on the question of vicarious liability. *In re* Aimster Copyright Litig., 334 F.3d 643 (7th Cir. 2003).

reached the Supreme Court, the respondent companies invoked the *Sony* decision and sought to prove that their software was capable of substantial noninfringing uses, for example, the swapping of uncopyrighted material.

In *Metro-Goldwyn-Mayer Studios Inc. v. Grokster Ltd.*,[268] however, the Supreme Court reversed, while declining to determine how the *Sony* "substantial noninfringing use" test would apply in the case before it.[269] Rather, the Court—buttressed by the Patent Act provision imposing liability upon "[w]hoever actively induces infringement"[270]—held instead that "one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties."[271] Although one could not infer from Sony's sale of its Betamax videotape recorder, without more, that it knew of substantial infringement by users, there was no doubt of that with Grokster, whose business plan and advertising were explicitly designed to encourage unlawful private copying, particularly by those who had been forced to leave Napster as a result of the adverse judgment against it in the Ninth Circuit. The Court rejected the defendants' contention that a finding of secondary liability would significantly interfere with the development of new electronic technologies: "The inducement rule . . . premises liability on purposeful, culpable expression and conduct, and thus does nothing to compromise legitimate commerce or discourage innovation having a lawful promise."[272]

Issues of secondary copyright infringement are also raised when the defendant is one step more removed from the direct infringement than in the cases just discussed—in which the defendants consciously designed and distributed software that was used, and was largely meant

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268. 125 S. Ct. 2764 (2005).

269. Six Justices who joined in the unanimous Court opinion did, however, opine as to how the *Sony* test would apply on the record before them, with three finding contributory liability and three finding none.

270. 35 U.S.C. § 271(b).

271. *Grokster*, 125 S. Ct. at 2770.

272. *Id.* at 2780.

to be used, to make illicit copies and phonorecords. What, if any, liability is there, on the part of Internet service providers (ISPs)—such as AOL and, increasingly, telephone and cable companies—that allow home computer users to connect to the Internet and to post and exchange all manner of potentially copyright-protected materials? These ISPs provide an appealing target for copyright infringement lawsuits, when the alternative would often be cumbersome suits against individuals.

The solution to this question has been provided partly by the federal courts and partly by Congress. Perhaps the most influential court decision is *Religious Technology Center v. Netcom On-Line Communication Services, Inc.*[273] The plaintiff, a unit within the Church of Scientology, finding that a disgruntled former member, Erlich, had posted certain unpublished Church documents on an online "bulletin board," brought a copyright infringement action against the operator of the bulletin board and the ISP that provided online access to the bulletin board and to the Internet more generally. The court held that the ISP (Netcom) could be liable as a contributory infringer if, after receiving a "take-down notice" from the Church, it could reasonably have known of the copyright-protected status of the posted documents, and it allowed the messages to remain on its system and to be further distributed to servers worldwide. The court also found, with respect to vicarious liability, that Netcom had a history of policing its users' postings and suspending some (for obscenity, commercial advertising and the like); but that it derived no economic benefits from Erlich's infringement.

Although the *Netcom* case and others like it exonerated ISPs from direct liability when they acted as "mere conduits" for Internet communications, the prospect of even indirect liability for contributory infringement spurred service providers to lobby Congress for exemptions from copyright liability and remedies. In 1998 Congress passed the Digital Millennium Copyright Act (DMCA), which added section 512 to the Copyright Act.[274] That section adjusted the risks of copyright owners and service providers so as to place the burden on the former

273. 907 F. Supp. 1361 (N.D. Cal. 1995).

274. 17 U.S.C. § 512.

to identify and notify "mere conduit" service providers of infringements carried by or residing on the providers' systems. By contrast, the law makes no special provision for service providers who originate or are otherwise actively implicated in the content residing on their servers or transiting through their systems.

Section 512 of the Copyright Act does not purport to define the conduct of an ISP that would render it liable for direct, contributory or vicarious infringement; rather, it identifies several different ISP activities and specifies conditions for immunizing the ISP against monetary relief and for limiting its exposure to injunctive relief. Section 512 distinguishes, for example, the "mere conduit" from the ISP that stores on its network allegedly infringing material for more than several days (e.g., by providing server space for a user's website). The former is given immunity from monetary liability in most instances, while the latter is susceptible to "take-down notices"[275] from copyright owners and an obligation under stipulated circumstances to remove the allegedly offending material from its network. Section 512 is intricate and requires patient reading.

275. *See generally* Rossi v. Motion Picture Ass'n of Am., 391 F.3d 1000 (9th Cir. 2004); ALS Scan, Inc. v. RemarQ Cmtys., Inc., 239 F.3d 619 (4th Cir. 2001).

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Chapter 7
Fair Use and Other Exemptions from the Exclusive Rights of the Copyright Owner

All of the rights set forth in section 106 of the Copyright Act are expressly granted "subject to sections 107 through 122." The latter sections impose a variety of limits on the rights of the copyright owner, in the form of compulsory licenses, complete exemptions from liability, and other privileges such as fair use. A discussion of the jurisprudence that has developed under section 107 dealing with fair use is followed by an overview of sections 108 through 122.

Fair Use

The fair use doctrine constitutes perhaps the most significant limitation on the exclusive rights held by a copyright owner. The doctrine was developed by courts in the mid-nineteenth century to privilege what would otherwise have been a copyright infringement. Justice Story's decision in *Folsom v. Marsh*,[276] rendered in the Massachusetts federal circuit court in 1841, appears to be the first articulation of the policies underlying fair use. Justice Story opined that quoting copyrighted material in the course of preparing a biography or a critical commentary might be excusable, but not "if so much is taken, that the value of the original is sensibly diminished, or the labors of the original author are substantially to an injurious extent appropriated by another."[277] He thought it proper to consider "the nature and objects of the selections made" and "the quantity and value of the materials used."[278] Later courts also placed weight on whether unauthorized quotation of copyrighted material "would serve the public interest in the free dissemination of information" and whether the preparation of the defendant's work "requires some use of prior materials dealing with the same sub-

276. 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4,901).
277. *Id.* at 348.
278. *Id.*

ject matter."[279] Although some courts and scholars anchored "fair use" in the plaintiff's implied consent to quotation, as when excerpts are used in literary criticism or comment, this consent proved to be fictive more often than not.

The more soundly based rationale for the fair use doctrine is the very purpose articulated in the constitutional copyright clause: "to promote the progress of science."[280] The fair use doctrine comes into play when a too literal enforcement of the copyright owner's rights would operate to the detriment of the public interest in access to and dissemination of knowledge and culture, and unauthorized copying can be tolerated without significant economic injury to the copyright owner.[281]

The 1976 House Report set forth a number of examples of possible fair uses, as generally understood under the 1909 Act:

> quotation of excerpts in a review or criticism for purposes of illustration or comment; quotation of short passages in a scholarly or technical work, for illustration or clarification of the author's observations; use in a parody of some of the content of the work parodied; summary of an address or article, with brief quotations, in a news report; reproduction by a library of a portion of a work to replace part of a damaged copy; reproduction by a teacher or student of a small part of a work to illustrate a lesson; reproduction of a work in legislative or judicial proceedings or reports; incidental and fortuitous reproduction, in a newsreel or broadcast, of a work located in the scene of an event being reported.[282]

Although it was easy enough to give a variety of readily accepted examples of fair use, it was not so easy to articulate any clear standards or a "litmus test." "Indeed, since the doctrine is an equitable rule of reason, no generally applicable definition is possible, and each case raising the question must be decided on its own facts."[283]

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279. Rosemont Enters. v. Random House, Inc., 366 F.2d 303 (2d Cir. 1966).
280. U.S. Const. Art. I, § 8, cl. 8.
281. *See generally* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994).
282. H.R. Rep. No. 94-1476, at 65 (1976).
283. *Id.*

Statutory uses and factors

In the 1976 Copyright Act, Congress took the bold step of incorporating the fair use doctrine into the statute, of setting forth a number of illustrative fair uses and, most important, of delineating four factors that courts are to consider (possibly along with other factors) when passing upon a fair use defense. Section 107 provides:

> Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
>
> (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.
>
> The fact that a work is unpublished shall not of itself bar a finding of fair use if such finding is made upon consideration of all the above factors.[284]

The drafters of section 107 regarded it as endorsing

> the purpose and general scope of the judicial doctrine of fair use, but there is no disposition to freeze the doctrine in the statute, especially during a period of rapid technological change. . . . [T]he courts must be free to adapt the doctrine to particular situations on a case-by-case basis. Section 107 is intended to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way.[285]

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284. This final sentence was added in 1992, to deal with the issue raised in several then-recent court of appeals decisions involving biographers' and historians' use of unpublished letters, diaries and the like.

285. H.R. Rep. No. 94-1476, at 66 (1976).

The Supreme Court has held that "fair use is a mixed question of law and fact."[286] If a district court has found facts sufficient to evaluate each of the statutory factors, the court of appeals may determine, without remand, whether the defendant has made a fair use of copyrighted material as a matter of law.

The opening paragraph of section 107 sets forth a number of illustrative uses that may fall within the fair use privilege. Curiously, the first two Supreme Court decisions that construed section 107 do not appear to comport with the statutory illustrations. In *Sony Corp. of America v. Universal City Studios, Inc.*,[287] the Court sustained a claim of fair use for home videotaping of copyrighted television programs (for more convenient viewing)—a use rather clearly falling outside the enumerated categories. In *Harper & Row Publishers, Inc. v. Nation Enterprises*,[288] involving a news magazine's quotations from the soon-to-be-published memoirs of President Ford relating to his pardon of President Nixon—a use falling rather clearly within the enumerated category of news reporting—the Court rejected the defendant's claim of fair use. In explaining the weight to be given to the listing of uses in the first sentence of section 107, the Court in *Harper & Row* stated that the enumeration "give[s] some idea of the sort of activities the courts might regard as fair use under the circumstances. . . . This listing was not intended to be exhaustive, . . . or to single out any particular use as presumptively a 'fair' use."[289] The Court made clear that whether a use is fair in particular circumstances "will depend upon the application of the determinative factors, including those mentioned in the second sentence."[290] Even though the enumerated uses in the first sentence are

286. Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 560 (1985).

287. 464 U.S. 417 (1984).

288. 471 U.S. 539 (1985).

289. *Id.* at 561 (citations omitted).

290. *Id.* (citing S. Rep. No. 94-473, at 62 (1975)). A court of appeals had concluded, shortly before, that consideration of at least the four factors in the second sentence was a mandated part of the fair use analysis, by pointing out Congress's use of the phrase "shall include" in that sentence. Pacific & S. Co. v. Duncan, 744 F.2d 1490 (11th Cir. 1984). *See also* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 581 (1994) ("[P]arody, like any other use, has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law.").

not dispositive and not even presumptive, they have nonetheless come to play an important role in application of the first of the four factors in the second sentence ("purpose and character of the use"), as later elaborated by the Supreme Court in *Campbell v. Acuff-Rose Music, Inc.*, discussed below.

Supreme Court fair use jurisprudence

The Supreme Court has decided several cases involving the application of the fair use doctrine and section 107 of the Copyright Act. Despite some initial inconsistencies, the Court's jurisprudence has crystallized and come to provide intelligible and useful guidelines for analysis.

In *Sony Corp. of America v. Universal City Studios, Inc.*,[291] decided in 1984, the Court, dividing 5 to 4, reviewed the statutory factors somewhat hurriedly and found that home videotaping of copyrighted television programs, for more convenient time-shifting purposes, constituted a fair use. The Court held that the first factor supported fair use because the home viewer taped the program for personal and noncommercial use. The Court majority in fact announced that "every commercial use of copyrighted material is presumptively an unfair [use]" and also presumptively demonstrates a likelihood of economic harm to the copyright owner (the fourth statutory factor); "but if [the copying] is for a noncommercial purpose, the likelihood must be demonstrated."[292] The Court acknowledged that, even though typically the entire program was taped (the third factor), this was not particularly damaging to the fair use contention because the program had in any event been broadcast free to the public. Finally, upon examination of the factual record, the Court concluded that there was inadequate evidence that home taping for time-shifting purposes would have any material adverse impact upon the market for the plaintiffs' programming, either in its initial exhibition or in later exhibition on television (reruns) or even potentially in motion picture theaters. The four dissenters strongly disagreed with respect to the application and conclusion of the four-factor analysis.

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291. 464 U.S. 417 (1984).

292. *Id.* at 451.

The Court divided again (6 to 3) the following year in *Harper & Row Publishers, Inc. v. Nation Enterprises*.[293] There, the defendant publisher of *The Nation* magazine secured a purloined copy of the manuscript of President Ford's memoirs, about to be published by Harper & Row and excerpted in *Time* magazine; the defendant broke its story about the Ford pardon of Richard Nixon and quoted verbatim some 300 words from the unpublished manuscript. The Court traced the development of the fair use doctrine and noted its nearly nonexistent application to unpublished works under prior copyright law. It rejected the defendant's claim that First Amendment concerns warranted contracting the scope of copyright and concluded, instead, that First Amendment interests are already protected under copyright doctrines such as fair use and the idea–expression dichotomy. The Court also rejected the contention that works of public figures are entitled to lesser copyright protection, and ruled against fair use.

The Court acknowledged that news reporting was one of the stipulated uses in section 107, but invoked the presumption from the *Sony* case against commercial uses such as *The Nation*'s so that the defendant bore the burden of proving its use to be fair (typically by showing no adverse market impact upon the plaintiff's work). As to the second statutory factor, the Court conceded that "the law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy,"[294] but it concluded that *The Nation* had copied more than merely objective facts. Moreover, "the fact that a work is unpublished is a critical element of its 'nature',"[295] a "key, though not necessarily determinative factor" against fair use.[296] Although a relatively small part of the Ford manuscript was copied, it comprised a large part of the article in *The Nation* and, most significantly, was qualitatively among the most important parts of the manuscript, containing the "most powerful passages," the "dramatic focal points" of great "expressive value." The Court characterized the fourth statutory factor—effect upon the potential market for the copyrighted work—as "undoubtedly the single

293. 471 U.S. 539 (1985).
294. *Id.* at 563.
295. *Id.* at 564.
296. *Id.* at 554.

most important element of fair use."[297] It pointed out that the "scooping" by *The Nation* caused *Time* to cancel its contract with Harper & Row to publish excerpts. Moreover, "[t]his inquiry must take account not only of harm to the original but also of harm to the market for derivative works,"[298] for the statute refers to adverse effect upon the "potential market" for the work.

Thus, after *Sony* and *Nation*, it appeared that there would be a compelling case against fair use should the record show a commercial use by the defendant, or a potentially significant adverse economic impact on the copyrighted work, or an unpublished copyrighted work. Indeed, as to the latter element, a number of court of appeals decisions[299] gave such great weight, in cases involving biographies, to the unpublished nature of letters, diaries and the like—the core source materials of historical and biographical writings—that Congress stepped in in 1992 to add a new closing sentence to section 107: "The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors."

In its most recent foray into the waters of fair use,[300] the Supreme Court used an arguably unappealing set of facts to dispel some misconceptions from the earlier cases and to establish important guidelines that have since informed the analysis of the lower courts. In *Campbell v. Acuff-Rose Music, Inc.*,[301] a rap group named 2 Live Crew—after requesting and being denied permission to record a rap parody of the well-known rock song by Roy Orbison, "Oh, Pretty

297. *Id.* at 566.

298. *Id.* at 568.

299. *E.g.*, Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir. 1987). *Compare* New Era Pubs. Int'l v. Henry Holt & Co., 873 F.2d 576 (2d Cir.), *reh'g en banc denied,* 884 F.2d 659 (2d Cir. 1989), *with* New Era Pubs. Int'l v. Carol Publ'g Group, 904 F.2d 152 (2d Cir. 1990).

300. *Stewart v. Abend*, 495 U.S. 207 (1990), involved what the Court found to be the unauthorized marketing by the copyright owners of the well-known motion picture *Rear Window*, over the objection of the owner of copyright in the short mystery story upon which the film was based. The Court rejected the fair use defense: "[A]ll four factors point to unfair use. 'This case presents a classic example of an unfair use: a commercial use of a fictional story that adversely affects the story owner's adaptation rights.'" *Id.* at 238.

301. 510 U.S. 569 (1994).

Woman"—recorded it anyway, borrowing the distinctive opening guitar pattern, mimicking the opening "Pretty Woman" phrase in each verse, and adding, to the rhythm of the original, somewhat salacious lyrics. The court of appeals ruled against fair use, relying heavily upon what clearly appeared to be the Supreme Court cases strongly disfavoring commercial uses and the copying of the "heart" of a copyrighted work.

The Supreme Court unanimously reversed. It held that parody—poking fun at an earlier copyright-protected work, as distinguished from poking fun at some extrinsic happening or individual (satire)—is a form of "criticism or comment" listed in the first sentence of section 107; but that sentence is meant to give only "general guidance" about uses commonly found to be fair. As to the four statutory factors, they must not "be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright."[302]

In examining the first factor, the Court downgraded the importance of the defendants' "commercial use," noting that essentially all fair use claims (and the uses enumerated in the first sentence) are made in the for-profit context of publishing and broadcasting. The key issue is whether the defendant has made a "transformative" use: not one that merely supersedes the objects of the earlier work by copying it, but that "adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message."[303] A court must inquire "whether a parodic character may reasonably be perceived," and no attention should be given to whether it is in good or bad taste (an issue that had been mooted in earlier decisions in the lower courts). As to the second factor, a court must determine whether the copyrighted work falls close "to the core of intended copyright protection" because it is creative (rather than essentially factual): the exemplar "Oh, Pretty Woman" was said to do so. The court of appeals

302. *Id.* at 578. The Court, through Justice Souter, gave credit to Justice Story, and *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4,901), discussed *supra* page 139, for fashioning decisional criteria that were essentially incorporated by Congress in section 107 nearly 150 years later.

303. *Id.* at 579.

had emphasized the third factor, and the taking of the qualitative "heart" of that song, but the Supreme Court—although it acknowledged that "quality and importance" of the copied material should count as well as quantity—observed that the lower court had failed to take account of the special nature of parody. "When parody takes aim at a particular original work, the parody must be able to 'conjure up' at least enough of that original to make the object of its critical wit recognizable. . . . [T]he heart is . . . what most readily conjures up the song for parody, and it is the heart at which parody takes aim. Copying does not become excessive in relation to parodic purpose merely because the portion taken was the original's heart."[304]

As for the fourth factor, and any adverse market impact that was to be "presumed" under *Sony* by virtue of the defendants' commercial use, the *Campbell* decision significantly altered the standard: A presumption of market harm is not applicable to a case involving something beyond "verbatim copying of the original in its entirety,"[305] and thus not to a "transformative" work, particularly for a parody which serves a "different market function." The Court remanded to allow the lower court to consider further evidence of market harm (flowing from rap-music substitution and not from parodic criticism), the amount of copyrighted material taken and what the defendants added to it, and other elements noted by the Court in its opinion.

With its decision in *Campbell*, the Supreme Court on the one hand diluted the helpful litigative presumptions of the earlier cases and emphasized the complementary and interactive nature of the four statutory factors, but pointed toward the "transformative" standard and potential adverse market harm as of central importance to fair use analysis. The Court also noted that in cases of parody and other critical works, in which there is infringement, and a fair use defense is found unpersuasive, an injunction need not automatically issue; the public's interest in the publication of the later work and the interest of the copyright owner may both be protected by an award of damages.

304. *Id.* at 588.
305. *Id.* at 591.

Fair use and the creation of new works

With the Supreme Court jurisprudence in mind, it is useful to divide the lower court decisions dealing with fair use into two categories: those in which the defendant has borrowed for the purpose of creating a new work, and those in which the defendant has made and disseminated what are substantially copies of an earlier work with the aid of new technologies. In the former situation, the more permissive attitude toward "transformative" works would be expected to result in more frequent findings of fair use. This has in fact been the case, although the Supreme Court's emphasis in *Campbell v. Acuff-Rose Music, Inc.*[306] upon the case-by-case determination of fair use claims, and the interwoven nature of the four statutory factors, makes confident predictions of case outcomes all but impossible.

The courts have indeed given great weight to the transformative aspects of an otherwise infringing work, under the first fair use factor, although the decisions do not form an altogether coherent pattern and there are often inconsistencies in assessing whether a work is indeed transformative (which is essentially another name for a derivative work based on the copyrighted work).

Examples are several courts of appeals cases involving alleged transformative works in the nature of parodies. The Ninth Circuit, rejecting a fair use defense, held that it was not transformative to use the well-known "Cat in the Hat" poem of Dr. Seuss as the basis for a fully rewritten poem telling the story of the O.J. Simpson criminal trial.[307] The Second Circuit also held against a fair use defense on the part of the publisher of a 132-page book containing some 643 newly written trivia questions designed to test its readers' recollection of scenes and events from the *Seinfeld* television series; among other things, the court noted that the trivia game "is not critical of the program, nor does it parody the program; if anything, [it] pays homage to *Seinfeld*."[308] The

306. 510 U.S. 569 (1994).

307. Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394 (9th Cir. 1997).

308. Castle Rock Entm't, Inc. v. Carol Publ'g Group, Inc., 150 F.3d 132, 145 (2d Cir. 1998) (quoting lower court).

court also found that the "trivia" market niche is one that the producers of *Seinfeld* might well wish to develop for themselves in the future.

On the other hand, that same court held transformative and a fair use a photograph combining the head of a middle-aged male comic actor with a nude pregnant female body meant to duplicate the Annie Leibovitz cover for *Vanity Fair* magazine showing the actress Demi Moore—even though the doctored photograph was used in an advertisement and only marginally "commented" upon the Leibovitz original.[309] And in *Suntrust Bank v. Houghton Mifflin Co.*,[310] decided in 2001, the Eleventh Circuit upheld the fair use defense of *The Wind Done Gone* (TWDG) against an infringement claim by the owners of copyright in the classic novel *Gone With the Wind* (GWTW). The former novel borrowed 18 characters from GWTW, made only transparent changes in the character names, and for much of the book recounted many of the same incidents—but altogether altered the virtues and vices of the white and the black characters, and made concomitant alterations in the story line, so that "the institutions and values romanticized in GWTW are exposed as corrupt in TWDG."[311] The court characterized TWDG as a parody in the sense of critical commentary, despite the fact that it lacked a comedic tone and did not take the form of scholarly or journalistic commentary.

In an influential decision arising in a quite different context—reverse engineering (and thus copying) a computer program embodied in a game console—the Ninth Circuit in *Sega Enterprises, Ltd. v. Accolade, Inc.*[312] upheld the defense of fair use. The defendant's purpose was to create an "intermediate copy" which served as the basis for analysis of the program and ultimately for the design of compatible video games. Reverse engineering was the only practicable way for the defendant to discover unprotectible elements (e.g., ideas and methods of operation) that were embedded in the copyrightable "object code" that operated the game console; to rule otherwise would have allowed

309. Leibovitz v. Paramount Pictures Corp., 137 F.3d 109 (2d Cir. 1992).

310. 268 F.3d 1257 (11th Cir. 2001) (preliminary injunction denied).

311. *Id.* at 1267.

312. 977 F.2d 1510 (9th Cir. 1992).

the plaintiff to preclude public access to its ideas and functional concepts, in violation of the core policies of copyright law.

Because section 107 states that in ruling upon a defense of fair use, the factors considered by the court "shall include" the four already fully discussed here, courts have regularly introduced additional considerations into their analysis. For example, courts have inquired into the "amount and substantiality of the portion used" not only "in relation to the copyrighted work as a whole," but in relation to the defendant's work as well. The Supreme Court, in *Harper & Row Publishers, Inc. v. Nation Enterprises*,[313] pointed out that the 300 words copied from President Ford's 450-page book constituted 13% of the infringing article. Courts have tended to be more lenient when the unauthorized use was "incidental," that is, when the copyright-protected work was captured as part of a larger permissible reproduction or performance, such as a song partially heard in television news footage of a festival event.[314] The Second Circuit Court of Appeals gave thorough consideration to the doctrine of "incidental use"—and the *de minimis* doctrine more generally in copyright—in a case in which a poster of a copyrighted artwork was incorporated in the set of a television program and fleetingly shown.[315] The court nonetheless ruled against fair use. Some courts have counted it against a defendant invoking fair use that he or she behaved in an ethically objectionable fashion[316]—as exemplified by the Supreme Court's reference to the "purloined manuscript" in *Nation*—although the Court just as readily held in *Campbell* that the defendants' having ignored the copyright owner's denial of a license to record was immaterial, and that whether "parody is in good taste or bad does not and should not matter to fair use."[317]

313. 471 U.S. 539 (1985).

314. Italian Book Corp. v. ABC, 458 F. Supp. 65 (S.D.N.Y. 1978). *But see* Schumann v. Albuquerque Corp., 664 F. Supp. 473 (D.N.M. 1987) (broadcast of entire copyrighted songs had "entertainment value").

315. Ringgold v. Black Entm't T.V., Inc., 126 F.3d 70 (2d Cir. 1997) (holding use "decorative" rather than "transformative").

316. NXIVM Corp. v. Ross Inst., 364 F.3d 471 (2d Cir. 2004).

317. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 582 (1994).

Fair use and new technologies of copying and dissemination

The four factors set forth in section 107 have been applied not only in cases in which the defendant creates a new derivative work but also when it seeks to employ new technologies that permit the efficient duplication and dissemination of the copyrighted work. The fair use defense is then embedded within an assertion that the rights of the copyright owner should be counterbalanced by the public interest in increasingly inexpensive access and resulting intellectual enrichment that the new technologies can afford. Key cases have involved videotaping of copyrighted television programs, photocopying of literary materials useful in education, and Internet reproduction and transmission of all manner of copyrightable works (particularly musical sound recordings).

In *Sony Corp. of America v. Universal City Studios, Inc.*,[318] decided by the Supreme Court in 1984, the central issue was whether Sony, the manufacturer of the first commercially successful videotape recorder (VTR), was secondarily liable for alleged infringements on the part of home viewers who taped copyrighted programs and films shown on television for later viewing at more convenient times ("time-shifting"). The Court held—over a forceful dissenting opinion for four Justices—that such home videotaping for private and noncommercial use was a fair use, and that Sony could not be held liable; Sony's VTRs were capable of being put to "substantial noninfringing uses." The Court held that noncommercial uses are presumptively fair and presumptively do not adversely affect the market of the copyright owner; and the record showed in any event that there was no such market impact of taping for the purpose of time-shifting. That entire copyrighted programs and films were copied, with no "productive" use (or in today's terminology, "transformative" use) made by the home viewer, "may be helpful in calibrating the balance, but it cannot be wholly determinative."[319]

Several influential decisions of lower courts explored the application of the fair use doctrine to photocopying technologies. Two proto-

318. 464 U.S. 417 (1984).

319. *Id.* at 455 n.40.

type situations were the making and sale by commercial copy-shops of multiple copies of so-called coursepacks compiled by college professors (using copyright-protected material without consent); and the making of single copies of journal articles for individuals employed to do research for commercial entities. Although these activities would appear commonly to advance the public interest, and are mentioned in the first sentence of section 107, indeed quite explicitly (i.e., "teaching (including multiple copies for classroom use), scholarship, or research"), the trend of the few cases is to find these activities not to fall within the fair use privilege. Not surprisingly, there are concurring and dissenting opinions to be reckoned with.

In *Basic Books, Inc. v. Kinko's Graphics Corp.*,[320] the photoreproduction by the Kinko's company of teaching materials, using substantial portions of copyrighted books—without securing permission from or paying license fees to the copyright owners—was held by the district court in the Southern District of New York not to be a fair use. The court placed particular weight on the profit-making motive of the defendant. Several years later, in *Princeton University Press v. Michigan Document Services, Inc.*,[321] a sharply divided Sixth Circuit sitting en banc reached the same outcome as the *Kinko's* court on similar facts. The majority held, among other things, that the reference in section 107 to "multiple copies for classroom use" was not meant to provide a blanket exemption for such activity (any more than for any of the other activities mentioned there, such as criticism and news reporting); that the for-profit status of the defendant (a negative under the first fair use factor) is not altered by the nonprofit status of the ultimate academic users (teachers and students); that the un-"transformed" verbatim duplication of whole chapters and other large portions of the plaintiff–publishers' books weighed heavily against fair use; and that the photocopying adversely affected not only the publishers' book sales but also the photocopying royalties that they would otherwise be paid by a by-then thriving licensing and collecting agency (the Copyright Clearance Center). (Three separate dissenting opinions emphasized the weight properly to be accorded to educational uses in

320. 758 F. Supp. 1522 (S.D.N.Y. 1991).

321. 99 F.3d 1381 (6th Cir. 1996) (en banc).

the fair use framework in particular and, more generally, in promoting the objectives of copyright.)

The principal decision considering, and rejecting, the fair use defense in connection with single photocopies of short journal articles made to assist researchers is that of the Court of Appeals for the Second Circuit in *American Geophysical Union v. Texaco, Inc.*[322] Researchers engaged in developing new chemical products for the Texaco company received copies of scientific-journal tables of contents and indicated which articles they wished to read or to retain in their files for future use, so that the articles could be photocopied for them; in most cases, Texaco paid for two or three subscriptions to each journal in order to make the articles more accessible to its research staff. The court (2 to 1) concluded, *inter alia*, that the use of the photocopies was "archival" and a substitute for purchasing additional subscriptions (or paying photocopying license fees); that it was hardly "transformative"; that the measure for applying the "amount and substantiality" factor in section 107 was the individual journal article and not the entire journal issue (or volume); and that potential lost license fees were to be taken into account because courts should consider "traditional, reasonable, or likely to be developed markets when examining and assessing a secondary use's 'effect upon the potential market for or value of the copyrighted work.'"[323]

Of course, perhaps the most powerful new technology of reproduction of copyrighted works is the computer and in particular the Internet. Not surprisingly, fair use defenses have been asserted in this setting. As already noted, the Court of Appeals for the Ninth Circuit held it to be a fair use to "decompile" a computer program in a video game console—thus converting an object-code version into a human-readable source-code version—in order to unearth unprotectible ideas and methods of operation. The defendant's purpose was to author video games that would be compatible with, and playable on, the plaintiff's game console.[324] The same court of appeals also ruled upon the fair use defense asserted by the compiler of a pictorial (as distin-

322. 60 F.3d 913 (2d Cir. 1994).

323. *Id.* at 930.

324. Sega Enters., Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992).

guished from textual) database, who included without consent the copyright-protected photographs displayed on a photographer's website.[325] The court held that small "thumbnail" versions of the photographs could not be enlarged by a computer user with sufficient clarity to result in competitive injury to the photographer;[326] moreover (although the analysis is debatable), the court held the thumbnail versions to be "transformative" because they were meant to be used not for aesthetic purposes but rather to be a part of an exhaustive pictorial database. The database-compiler's display on its website of full-size photographic images, however, was determined not to be transformative[327] and to threaten economic injury to the plaintiff photographer.[328]

Confronted with the question whether so-called peer-to-peer file-sharing of copyrighted music recordings is a fair use, however, the Ninth Circuit held that it is not. In *A & M Records, Inc. v. Napster, Inc.*,[329] the Napster website made available free software that could be utilized for the purpose of searching for and copying recordings located on other computer hard-drives, and for the purpose of making accessible to others recordings stored on one's own computer. The contributory liability of Napster depended upon whether the file-sharing computer users were infringing or were engaged in fair uses. Unlike the videotaping of copyrighted television programs for temporary "time-shifting" purposes, found by the Supreme Court to be a fair use,[330] the Ninth Circuit held the Internet-facilitated sharing of music files not to be thus privileged. As for the first factor in section 107, the court found the reproduction and distribution of copyrighted music recordings not to be in any way "transformative"; moreover, the computer user was engaged in a "commercial" use ("[C]ommercial use is demonstrated by a showing that repeated and exploitative unauthor-

325. Kelly v. Arriba Soft Corp., 280 F.3d 934 (9th Cir. 2002). *But compare* Perfect 10 v. Google, Inc., 416 F. Supp. 2d 828 (C.D. Cal 2006) (Google's display of thumbnail photos is not a fair use, in light of its profit motive and the adverse impact on potential royalties from cellphone use).

326. *Id.* at 944.

327. *Id.* at 947.

328. *Id.* at 948.

329. 239 F.3d 1004 (9th Cir. 2001).

330. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984).

ized copies of copyrighted works were made to save the expense of purchasing authorized copies.").[331] The musical compositions and sound recordings were "creative," and file transfer "necessarily 'involves copying the entirety of the copyrighted work.'"[332] Under the fourth factor, the court concluded that Napster causes economic harm to the copyright owners by reducing the sale of music compact disks and by creating obstacles to their attempts to enter the market for the legal digital downloading of music for a fee.

This conclusion was confirmed in a lawsuit directly against a home-computer user who downloaded more than 1,300 recorded songs, claiming that this was a fair use because it merely allowed her to "sample" songs with a view toward possible purchase. The Court of Appeals for the Seventh Circuit concluded that the fourth statutory factor cut heavily against the defendant, in view of the lost revenues for the copyright owner resulting from displaced broadcasting royalties and fees for lawful Internet sampling and downloading.[333]

It has also been held not to be a fair use for a website operator ("My MP3.com") to reproduce on its computer servers tens of thousands of compact disks of popular music. These disks could be played over the computer, at or away from home, by subscribers who accessed the website and "proved" there that he or she already owned the CD or would purchase it from a cooperating online retailer; the avowed objective was to allow "place-shifting" of one's own recordings to a variety of locations in a convenient listening format. The court found a commercial use (through the selling of advertising for the MP3.com website), a nontransformative use, copying of creative recordings in their entirety, and injury to the market for such computer-based access to music that was "likely to be developed" by plaintiff recording companies.[334]

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331. *Napster*, 239 F.3d at 1015.

332. *Id.* at 1016 (quoting the district court in *Napster*, 114 F. Supp. 2d 896, 912 (N.D. Cal. 2000)).

333. BMG Music v. Gonzalez, 430 F.3d 888 (7th Cir. 2005). The court noted that the Supreme Court had assumed in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 125 S. Ct. 2764 (2005), that the file-sharers there were directly infringing the copyright in the music and sound recordings. *BMG Music*, 430 F.3d at 889.

334. UMG Recordings, Inc. v. MP3.Com, Inc., 92 F. Supp. 2d 349 (S.D.N.Y. 2000).

The fair use defense was considered and also rejected, outside the context of music dissemination by the Internet, in a case in which the text of copyright-protected newspaper articles was duplicated in full as a springboard for public commentary on a "bulletin board" website. Despite the nonprofit and "public-benefit" nature of the copying, and the "predominantly factual" nature of the newspaper articles copied, the court found that the Internet copying was not transformative, that it was full-text, and that it diverted potentially paying users from the newspaper's website and other licensed providers.[335]

Exemptions and Compulsory Licenses

Library copying

Section 108 gives to certain libraries the right, despite section 106(1), to make single copies and phonorecords of copyrighted works, subject to certain conditions. Most significantly, the library must be open to the public or to specialized researchers, and the copying must not be for commercial advantage. The reproduction must serve one of these purposes: preservation and security of an unpublished work; replacement of a copy or record that is damaged, deteriorating, lost or stolen (when an unused replacement is unavailable on the market); furnishing a single periodical article or a "small part" of a larger work to a person using it for private study, scholarship or research; furnishing to a person for such private use a copy or record of an "entire work, or . . . a substantial part of it" if the work is not available at a fair price.

The library's privileges under section 108 are lost if it "is aware or has substantial reason to believe that it is engaging in the related or concerted reproduction or distribution of multiple copies or phonorecords of the same material" or if it "engages in the systematic reproduction or distribution of single or multiple copies or phonorecords" of articles or "small parts" of works for private use. Thus, if a faculty member, instead of making 150 photocopies of a copyrighted article for her entire class, instructs the students to approach the library separately with requests for individual copies, the library will no doubt be

335. Los Angeles Times v. Free Republic, 54 U.S.P.Q.2d 1453 (C.D. Cal. 2000).

found to have "substantial reason to believe" that it is engaging in the "related or concerted reproduction" of multiple copies of the same copyrighted material. There are other limitations on the library privilege as well, as set out in detail in section 108.

A library can insulate itself altogether against liability for copying done independently on the premises by library users. It need only provide a photocopy machine for unsupervised use by library patrons and place a notice on the machine that the making of copies is subject to the copyright law.

Section 108 has provided guidance to the library community. In effect, it provides a list of "fair uses" that libraries may make of copyrighted materials to preserve their collections and serve their patrons. Section 108 was updated in 1998 to make a number of the copying privileges set forth above available "in digital format" as well as in traditional facsimile form. There appear to be no reported decisions construing section 108.

First-sale doctrine and direct displays

Despite the exclusive right of the copyright owner to sell or otherwise dispose of copies and phonorecords, the first-sale doctrine (discussed in Chapter 6), set forth in section 109(a), gives an immunity to subsequent owners who transfer title (or lend) to others. And despite the exclusive right of public display, the owner of a copy is free by virtue of section 109(c) to display it "to viewers present at the place where the copy is located." Section 109(b) in turn limits the first-sale doctrine by barring the commercial renting of musical recordings and computer software. Congress's concern was with speedy, inexpensive, and fully accurate duplication by the overnight borrower.

Educational, nonprofit and other performances and displays

Section 110 exempts a variety of public performances and displays, typically in the context of educational and other nonprofit uses.

Section 110(1) exempts face-to-face classroom performances of copyrighted works for teaching purposes in a nonprofit educational institution.

Section 110(2) as originally enacted in 1976 exempted performances of nondramatic musical and literary works through transmissions on what was then known as instructional television, i.e., basically a nonprofit school transmitting to classrooms or to students whose disabilities prevented them from getting to a classroom. With the advent of the Internet, however, and a fuller appreciation of its extraordinary (and interactive) capabilities for reaching students, even in their homes, with a mix of text, sound, graphics and film, the original text of section 110(2) became unduly confining. In 2002 Congress amended the Copyright Act by enacting the so-called TEACH (Technology, Education and Copyright Harmonization) Act, which enlarges the statutory exemption for uses of copyrighted works in what is now known as "digital distance education"—while attempting to protect the copyright owner against the hazards of unauthorized digital retransmissions. Section 110(2) still shelters transmissions by governmental bodies and accredited nonprofit educational institutions, but it now exempts not only the performance of a nondramatic literary or musical work but also "reasonable and limited portions of any other work" (i.e., dramatic works, motion pictures, television programs) or "display of a work in an amount comparable to that which is typically displayed in the course of a live classroom session." Exempted transmissions by an educational institution must be at the direction of an instructor, an integral part of instructional activities and "directly related and of material assistance" thereto, and they must be limited to students officially enrolled in the pertinent course. Moreover, the transmitting institution must, *inter alia*, apply "technological measures" that prevent students from retaining the copyrighted works "for longer than the class session" and that also prevent "unauthorized further dissemination" by the students to others (known as downstream transmissions).

Section 110(3) exempts certain uses of copyrighted works in the course of religious services.

Section 110(4), a particularly significant provision, largely continues the approach of the 1909 Act toward nonprofit performances of music, and adds other nondramatic works (speeches, lectures, poetry). The subsection is elaborate, but its basic thrust is to exempt live performances of such works when there is no commercial purpose, when

the performers are not being paid, and when there is no admission charge—or when any admission proceeds "are used exclusively for educational, religious, or charitable purposes and not for private financial gain, except where the copyright owner has served notice of objection to the performance" under certain circumstances stipulated in the subsection. It is this exemption that shelters performances of music and readings of literature in school assembly programs, in amateur performances in public parks, and at school literary and athletic events. The exemption does not apply to performances on college radio stations, for these are "transmissions" that are expressly excluded from the section 110(4) exemption. Nor does this particular exemption apply to nonprofit performances of copyrighted *dramatic* literary or musical works (i.e., plays, operas, musicals).

Section 110(5) is designed to shelter the playing of radios and televisions in order to create a pleasant atmosphere in restaurants, retail establishments, doctors' offices and the like. Subsection 110(5)(A) has been a part of the statute since its enactment in 1976. It was designed by Congress to endorse the Supreme Court's decision in *Twentieth Century Music Corp. v. Aiken*,[336] holding that the undefined word "performance" in the 1909 Act did not reach the use of simple loudspeakers to amplify radio sounds in a small fast-food restaurant. Subsection 110(5)(A) shelters the "communication of a transmission" from a radio or television set "of a kind commonly used in private homes." Absent this exemption, the broad definition given in section 101 to the right of "public performance" would make it an infringement for a doctor, barber, or bartender to have copyrighted music or dramatic programming emanating from a radio or television set placed in a waiting room, shop, or tavern. With the exemption, simply turning on the set does not infringe. In a situation in which most of some 2,500 retail clothing and shoe stores (all owned by the same parent company) operated a radio receiver with two attached shelf speakers to play music broadcasts, the exemption for a "single" receiving apparatus within each store was deemed to apply.[337] The exemption is lost, however, if sound-amplification equipment not commonly found in a home is

336. 422 U.S. 151 (1975).

337. Edison Bros. Stores, Inc. v. Broadcast Music, Inc., 954 F.2d 1419 (8th Cir. 1992).

utilized, or if a direct charge is made to see or hear the transmission, or if the transmission "is further transmitted to the public."[338] The exemption applies only to works already being transmitted through a broadcast; it does not embrace, for example, the doctor's playing of music in her waiting room from a compact-disk player.

Section 110(5)(B) was added to the statute in 1998 as the Fairness in Music Licensing Act, with a stormy history before and since. As something of a *quid pro quo* for the 20-year extension of the copyright term, which was designed largely to assist the music industry, restaurant and retail-store owners prevailed upon Congress to enlarge the so-called "home-style equipment" exemption just described—and to exempt the "communication by an establishment of a transmission" from radio or television of nondramatic music in a larger area. The music may lawfully be played throughout an eating and drinking establishment of less than 3,750 square feet, and other retail establishments of less than 2,000 square feet—and also throughout even larger establishments based on certain limits as to the number of loudspeakers (even commercial rather than home-style equipment) and television sets. This obviously represents a significant incursion upon the exclusive public-performance rights of music copyright owners, and was in fact challenged by foreign songwriters and music publishers as a violation of U.S. treaty obligations. A dispute resolution panel of the World Trade Organization held section 110(5)(B) to be inconsistent with the Berne Convention, but the United States has yet to make revisions needed to avoid trade sanctions.

Subsections 110(6) through 110(10) exempt certain public performances at state fairs, at stores promoting the sale of records of the copyrighted work or of the radio or television sets communicating the works, in transmissions for the blind or other handicapped persons, and at social functions organized by nonprofit veterans or fraternal organizations. Section 110(11), added to the Copyright Act in 2005, exempts the "making imperceptible," within a private household, of "limited portions" (i.e., sex, profanity, or violence) of a motion picture being viewed there, provided no fixed copy of the altered film is made.

338. Sailor Music v. Gap Stores, 668 F.2d 84 (2d Cir. 1982); Broadcast Music, Inc. v. United States Shoe Corp., 678 F.2d 816 (9th Cir. 1982).

Cable television and other retransmissions

Section 111 creates a compulsory license for cable television retransmissions of copyrighted programs that are shown on broadcast television. (Otherwise, such retransmission would be an infringing "public performance" of the program.) The section is extremely elaborate and complex, and does not lend itself to easy summarization.

Section 111 grants a *complete* exemption from liability for cable systems that bring broadcast programming to subscribers who are near the broadcast source (i.e., within the "must carry" area as set out by the Federal Communications Commission) or that are at a sufficiently great distance that the broadcast programming can be received only by cable. If, however, the cable system carries broadcast signals into distant but already served television markets, the compulsory license applies. The cable operator may do so, but it must pay a royalty for the privilege of this compulsory license. The royalty is based principally on the system's receipts and the amount of distantly-originated non-network programming that the cable system retransmits to its subscribers. (The statute in effect assumes that the copyright owner has already been fully compensated by the television network for the broadcasts that are viewed wherever the network is accessible, whether through the originating broadcast or through cable retransmissions.) The statute as enacted in 1976 set forth certain royalty rates, which have since been increased by the Copyright Royalty Tribunal (CRT) and, since the CRT's abolition, these rates are now subject to modification by the Copyright Royalty Judges. The cable system must forward regular statements of account and royalty fees to the Copyright Office, to be later distributed so as to provide fair recompense to owners of copyrighted material retransmitted over cable systems. A cable system that fails to comply with the requirements of the compulsory license provisions of section 111 will be fully liable for copyright infringement.

Section 111 also exempts from liability the relaying, by a hotel or apartment house, of sounds emanating from a radio or television broadcast into the private lodgings of guests or residents, without any direct charge therefor.

Sections 119 and 122 give satellite transmitters of television broadcasts to private "dish" owners a compulsory license similar to that pro-

vided for cable systems under section 111. The compulsory-royalty payments collected from ordinary cable systems and satellite systems have generated for owners of copyrighted television programs between $180 million and $210 million for *each* of the years since 1988.

Musical compulsory licenses: recordings and jukeboxes

Section 115, as already discussed,[339] sets forth the compulsory license for the manufacture and distribution of phonorecords of nondramatic musical works (as distinguished from the sound recordings, the recorded performances of those musical works). Once the music copyright owner allows the distribution in the United States of one recorded version, then any other performers and recording companies may make and distribute their own ("cover") recordings, upon the payment of royalties and compliance with other statutory obligations. Beginning in 1978 with 2.75 cents per recording of a copyright-protected work, the compulsory royalty that must be paid by the record manufacturer gradually increased by administrative action to 8.5 cents per record (or 1.65 cents per minute of playing time, whichever was larger) during the period 2004–2005, and became 9.1 cents (or 1.75 cents per minute) on January 1, 2006.[340] These rates pertain to each recording of each copyrighted musical composition, rather than, say, per-recording of the total 10 or 15 tracks on the typical compact disk. The compulsory-license format and rates apply not only to disks and tapes sold to record purchasers in retail establishments but also to the so-called "digital phonorecord deliveries"[341] that can be transmitted through the Internet. Whichever the distribution medium, the recording company invoking the compulsory license is required by the statute to make regular periodic accountings and royalty payments; in the typical situation, these licenses and payments are monitored by the Harry Fox Agency in New York City.

As originally enacted, section 116 of the Copyright Act of 1976 provided another compulsory license relating to nondramatic musical

339. *See supra* Chapter 6.

340. *See* 37 C.F.R. § 255.3.

341. The phrase is defined in section 115(d).

works (but not for sound recordings)—this one for public performances through jukeboxes or, in the language of the statute, "coin-operated phonorecord players." From 1909 through 1977, jukebox operators had been the beneficiaries of what was known as the "jukebox exemption." Jukebox performances, heard at penny arcades in 1909, had become a billion-dollar industry in the 1970s, and Congress took a much-contested step in the 1976 Act by stripping the industry of its total exemption, and affording jukebox operators a compulsory license upon payment to the Copyright Office of an annual fee of $8 per jukebox to cover all of the music recordings placed in the box during the year. The now-defunct Copyright Royalty Tribunal (CRT) gradually increased the per-box annual royalty to $63 effective in 1986. The CRT distributed the royalties to the performing rights societies—ASCAP, BMI and SESAC—which in turn redistributed them to their respective songwriter and music-publisher members.

Because of doubts that the jukebox compulsory license conformed with U.S. obligations under the Berne Convention concerning public-performance rights of music copyright owners, section 116 was modified by Congress effective March 1, 1989. Congress now expresses a preference for freely negotiated licenses for jukebox plays; owners of nondramatic music copyrights and owners of coin-operated phonorecord players "may negotiate and agree upon the terms and rates of royalty payments for the performance of such works and the proportionate division of fees paid among copyright owners" (in effect insulating such coordinated treatment from antitrust liability). Only if such negotiations are unsuccessful is there to be resort to the compulsory-license royalty structure, with rates and distributions determined by the Copyright Royalty Judges appointed by the Librarian of Congress. Since 1990, voluntary agreements have in fact been negotiated between ASCAP, BMI, and SESAC on one side and the Amusement and Music Operators Association on the other, so that the jukebox compulsory license has essentially been a dormant "back-up" arrangement since that time.

Sound-recording performance and digital-transmission rights

Section 114[342] reiterates the exclusive right of the copyright owner to reproduce (by direct dubbing) the sounds of a sound recording, but expressly provides that an independently fixed imitation of those sounds will not constitute an infringement. Nor will it infringe to give a public performance of the sound recording by playing it in a face-to-face setting (such as by a DJ in a disco) or through an analog transmission (such as in a radio broadcast).

Since 1995, however, it has been an exclusive right of the sound-recording copyright owner, under section 106(6), "to perform the copyrighted work publicly by means of a digital audio transmission" such as to a subscriber to a digital-audio radio service or, most significantly, to an Internet user. (Such public performances of the musical works that are covered by separate copyrights are regulated by other statutory provisions.) Despite the broad language of this grant to the sound-recording copyright owner, elaborate provisions in subsections 114(d) through 114(j) provide for certain limitations upon this "digital audio transmission" right. For example, there is a complete exemption for nonsubscription digital transmissions (free digital radio broadcasts, not yet commonplace); and a compulsory license—with royalty rates to be set, absent successful private negotiation, by the Copyright Royalty Judges—is afforded for most subscription transmissions and for most Internet transmissions (most commonly through the "streaming" or "webcasting" of copyrighted sound recordings). In the compulsory-license situations, the license will be lost if the transmissions are of a nature that pose a significant risk of digital copying, by the subscriber or Internet user, that would substitute for direct purchases of the recordings (such as when the transmitting entity makes available an advance listing of its record plays or when it plays within a three-hour period several selections from the same sound recording or featured artist).

342. *See supra* Chapter 6.

Other exempted uses

Section 112 gives persons entitled to make certain public performances or displays, pursuant to contract or statutory provisions, the additional right to make an "ephemeral recording" of the copyrighted work simply for the purpose of facilitating the performance or display, provided the recordings are promptly thereafter destroyed.

Section 113, as already discussed,[343] allows certain uses of pictorial, graphic, and sculptural works, particularly as they relate to useful articles.

Section 117(a) exempts certain reproductions of computer programs that would otherwise violate subsections 106(1) or 106(2). The "owner" of a copy of a computer program (e.g., one who purchases the program for use in one's home or business) may make a copy or adaptation of the program for "archival purposes" (as a safeguard against damage or destruction) or when such reproduction or adaptation is "an essential step in the utilization of the computer program in conjunction with a machine." The latter exemption—which most typically allows the program-copy owner and computer operator to load the program (e.g., as encoded on a disk) into the computer in order to use it for its intended purpose—is needed because loading from a medium of storage into computer memory is technically the making of a "copy" of the copyrighted program.[344] For much the same reason, Congress found it to be an unobjectionable use of a computer program—and so created an express exemption in section 117(c)—"for the owner or lessee of a machine to make or authorize the making of a copy of a computer program if such copy is made solely by virtue of the activation of a machine that lawfully contains an authorized copy of the computer program, for purposes only of maintenance or repair of that machine," subject to certain limited restrictions.

Section 118 as written in 1976 gave to public radio and television broadcasters a compulsory license to perform nondramatic music and to display works of art upon the payment of certain royalties. This format was later subordinated by section 118(b) to license agreements

343. *See supra* Chapter 2.

344. Vault Corp. v. Quaid Software Ltd., 847 F.2d 255 (5th Cir. 1988).

voluntarily negotiated between such "public broadcast entities" and such music and graphic copyright owners. These agreements—expressly sheltered by section 118 from the antitrust laws—may establish "the terms and rates of royalty payments and the proportionate division of fees paid among" those owners. Failing such voluntary agreements, the Copyright Royalty Judges, appointed by the Librarian of Congress, are to set terms and rates.

Finally, section 120 provides for certain exemptions to the exclusive rights of copyright owners of "architectural works," including the right to photograph such works from public places, and the right of the owner of a copyright-protected building to make alterations to it, and even to destroy it.

Chapter 8
Enforcement of Copyright

Jurisdictional and Procedural Issues

Jurisdiction

Jurisdiction to hear actions "arising under any Act of Congress relating to . . . copyrights" is given exclusively to federal courts pursuant to 28 U.S.C. § 1338(a). The typical infringement action therefore cannot be brought in a state court. In what appears to be an unprecedented holding, the Indiana Supreme Court held that in a contract action brought by a publisher against an author, in which the author files a counterclaim for copyright infringement, a state court may hear and decide the copyright counterclaim.[345] Although so-called common-law copyright claims (relating to unpublished works) could have been brought in state courts under the 1909 Copyright Act, that is no longer true because section 301 of the 1976 Act has abolished state copyright law.

It is sometimes difficult to determine whether a claim "arises under" the federal Copyright Act, particularly when the principal issue to be determined relates to contract interpretation or disputed ownership. Federal jurisdiction will be exclusive if the action is for copyright infringement or if its determination turns on an interpretation or application of the federal Copyright Act. In a frequently cited passage from the opinion of Judge Friendly in *T.B. Harms v. Eliscu*, the Court of Appeals for the Second Circuit stated:

> Mindful of the hazards of formulation in this treacherous area, we think that an action "arises under" the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act, e.g., a suit for infringement or for the statutory royalties for record production, or asserts a claim requiring construction of the Act . . . or, at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim. The

345. Green v. Hendrickson Publishers, Inc., 770 N.E.2d 784 (Ind. 2002).

> general interest that copyrights, like all other forms of property, should be enjoyed by their true owner is not enough to meet this last test.[346]

Even if a dispute over title must be resolved antecedent to determining infringement and remedies, and the title dispute turns on contract construction, a federal court will have jurisdiction.[347] Moreover, as suggested in the *Harms* quotation, if the only dispute before the court relates to disputed title, even that will provide a basis for exclusive federal jurisdiction if the dispute turns on application of statutorily defined terms such as "work made for hire" or "joint work."[348] But if, for example, co-ownership is conceded, and the only issue is the division of royalties pursuant to principles of contract or equity, that is simply a matter of state law and does not provide a basis for federal jurisdiction.[349] The same is true if the plaintiff's complaint raises only the question whether a license has been effectively terminated because of misconduct on the part of the other party to the agreement.[350]

As with any federal court action, a substantial copyright claim will carry with it pendent jurisdiction to hear state-law claims that are significantly related. The usual rules that obtain in federal actions concerning the determination of personal jurisdiction over the defendant and proper venue also apply in copyright cases.

Copyright actions have historically been treated throughout the world as "local" actions, in the sense that jurisdiction to adjudicate a claim of infringement will lie only in the courts of the nation where the claimed infringement occurred, and those courts will apply only their own law (at least on the issue of whether the defendant's conduct constituted an infringement). Article 5(2) of the Berne Convention, the principal international copyright convention since 1886 that was joined by the United States in March 1989, provides: "[A]part from the provisions of this Convention, the extent of protection, as well as the means

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346. 339 F.2d 823, 828 (2d Cir. 1964) (citations omitted). This formulation has been more recently endorsed, e.g., in *Bassett v. Mashantucket Pequot Tribe*, 204 F.3d 343 (2d Cir. 2000).

347. Vestron, Inc. v. Home Box Office, Inc., 839 F.2d 1380 (9th Cir. 1988).

348. Lieberman v. Estate of Chayefsky, 535 F. Supp. 90 (S.D.N.Y. 1982).

349. Gaiman v. McFarlane, 360 F.3d 644 (7th Cir. 2004).

350. Scholastic Entm't, Inc. v. Fox Entm't Group, Inc., 336 F.3d 982 (9th Cir. 2003).

of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed."

In recent years, however, there has been an increasing willingness on the part of the U.S. courts to consider claims of infringement committed on foreign soil and to apply foreign copyright law. In other words, infringement actions are increasingly viewed as "transitory" (rather than "local"), as much as an action in tort or for breach of contract. If there is personal jurisdiction over the defendant and a basis for subject-matter jurisdiction (diversity of citizenship, even if not a federal question), it has been held that "[A] copyright owner may sue an infringer in United States courts even though the only alleged infringement occurred in another country. Under the territoriality principle, the copyright law of the other country, and not United States copyright law, will govern the action in the United States."[351]

In *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*,[352] in which the assignees of Igor Stravinsky challenged the rights of Disney to market videocassettes of the well-known film *Fantasia*, containing the composer's *The Rite of Spring*, copyright infringements were asserted under the laws of 18 foreign nations. In 1998 the Court of Appeals for the Second Circuit held that the federal district court in New York should not dismiss the case because of *forum non conveniens*, but should rather be prepared to hear the case and apply foreign law. That same court, the same year, held that it is particularly appropriate to apply foreign law (there, Russia's) with respect to the matter of copyright ownership (as distinguished from the issue of infringement) when at issue were the respective rights of Russian newspaper reporters and publishers.[353]

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351. Armstrong v. Virgin Records, 91 F. Supp. 2d 628 (S.D.N.Y. 2000) (alleged infringements in England). *See also* Carell v. Shubert Org., 104 F. Supp. 2d 236 (S.D.N.Y. 2000) (alleged infringements in the U.S., Australia, Canada, Japan and the U.K.).

352. 145 F.3d 481 (2d Cir. 1998).

353. Itar-Tass Russian News Agency v. Russian Kurier, Inc., 153 F.3d 82 (2d Cir. 1998).

Who may sue

The 1976 Act defines "infringer of the copyright" and accords rights to institute infringement actions. Section 501(a) provides that "Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 119, or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright." Section 501(a), particularly when read in conjunction with section 201(d)(2), makes clear what had been a source of confusion under the prior law. Under section 201(d)(2), any of the exclusive rights in section 106 may be transferred and owned separately, and the "owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title." Copyright ownership is thus said to be "divisible" under the 1976 Copyright Act.

This has implications regarding who can bring an action for copyright infringement. Section 501(a) states that "The legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement of that particular right committed while he or she is the owner of it." Thus, if novelist *A* transfers her hardcover publication rights to *B*, her paperback rights to *C*, her translation rights to *D*, and her motion picture rights to *E*, each of those persons—provided the transfers were exclusive—may bring an infringement action against any other person who, without authorization, is exercising the particular exclusive right held. Because, in any one of these infringement actions, *A*'s interests will likely be affected—and perhaps so too will the interests of some or all of the other hypothetical characters—section 501(b) provides that the court may (and sometimes must) direct the plaintiff to give these others notice, and "may require the joinder, and shall permit the intervention, of any person having or claiming an interest in the copyright."

A person holding a *nonexclusive* license to exercise one or more of the rights set forth in section 106 may not sue for infringement. Thus, an action for infringement resulting from the unauthorized public performance of a popular song must be brought by the copyright owner, typically a music publishing company, and may not be brought by the performing rights society of which the songwriter or publisher is a

member, such as ASCAP or BMI (even though the society will be conducting the litigation in all of its details).[354]

Section 501(b) gives the right to sue to the "legal or beneficial owner." If, for example, a novelist or songwriter conveys copyright under an agreement providing for the payment of royalties based on sales, the transferee publisher is the legal copyright owner, but the novelist or songwriter is regarded as the beneficial owner and may bring an action even if the publisher does not.[355]

Registration as a prerequisite to suit

Prior to March 1, 1989, it was a requirement of an infringement action that the copyright in the allegedly infringed work be registered in the Copyright Office (typically by the plaintiff copyright owner). As a result of U.S. adherence to the Berne Convention, implementing legislation eliminated this prerequisite to suit—but only for works initially published in *other* nations that are members of the Berne Union. Works initially published in the United States must still be registered with the Copyright Office prior to suit.[356] This two-tiered system of registration has been criticized on the ground that it operates to the disadvantage of U.S. authors and publishers.

Even apart from the requirement of registration as a condition of suit, the Copyright Act affords sufficient incentives to registration such that it is common for copyright owners (at least of published works) to register their copyright long before there is any hint of litigation. If, for example, registration is made before a work is published or within five years after it is published, the certificate of registration "shall constitute prima facie evidence of the validity of the copyright and of the facts

354. Ocasek v. Hegglund, 116 F.R.D. 154 (D. Wyo. 1987); Broadcast Music, Inc. v. CBS Inc., 421 F. Supp. 592 (S.D.N.Y. 1983).

355. H.R. Rep. No. 94-1476, at 159 (1976). The beneficial owner may himself, however, be an infringer of the copyright held by the legal owner if he fails to secure the consent of the latter to copying or to preparing a derivative work. Fantasy, Inc. v. Fogerty, 654 F. Supp. 1129 (N.D. Cal. 1987).

356. For a discussion of how the courts have administered this requirement, see *supra* Chapter 5, pages 94–96.

stated in the certificate."[357] This can be a significant aid to a plaintiff in proving copyright ownership, the originality of the work, the validity of the copyright, and priority of publication. Prompt registration is also a means of ensuring that in any possible future litigation the plaintiff will be eligible to claim attorney's fees and statutory damages.[358]

In some instances, the Copyright Office may choose not to register a person's claim of copyright, perhaps because the work is regarded as lacking in original authorship. In those cases in which the plaintiff must allege registration (which continue to be the overwhelming number of copyright infringement actions), the statute deals with the Register of Copyright's nonregistration by permitting the lawsuit—after the plaintiff has made proper efforts to register the copyright—but requiring the plaintiff to serve the Register with a copy of the complaint. In such cases, the Register is afforded the opportunity to become a party to the action with respect to the issue of registrability.[359]

Limitations on liability: statute of limitations and sovereign immunity

There are two important limitations on exposure to copyright liability. The first is section 507 of the Copyright Act, which sets forth a period of limitations of three years for civil proceedings and five years for criminal proceedings. The running of the statute is "tolled" during any period of fraudulent concealment of the infringement or, more generally, when a reasonable person in the plaintiff's shoes would not have discovered the infringement.[360] The courts are divided, however, on the question whether repeated acts of infringement—the latest of which may be minor and may occur long after the principal infringements have ceased—should be treated as a single "continuing" wrong, such that the plaintiff may sue for all infringing acts so long as the most recent one falls within the three-year statutory period.[361]

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357. 17 U.S.C. § 410(c).

358. *See supra* pages 94–95; 17 U.S.C. § 412.

359. 17 U.S.C. § 411(a).

360. Taylor v. Meirick, 712 F.2d 1112 (7th Cir. 1983).

361. *Compare Meirick*, 712 F.2d 1112 ("continuing wrong"), *with* Roley v. New World Pictures, Ltd., 19 F.3d 479 (9th Cir. 1994) (rejecting a "rolling statute of limitations").

A second, and controversial, limitation on copyright liability is the doctrine of sovereign immunity. The Eleventh Amendment to the Constitution prevents federal courts from hearing claims against states. Although the Supreme Court has held that Congress has the power to abrogate that immunity, the scope of that congressional power has been the subject of evolving and not altogether clear standards since the 1980s (accompanied by sharp divisions within the Court). The Court held in 1989 that Congress could abrogate the immunity of the states in substantive areas falling within Article I of the Constitution, such as interstate commerce and patents and copyrights.[362] However, the intention to make states liable for money damages had to be manifested in very explicit statutory language,[363] and so the statute was amended in 1990 by the Copyright Remedy Clarification Act. To section 501(a), which defines "an infringer of the copyright" as "anyone" who violates any of the exclusive rights of the copyright owner, Congress added two new sentences:

> As used in this subsection, the term "anyone" includes any State, any instrumentality of a State, and any officer or employee of a State acting in his or her official capacity. [They] shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.

To make the congressional purpose doubly clear, a new section 511 was added, explicitly providing that the state, the state instrumentality, or their employees "shall not be immune, under the Eleventh Amendment of the Constitution of the United States or any other doctrine of sovereign immunity" from suit in a federal court for copyright infringement, and that the full range of remedies ordinarily available against private defendants is also available in such suits.

Within a mere six years, the constitutionality of these provisions fell subject to serious question. In *Seminole Tribe of Florida v. Florida*,[364] the Supreme Court in 1996 overruled earlier precedent and held (5 to 4) that the Commerce Clause is not a source of congressional

362. Pennsylvania v. Union Gas Co., 491 U.S. 1 (1989).

363. Atascadero State Hosp. v. Scanlon, 473 U.S. 234 (1985).

364. 517 U.S. 44 (1996).

authority to overturn states' sovereign immunity. Then, in 1999, the Court considered whether it was constitutional for Congress to subject the states to patent-infringement or trademark-infringement liability by means of provisions that were essentially the same as those added to the Copyright Act in 1990. In the two *Florida Prepaid Postsecondary* cases, the Court considered the Commerce and Patent Clauses of the Constitution, as well as the Fourteenth Amendment, which empowers Congress to enact legislation implementing the constitutional ban on state deprivation of "property" without due process of law. The Court held (again, 5 to 4) that on the facts presented none of those constitutional sources empowered Congress to abrogate the immunity of the states against federal-court actions for damages for patent or trademark infringement.[365]

The following year, in *Chavez v. Arte Publico Press*,[366] the *Florida Prepaid* Patent Act decision was held dispositive by the Court of Appeals for the Fifth Circuit in an action for copyright infringement by an author against the University of Houston, a state agency. The court held that the 1990 amendments to the Copyright Act purporting to render states fully liable for copyright infringement, including damages, exceeded Congress's power under both Article I and the Fourteenth Amendment. (Under generally prevailing sovereign-immunity jurisprudence, there is no bar to the issuance of injunctions against state instrumentalities or to judgments for damages against state officials in their individual capacity.)

Given the broad use of copyrighted materials by state instrumentalities—libraries, schools, universities, as well as the wide range of typical executive and administrative agencies—their immunity against damages actions would create a major gap in the enforcement of the copyright laws, especially with the compounding inequity of the states' ability to enforce those laws against private parties. It remains to be seen whether this gap will long continue, in the face of further decisionmaking by the courts and by Congress.

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365. Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd., 527 U.S. 666 (1999) (Lanham Trademark Act); Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank, 527 U.S. 627 (1999) (Patent Act).

366. 204 F.3d 601 (5th Cir. 2000).

Remedies

Injunctive relief, both temporary and final, is commonly issued in copyright actions and is expressly provided for in section 502 of the 1976 Copyright Act. It is commonly held that once the plaintiff establishes a prima facie case of a valid copyright and its infringement, irreparable injury will be presumed and a temporary injunction will issue.[367] The Supreme Court has, however, urged circumspection in the issuance of injunctions—at least in those cases in which the infringing material makes its own "transformative" literary, artistic or musical contribution. In such cases, the interests of the copyright-owner and of the public (in having access to the infringing work) may be best served by limiting the remedy to one for damages.[368] The court may also order, pursuant to section 503, the impounding and the reasonable disposition (including the destruction) of all infringing copies and phonorecords and of the devices used to manufacture them.

Perhaps the most intricate, and most important, remedial section of the statute is section 504, which spells out in detail the circumstances under which damages and profits may be awarded. The Act provides for the award of either *actual* damages and any additional profits, or what are known as *statutory* damages.

In order to dispel the confusion that had existed under the 1909 Act regarding the possible duplicative award of actual damages and profits, section 502 of the 1976 Act provides:

> The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

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367. Apple Computer, Inc. v. Formula Int'l, Inc., 725 F.2d 521 (9th Cir. 1984).

368. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994); N.Y. Times Co. v. Tasini, 533 U.S. 483 (2001).

The principal purpose of the statutory provision is to avoid double-counting in the computation of monetary remedies. Thus, if the copyright owner marketed its copyrighted wares only east of the Mississippi River at a profit of $1 per unit, and the infringer marketed its infringing wares from coast to coast at a profit of 50 cents per unit, a court should award damages measured by the loss of $1 for each of the plaintiff's displaced east-region sales and the infringer's profits measured by 50 cents for each of the west-region sales. A frequently used measure of the plaintiff's damages is the reasonable value that the defendant would have paid for a license to use the copyrighted material legally.[369] It is, of course, sometimes difficult to determine which of the defendant's sales should be treated as causing a direct economic loss to the plaintiff (i.e., damages) and which should be treated exclusively as generating noncumulative profits for the defendant.[370]

Once the court separates out the defendant's profits, it is at least as difficult to determine which of those profits "are attributable to the infringement." All that the plaintiff need do is prove the defendant's gross profits derived from the enterprise of which the infringement is a part. The burden then shifts to the defendant to reduce the award of profits, which can be done in two different ways.

The defendant may show that its profits were derived from elements of its activities other than the infringement. A motion picture producer who has made illicit use of a copyrighted novel can show, for instance, that the bulk of its box-office (and video sale and rental) receipts can be traced to its starring players, its original plot elements, its cinematography and special effects, its advertising campaign, and the like.[371] The defendant may also show—whether or not its gross profits were attributable to noninfringing elements—that its venture in fact was so costly as to eliminate most or all of its profits. Thus, even if an infringing theatrical production is based word-for-word on a copyrighted

369. On Davis v. The Gap, Inc., 246 F.3d 152 (2d Cir. 2001).

370. *See* Taylor v. Meirick, 712 F.2d 1112 (7th Cir. 1983).

371. *See* Sheldon v. Metro-Goldwyn Pictures Corp., 309 U.S. 390 (1940). *See generally* Caffey v. Cook, 409 F. Supp. 2d 484 (S.D.N.Y. 2006), for a thorough discussion of the noninfringing elements contributing to profits, as well as the costs of a theatrical production.

dramatic text, the defendant can attempt to prove that the salaries of the performers, the cost of renting the theater, the cost of advertising and the like were so high as totally to absorb its box-office receipts. In such a case, it would be proper for the court to award no profits—although it would of course be perfectly appropriate for the court to award damages as measured by the reasonable value of a license to perform the play publicly, or as measured by the lost opportunity to market the script to a film producer (because of the bad press received by the infringing theatrical performance).

Two decisions by the Court of Appeals for the Ninth Circuit, in which the court had to make difficult determinations in assessing the defendant's profits, are illustrative. In one case, the infringing brewing company used the plaintiff's music as a minor accompaniment pattern in a beer commercial.[372] In another, the infringer was a hotel and gambling enterprise that used the plaintiff's music in one part of a multiscene musical revue in the hotel theater.[373] The court's decisions should be examined for thoughtful suggestions as to how to assess the plaintiffs' possible claims, respectively, to all of the brewer's profits on the advertised beer and to all of the profits from the hotel's gambling operations that were presumably fueled in part by those who attended the nearby musical theater. In a more recent case raising the issue, the Court of Appeals for the Second Circuit observed:

> [I]f a publisher published an anthology of poetry which contained a poem covered by the plaintiff's copyright, we do not think the plaintiff's statutory burden would be discharged by submitting the publisher's gross revenue resulting from its publication of hundreds of titles, including trade books, textbooks, cookbooks, etc. In our view, the owner's burden would require evidence of the revenues realized from the sale of the anthology containing the infringing poem. The publisher would then bear the burden of proving its costs attributable to the anthology and the extent to which its profits from the sale of the anthology were attributable to factors other than the infringing poem, including particularly the other poems contained in the volume. . . . [T]he statutory term "infringer's

372. Cream Records, Inc. v. Jos. Schlitz Brewing Co., 754 F.2d 826 (9th Cir. 1985).

373. Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc., 772 F.2d 505 (9th Cir. 1985).

> gross revenue" should not be construed so broadly as to include revenue from lines of business that were unrelated to the act of infringement.[374]

In making all of these calculations, courts are obviously often reduced to engaging in approximations. It is commonly held that "Any doubt as to the computation of costs or profits is to be resolved in favor of the plaintiff."[375]

As an alternative to an award of actual damages and profits, section 504(c)(1) gives to the plaintiff the right to "elect, at any time before final judgment is rendered, to recover . . . an award of statutory damages for all infringements involved in the action, with respect to any one work . . . in a sum of not less than $750 or more than $30,000 as the court considers just." Such an award is referred to as "statutory damages." The Supreme Court has held—based on constitutional law and history—that when an infringement case is being tried to a jury, all issues pertinent to the award of statutory damages are to be decided by a jury.[376]

Statutory damages provide a vindication of the copyright owner's interest when litigation would otherwise appear largely futile even though just. For example, in some cases of copyright infringement, such as the occasional unauthorized music performance in a restaurant or nightclub, proof of actual damages and profits may be difficult or nonexistent—despite the acknowledged violation of the plaintiff's rights. Such cases are appropriate for the award of statutory damages. In addition the purpose of the statutory-damage remedy is largely deterrent and even punitive. Indeed, under section 504(c)(2), the court has the discretion to award as much as $150,000 upon determining that the infringement was committed "willfully" (which is generally understood to require proof that the defendant knew it was violating the law). For that reason it is generally regarded as inappropriate to award puni-

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374. *The Gap*, 246 F.3d at 160. *See also* Mackie v. Rieser, 296 F.3d 909 (9th Cir. 2002) (copyrighted sculpture was depicted in symphony orchestra brochure, without permission; sculptor unsuccessfully based claim for profits upon the orchestra's gross box-office income for the musical season).

375. *Frank Music Corp.*, 772 F.2d at 514.

376. Feltner v. Columbia Pictures Television, Inc., 523 U.S. 340 (1998).

tive damages in an infringement action in which statutory damages are sought.[377]

Although the plaintiff need not offer proof of actual damages or profits to secure statutory damages, the court of course may—and generally does—take account of such proof in making an award of statutory damages. It should be noted that the general statutory range of $750 to $30,000 applies not to each infringement but rather to each work infringed by the defendant, regardless of the number of infringements. Thus, if a nightclub without a performance license stages twice-nightly performances of 10 songs over a period of four months, the court can make only 10 statutory-damage awards, one for each copyrighted song. Section 504(c) expressly provides that "For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work." Copying without consent all of an author's poems in her anthology would most likely give rise to a single award of statutory damages, while copying and marketing videotapes containing several television shows from a single season would most likely give rise to multiple awards.[378]

Just as the statute provides for an award of statutory damages five times as great as the usual amount in the case of willful infringement, section 504(c) also provides for reductions below the statutory "floor" in certain cases of demonstrated innocent infringement. If the infringer can prove that he or she "was not aware and had no reason to believe that his or her acts constituted an infringement," the court may reduce the award to as little as $200. (Since the effective date of the Berne Convention Implementation Act, March 1, 1989, this has been the principal remaining statutory inducement to copyright owners to place a conspicuous copyright notice on their works.) And statutory damages may be remitted by the court completely if the defendant reasonably believed that his or her use was a fair use under section 107 and the defendant was an employee of a nonprofit school or library, acting in the

377. *The Gap*, 246 F.3d 152.

378. *Compare* Stokes Seeds, Ltd. v. Geo. W. Park Seed Co., 783 F. Supp. 104 (W.D.N.Y. 1991) (flower photographs on seed packets copied from book of flower photographs), *with* MCA T.V., Ltd. v. Feltner, 89 F.3d 766 (11th Cir. 1996) (television series).

scope of employment (or was, under certain conditions, a public broadcaster).

As a final element of compensatory relief, a court has the discretion, under section 505, to award costs to either party and to award a reasonable attorney's fee to the prevailing party. Recall that, under section 412, a plaintiff is not entitled to attorney's fees (or statutory damages) if, in the case of a published work, registration of the copyright is not effected until after the infringement has "commenced"; the plaintiff does, however, have a three-month post-publication grace period during which registration will protect against the sacrifice of costs and attorney's fees even for pre-registration infringements.[379]

In 1994, the Supreme Court, in *Fogerty v. Fantasy, Inc.*,[380] addressed a question that had divided the circuits: whether attorney's fees are more readily to be awarded to successful plaintiffs (in order to encourage the litigation of meritorious claims of copyright infringement, which promotes the public interest in creativity) or whether a more evenhanded standard should be applied. The Supreme Court endorsed the latter view, noting that in order to serve "the purpose of enriching the general public through access to creative works, . . . defendants who seek to advance a variety of meritorious copyright defenses should be encouraged to litigate them to the same extent that plaintiffs are encouraged to litigate meritorious claims of infringement."[381] The Court, however, rejected the argument that the prevailing party should routinely be awarded attorney's fees, as is true under the "British Rule." Rather, the Court concluded that the language of the Copyright Act makes it clear that such fees are to be awarded to prevailing parties only as a matter of the court's discretion, based upon such factors as frivolousness, motive, objective unreasonableness, and the need in certain cases to advance considerations of compensation and deterrence (so long as applied evenhandedly to prevailing plaintiffs and defendants).[382]

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379. 17 U.S.C. § 412.

380. 510 U.S. 517 (1994).

381. *Id.* at 527.

382. *Id.* at 534 & n.19. *See* Gonzales v. Transfer Techs., Inc., 301 F.3d 608, 610 (7th Cir. 2002) (in the interest of deterrence, "the prevailing party in a copyright case in which the

In rare cases, copyright infringement may result in the imposition of criminal liability under section 506. Under section 506(a), the government must prove that the infringement was willful (understood to mean that there is awareness of illegal activity) and either "for purposes of commercial advantage or private financial gain" or "by the reproduction or distribution, including by electronic means" of copies or phonorecords—during any 180-day period—with a total retail value of more than $1,000. The punishment is set forth in 18 U.S.C. § 2319, and involves a sliding-scale of fines and imprisonment based on the total value of the goods involved and the frequency with which the offense has been committed. The court also has the discretion to order the forfeiture and destruction of all infringing copies or phonorecords and of devices used in the infringement. Subsections 506(c), (d) and (e), respectively, set forth the crimes of fraudulent placement of a copyright notice, fraudulent removal of a copyright notice, and false statements of material fact in a copyright registration application. As already noted, the statute of limitations for criminal proceedings under the Copyright Act is five years (compared with three years in civil infringement cases).

Technological Protection Measures

Given the speed with which the Internet can be used both to reproduce near-perfect copies and phonorecords and to transmit them around the world, Congress concluded it was important to support the efforts of copyright owners to prevent infringement at the outset, rather than merely to seek judicial relief afterward. The Digital Millennium Copyright Act (DMCA) was added to the Copyright Act in 1998. Its purpose (apart from the secondary-liability provisions just discussed) is to ensure that "technological protection measures"—such as scrambling or encrypting digital versions of recordings, films and books—are not circumvented without proper authorization. Such technological protection measures typically ensure that the copyright-protected work will not be copied, stored or transmitted to others. Section 1201(a) provides

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monetary stakes are small should have a presumptive entitlement to an award of attorneys' fees").

that "no person shall circumvent a technological protection measure that effectively controls access to a work" protected by copyright, and that "no person shall manufacture, import, offer to the public, provide or otherwise traffic in any technology, product, service, device, component, or part thereof" that (among other things) is "primarily designed or produced" for the purpose of circumvention or is knowingly marketed for use in circumvention. While section 1201(a) thus forbids circumvention of what is known as "access-protection" technology, section 1201(b) imposes comparable proscriptions upon "copy-protection" technology (which effectively protects against the violation of rights held by copyright owners). Violations of section 1201 are not technically infringements of copyright, but sections 1203 and 1204 impose civil and criminal liability, respectively, much like that for copyright infringement.

Although the provisions of section 1201 are rather elaborate (and include a half-dozen exemptions, to which several more have been added by the Copyright Office), their core application can be illustrated by the 2001 decision of the Court of Appeals for the Second Circuit in *Universal City Studios, Inc. v. Corley*.[383] There, the plaintiffs were eight major motion picture studios that had incorporated in their DVD versions of their copyrighted films a Content Scramble System (CSS), which prevented making copies of the DVDs, or playing them on devices lacking licensed decryption technology, or transmitting them on the Internet. After a Norwegian teenager succeeded in reverse-engineering CSS and devising a computer program to circumvent it (DeCSS), the defendants posted DeCSS on their Internet website and linked to other sites that also made DeCSS generally available. The court readily found the defendants to have violated section 1201(a)(2) ("trafficking") of the DMCA, by offering and providing on their website circumvention software that was "primarily designed" for the purpose of circumventing the CSS "technological measure that effectively controls access to a work" protected by copyright. The court also found that the defendants and DeCSS did not fall within any of the several

383. 273 F.3d 429 (2d Cir. 2001).

statutory exemptions, and that the finding of liability and the issuance of an injunction did not violate the First Amendment.

In a criminal prosecution arising from the Internet distribution of software designed to circumvent the access-protection technology used on so-called e-books marketed on the Internet, the district court upheld section 1201(a) against a series of constitutional challenges, including vagueness, the "limited times" provision of the Copyright and Patent Clause, and the limits upon Congress's power to regulate interstate commerce.[384]

It has, however, been held that section 1201 does not bar the unauthorized use of an access password, or similar decryption device, that has been issued by the copyright owner to a third party from whom the defendant obtained it; the defendant was held to have merely bypassed permission to move through the technological measure, rather than having surmounted or evaded that measure.[385] And courts have resisted the efforts of manufacturers of everyday consumer products—such as computer-printer cartridges[386] and garage-door openers[387]—to use section 1201 of the DMCA to bar those who would design and sell replacement parts, even when those competitors circumvent software codes that enable, respectively, the cartridges to interact with the printer and the opener to operate the garage door. A principal reason was that section 1201 was designed not to allow sellers of consumer goods to monopolize the sale of aftermarket parts, but rather to bar access to and copying of underlying works that are themselves within the intended protection of the Copyright Act, such as music recordings, video games and motion pictures.

Section 1202 of the DMCA is designed to encourage the copyright owner to embed important copyright-related information in digital copies and phonorecords, including the name of the author and copyright owner and the terms and conditions for use of the work. This is known as copyright management information (CMI). Section 1202

384. United States v. Elcom, Ltd., 203 F. Supp. 2d 1111 (N.D. Cal. 2002).

385. I.M.S. Inquiry Mgmt. Sys., Ltd. v. Berkshire Info. Sys., Inc., 307 F. Supp. 2d 521 (S.D.N.Y. 2004).

386. Lexmark v. Static Control Corp., 387 F.3d 522 (6th Cir. 2004).

387. Chamberlain v. Skylink, 381 F.3d 1178 (Fed. Cir. 2004).

prohibits knowingly providing false CMI with the intent to facilitate or conceal copyright infringement, as well as furthering the removal or alteration of CMI with reasonable grounds for knowing it will facilitate or conceal an infringement.[388]

388. For cases illustrating the difficulty of securing relief under section 1202(b), see *Gordon v. Nextel Communications*, 345 F.3d 922 (6th Cir. 2003); *Schiffer Publishing, Ltd. v. Chronicle Books, LLC*, 76 U.S.P.Q.2d 1493 (E.D. Pa. 2005).

Chapter 9
State Law and Its Preemption

State Anti-Copying Laws

Throughout the history of copyright law in the United States, the laws of the several states—under a variety of legal theories—have afforded protection against the unauthorized copying or other use of the intellectual creations of others. Most significantly, until 1978, state law generally forbade the unauthorized first printing or public distribution of an unpublished work. This was known as common-law copyright, typically afforded by judicial development but sometimes by state statute. Since the amendment of the Copyright Act, effective January 1, 1978, which extended federal protection to all works from the moment they are "fixed in a tangible medium of expression,"[389] federal copyright has automatically attached to even unpublished works. Under the terms of section 301 of the Act, "no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State." Because state common-law copyright afforded relief against conduct—copying or public distribution pure and simple—that is exactly the same as that proscribed by the 1976 Act, Congress determined that the exclusive rights, limitations, remedies, and federal jurisdiction that are provided through the federal act should preempt state copyright law.

There are, however, a number of other state theories that bar one person's unauthorized use of another's intellectual product. State laws of unfair competition forbid one person's "passing off" his or her own work as having been created by another. This theory is frequently applied to prevent the use of a title or a character (or character name) that has become popular in identifying another person's earlier work. State trademark law is an application of the doctrine of "passing off" to goods and services, the labeling of which would cause confusion in the consumer marketplace. Another branch of unfair competition law is

389. 17 U.S.C. § 102(a).

known as "misappropriation." The converse of passing off, misappropriation prevents one person from representing expressly or impliedly to be his or her own a work actually created by another person; the layman labels this as plagiarism, but the law has called this kind of typically unattributed copying "misappropriation." The Supreme Court decision in *International News Service v. Associated Press*,[390] rendered as an elaboration of federal tort law in the early years of the twentieth century, articulated this doctrine and its underlying rationale, and inspired state courts in developing their own local laws of unfair competition.

States may also bar copying or other unauthorized uses of intellectual creations when such use would be in breach of contract or in breach of trust or some other fiduciary relationship. The reproduction or other use of a person's unpublished and carefully guarded industrial formulae, business schemes, or customer lists may run afoul of a state's trade secret laws. The publishing of another's work might also be forbidden under various state tort theories—such as the right of privacy (e.g., when *A* writes a love letter to *B*, who publishes it), defamation (e.g., when *A* writes *B* a letter stating scurrilous things about *C*, and *B* publishes that letter), and the right of publicity (e.g., when *A*'s performing style is mimicked by another performer).

In addition to these state laws against copying the work of another, federal laws may often be available. The federal Patent Act[391] bars the use or sale of products, processes, or designs of useful articles for which a federal patent has been issued. Under the federal trademark statute, the Lanham Act,[392] phrases and pictorial works can be registered if they have come to identify goods or services, and federal actions may be brought to forbid their copying. Even unregistered works are protected against copying under section 43(a) of the Lanham Act if their use in connection with goods and services in interstate commerce could be viewed as a

390. 248 U.S. 215 (1918).
391. 35 U.S.C. §§ 101 et seq.
392. 15 U.S.C. §§ 1051 et seq.

> false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive . . . as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.[393]

This section creates, in effect, a federal statutory law of unfair competition.

Federal Preemption

When relief is sought under state law against unauthorized use of literary, artistic, or musical creations, a question arises as to the compatibility of state relief with the federal Copyright Act. For a state to forbid copying permitted under federal law, or for a state to permit copying that federal law proscribes, would equally raise questions of compliance with the Supremacy Clause of the Constitution, Article VI, Clause 2.

In a number of significant cases that arose prior to the 1976 Copyright Act, the Supreme Court dealt with claims that state anti-copying laws were preempted because of their incompatibility with either the patent or copyright law of the United States. In two well-known companion cases decided in 1964, the Court overturned, as inconsistent with federal patent law, the application of a state unfair competition law that would have forbidden the copying and marketing of lighting fixtures for which utility and design patents were unavailable or had expired. The Court stated its holding in broad terms:

> [W]hen an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.[394]

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393. *Id.* § 1125.

394. Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 237 (1964) (citing Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964)). The Court reiterated these views in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

The Court made clear that it had no objection to state law "which requires those who make and sell copies to take precautions to identify their products as their own,"[395] i.e., state labeling laws forbidding unfair competition in the form of "passing off."

In a later decision pointing in a somewhat different direction, the Supreme Court upheld a state law making it a crime to "pirate" (by directly dubbing sounds from) recordings manufactured by others, at a time when the federal Copyright Act had not yet extended copyright protection to "sound recordings." In *Goldstein v. California*,[396] decided in 1973, the Court concluded that Congress's omission of sound recordings was not intended to prevent states from enacting anti-piracy laws, because much potentially copyrightable subject matter is amenable to "local" regulation and because Congress had (in the time period pertinent to the case) left the matter of protection for sound recordings "unattended."

Congress did not leave the general issue of preemption of state anti-copying laws unattended for long. In the 1976 Copyright Act, Congress incorporated elaborate preemption provisions in section 301. Section 301(a) provides:

> On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

In section 301(b), Congress reiterated that state rights and remedies are not annulled or limited if they relate to subject matter falling outside section 102 and 103, including "unfixed" works, or if the rights afforded by state law are not "equivalent to" the rights accorded by section 106.[397] To make it clear that preemption is intended only of state laws,

395. *Compco*, 376 U.S. at 238.

396. 412 U.S. 546 (1973).

397. Also sheltered against preemption are state causes of action arising before January 1, 1978 (long since barred by the three-year statute of limitations in section 507(b) of

section 301(d) provides: "Nothing in this title annuls or limits any rights or remedies under any other Federal statute." Accordingly, it is still possible to seek anti-copying relief under, say, federal design patent law to protect the shape of useful articles, or under the Lanham Act to bar the use of words or pictures that confuse the public regarding the source of goods or services.[398]

Section 301 clearly preempts what was known as common-law copyright: the right of first publication of, typically, a literary or musical manuscript. State laws that are *not* preempted fall into two categories. First are anti-copying laws that relate to works not within the subject matter of copyright; the principal statutory example of this is a work not fixed in a tangible medium of expression. Thus, if a work is communicated by the author only in "live" form—such as an improvised lecture or comedy routine—the unauthorized copying of that work (e.g., by shorthand notation or by tape recording) or the unauthorized performance of that work can be forbidden by state law. To that extent, it can be said that common-law copyright continues to exist, but only with respect to works that have not been "fixed" (or that have been fixed without the author's consent).

Pursuant to U.S. treaty obligations, the Copyright Act was amended in 1994 to add section 1101 which protects a live musical performance against unauthorized fixation, the distribution of copies or phonorecords of the unauthorized fixation, or the transmission of the performance to the public. This unique example of federal protection of an unfixed work (granting in effect a federal right of first fixation) was sustained against constitutional attack by the Court of Appeals for the Eleventh Circuit in *United States v. Moghadam*.[399] The court found section 1101 to be supported by the Interstate Commerce Clause. Section

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the Copyright Act), and state laws prohibiting the reproduction of sound recordings that were fixed before February 15, 1972, the effective date of the federal statute first barring such "record piracy." *See* 17 U.S.C. § 301(c).

398. *But see* Dastar Corp. v. Twentieth Century Fox Film, 539 U.S. 23 (2003) (Lanham Act is narrowly construed so as to deny relief for unattributed copying of video footage).

399. 175 F.3d 1269 (11th Cir. 1999). District courts in other circuits are divided on the issue. *See* Kiss Catalog, Ltd. v. Passport Int'l Prods., Inc., 405 F. Supp. 2d 1169 (C.D. Cal. 2005); United States v. Martignon, 346 F. Supp. 2d 413 (S.D.N.Y. 2004) (appeal pending).

1101(d) expressly provides that state common-law or statutory remedies for such wrongdoing are not preempted.

Given the wide range of the categories of works listed in sections 102 and 103, it is difficult to imagine any fixed work that falls outside the scope of the federal act. Nonetheless, the statute, or unambiguous legislative history, makes it clear that certain components within the covered categories are not eligible for federal copyright protection. The most obvious example is "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work," which section 102(b) declares unprotected. Some courts have concluded that because Congress excluded ideas and concepts from the subject matter of copyright, it follows that states may outlaw their copying.[400] Most courts, however, take what would appear to be the clearly correct view, that Congress in section 102(b) was articulating an affirmative policy of making ideas and concepts available for all to copy, such that state anti-copying laws embracing such subject matter would be inconsistent with the federal scheme.[401] As the Court of Appeals for the Fourth Circuit concluded, denying state relief for the alleged copying of ideas and methods developed in a Ph.D. dissertation, the "scope" (i.e., subject matter) of the Copyright Act and its "protection" are not synonymous: "[T]he shadow actually cast by the Act's preemption is notably broader than the wing of its protection."[402]

Even if a work is within the categories of federally copyrightable subject matter and is fixed in a tangible medium of expression, a state may forbid unauthorized use of such works provided that such use is not "equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106." If, for example, a state were

400. *E.g.*, Dunlap v. G & L Holding Group, Inc., 381 F.3d 1285 (11th Cir. 2004); Past Pluto Prods. Corp. v. Dana, 627 F. Supp. 1435 (S.D.N.Y. 1986). *See also* Storch Enters. v. Mergenthaler Linotype, 202 U.S.P.Q. 623 (E.D.N.Y. 1979) (state protection against copying of typeface, despite legislative history showing Congress's desire not to afford protection).

401. *E.g.*, Harper & Row Publishers, Inc. v. Nation Enters., 723 F.2d 195 (2d Cir. 1983), *rev'd on other grounds*, 471 U.S. 539 (1985).

402. United States *ex rel.* Berge v. Bd. of Trustees of Univ. of Ala., 104 F.3d 1453, 1463 (4th Cir. 1997).

to attempt to forbid the copying or the public performance of a "fixed" dramatic work, the defendant could properly move to dismiss on the ground of preemption under section 301 of the Copyright Act. If, however, the state's ban on copying or public performance rests upon a theory that is not "equivalent" to federal copyright, state jurisdiction and law can be effective.

Section 301 does not expressly itemize the "nonpreempted" state causes of action. Nonetheless, an earlier version of the copyright revision bill did,[403] and the itemization is useful, for despite some confusing subsequent legislative history (in the form of a colloquy on the floor of the House of Representatives), there is good reason to believe that the deletion of the list from the bill was not intended as a repudiation. Included in the earlier version, as nonequivalent and nonpreempted state claims, were "rights against misappropriation not equivalent to any of such exclusive rights [in section 106], breaches of contract, breaches of trust, trespass, conversion, invasion of privacy, defamation, and deceptive trade practices such as passing off and false representation."

What appears to link these nonpreempted state claims is the presence of a significant element in the theory of relief that goes beyond "mere" copying or public performance (or some other right set forth in section 106 of the Copyright Act). As has been stated by the Court of Appeals for the Second Circuit:

> When a right defined by state law may be abridged by an act which, in and of itself, would infringe one of the exclusive rights, the state law in question must be deemed preempted. Conversely, when a state law violation is predicated upon an act incorporating elements beyond mere reproduction or the like, the rights involved are not equivalent and preemption will not occur.[404]

This has come to be known as the "extra element" test for nonpreemption.[405]

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403. *See* H.R. Rep. No. 94-1476, at 131–32 (1976).

404. *Harper & Row*, 723 F.2d at 200.

405. *E.g.*, Wrench LLC v. Taco Bell Corp., 256 F.3d 446 (6th Cir. 2001). This test has been criticized as conclusory. *See* Ritchie v. Williams, 395 F.3d 283 (6th Cir. 2005).

Thus, a plaintiff's claim that the defendant has copied a work in violation of a contractual promise, or in violation of an obligation of trust imposed by the state law of fiduciary obligations, is based on a state policy different from the economic-incentive policy underlying the Copyright Act; there are additional elements (above and beyond the copyright claim) to be proved to establish the state cause of action, and state remedies can protect interests beyond those protected by copyright.[406] Moreover, state relief in such contract and fiduciary cases reaches the conduct of only one or a very limited number of persons bound to the plaintiff in the special relationship; the state anti-copying relief does not bar members of the public more generally.[407] Some courts, however, have been more inclined than others to find preemption in situations in which the alleged contract breach is nothing more than the reproduction of expressive materials.[408]

Conversion of a physical manuscript—the wrongful assertion of ownership in the tangible property—could give rise to an unpreempted state cause of action, but conversion of "literary" property in the manuscript would be preempted, for the latter is essentially another name for copyright protection.[409] That is also true for a claim of "interference with contractual relationships" when the interference takes the form of a third person's refusal to print the plaintiff's book because the defendant has already marketed an unauthorized copy; the refusal to print is simply an element of the plaintiff's damages that are compensable in a copyright infringement action.[410] Similarly, the plaintiff

406. ProCD, Inc. v. Zeidenberg, 86 F.3d 1447 (7th Cir. 1996); Acorn Structures, Inc. v. Swantz, 846 F.2d 923 (4th Cir. 1988); Smith v. Weinstein, 578 F. Supp. 1297 (S.D.N.Y.), *aff'd without opinion*, 738 F.2d 419 (2d Cir. 1984). *See* Computer Assocs. Int'l, Inc. v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992) (trade secret).

407. See *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447 (7th Cir. 1996), for a particularly thoughtful—if not uncontroversial—analysis. *Zeidenberg* enforced, on a state contract theory, the terms of a so-called shrinkwrap license wrapped with a mass-distributed CD-ROM and barring commercial use of the largely uncopyrighted material (white-page telephone information) embedded thereon.

408. *Taco Bell*, 256 F.3d 446; Kabehie v. Zoland, 125 Cal. Rptr. 2d 721 (2d Dist. 2002).

409. Ehat v. Tanner, 780 F.2d 876 (10th Cir. 1985).

410. Harper & Row Publishers, Inc. v. Nation Enters., 723 F.2d 195 (2d Cir. 1983), *rev'd on other grounds*, 471 U.S. 539 (1985).

will ordinarily not be able to avoid the preemptive thrust of section 301 by claiming under the state anti-copying law that the defendant had acted intentionally, or had been unjustly enriched by tapping into the plaintiff's effort and expense, or had behaved in a "commercially immoral" manner.[411] Although none of these elements of the claim is technically a requisite for a copyright claim under section 106, they are generally regarded as incidental to and not markedly different in substance from a claim for infringement.[412]

It remains to be seen whether courts will uphold state claims that are framed as "misappropriation not equivalent to any of [the] exclusive rights" in section 106 (borrowing the language that had appeared in the earlier copyright revision bill). It is, for example, doubtful whether a modern-day equivalent of the theory fashioned by the Supreme Court in *International News Service v. Associated Press*[413]—reaping where one had not sown in the reporting of uncopyrightable news—could be sustained against a preemption defense by a state (or federal) court applying state tort law.[414] But if the state misappropriation tort is narrowly enough circumscribed, it may survive preemption because it is not equivalent to copyright. So the Second Circuit Court of Appeals held in *National Basketball Ass'n v. Motorola, Inc.*,[415] when it stated "that only a narrow 'hot-news' misappropriation claim survives preemption for actions concerning material within the realm of copyright."[416] In the court's view, such a nonpreempted claim would have to have the following elements:

411. *E.g.*, Mayer v. Josiah Wedgwood & Sons, 601 F. Supp. 1523 (S.D.N.Y. 1985).

412. For all such "equivalent" and preempted state claims, some federal courts have applied the doctrine of "complete preemption," which results not only in a dismissal, but also in a "recharacterization" of the state claims as federal copyright claims, which thus fall within the exclusive (and removal) jurisdiction of the federal courts. *See* Ritchie v. Williams, 395 F.3d 283 (6th Cir. 2005).

413. 248 U.S. 215 (1918).

414. The House Report, however, contemplates the nonpreemption of state misappropriation laws that bar the unauthorized use of electronic means to steal a computer database. H.R. Rep. No. 94-1476, at 133 (1976) (citing *International News*).

415. 105 F.3d 841 (2d Cir. 1997).

416. *Id.* at 852.

> (i) the plaintiff generates or collects information at some cost or expense; (ii) the value of the information is highly time-sensitive; (iii) the defendant's use of the information constitutes free-riding on the plaintiff's costly efforts to generate or collect it; (iv) the defendant's use of the information is in direct competition with a product or service offered by the plaintiff; (v) the ability of other parties to free-ride on the efforts of the plaintiff would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened.[417]

Although the bulk of the decided cases dealing with the issue of preemption of state law focus, naturally enough, upon the application of the explicit preemption provisions in section 301 of the Copyright Act, a number of cases have invoked a broader theory of preemption based upon a conflict with some substantive term or policy of the federal statute. As with preemption situations generally, beyond copyright, the question for the court is whether the federal policies reflected in some provision of the Copyright Act would be "set at naught, or its benefits denied" by the application of state law, or whether state law "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress."[418]

This "conflict preemption" might concern such issues as ownership and transfers of rights—matters that do not raise issues of "equivalence" to the exclusive rights set forth in section 106. For example, a state statute purporting to give copyright ownership to an employee who had prepared a literary work within the scope of his employment would disrupt the allocation of ownership rights dictated by Congress and would thus be an obstacle to the policies reflected in the Copyright Act. So too would a state law that would enforce an author's transfer of a copyright despite the absence of a signed writing.

Some courts are more willing than others to effect an "accommodation" of the federal and state laws, and thus to deny that the state law is preempted. Two examples are instructive. One deals with the community-property laws in eight states, which raise the question

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417. *Id.* (citations omitted).

418. For a comprehensive treatment of the issue, *see* Foley v. Luster, 249 F.3d 1281 (11th Cir. 2001) (Florida law regarding indemnification is not preempted as applied to joint copyright infringers).

whether the initial copyright ownership given by the Copyright Act to the "author" of a work must be shared in some way with that author's spouse. Despite arguments that such a forced sharing would dilute and conflict with federal policy, which is designed to ensure financial rewards that foster creativity, it has been held that state law resulting in co-ownership of the copyright is not preempted; the non-author spouse will share equally in the proceeds from copyrighted works created during the marriage (and even from post-divorce derivative works), although the author–spouse alone will have the right to "manage" the copyright through licensing and transfers.[419]

Different courts of appeals have reached different conclusions on the question whether the 35-year termination power granted by section 203 of the Copyright Act preempts state laws that allow for the termination at will of all contracts (typically oral) that fail to specify a termination date. The Court of Appeals for the Ninth Circuit found a conflict and held that California law was preempted.[420] But the Seventh and Eleventh Circuits, noting the extensive academic criticism of that sister-circuit decision, viewed section 203 as author-protective and as setting a maximum and not a minimum term of a copyright grant, so that state laws more generous to authors and termination were not in conflict and so not preempted.[421]

419. Rodrigue v. Rodrigue, 218 F.3d 432 (5th Cir. 2000) (applying Louisiana law); *In re* Marriage of Susan M. & Frederick L. Worth, 241 Cal. Rptr. 135 (1st Dist. 1987) (applying California law, leaving open the question of licensing and transfer rights).

420. Rano v. Sipa Press, Inc., 987 F.2d 580 (9th Cir. 1993).

421. Walthal v. Rusk, 172 F.3d 481 (7th Cir. 1999) (Illinois law); Korman v. HBC Fla., Inc., 182 F.3d 1291 (11th Cir. 1999) (Florida law).

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Glossary

The definitions in this list of common terms relating to copyright are drawn from the language of 17 U.S.C. § 101. (Definitions of additional terms may also be found in that section.)

Architectural work: The design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.

Audiovisual works: Works that consist of a series of related images which are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.

Collective work: A work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

Compilation: A work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

Computer program: A set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.

Copies: Material objects, other than phonorecords, in which a work is fixed by any method now known, or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "copies" includes the material object, other than a phonorecord, in which the work is first fixed.

Copyright owner: The owner of any one of the exclusive rights that make up a copyright.

Created: Fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work.

Derivative work: A work based on one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art production, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship is a "derivative work."

Digital transmission: A transmission in whole or in part in a digital or other non-analog format.

Display: To show a copy of a work, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images nonsequentially.

Fixed: Embodied in a copy or phonorecord (tangible medium of expression), by or under the authority of the author, in a medium sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds or images, or both, that are being transmitted is "fixed" for purposes of Title 17 if a fixation of the work is being made simultaneously with its transmission.

Joint work: A work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

Literary works: Works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols, or indicia, regardless of the nature of the material objects, such as books, periodi-

cals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.

Motion pictures: Audiovisual works consisting of a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.

Perform: To recite, render, play, dance, or act a work, either directly or by means of any device or process or, in the case of a motion picture or other audiovisual work, to show its images in any sequence or to make the sounds accompanying it audible.

Phonorecords: Material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "phonorecords" includes the material object in which the sounds are first fixed.

Pictorial, graphic, and sculptural works: Include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans. Such works include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article is considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.

Publication: The distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

Publicly: (1) To perform or display a work at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

Sound recordings: Works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.

Transfer of copyright ownership: An assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not limited in time or place of effect, but not including a nonexclusive license.

Transmit: To communicate a performance or display by any device or process whereby images or sounds are received beyond the place from which they are sent.

Useful article: An article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is also considered a "useful article."

Work of visual art: (1) A painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiples of 200 or fewer that are signed or marked and consecutively numbered by the author; or (2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author. A "work of visual art" does not include: any poster, map, globe, chart,

technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, database, electronic information service, electronic publication, or similar publication; or any advertising, promotional, descriptive or packaging material or container; or any work made for hire; or any work not subject to copyright protection under Title 17.

Work of the U.S. government: A work prepared by an officer or employee of the U.S. government as part of that person's official duties.

Work made for hire: (1) A work prepared by an employee within the scope of his or her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

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