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4

Copyright

A Subject Matter

1 Originality

United States Constitution

art. I, § 8, cl. 8 -

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

Copyright Act

17 U.S.C. § 102 - *Subject matter of copyright: In general*

- (a) 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. Works of authorship include the following categories:
- (1) literary works;
 - (2) musical works, including any accompanying words;
 - (3) dramatic works, including any accompanying music;
 - (4) pantomimes and choreographic works;
 - (5) pictorial, graphic, and sculptural works;
 - (6) motion pictures and other audiovisual works;

- (7) sound recordings; and
- (8) architectural works.

Bleistein v. Donaldson Lithographing Co.
188 U.S. 239 (1903)

MR. JUSTICE HOLMES delivered the opinion of the court.

This case comes here from the United States Circuit Court of Appeals for the Sixth Circuit by writ of error. It is an action brought by the plaintiffs in error to recover the penalties prescribed for infringements of copyrights. The alleged infringements consisted in the copying in reduced form of three chromolithographs prepared by employes of the plaintiffs for advertisements of a circus owned by one Wallace. Each of the three contained a portrait of Wallace in the corner and lettering bearing some slight relation to the scheme of decoration, indicating the subject of the design and the fact that the reality was to be seen at the circus. One of the designs was of an ordinary ballet, one of a number of men and women, described as the Stirk family, performing on bicycles, and one of groups of men and women whitened to represent statues. The Circuit Court directed a verdict for the defendant on the ground that the chromolithographs were not within the protection of the copyright law, and this ruling was sustained by the Circuit Court of Appeals. ...

We shall do no more than mention the suggestion that painting and engraving unless for a mechanical end are not among the useful arts, the progress of which Congress is empowered by the Constitution to promote. The Constitution does not limit the useful to that which satisfies immediate bodily needs. It is obvious also that the plaintiffs' case is not affected by the fact, if it be one, that the pictures represent actual groups — visible things. They seem from the testimony to have been composed from hints or description, not from sight of a performance. But even if they had been drawn from the life, that fact would not deprive them of protection. The opposite proposition would mean that a portrait by Velasquez or Whistler was common property because others might try their hand on the same face. Others are free to copy the original. They are not free to copy the copy. 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 unless there is a restriction in the words of the act. ...

If there is a restriction it is not to be found in the limited pretensions of these particular works. The least pretentious picture has more originality in it than directories and the like, which may be copyrighted. ...

[The copyright act in force at the time protected only defined categories of works,

one of which was "pictorial illustrations or works connected with the fine arts.]" These chromolithographs are "pictorial illustrations." The word "illustrations" does not mean that they must illustrate the text of a book, and that the etchings of Rembrandt or Steinla's engraving of the Madonna di San Sisto could not be protected to-day if any man were able to produce them. Again, the act however construed, does not mean that ordinary posters are not good enough to be considered within its scope. The antithesis to "illustrations or works connected with the fine arts" is not works of tittle merit or of humble degree, or illustrations addressed to the less educated classes; it is "prints or labels designed to be used for any other articles of manufacture." Certainly works are not the less connected with the fine arts because their pictorial quality attracts the crowd and therefore gives them a real use — if use means to increase trade and to help to make money. A picture is none the less a picture and none the less a subject of copyright that it is used for an advertisement. And if pictures may be used to advertise soap, or the theatre, or monthly magazines, as they are, they may be used to advertise a circus. Of course, the ballet is as legitimate a subject for illustration as any other. A rule cannot be laid down that would excommunicate the paintings of Degas.

Finally, the special adaptation of these pictures to the advertisement of the Wallace shows does not prevent a copyright. That may be a circumstance for the jury to consider in determining the extent of Mr. Wallace's rights, but it is not a bar. Moreover, on the evidence, such prints are used by less pretentious exhibitions when those for whom they were prepared have given them up.

It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, 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. It may be more than doubted, for instance, whether the etchings of Goya or the paintings of Manet would have been sure of protection when seen for the first time. 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. It is an ultimate fact for the moment, whatever may be our hopes for a change. That these pictures had their worth and their success is sufficiently shown by the desire to reproduce them without regard to the plaintiffs' rights. We are of opinion that there was evidence that the plaintiffs have rights entitled to the protection of the law. ...



Compendium of U.S. Copyright Office Practices (3d ed. 2014)

§ 310 - Factors That Will Not Be Considered in the Examination of Originality

As a general rule, the U.S. Copyright Office will not consider factors that have no bearing on whether the originality requirement has been met. ... The fact that a work may be novel, distinctive, innovative, or even unique is irrelevant to this analysis. ... [T]he U.S. Copyright Office does not consider the aesthetic value, artistic merit, or intrinsic quality of a work. For example, the Office will not look for any particular style of creative expression. Likewise, the Office will not consider whether a work is visually appealing or written in elegant prose. ... For the same reasons, the Office will not consider the truth or falsity of the facts set forth in a work of authorship. Nor will the Office consider the soundness of the views expressed in the work. ... [T]he Office will focus only on the actual appearance or sound of the work that has been submitted for registration, but will not consider any meaning or significance that the work may evoke. ... [T]he U.S. Copyright Office will not consider the author's inspiration for the work, creative intent, or intended meaning. ... The U.S. Copyright Office will not consider the author's creative skill and experience ... because the author's personal or professional history is irrelevant to the determination of copyrightability. ... [The Office] will not consider the amount of time, effort, or expense required to create the work. ... As a general rule, the Office will not consider possible design alternatives that the author may have considered when he or

she created the work. Likewise, the Office will not consider potential variations in the use of the work, such as the fact that the work could be presented in a different color, in a different size, or with a different orientation. ... As a general rule, the materials used to create a work have no bearing on the originality analysis. For example, the U.S. Copyright Office will not consider the fact that a jewelry design was constructed with precious metals or gemstones, or the fact that a silk screen was printed on a particular paper stock. ... The U.S. Copyright Office will not consider the marketability or commercial success of the work, because these issues are irrelevant to the originality analysis.

Arrows Problem

Is this logo (for a professional sports team) sufficiently original to be copyrightable?



Copyright Act

17 U.S.C. § 103 - *Subject matter of copyright: Compilations and derivative works*

- (a) The subject matter of copyright as specified by section 102 includes compilations and derivative works, but protection 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.
- (b) 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.

17 U.S.C. § 101 - *Definitions*

A “compilation” 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 term “compilation” includes collective works.

A “collective work” is 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.

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”.

Feist Publications, Inc. v. Rural Telephone Service Co.
499 U.S. 340 (1991)

JUSTICE O’CONNOR delivered the opinion of the Court.

This case requires us to clarify the extent of copyright protection available to telephone directory white pages.

I

Rural Telephone Service Company, Inc., is a certified public utility that provides telephone service to several communities in northwest Kansas. It is subject to a state regulation that requires all telephone companies operating in Kansas to issue annually an updated telephone directory. Accordingly, as a condition of its monopoly franchise, Rural publishes a typical telephone directory, consisting of white pages and yellow pages. The white pages list in alphabetical order the names of Rural’s subscribers, together with their towns and telephone numbers. The yellow pages list Rural’s business subscribers alphabetically by category and feature classified advertisements of various sizes. Rural distributes its directory free of charge to its subscribers, but earns revenue by selling yellow pages advertisements.

[Feist published a telephone directory, containing both white and yellow pages, covering a much larger geographic area. It contained 46,878 white-pages listings. Feist requested a license to Rural’s listings; Rural refused.]

Unable to license Rural’s white pages listings, Feist used them without Rural’s consent. Feist began by removing several thousand listings that fell outside the geographic range of its area-wide directory, then hired personnel to investigate the 4,935 that remained. These employees verified the data reported by Rural and sought to obtain additional information. As a result, a typical Feist listing includes the individual’s street address; most of Rural’s listings do not. Notwithstanding these additions, however, 1,309 of the 46,878 listings in Feist’s 1983 directory were identical to listings in Rural’s 1982-1983 white pages. Four of these were fictitious listings that Rural had inserted into its directory to detect copying.

Rural sued for copyright infringement in the District Court for the District of Kansas taking the position that Feist, in compiling its own directory, could not use the information contained in Rural's white pages. Rural asserted that Feist's employees were obliged to travel door-to-door or conduct a telephone survey to discover the same information for themselves. Feist responded that such efforts were economically impractical and, in any event, unnecessary because the information copied was beyond the scope of copyright protection. The District Court granted summary judgment to Rural In an unpublished opinion, the Court of Appeals for the Tenth Circuit affirmed

II

A

This case concerns the interaction of two well-established propositions. The first is that facts are not copyrightable; the other, that compilations of facts generally are. Each of these propositions possesses an impeccable pedigree. ...

The key to resolving the tension lies in understanding why facts are not copyrightable. The *sine qua non* of copyright is originality. To qualify for copyright protection, a work must be original to the author. 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. 1 M. Nimmer & D. Nimmer, Copyright §§ 2.01[A], [B] (1990) (hereinafter Nimmer). 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. *Id.*, § 1.08[C][1]. Originality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying. To illustrate, assume that two poets, each ignorant of the other, compose identical poems. Neither work is novel, yet both are original and, hence, copyrightable.

Originality is a constitutional requirement. The source of Congress' power to enact copyright laws is Article I, § 8, cl. 8, of the Constitution, which authorizes Congress to "secur[e] for limited Times to Authors . . . the exclusive Right to their respective Writings." In two decisions from the late 19th century—*The Trade-Mark Cases*, 100 U. S. 82 (1879); and *Burrow-Giles Lithographic Co. v. Sarony*, 111 U. S. 53 (1884)—this Court defined the crucial terms "authors" and "writings." In so doing, the Court made it unmistakably clear that these terms presuppose a degree of originality. ...

It is this bedrock principle of copyright that mandates the law's seemingly disparate treatment of facts and factual compilations. "No one may claim originality as

to facts.” Nimmer, § 2.11[A], p. 2-157. This is because facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence. ...

Factual compilations, on the other hand, may possess the requisite originality. The compilation author typically chooses which facts to include, in what order to place them, and how to arrange the collected data so that they may be used effectively by readers. These choices as to selection and arrangement, so long as they are made independently by the compiler and entail a minimal degree of creativity, are sufficiently original that Congress may protect such compilations through the copyright laws. ...

This inevitably means that the copyright in a factual compilation is thin. 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.

...

B

As we have explained, originality is a constitutionally mandated prerequisite for copyright protection. The Court’s decisions announcing this rule predate the Copyright Act of 1909, but ambiguous language in the 1909 Act caused some lower courts temporarily to lose sight of this requirement. ...

Making matters worse, these courts developed a new theory to justify the protection of factual compilations. Known alternatively as “sweat of the brow” or “industrious collection,” the underlying notion was that copyright was a reward for the hard work that went into compiling facts. The classic formulation of the doctrine appeared in *Jeweler’s Circular Publishing Co.*, 281 F., at 88:

”The right to copyright a book upon which one has expended labor in its preparation does not depend upon whether the materials which he has collected consist or not of matters which are *publici juris*, or whether such materials show literary skill or originality, either in thought or in language, or anything more than industrious collection. The man who goes through the streets of a town and puts down the names of each of the inhabitants, with their occupations and their street number, acquires material of which he is the author” (emphasis added).

... Without a doubt, the “sweat of the brow” doctrine flouted basic copyright principles. Throughout history, copyright law has “recognize[d] a greater need to disseminate factual works than works of fiction or fantasy.” *Harper & Row*, 471 U.

S., at 563. But “sweat of the brow” courts took a contrary view; they handed out proprietary interests in facts and declared that authors are absolutely precluded from saving time and effort by relying upon the facts contained in prior works. ...

C

... In enacting the Copyright Act of 1976, Congress dropped the reference to “all the writings of an author” and replaced it with the phrase “original works of authorship.” 17 U. S. C. § 102(a). ...

Congress took another step to minimize confusion by ... enacting two new provisions. First, to make clear that compilations were not copyrightable per se, Congress provided a definition of the term “compilation.” Second, to make clear that the copyright in a compilation did not extend to the facts themselves, Congress enacted § 103.

The definition of “compilation” is found in § 101 of the 1976 Act. It defines a “compilation” in the copyright sense as “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” (emphasis added). ...

As discussed earlier, however, the originality requirement is not particularly stringent. A compiler may settle upon a selection or arrangement that others have used; novelty is not required. Originality requires only that the author make the selection or arrangement independently (i. e., without copying that selection or arrangement from another work), and that it display some minimal level of creativity. Presumably, the vast majority of compilations will pass this test, but not all will. There remains a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent. Such works are incapable of sustaining a valid copyright. Nimmer § 2.01[B]. ...

In summary, the 1976 revisions to the Copyright Act leave no doubt that originality, not “sweat of the brow,” is the touchstone of copyright protection in directories and other fact-based works. Nor is there any doubt that the same was true under the 1909 Act. The 1976 revisions were a direct response to the Copyright Office’s concern that many lower courts had misconstrued this basic principle, and Congress emphasized repeatedly that the purpose of the revisions was to clarify, not change, existing law. The revisions explain with painstaking clarity that copyright requires originality, § 102(a); that facts are never original, § 102(b); that the copyright in a compilation does not extend to the facts it contains, § 103(b); and that a compilation is copyrightable only to the extent that it features an original selection, coordination, or arrangement, § 101. ...

The selection, coordination, and arrangement of Rural's white pages do not satisfy the minimum constitutional standards for copyright protection. As mentioned at the outset, Rural's white pages are entirely typical. Persons desiring telephone service in Rural's service area fill out an application and Rural issues them a telephone number. In preparing its white pages, Rural simply takes the data provided by its subscribers and lists it alphabetically by surname. The end product is a garden-variety white pages directory, devoid of even the slightest trace of creativity.

Rural's selection of listings could not be more obvious: It publishes the most basic information—name, town, and telephone number—about each person who applies to it for telephone service. This is “selection” of a sort, but it lacks the modicum of creativity necessary to transform mere selection into copyrightable expression. Rural expended sufficient effort to make the white pages directory useful, but insufficient creativity to make it original.

We note in passing that the selection featured in Rural's white pages may also fail the originality requirement for another reason. Feist points out that Rural did not truly “select” to publish the names and telephone numbers of its subscribers; rather, it was required to do so by the Kansas Corporation Commission as part of its monopoly franchise. Accordingly, one could plausibly conclude that this selection was dictated by state law, not by Rural.

Nor can Rural claim originality in its coordination and arrangement of facts. The white pages do nothing more than list Rural's subscribers in alphabetical order. This arrangement may, technically speaking, owe its origin to Rural; no one disputes that Rural undertook the task of alphabetizing the names itself. But there 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. ...

Because Rural's white pages lack the requisite originality, Feist's use of the listings cannot constitute infringement. This decision should not be construed as demeaning Rural's efforts in compiling its directory, but rather as making clear that copyright rewards originality, not effort. As this Court noted more than a century ago, “‘great praise may be due to the plaintiffs for their industry and enterprise in publishing this paper, yet the law does not contemplate their being rewarded in this way.’” *Baker v. Selden*, 101 U. S., at 105.

Code of Federal Regulations

37 C.F.R. § 202.1 - *Material not subject to copyright*

The following are examples of works not subject to copyright and applications for registration of such works cannot be entertained:

- (a) 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; ...
- (d) Works consisting entirely of information that is common property containing no original authorship, such as, for example: Standard calendars, height and weight charts, tape measures and rulers, schedules of sporting events, and lists or tables taken from public documents or other common sources.

Baseball Card Price Report Problem

The Baseball Card Price Report is a comprehensive printed list of collectible baseball cards sold between 1909 and 2011. It lists 32,000 baseball cards and a market price for each of them. The market price is determined by obtaining transaction lists from several dozen large dealers and averaging the sales prices for the card over the past year.

The Report is organized by year: it has a section for 1909, a section for 1910, and so on. Each section is subdivided into a list of manufacturers (Topps, Upper Deck, and so on). Each manufacturer's list is then divided by teams, and players are listed alphabetically by last name within a team section. For each card, the Report gives prices for mint, excellent, very good, good, and fair condition cards. In addition, about 9,000 of the cards are noted with a star to indicate that they are "premium" cards. These cards are considered especially valuable because the player is in the Hall of Fame, played for a famous team, or some other reason that makes the card especially scarce or especially prized by collectors.

An entrepreneur calling himself Tyrone Tyrannosaurus has started a website called the "Collector's Cheat Sheet." The front of the site consists of three drop-down menus: year, team, and player name. Once a user selects all three, he is taken to a page that lists all of the companies that made cards of that player in that year. If a card is considered "premium" by the Report, the Cheat Sheet lists the card in bold.

You represent Mr. Tyrannosaurus, who has received a cease-and-desist letter from the publisher of the Report claiming that the Cheat Sheet is infringing on a copyright in the Report. What is your advice to your client?

2 Idea and Expression

Copyright Act

17 U.S.C. § 102 - *Subject matter of copyright: In general*

- (b) 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.

Blehm v. Jacobs

702 F. 3d 1193 (10th Cir. 2012)

Matheson, Circuit Judge:

Appellant Gary Blehm brought this copyright infringement action against brothers Albert and John Jacobs and the Life is Good Company (collectively “Life is Good”). Mr. Blehm is the creator of copyrighted posters featuring cartoon characters called “Penmen.” He contends that numerous Life is Good depictions of a cartoon character called “Jake” infringe on his copyrighted works. The district court granted Life is Good’s motion for summary judgment, holding that no infringement occurred because the copyrighted and accused works are not substantially similar.

I. BACKGROUND

A. Factual Background

1. Development and Distribution of Mr. Blehm’s Copyrighted Works

Mr. Blehm is a commercial artist who lives in Colorado Springs, Colorado. In the late 1980s, he developed characters called “Penmen.” According to Mr. Blehm, each Penman is “a deceptively-simple looking figure” that “engage[s] in a variety of activities pulled directly from [his] colorful life experiences.” The Penmen have “round heads, disproportionately large half-moon smiles, four fingers, large feet, disproportionately long legs, and a message of unbridled optimism.” ...

The Penmen are a product of Mr. Blehm’s commercial art training. Through his training, Mr. Blehm learned how to “add a slight bend to a figure’s limb to show weight bearing into it” and how, as he puts it, to apply negative space. Eventually, Mr. Blehm developed rules and guidelines for drawing each Penman. These rules and guidelines include a specific shape for each Penman’s head, specific length and height requirements for each character, rules on fluidity and perspective, and the “Penmen parallel curve,” which Mr. Blehm employs to “create eye-pleasing shapes within the negative space.” –

In 1990, Mr. Blehm began selling his posters to distributors. From 1990 to 2004, Prints Plus sold his posters nationally. ...

2. The Jacobs Brothers, Life is Good, and the Development of “Jake”

Starting in 1989, the Jacobs brothers designed and sold t-shirts “infused with a positive undertone as a reflection of their beliefs.” The brothers sold t-shirts in areas around Boston, including Harvard Square, not far from the Harvard Coop. During the 1993 holiday season, the Jacobses sold t-shirts from carts in the Cambridge-side Galleria and the Emerald Square Mall, both of which had Prints Plus stores that sold Mr. Blehm’s posters.

According to the Jacobses, around April 1994 John Jacobs drew a sketch of a figure with a red face, wide smile, sunglasses, and a beret. The figure was enclosed in two circles. John hung the sketch on the wall of the brothers’ apartment.

The Jacobses recall hosting a party in August 1994 at their apartment and soliciting feedback on the sketch from their friends. After a friend stated that the figure in the sketch “really has life figured out,” John Jacobs wrote “Life is good” under the image. They named the image “Jake,” a spinoff of their last name.

The Jacobses soon made and sold t-shirts featuring Jake at street fairs and to retailers. As demand for the shirts increased, John Jacobs added a torso, arms, and feet to the Jake head. Jake was portrayed engaging in simple activities, such as biking, hiking, golfing, and playing soccer. ...

The Jacobses incorporated Life is Good in 1997 with the “overarching themes of optimism, simplicity, humor, and humility.” ...

II. DISCUSSION

A. Substantial Similarity

1. Legal Framework

In order to prove copying of legally protectable material, a plaintiff must typically show substantial similarity between legally [protectable] elements of the original work and the allegedly infringing work. This commonly stated rule raises two questions: First, what elements of a copyrighted work are legally protectable? Second, how do courts determine whether a copyrighted work’s legally protectable elements are “substantially similar” to an accused work?

a. Legally Protectable Elements: The Idea/Expression Distinction

Section 102(a) of the Copyright Act states that a copyright protects the “original works of authorship fixed in any tangible medium of expression,” including pictorial and graphic works. 17 U.S.C. § 102(a). To gain protection, the work must demonstrate at least some minimal degree of creativity, but 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.

But legal protection does not extend to all aspects of a copyrighted work. Section 102(b) provides, “In no case does copyright protection ... extend to any idea ... [or] concept ... regardless of the form in which it is described, explained, illustrated, or embodied in such work.” 17 U.S.C. § 102(b). This provision enshrines the fundamental tenet that copyright protection extends only to the author’s original expression and not to the ideas embodied in that expression.

Thus, courts comparing works must first distill the protectable elements of the copyrighted work — i.e., determine what aspects constitute protectable expression. But this process, although sound in theory, is difficult to apply in practice. More than 50 years ago, Judge Learned Hand recognized that “[t]he test for infringement of a copyright is of necessity vague.” *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960); see also *Nichols v. Univ. Pictures Corp.*, 45 F.2d 119, 122 (2d Cir. 1930) (explaining that drawing the line between what is protected and what is not “will seem arbitrary, [but] that is no excuse for not drawing it”). Because “no principle can be stated as to when an imitator has gone beyond copying the ‘idea,’ and has borrowed its ‘expression[,]’ [d]ecisions must therefore inevitably be ad hoc.” *Peter Pan Fabrics*, 274 F.2d at 489. We follow this case-by-case approach, and are mindful that copyright law seeks to achieve a proper balance between competition based on public ideas and incentive to produce original work.

Because the idea/expression distinction is the most complex part of the substantial similarity inquiry, we discuss a few examples where courts have separated the two. In *Country Kids ‘N City Slicks, Inc. v. Sheen*, 77 F.3d 1280, 1284 (10th Cir. 1996), this court held that copyright protection did not “extend to the size, shape and medium” of wooden dolls. We explained that the Copyright Act is concerned with artistic innovation and excludes protection for a work’s “utilitarian qualities.” *Id.* at 1287. The idea of a wooden doll is not copyrightable, nor are “any basic and utilitarian aspects of the dolls, such as the shape of a human body and standard ... doll poses which are both friendly and inviting and also utilitarian in their ease of manufacture and adaptability to the attachment of various wardrobes.” *Id.*

Similarly, a copyright owner has no monopoly over the idea of “fashion dolls with a bratty look or attitude, or dolls sporting trendy clothing.” *Mattel, Inc. v. MGA Entm’t, Inc.*, 616 F.3d 904, 916 (9th Cir. 2010), as amended on denial of reh’g (Oct. 21, 2010). Nor does copyright protection extend to the idea of creating a doll with “an upturned nose, bow lips, and widely spaced eyes,” even if the allegedly infringing work has explicitly taken this idea from the copyrighted work. *Mattel, Inc. v. Goldberger Doll Mfg. Co.*, 365 F.3d 133, 136 (2d Cir. 2004).

Copyright instead protects the “particularized expression” of the idea of a doll with such features. *Id.* For example, although a copyright owner has no monopoly over the idea of a muscular doll in a standard pose, the owner may have a valid infringement claim for copying of the “particularized expression of that idea,” such as

“the decision to accentuate certain muscle groups relative to others.” *Mattel, Inc. v. Azrak-Hamway Int’l, Inc.*, 724 F.2d 357, 360 (2d Cir. 1983). A copyright owner’s original stylistic choices qualify as protectable expression if the choices are not dictated by the underlying idea. See *Aliotti v. R. Dakin & Co.*, 831 F.2d 898, 901 (9th Cir. 1987) (stuffed dinosaur toys cannot be substantially similar because of shared physiognomy, but a distinctive “eye style and stitching” could qualify as protectable expression if they are “not dictated by the idea of stuffed dinosaur dolls”).

In architecture, there is no copyright protection for the idea of using “domes, wind-towers, parapets and arches.” *Sturdza v. United Arab Emirates*, 281 F.3d 1287, 1297 (D.C. Cir. 2002). “[T]o hold otherwise would render basic architectural elements unavailable to architects generally, thus running afoul of the very purpose of the idea/expression distinction: promoting incentives for authors to produce original work while protecting society’s interest in the free flow of ideas.” *Id.* On the other hand, the combination of common architectural elements and use of specific designs may constitute original expression that is protected. An architectural design may infringe if its use of public-domain elements gives off a similar unique effect in decoration and design as the copyrighted work.

Thus, a sweater designer can have copyright protection over an original way of using squirrels as a design element in conjunction with fall colors, stripes, and panels, even though those elements individually constitute ideas in the public domain. See *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1004 (2d Cir.1995). A plaintiff’s “selective and particularized” alterations of a public-domain carpet pattern also can constitute protectable expression. *Tufenkian Imp./Exp. Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127, 136 (2nd Cir. 2003). ...

2. Comparing the Penmen and Jake Images ...

The district court was correct that Mr. Blehm has no copyright over the idea of a cartoon figure holding a birthday cake, catching a Frisbee, skateboarding, or engaging in various other everyday activities. Nor can the Jake images infringe on the Penmen because the figures share the idea of using common anatomical features such as arms, legs, faces, and fingers, which are not protectable elements. See *Baby Buddies, Inc. v. Toys “R” Us, Inc.*, 611 F.3d 1308, 1317 (11th Cir. 2010) (no copyright protection over common anatomical features of teddy bear). Mr. Blehm’s copyright also does not protect Penmen poses that are attributable to an associated activity, such as reclining while taking a bath or lounging in an inner tube. These everyday activities, common anatomical features, and natural poses are ideas that belong to the public domain; Mr. Blehm does not own these elements.

Although we do not consider these unprotected elements in our substantial similarity analysis, we acknowledge that Mr. Blehm’s works do contain some protectable expression. The Penmen at first glance might be considered simple stick figures, but

they are more nuanced than a child's rudimentary doodling. For example, the prototypical Penman has a rounded, half-moon smile that takes up a substantial portion of the face. Mr. Blehm has chosen to omit any other facial features on the Penmen. Each figure is filled in black, except for the white half-moon smile, and each Penman's head is detached, hovering above the body. Many of the Penmen stand facing the viewer, flashing the half-moon smile.

Mr. Blehm also drew the Penmen according to his own rules and guidelines. The figure's head might be perceived as slightly disproportional to the body. Its arms and legs are thin, long, and disproportionate to the torso, which is relatively short. Mr. Blehm also chose to give the Penmen four fingers — each about as thick as their arms and legs — on each hand, as well as feet that are disproportionately long and thick compared with the rest of the body. ...

Having identified protectable expression in Mr. Blehm's drawings, we must determine whether that expression is substantially similar to the allegedly infringing Life is Good images. Life is Good is not entitled to summary judgment unless its Jake figures are so dissimilar from the protectable elements of the Penmen that no reasonable jury could find for Mr. Blehm on the question of substantial similarity.

To show substantial similarity, Mr. Blehm provided the district court with an exhibit juxtaposing 67 individual Penmen with a corresponding, allegedly infringing Jake image. We have reviewed these images and agree with the district court's grant of summary judgment in favor of Life is Good. We now address two of Mr. Blehm's proposed comparisons, which he highlights in his appellate brief, and explain why the Life is Good images are so dissimilar from the protectable elements of Mr. Blehm's images that no reasonable jury could find in his favor.

a. The Peace Sign Images

The first example in Mr. Blehm's exhibit juxtaposes a Penman and Jake image standing and displaying the peace sign. Because we must separate unprotected ideas from expression, our analysis does not consider that both drawings share the idea of a cartoon figure making a common hand gesture. But we do consider whether the Jake image is substantially similar to Mr. Blehm's expression of this idea.

Mr. Blehm urges us to find certain similarities between the images. He notes that both have round heads. But Mr. Blehm has no copyright protection in general human features. Further, the figures' heads are not similarly round. Jake's head is more oval and somewhat misshapen, whereas the Penman's head is circular and uniform.

Mr. Blehm suggests that the figures have similar proportions, such as the size of the figures' heads, arms, legs, and feet compared with their bodies. A close review of the figures, however, yields the opposite conclusion. Jake's head is very large compared with the body, while the Penman's head is relatively proportional. The

Penman's arms and legs are long and disproportionate to its truncated torso. Jake, on the other hand, has more proportional limbs compared with his torso. The figures' feet are distinctly different: the Penman's are thick, long, and roll-shaped, but Jake's are shorter and triangular.

Nevertheless, there are some similarities between the Penman and Jake. Both have black-line bodies, four fingers, and large half-moon smiles, and their feet are pointed outward. But even these similarities have important differences, or are not protectable expression. For example, Jake's fingers appear stubbier. The choice to display the figures' feet outward also naturally flows from the common idea of drawing a two-dimensional stick figure and is thus unprotected.

The figures' smiles thus seem to be the crux of this litigation. The Penman and Jake both face the viewer with disproportionately large half-moon smiles. A smile can be drawn in various ways. Here, they share a crescent shape, but the idea of a crescent-shaped smile is unprotected. Rather, the expression of the smiles must be substantially similar and important to the overall work.

The Penman's smile is all white, as is Jake's. The smiles on both figures take up a large portion of the head. But the Penman's smile is rounded on the tips, whereas the tips of Jake's smile are sharper angled. Jake's smile, by virtue of the size of his head, is much larger compared with his body than is the Penman's. And although both smiles are white, the Penman's is set on an all-black head, making it appear different from Jake's, which is the outline of a smile on a white head with black sunglasses.

Indeed, Mr. Blehm's decision to omit eyes and other facial features on the Penman makes the figure susceptible to an interpretation that the Penman is not smiling at all. One interpretation is that the white space on the head is not a smile, but is the Penman's face with no features. The black above the half-moon shape can be perceived as hair swooping down over the Penman's forehead. Thus, the Penman's lack of facial features make it susceptible to different interpretations. The Jake figure is not susceptible to similar confusion.

Any similarity between smiles also is insubstantial in light of other differences between the figures. Jake's head is attached to the body, and his head is white and has black sunglasses. The Penman's head is detached and is black with no eyes. Jake sports a beret, and his whole figure is displayed on a color background, whereas the Penman has no headwear and is portrayed against a plain white background.

The Jake image's arms are positioned differently from the Penman, with Jake's left arm curved, rather than sharp and angular. Mr. Blehm also chose a unique feature for the Penman's peace-sign expression — white space in the figure's hand — that the Jake image does not share.

We conclude that no reasonable juror could determine that the Jake figure is substantially similar to the protected, expressive choices Mr. Blehm used for the Penman figure.

b. The Frisbee Images

In another example, a Penman and Jake attempt to catch Frisbees between their legs. The two figures' poses are similar — suspended in the air with legs outstretched and a hand descending to catch the disc — but we do not consider the pose in our analysis. Such a pose is common to this activity and is not protected expression. Again, the figures have large, half-moon smiles. And unlike the “peace sign” Jake, this Jake image has legs that are disproportionate to a truncated torso. The Penman's legs also are long with respect to the torso, but not as disproportionate as Jake's.

Jake's legs are curved, but the Penman's are straightened. The Jake image's head differs in the same important ways as in the “peace sign” images. Jake's arms appear to extend from his head, but the Penman's arms attach to the top of the torso. Jake's torso is much thinner (and disproportionately shorter) than the Penman's; Jake has three fingers on each hand (not four); and the Jake image, unlike the Penman image, incorporates color on the canvas and disc. Jake's feet are defined — toes and arches are visible — but the Penman's are not. Although the images share a similar idea of catching a Frisbee between the legs, the protectable expression in the Penman is not substantially similar to the Jake image.

c. Other Images

Mr. Blehm highlights 65 other Penmen as having been copied. Attached to this opinion is the “Penmen-Jake Chart” Mr. Blehm submitted to the district court in an effort to demonstrate substantial similarity.

We have reviewed these images, and an analysis similar to the discussion above applies. ...

* * *

... Copying alone is not infringement. The infringement determination depends on what is copied. Assuming Life is Good copied Penmen images when it produced Jake images, our substantial similarity analysis shows it copied ideas rather than expression, which would make Life is Good a copier but not an infringer under copyright law. ...





Baker v. Selden
101 U.S. 99 (1880)

MR. JUSTICE BRADLEY delivered the opinion of the court.

Charles Selden, the testator of the complainant in this case, in the year 1859 took the requisite steps for obtaining the copyright of a book, entitled "Selden's Condensed Ledger, or Book-keeping Simplified," the object of which was to exhibit and explain a peculiar system of book-keeping. In 1860 and 1861, he took the copyright of several other books, containing additions to and improvements upon the said system. The bill of complaint was filed against the defendant, Baker, for an alleged infringement of these copyrights. ...

A decree was rendered for the complainant, and the defendant appealed.

The book or series of books of which the complainant claims the copyright consists of an introductory essay explaining the system of book-keeping referred to, to which are annexed certain forms or blanks, consisting of ruled lines, and headings, illustrating the system and showing how it is to be used and carried out in practice. This system effects the same results as book-keeping by double entry; but, by a peculiar arrangement of columns and headings, presents the entire operation, of a day, a week, or a month, on a single page, or on two pages facing each other, in an account-book. The defendant uses a similar plan so far as results are concerned; but makes a different arrangement of the columns, and uses different headings. If the complainant's testator had the exclusive right to the use of the system explained in his book, it would be difficult to contend that the defendant does not infringe it, notwithstanding the difference in his form of arrangement; but if it be assumed that the system is open to public use, it seems to be equally difficult to contend that the books made and sold by the defendant are a violation of the copyright of the complainant's book considered merely as a book explanatory of the system. Where the truths of a science or the methods of an art are the common property of the whole world, any author has the right to express the one, or explain and use the other, in his own way. As an author, Selden explained the system in a particular way. It may be conceded that Baker makes and uses account-books arranged on substantially the same system; but the proof fails to show that he has violated the copyright of Selden's book, regarding the latter merely as an explanatory work; or that he has infringed Selden's right in any way, unless the latter became entitled to an exclusive right in the system.

... It is contended that he has secured such exclusive right, because no one can use the system without using substantially the same ruled lines and headings which he has appended to his books in illustration of it. In other words, it is contended that the ruled lines and headings, given to illustrate the system, are a part of the book, and,

as such, are secured by the copyright; and that no one can make or use similar ruled lines and headings, or ruled lines and headings made and arranged on substantially the same system, without violating the copyright. ...

There is no doubt that a work on the subject of book-keeping, though only explanatory of well-known systems, may be the subject of a copyright; but, then, it is claimed only as a book. Such a book may be explanatory either of old systems, or of an entirely new system; and, considered as a book, as the work of an author, conveying information on the subject of book-keeping, and containing detailed explanations of the art, it may be a very valuable acquisition to the practical knowledge of the community. But there is a clear distinction between the book, as such, and the art which it is intended to illustrate. The mere statement of the proposition is so evident, that it requires hardly any argument to support it. The same distinction may be predicated of every other art as well as that of book-keeping. A treatise on the composition and use of medicines, be they old or new; on the construction and use of ploughs, or watches, or churns; or on the mixture and application of colors for painting or dyeing; or on the mode of drawing lines to produce the effect of perspective, — would be the subject of copyright; but no one would contend that the copyright of the treatise would give the exclusive right to the art or manufacture described therein. The copyright of the book, if not pirated from other works, would be valid without regard to the novelty, or want of novelty, of its subject-matter. The novelty of the art or thing described or explained has nothing to do with the validity of the copyright. 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. The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government. ...

The copyright of a work on mathematical science cannot give to the author an exclusive right to the methods of operation which he propounds, or to the diagrams which he employs to explain them, so as to prevent an engineer from using them whenever occasion requires. The very object of publishing a book on science or the useful arts is to communicate to the world the useful knowledge which it contains. But this object would be frustrated if the knowledge could not be used without incurring the guilt of piracy of the book. And where the art it 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 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.

Of course, these observations are not intended to apply to ornamental designs, or

pictorial illustrations addressed to the taste. Of these it may be said, that their form is their essence, and their object, the production of pleasure in their contemplation. This is their final end. They are as much the product of genius and the result of composition, as are the lines of the poet or the historian's periods. On the other hand, the teachings of science and the rules and methods of useful art have their final end in application and use; and this application and use are what the public derive from the publication of a book which teaches them. But as embodied and taught in a literary composition or book, their essence consists only in their statement. This alone is what is secured by the copyright. The use by another of the same methods of statement, whether in words or illustrations, in a book published for teaching the art, would undoubtedly be an infringement of the copyright.

Recurring to the case before us, we observe that Charles Selden, by his books, explained and described a peculiar system of book-keeping, and illustrated his method by means of ruled lines and blank columns, with proper headings on a page, or on successive pages. Now, whilst no one has a right to print or publish his book, or any material part thereof, as a book intended to convey instruction in the art, any person may practise and use the art itself which he has described and illustrated therein. The use of the art is a totally different thing from a publication of the book explaining it. The copyright of a book on book-keeping cannot secure the exclusive right to make, sell, and use account-books prepared upon the plan set forth in such book. Whether the art might or might not have been patented, is a question which is not before us. It 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. ...

The conclusion to which we have come is, that blank account-books are not the subject of copyright; and that the mere copyright of Selden's book did not confer upon him the exclusive right to make and use account-books, ruled and arranged as designated by him and described and illustrated in said book.

CONDENSED LEDGER.

Brought forw'd.		DISTRIBUTION.		BALANCES OF ACCOUNTS.				TOTALS.		BALANCES.	
				MONDAY MORNING, DECEMBER 1, 1860.							
DR.	CR.	DR.	CR.	DR.	SUNDRIES to SUNDRIES.	CR.	DR.	CR.	DR.	CR.	
				40 00	CASH.						
					Dr.	Cr.					
					\$	\$					
					County Fund,	2 00					
					Bridge Fund,	15 00					
					County Infirmary,	16 00					
				5 00	Building Fund,						
					Interest Fund,	10 00					
				5 00	Road Fund,						
					Refunders,						
					Redemptions,	2 00					
					Tax Omissions,	3 00					
					Store License,	2 00					
					Duplicate,						
					Show License,						
					State Fund,						
					School Fund,						
					Corporation Fund,						
					Township Fund,						
					Treasurer's Fees,						
				50 00	Carried forward,	50 00					

C. D., Esq.,
Treasurer of _____ County:

Sir:

I hereby certify as correct the above Balances of Accounts of your immediate predecessor, E. F., Esq., who will deliver to you Forty Dollars, and all other property which should be in his possession, viz: his official books, accounts, vouchers and correspondence, besides three mortgage notes belonging to the County Fund, one of A. B., for Two Hundred Dollars, and two of C. D., for One Hundred and Fifty Dollars each; payments thereon being made as follows:

June 1st, 1860, A. B., Principal, (besides Interest at various times,)	\$20.00.
" 27th, " C. D., Principal and Interest,	20.00.
July 23th, " C. D., Ditto " Ditto,	10.00.

Respectfully,
A. B., Auditor.

Concrete Machinery Co. v. Classic Lawn Ornaments
843 F.2d 600 (1st Cir. 1988)

TORRUELLA, Circuit Judge.

... Some ideas admit of only a limited number of expressions. When there is essentially only one way to express an idea, the idea and its expression are inseparable and copyright is no bar to copying that expression. See, e.g., *Herbert Rosenthal Jewelry Corp. v. Kalpakian*, 446 F.2d 738 (9th Cir.1971) (idea and expression of copyrighted “jeweled bee pin” inseparable and thus copying not prohibited); *Morrissey v. Procter & Gamble Co.*, 379 F.2d 675 (1st Cir.1967) (since few ways to express rules for “sweepstakes,” no infringement although defendant’s rules only slightly different from plaintiff’s rules).⁷ When the idea and its expression are not completely inseparable, there may still be only a limited number of ways of expressing the idea. In such a case, the burden of proof is heavy on the plaintiff who may have to show “near identity” between the works at issue. This showing is necessary because, as idea and expression merge, fewer and fewer aspects of a work embody a unique and creative expression of the idea; a copyright holder must then prove substantial similarity to those few aspects of the work that are expression not required by the idea.

...

Walker v. Time Life Films, Inc.
784 F.2d 44 (2d Cir. 1986)

FEINBERG, Chief Judge:

... In the district court, appellant proffered lists of specific alleged similarities in an attempt to prove, in Professor Nimmer’s term, “fragmented literal similarity” between the book and the film. 3 Nimmer, supra, § 13.03[A][2]. None of these claims alters our conclusion that the district court properly held that as a matter of law no substantial similarity exists between the protectible elements of the works. For example, appellant notes that both the book and the film ... depict cockfights, drunks, stripped cars, prostitutes and rats; both feature as central characters third- or fourth-generation Irish policemen who live in Queens and frequently drink; both show disgruntled, demoralized police officers and unsuccessful foot chases of fleeing criminals.

These similarities, however, relate to uncopyrightable material. ... Elements such as drunks, prostitutes, vermin and derelict cars would appear in any realistic

⁷The rationale for this rule, as Judge Aldrich stated, is that “to permit copyrighting [in that case] would mean that a party or parties, by copyrighting a mere handful of forms [of expression], could exhaust all possibilities of future use of the substance ... [and thus] the subject matter would be appropriated by permitting the copyrighting of its expression. We cannot recognize copyright as a game of chess in which the public can be checkmated.” *Morrissey v. Procter & Gamble Co.*, 379 F.2d 675, 678-79 (1st Cir. 1967).

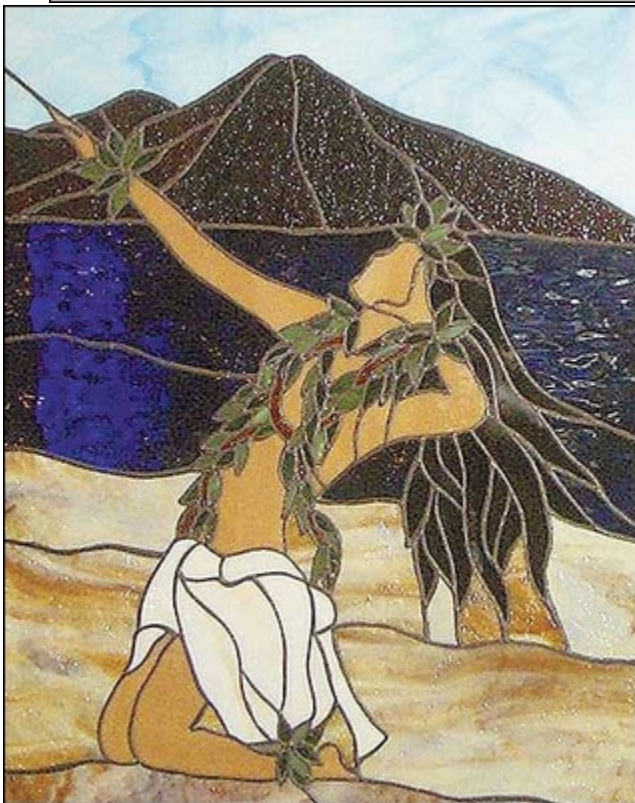
work about the work of policemen in the South Bronx. These similarities therefore are unprotectible as “scenes a faire,” that is, scenes that necessarily result from the choice of a setting or situation. Neither does copyright protection extend to copyright or “stock” themes commonly linked to a particular genre. Foot chases and the morale problems of policemen, not to mention the familiar figure of the Irish cop, are venerable and often-recurring themes of police fiction. As such, they are not copyrightable except to the extent they are given unique — and therefore protectible — expression in an original creation.

Cooking for Kids Problem

Missy Lapine is the author of *The Sneaky Chef: Simple Strategies for Hiding Healthy Foods in Kids’ Favorite Meals* (published 2007), which “presents over 75 recipes that ingeniously disguise the most important superfoods inside kids’ favorite meals.” Jessica Seinfeld is the author of *Deceptively Delicious: Simple Secrets to Get Your Kids Eating Good Food* (published 2008), which “is filled with traditional recipes that kids love, except they’re stealthily packed with veggies hidden in them so kids don’t even know!” Infringement? Are there further facts it would be helpful to know?

Hula Problem

Consider this photograph and stained glass image of hula dancers. The dancers’ pose (kneeling, with right arm extended, etc.) is traditional. So is their dress (including the lei, etc.). Does the stained glass infringe on the photograph? Are there further facts it would be helpful to know?



B Ownership

1 Authorship

Burrow-Giles Lithographic Co. v. Sarony
111 U.S. 53 (1884)

MR. JUSTICE MILLER delivered the opinion of the court.

... The suit was commenced by an action at law in which Sarony was plaintiff and the lithographic company was defendant, the plaintiff charging the defendant with violating his copyright in regard to a photograph, the title of which is "Oscar Wilde No. 18." A jury being waived, the court made a finding of facts on which a judgment in favor of the plaintiff was rendered for the sum of \$600 for the plates and 85,000 copies sold and exposed to sale, and \$10 for copies found in his possession, as penalties under section 4965 of the Revised Statutes. ...

The constitutional question is not free from difficulty.

The eighth section of the first article of the Constitution is the great repository of the powers of Congress, and by the eighth clause of that section Congress is authorized:

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.

... It is insisted in argument, that a photograph being a reproduction on paper of the exact features of some natural object or of some person, is not a writing of which the producer is the author. ...

[The Court reviewed early copyright statutes conferring copyright protection on maps, charts, designs, engravings, etchings, cuts, and other prints.]

These statutes certainly answer the objection that books only, or writing in the limited sense of a book and its author, are within the constitutional provision. Both these words are susceptible of a more enlarged definition than this. An author in that sense is "he to whom anything owes its origin; originator; maker; one who completes a work of science or literature." Worcester. So, also, no one would now claim that the word writing in this clause of the Constitution, though the only word used as to subjects in regard to which authors are to be secured, is limited to the actual script of the author, and excludes books and all other printed matter. By writings in that clause is meant the literary productions of those authors, and Congress very properly has declared these to include all forms of writing, printing, engraving, etching, &c., by which the ideas in the mind of the author are given visible expression. The only

reason why photographs were not included in the extended list in the act of 1802 is probably that they did not exist, as photography as an art was then unknown, and the scientific principle on which it rests, and the chemicals and machinery by which it is operated, have all been discovered long since that statute was enacted. ...

But it is said that an engraving, a painting, a print, does embody the intellectual conception of its author, in which there is novelty, invention, originality, and therefore comes within the purpose of the Constitution in securing its exclusive use or sale to its author, while the photograph is the mere mechanical reproduction of the physical features or outlines of some object animate or inanimate, and involves no originality of thought or any novelty in the intellectual operation connected with its visible reproduction in shape of a picture. ...

The third finding of facts says, in regard to the photograph in question, that it is a “useful, new, harmonious, characteristic, and graceful picture, and that plaintiff made the same ... entirely from his own original mental conception, to which he gave visible form by posing the said Oscar Wilde in front of the camera, selecting and arranging the costume, draperies, and other various accessories in said photograph, arranging the subject so as to present graceful outlines, arranging and disposing the light and shade, suggesting and evoking the desired expression, and from such disposition, arrangement, or representation, made entirely by plaintiff, he produced the picture in suit.”

These findings, we think, show this photograph to be an original work of art, the product of plaintiff’s intellectual invention, of which plaintiff is the author, and of a class of inventions for which the Constitution intended that Congress should secure to him the exclusive right to use, publish and sell, as it has done by section 4952 of the Revised Statutes. ...



Monkey Selfie Problem

A monkey in Indonesia picked up a tourist's camera and pushed the button, resulting in this photograph. Is it copyrightable? If so, who owns the copyright?



Copyright Act

17 U.S.C. § 105 - Subject matter of copyright: United States Government works

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.

2 Collaborations

Copyright Act

17 U.S.C. § 201 - *Ownership of copyright*

- (a) Initial Ownership. — Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work.
- (b) Works Made for Hire. — In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

17 U.S.C. § 101 - *Definitions*

A “joint work” is 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. 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. ...

17 U.S.C. § 202 - *Ownership of copyright as distinct from ownership of material object*

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.

Thomson v. Larson
147 F.3d 195 (2d Cir. 1998)

CALABRESI, Circuit Judge:

Plaintiff-appellant Lynn Thomson claims that, along with principal playwright Jonathan Larson, she co-authored a “new version” of the critically acclaimed Broadway musical *Rent*. ...

BACKGROUND

The facts given below and found by the district court are essentially uncontested.

Rent, the Pulitzer Prize and Tony Award-winning Broadway modern musical based on Puccini’s opera *La Bohème*, began in 1989 as the joint project of Billy Aronson and composer Jonathan Larson. Aronson and Larson collaborated on the work until their amicable separation in 1991. At that time, Larson obtained Aronson’s permission to develop the play on his own. ...

In the summer of 1992, Larson’s *Rent* script was favorably received by James Nicola, Artistic Director of the New York Theatre Workshop (“NYTW”), a non-profit theater company in the East Village. Larson continued to develop and revise the “workshop version” of his *Rent* script. In the spring of 1993, Nicola urged Larson to allow the NYTW to hire a playwright or a bookwriter to help revamp the storyline and narrative structure of the play. ...

In May 1995, in preparation for *Rent*’s off-Broadway opening scheduled for early 1996, Larson agreed to the NYTW’s hiring of Lynn Thomson, a professor of advanced playwrighting at New York University, as a dramaturg⁵ to assist him in clarifying the storyline of the musical. Thomson signed a contract with the NYTW, in which she agreed to provide her services with the workshop production from May 1, 1995, through the press opening, scheduled for early February of 1996. The agreement stated that Thomson’s “responsibilities shall include, but not be limited to: Providing dramaturgical assistance and research to the playwright and director.” In exchange, the NYTW agreed to pay “a fee” of \$2000, “[i]n full consideration of the services to be rendered” and to provide for billing credit for Thomson as “Dramaturg.” The Thomson/NYTW agreement was silent as to any copyright interests or any issue of ownership with respect to the final work.

In the summer and fall of 1995, Thomson and Larson worked extremely intensively together on the show. For the most part, the two worked on the script alone in Larson’s apartment. Thomson testified that revisions to the text of *Rent* didn’t begin until early August 1995. Larson himself entered all changes directly onto his

⁵Dramaturgs provide a range of services to playwrights and directors in connection with the production and development of theater pieces. According to Thomson’s testimony, the role of the dramaturg “can include any number of the elements that go into the crafting of a play,” such as “actual plot elements, dramatic structure, character details, themes, and even specific language.”

computer, where he kept the script, and Thomson made no contemporaneous notes of her specific contributions of language or other structural or thematic suggestions. Thomson alludes to the “October Version” of *Rent* as the culmination of her collaborative efforts with Larson. That new version was characterized by experts as “a radical transformation of the show.”

A “sing-through” of the “October Version” of *Rent* took place in early November 1995. And on November 3, 1995, Larson signed a contract with the NYTW for ongoing revisions to *Rent*. This agreement identified Larson as the “Author” of *Rent* and made no reference to Thomson. The contract incorporated by reference an earlier draft author’s agreement that set forth the terms that would apply if the NYTW opted to produce *Rent*. The earlier draft author’s agreement gave Larson approval rights over all changes in text, provided that any changes in text would become his property, and assured him billing as “sole author.”

The final dress rehearsal was held on January 24, 1996. Just hours after it ended, Larson died suddenly of an aortic aneurysm. Over the next few weeks, Nicola, Greif, Thomson, and musical director Tim Weil worked together to fine-tune the script. The play opened off-Broadway on February 13, 1996, to rave reviews. On February 23, *Rent*’s move to Broadway was announced. Since its opening on Broadway on April 29, 1996, the show has been “an astounding critical, artistic, and commercial success.”

Before the Broadway opening, Thomson, in view of her contributions to *Rent*, sought compensation and title page dramaturgical credit from the Broadway producers. And on April 2, 1996, she signed a contract in which the producers agreed to pay her \$10,000 plus a nominal \$50/ week for her dramaturgical services. Around the same time, upon the producers’ advice, Thomson approached Allan S. Larson, Nanette Larson, and Julie Larson McCollum (“Larson Heirs”), the surviving members of Jonathan Larson’s family, to request a percentage of the royalties derived from the play. In a letter to the Larson family, dated April 8, 1996, Thomson stated that she believed Larson, had he lived, would have offered her a “small percentage of his royalties to acknowledge the contribution I made.” In reply, the Larson Heirs offered Thomson a gift of 1% of the author’s royalties. Negotiations between Thomson and the Larson Heirs, however, broke down.

After the parties failed to reach a settlement, Thomson brought suit against the Larson Heirs, claiming that she was a co-author of *Rent* and that she had never assigned, licensed, or otherwise transferred her rights. Thomson sought declaratory relief and a retroactive and on-going accounting under the Copyright Act. Specifically, she asked that the court declare her a “co-author” of *Rent* and grant her 16% of the author’s share of the royalties.¹¹

¹¹ Thomson claims that she seeks 16% of the proceeds “because of her respect for Larson’s role as

A bench trial was held in the United States District Court for the Southern District of New York (Lewis A. Kaplan, Judge) from July 18-23, 1997. Judge Kaplan considered the testimony of over two dozen witnesses, as well as thousands of pages of documentary evidence, including Rent scripts, playbills, production notes, journal entries, and correspondence. In a decision rendered from the bench, Judge Kaplan concluded that Thomson was not a joint author of Rent and dismissed the remainder of Thomson's complaint. ...

DISCUSSION

The district court properly defined the principal question in this case as: “not whether Lynn Thomson made a great contribution to the show. It is not whether she has been or ought to be compensated differently than she has been compensated. It is about whether what happened between Lynn Thomson and Jon Larson met the statutory definition as it has been construed by the higher courts of a joint work.” ...

I. THOMSON'S CO-AUTHORSHIP CLAIM

A. Statutory Definition of “Joint Work”

Thomson's request for a declaratory judgment establishing her co-authorship under the Copyright Act of 1976, 17 U.S.C. §§ 101 et seq., requires us to interpret and apply the copyright ownership provisions of the Act. The Copyright Act defines a “joint work” 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.” 17 U.S.C. § 101 (1994). The touchstone of the statutory definition “is the intention at the time the writing is done that the parts be absorbed or combined into an integrated unit.” H.R.Rep. No. 1476, 94th Cong. 120, 121 (1976), reprinted in 1976 U.S.Code Cong. & Admin. News 5659, 5735.

Joint authorship entitles the co-authors to equal undivided interests in the whole work — in other words, each joint author has the right to use or to license the work as he or she wishes, subject only to the obligation to account to the other joint owner for any profits that are made.

B. Childress Requirements

In *Childress v. Taylor*, our court interpreted this section of the Act and set forth “standards for determining when a contributor to a copyrighted work is entitled to

the principal creator of the work.” Thomson derives the 16% figure in the following way: she alleges that 48% of the Rent script is new in relation to the 1994 Workshop version (prior to her involvement); as co-author, she is, therefore, entitled to 50% of this part (or 24% of the total revenues); but since there are three components to Rent (book, lyrics, and music) and she did not contribute to one (music), she is entitled to 2/3, or 16% of the total revenues. Thomson also sought the right to quote freely from various versions of Rent in a book that she planned to write.

be regarded as a joint author” where the parties have failed to sign any written agreement dealing with coauthorship. 945 F.2d at 501. While the Copyright Act states only that co-authors must intend that their contributions “be merged into ... a unitary whole,” in *Childress*, Judge Newman explained why a more stringent inquiry than the statutory language would seem to suggest is required:

An inquiry so limited would extend joint author status to many persons who are not likely to have been within the contemplation of Congress. For example, a writer frequently works with an editor who makes numerous useful revisions to the first draft, some of which will consist of additions of copyrightable expression. Both intend their contributions to be merged into inseparable parts of a unitary whole, yet very few editors and even fewer writers would expect the editor to be accorded the status of joint author, enjoying an undivided half interest in the copyright in the published work.

... The potential danger of allowing anyone who makes even a minimal contribution to the writing of a work to be deemed a statutory co-author — as long as the two parties intended the contributions to merge — motivated the court to set forth a two-pronged test. A co-authorship claimant bears the burden of establishing that each of the putative co-authors (1) made independently copyrightable contributions to the work; and (2) fully intended to be co-authors. See *id.* at 507-08. ...

1. Independently Copyrightable Contributions

Childress held that collaboration alone is not sufficient to establish joint authorship. Rather, the contribution of each joint author must be independently copyrightable.

...

Without making specific findings as to any of Thomson’s claims regarding lyrics or other contributions, the district court concluded that Thomson “made at least some non-de minimis copyrightable contribution,” and that Thomson’s contributions to the *Rent* libretto were “certainly not zero.” Once having said that, the court decided the case on the second *Childress* prong — mutual intent of co-authorship. It hence did not reach the issue of the individual copyrightability of Thomson’s varied alleged contributions (plot developments, thematic elements, character details, and structural components).

2. Intent of the Parties

a. Mutual Intent Requirement

Childress mandates that the parties “entertain in their minds the concept of joint authorship.” 945 F.2d at 508. This requirement of mutual intent recognizes that,

since coauthors are afforded equal rights in the coauthored work, the “equal sharing of rights should be reserved for relationships in which all participants fully intend to be joint authors.” *Id.* at 509.

Childress and its progeny, however, do not explicitly define the nature of the necessary intent to be co-authors. The court stated that “[i]n many instances, a useful test will be whether, in the absence of contractual arrangements concerning listed authorship, each participant intended that all would be identified as co-authors.” *Childress*, 945 F.2d at 508. But it is also clear that the intention standard is not strictly subjective. ...

b. Evidence of Larson’s Intent

i. Decisionmaking Authority

An important indicator of authorship is a contributor’s decisionmaking authority over what changes are made and what is included in a work. See, e.g., *Erickson*, 13 F.3d at 1071-72 (an actor’s suggestion of text does not support a claim of co-authorship where the sole author determined whether and where such contributions were included in the work); see also *Maurel*, 271 F. at 214-15 (claimant had a contractual right to control the contents of the opera).

The district court determined that Larson “retained and intended to retain at all times sole decision-making authority as to what went into [Rent].” In support of its conclusion, the court relied upon Thomson’s statement that she was “flattered that [Larson] was asking [her] to contribute actual language to the text” and found that this statement demonstrated that even Thomson understood “that the question whether any contribution she might make would go into the script was within Mr. Larson’s sole and complete discretion.” Moreover, as the court recognized, the November agreement between Larson and the NYTW expressly stated that Larson had final approval over all changes to *Rent* and that all such changes would become Larson’s property.

ii. Billing

In discerning how parties viewed themselves in relation to a work, Childress also deemed the way in which the parties bill or credit themselves to be significant. As the district court noted, “billing or credit is ... a window on the mind of the party who is responsible for giving the billing or the credit.” And a writer’s attribution of the work to herself alone is “persuasive proof ... that she intended this particular piece to represent her own individual authorship” and is “prima facie proof that [the] work was not intended to be joint.” *Weissmann*, 868 F.2d at 1320.

Thomson claims that Larson’s decision to credit her as “dramaturg” on the final page of *Rent* scripts reflected some co-authorship intent. Thomson concedes that

she never sought equal billing with Larson, but argues that she did not need to do so in order to be deemed a statutory co-author.

The district court found, instead, that the billing was unequivocal: Every script brought to [the court's] attention says "Rent, by Jonathan Larson." In addition, Larson "described himself in the biography he submitted for the playbill in January 1996, nine days before he died, as the author/composer, and listed Ms. Thomson on the same document as dramaturg." And while, as Ms. Thomson argues, it may indeed have been highly unusual for an author/composer to credit his dramaturg with a by-line, we fail to see how Larson's decision to style her as "dramaturg" on the final page in Rent scripts reflects a co-authorship intent on the part of Larson. The district court properly concluded that "the manner in which [Larson] listed credits on the scripts strongly supports the view that he regarded himself as the sole author."

iii. Written Agreements with Third Parties

Just as the parties' written agreements with each other can constitute evidence of whether the parties considered themselves to be co-authors, so the parties' agreements with outsiders also can provide insight into co-authorship intent, albeit to a somewhat more attenuated degree.

The district court found that Larson "listed himself or treated himself as the author in the November 1995 revisions contract that he entered into with the NYTW, which in turn incorporated the earlier draft author's agreement that had not been signed." That agreement identifies Larson as Rent's "Author" and does not mention Thomson. It also incorporates the terms of a September 1995 draft agreement (termed "Author's Agreement") that states that Larson "shall receive billing as sole author." The district court commented, moreover, that "[t]he fact that [Larson] felt free to enter into the November 1995 contract on his own, without the consent of and without any reference to Ms. Thomson quite apart from whatever the terms of the agreements are, indicates that his intention was to be the sole author." ...

c. Conclusion

Based on all of the evidence, the district court concluded that "Mr. Larson never regarded himself as a joint author with Ms. Thomson." We believe that the district court correctly applied the Childress standards to the evidence before it and hold that its finding that Larson never intended co-authorship was not clearly erroneous.

...

Community for Creative Non-Violence v. Reid 490 U.S. 730 (1989)

JUSTICE MARSHALL delivered the opinion of the Court.

I

... In the fall of 1985, CCNV decided to participate in the annual Christmastime Pageant of Peace in Washington, D. C., by sponsoring a display to dramatize the plight of the homeless. As the District Court recounted:

”Snyder and fellow CCNV members conceived the idea for the nature of the display: a sculpture of a modern Nativity scene in which, in lieu of the traditional Holy Family, the two adult figures and the infant would appear as contemporary homeless people huddled on a streetside steam grate. The family was to be black (most of the homeless in Washington being black); the figures were to be life-sized, and the steam grate would be positioned atop a platform ‘pedestal,’ or base, within which special-effects equipment would be enclosed to emit simulated ‘steam’ through the grid to swirl about the figures. They also settled upon a title for the work — ‘Third World America’ — and a legend for the pedestal: ‘and still there is no room at the inn.’ “

Snyder made inquiries to locate an artist to produce the sculpture. He was referred to respondent James Earl Reid, a Baltimore, Maryland, sculptor. In the course of two telephone calls, Reid agreed to sculpt the three human figures. CCNV agreed to make the steam grate and pedestal for the statue. Reid proposed that the work be cast in bronze, at a total cost of approximately \$100,000 and taking six to eight months to complete. Snyder rejected that proposal because CCNV did not have sufficient funds, and because the statue had to be completed by December 12 to be included in the pageant. Reid then suggested, and Snyder agreed, that the sculpture would be made of a material known as “Design Cast 62,” a synthetic substance that could meet CCNV’s monetary and time constraints, could be tinted to resemble bronze, and could withstand the elements. The parties agreed that the project would cost no more than \$15,000, not including Reid’s services, which he offered to donate. The parties did not sign a written agreement. Neither party mentioned copyright.

After Reid received an advance of \$3,000, he made several sketches of figures in various poses. At Snyder’s request, Reid sent CCNV a sketch of a proposed sculpture showing the family in a crechelike setting: the mother seated, cradling a baby in her lap; the father standing behind her, bending over her shoulder to touch the baby’s foot. Reid testified that Snyder asked for the sketch to use in raising funds for the sculpture. Snyder testified that it was also for his approval. Reid sought a black family to serve as a model for the sculpture. Upon Snyder’s suggestion, Reid visited a family living at CCNV’s Washington shelter but decided that only their newly born child was a suitable model. While Reid was in Washington, Snyder took him to see

homeless people living on the streets. Snyder pointed out that they tended to recline on steam grates, rather than sit or stand, in order to warm their bodies. From that time on, Reid's sketches contained only reclining figures.

Throughout November and the first two weeks of December 1985, Reid worked exclusively on the statue, assisted at various times by a dozen different people who were paid with funds provided in installments by CCNV. On a number of occasions, CCNV members visited Reid to check on his progress and to coordinate CCNV's construction of the base. CCNV rejected Reid's proposal to use suitcases or shopping bags to hold the family's personal belongings, insisting instead on a shopping cart. Reid and CCNV members did not discuss copyright ownership on any of these visits.

On December 24, 1985, 12 days after the agreed-upon date, Reid delivered the completed statue to Washington. There it was joined to the steam grate and pedestal prepared by CCNV and placed on display near the site of the pageant. Snyder paid Reid the final installment of the \$15,000. The statue remained on display for a month. In late January 1986, CCNV members returned it to Reid's studio in Baltimore for minor repairs. Several weeks later, Snyder began making plans to take the statue on a tour of several cities to raise money for the homeless. Reid objected, contending that the Design Cast 62 material was not strong enough to withstand the ambitious itinerary. He urged CCNV to cast the statue in bronze at a cost of \$35,000, or to create a master mold at a cost of \$5,000. Snyder declined to spend more of CCNV's money on the project.

In March 1986, Snyder asked Reid to return the sculpture. Reid refused. He then filed a certificate of copyright registration for "Third World America" in his name and announced plans to take the sculpture on a more modest tour than the one CCNV had proposed. Snyder, acting in his capacity as CCNV's trustee, immediately filed a competing certificate of copyright registration.

Snyder and CCNV then commenced this action against Reid After a 2-day bench trial, the District Court declared that "Third World America" was a "work made for hire" under § 101 of the Copyright Act The court reasoned that Reid had been an "employee" of CCNV within the meaning of § 101(1) because CCNV was the motivating force in the statue's production. ...

The Court of Appeals for the District of Columbia Circuit reversed and remanded, [holding that Reid was an independent contractor under agency law.] We granted certiorari to resolve a conflict among the Courts of Appeals over the proper construction of the "work made for hire" provisions of the Act. We now affirm.

II

A

The Copyright Act of 1976 provides that copyright ownership “vests initially in the author or authors of the work.” 17 U. S. C. § 201(a). As a general rule, the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection. § 102. The Act carves out an important exception, however, for “works made for hire.” If the work is for hire, “the employer or other person for whom the work was prepared is considered the author” and owns the copyright, unless there is a written agreement to the contrary. § 201(b). Classifying a work as “made for hire” determines not only the initial ownership of its copyright, but also the copyright’s duration, § 302(c), and the owners’ renewal rights, § 304(a), termination rights, § 203(a), and right to import certain goods bearing the copyright, § 601(b)(1). The contours of the work for hire doctrine therefore carry profound significance for freelance creators — including artists, writers, photographers, designers, composers, and computer programmers — and for the publishing, advertising, music, and other industries which commission their works. ...

The dispositive inquiry in this case therefore is whether “Third World America” is “a work prepared by an employee within the scope of his or her employment” under § 101(1). The Act does not define these terms. In the absence of such guidance, four interpretations have emerged. The first holds that a work is prepared by an employee whenever the hiring party retains the right to control the product. A second, and closely related, view is that a work is prepared by an employee under § 101(1) when the hiring party has actually wielded control with respect to the creation of a particular work. ... A third view is that the term “employee” within § 101(1) carries its common-law agency law meaning. Finally, respondent and numerous amici curiae contend that the term “employee” only refers to “formal, salaried” employees. ...

Nothing in the text of the work for hire provisions indicates that Congress used the words “employee” and “employment” to describe anything other than “ ‘the conventional relation of employer and employe.’ ” Kelley, *supra*, at 323, quoting Robinson, *supra*, at 94; cf. NLRB v. Hearst Publications, Inc., 322 U. S. 111, 124-132 (1944) (rejecting agency law conception of employee for purposes of the National Labor Relations Act where structure and context of statute indicated broader definition). On the contrary, Congress’ intent to incorporate the agency law definition is suggested by § 101(1)’s use of the term, “scope of employment,” a widely used term of art in agency law. See Restatement (Second) of Agency § 228 (1958) (hereinafter Restatement). ...

We therefore conclude that the language and structure of § 101 of the Act do not support either the right to control the product or the actual control approaches.⁸

⁸We also reject the suggestion of respondent and amici that the § 101(1) term “employee” refers

The structure of § 101 indicates that a work for hire can arise through one of two mutually exclusive means, one for employees and one for independent contractors, and ordinary canons of statutory interpretation indicate that the classification of a particular hired party should be made with reference to agency law. ...

In sum, we must reject petitioners' argument. Transforming a commissioned work into a work by an employee on the basis of the hiring party's right to control, or actual control of, the work is inconsistent with the language, structure, and legislative history of the work for hire provisions. To determine whether a work is for hire under the Act, a court first should ascertain, using principles of general common law of agency, whether the work was prepared by an employee or an independent contractor. After making this determination, the court can apply the appropriate subsection of § 101.

B

We turn, finally, to an application of § 101 to Reid's production of "Third World America." 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 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 § 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. See *Ward*, 362 U. S., at 400; *Hilton Int'l Co. v. NLRB*, 690 F. 2d 318, 321 (CA2 1982).

Examining the circumstances of this case in light of these factors, we agree with the Court of Appeals that Reid was not an employee of CCNV but an independent contractor. 270 U. S. App. D. C., at 35, n. 11, 846 F. 2d, at 1494, n. 11. True, CCNV members directed enough of Reid's work to ensure that he produced a sculpture

only to formal, salaried employees. ... The Act does not say "formal" or "salaried" employee, but simply "employee." Moreover, respondent and those amici who endorse a formal, salaried employee test do not agree upon the content of this test. Compare, e. g., Brief for Respondent 37 (hired party who is on payroll is an employee within § 101(1) with Tr. of Oral Arg. 31 (hired party who receives a salary or commissions regularly is an employee within § 101(1)); and Brief for Volunteer Lawyers for the Arts, Inc., et al. as Amici Curiae 4 (hired party who receives a salary and is treated as an employee for Social Security and tax purposes is an employee within § 101(1)). ...

that met their specifications. 652 F. Supp., at 1456. But the extent of control the hiring party exercises over the details of the product is not dispositive. Indeed, all the other circumstances weigh heavily against finding an employment relationship. Reid is a sculptor, a skilled occupation. Reid supplied his own tools. He worked in his own studio in Baltimore, making daily supervision of his activities from Washington practicably impossible. Reid was retained for less than two months, a relatively short period of time. During and after this time, CCNV had no right to assign additional projects to Reid. Apart from the deadline for completing the sculpture, Reid had absolute freedom to decide when and how long to work. CCNV paid Reid \$15,000, a sum dependent on “completion of a specific job, a method by which independent contractors are often compensated.” *Holt v. Winpisinger*, 258 U. S. App. D. C. 343, 351, 811 F. 2d 1532, 1540 (1987). Reid had total discretion in hiring and paying assistants. “Creating sculptures was hardly ‘regular business’ for CCNV.” 270 U. S. App. D. C., at 35, n. 11, 846 F. 2d, at 1494, n. 11. Indeed, CCNV is not a business at all. Finally, CCNV did not pay payroll or Social Security taxes, provide any employee benefits, or contribute to unemployment insurance or workers’ compensation funds.

Because Reid was an independent contractor, whether “Third World America” is a work for hire depends on whether it satisfies the terms of § 101(2). This petitioners concede it cannot do. Thus, CCNV is not the author of “Third World America” by virtue of the work for hire provisions of the Act. However, as the Court of Appeals made clear, CCNV nevertheless may be a joint author of the sculpture if, on remand, the District Court determines that CCNV and Reid prepared the work “with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.” 17 U. S. C. § 101. In that case, CCNV and Reid would be co-owners of the copyright in the work. See § 201(a).

For the aforesaid reasons, we affirm the judgment of the Court of Appeals for the District of Columbia Circuit. ...



3 Derivative Works

Pickett v. Prince
207 F. 3d 402 (7th Cir. 2000)

Posner, Chief Judge:

The appeal by Ferdinand Pickett, plaintiff in the district court, presents us with an issue concerning copyright in derivative works, while the cross-appeal, by the defendant, presents a procedural issue. The defendant, identified only as “Prince” in the caption of the various pleadings, is a well-known popular singer whose name at birth was Prince Rogers Nelson, but who for many years performed under the name Prince (which is what we’ll call him) and since 1992 has referred to himself by an unpronounceable symbol reproduced as Figure 1 at the end of this opinion. The symbol (which rather strikingly resembles the Egyptian hieroglyph ankh, but the parties make nothing of this, so neither shall we) is his trademark but it is also a copyrighted work of visual art that licensees of Prince have embodied in various forms, including jewelry, clothing, and musical instruments. ...

In 1993 the plaintiff made a guitar in the shape of the Prince symbol; he concedes that it is a derivative work within the meaning of 17 U.S.C. § 101 (“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 plaintiff claims (truthfully, we assume for purposes of the appeal) to have shown the guitar to Prince. Shortly afterwards Prince appeared in public playing a guitar quite similar to the plaintiff’s.

The plaintiff brought this suit for copyright infringement in 1994, but it languished for years in the district court. In January 1997 Prince counterclaimed for infringement of the copyright on his symbol. ...

Pickett claims the right to copyright a work derivative from another person’s copyright without that person’s permission and then to sue that person for infringement by the person’s own derivative work. Pickett’s guitar was a derivative work of the copyrighted Prince symbol, and so was Prince’s guitar. Since Prince had (or so we must assume) access to Pickett’s guitar, and since the two guitars, being derivatives of the same underlying work, are, naturally, very similar in appearance, Pickett has—if he is correct that one can copyright a derivative work when the original work is copyrighted by someone else who hasn’t authorized the maker of the derivative work to copyright it—a prima facie case of infringement. Pickett must, he concedes, show that his derivative work has enough originality to entitle him to a copyright, and also that the copyright is limited to the features that the derivative work adds to the original. But he insists that with these limitations his copyright is valid.

We doubt that he could show the requisite incremental originality, slight as it need be. ...

Although Pickett’s guitar isn’t identical to the Prince symbol, the difference in appearance may well be due to nothing more than the functional difference between a two-dimensional symbol and a guitar in the shape of that symbol. In that event even Prince could not have copyrighted the guitar version of the symbol. 17 U.S.C. § 101. A guitar won’t work without strings, frets, etc. arranged in a pattern dictated by musical considerations, and to the extent that the pattern is what it is because otherwise the guitar won’t sound right, it is not copyrightable as a work of visual art. Maybe, though, the juxtaposition of the symbol and the guitar is enough to confer on the ensemble sufficient originality as a work of visual art to entitle the designer to copyright it. Many works of art rely for their effect on the juxtaposition of familiar elements ordinarily held separate (like a mustache painted on a photograph of the Mona Lisa); indeed, all works of art are ultimately combinations of familiar, uncopyrightable items.

We need not pursue the issue of originality of derivative works. The Copyright Act grants the owner of a copyright the exclusive right to prepare derivative works based upon the copyrighted work. 17 U.S.C. § 106(2). So Pickett could not make a derivative work based on the Prince symbol without Prince’s authorization even

if Pickett's guitar had a smidgeon of originality. This is a sensible result. A derivative work is, by definition, bound to be very similar to the original. Concentrating the right to make derivative works in the owner of the original work prevents what might otherwise be an endless series of infringement suits posing insoluble difficulties of proof. Consider two translations into English of a book originally published in French. The two translations are bound to be very similar and it will be difficult to establish whether they are very similar because one is a copy of the other or because both are copies of the same foreign-language original. Whether Prince's guitar is a copy of his copyrighted symbol or a copy of Pickett's guitar is likewise not a question that the methods of litigation can readily answer with confidence. If anyone can make derivative works based on the Prince symbol, we could have hundreds of Picketts, each charging infringement by the others.

Pickett relies for his implausible theory primarily on section 103(a) of the Copyright Act, which provides that while copyright can be obtained in derivative works, "protection 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." Pickett reads this as authorizing a person other than the owner of the original work to make a derivative work, merely forbidding him to infringe the original. It is very difficult to see how a derivative work not made by the owner of the original work could fail to infringe it, given the definition of derivative works. ...

Pickett relied in the district court on a dictum in *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 34 n.6 (2d Cir. 1982), that a stranger can make a derivative work without the permission of the owner of the copyright of the original work if the original work does not "pervade" the derivative work. The suggestion, if taken seriously (which it has not been), would inject enormous uncertainty into the law of copyright and undermine the exclusive right that section 106(2) gives the owner of the copyright on the original work. It also rests on a confusion between the determination of whether a work is derivative and the determination of who has the right to make the derivative work. Defined too broadly, "derivative work" would confer enormous power on the owners of copyrights on preexisting works. The Bernstein-Sondheim musical *West Side Story*, for example, is based loosely on Shakespeare's *Romeo and Juliet*, which in turn is based loosely on Ovid's *Pyramus and Thisbe*, so that if "derivative work" were defined broadly enough (and copyright were perpetual) *West Side Story* would infringe *Pyramus and Thisbe* unless authorized by Ovid's heirs. We can thus imagine the notion of pervasiveness being used to distinguish a work fairly described as derivative from works only loosely connected with some ancestral work claimed to be their original. In that sense Prince's symbol clearly "pervades" both guitars. If it did not, the guitars might not be derivative works, but they would not be derivative works that anyone was free to make without obtaining Prince's permission. ...



Photoshoot Problem

You represent Shelbyville Stages, a concert promoter. You have booked the eccentric pop musician Plastica for a twelve-city tour in the Northeast. The marketing staff at Shelbyville have recently discovered an image online that they think would be perfect

for using on the concert posters. It features Plastica stepping down the landing ramp of a flying saucer, backlit, carrying a pair of cheerleader's pompoms, with a guitar slung over her back, and wearing her trademark disinterested scowl.

A similar photograph was the cover of this month's *Them*, a celebrity fashion magazine. An unknown party or party unknown, however, extensively Photoshopped it to make it look like a faded, weather-beaten Old West "WANTED" poster. The marketing staff tell you that this was a stroke of genius; the combination of the antique look with the kitschy futuristic technology gives the whole thing what they call a "neo-horsepunk flying-car feel" and the outlaw theme plays off Plastica's expression. Their research has determined that the following people were in some way connected with the image:

- Plastica herself, who has spent years crafting her stage persona, which might be described as "heroin-ravaged all-American girl from outer space."
- Plastica's hair-stylist, Alicia Abt, who produced the complicated multi-layer updo in which she appears in the photograph, with a single side ponytail and a Statue-of-Liberty-style ring of spikes.
- Plastica's personal trainer, Ben Boardwell, who has spent years working with her to develop her musculature to combine strength with a suggestion of wasted potential.
- A celebrity photographer, Charles Carmack, who decided on the flying-saucer theme, chose the placement of props, and instructed Plastica on how to pose.
- Carmack's salaried assistant, Denyse Dozier, who operated the camera and pushed the button that took the photographs.
- A Photoshop expert, Ernest Eames, who digitally smoothed out the wrinkles in Plastica's face, extended her neck by two inches, and made a hundred other similar tweaks.
- *Them* magazine, where the modified photograph ran.
- Some unknown person with the username SeePeteyPhotoshop, who added the Old West theme and uploaded the modified photo to the photosharing site AwfulThings.com.

Based on these facts, advise Shelbyville Stages on whether it will be possible to obtain sufficient permissions to use the Old West version of the photo for the concert posters, and, if so how to go about it.

C Procedures

1 Fixation

Compendium of U.S. Copyright Office Practices (3d ed. 2014)

§ 305 - *The Fixation Requirement*

A work of authorship may be deemed copyrightable, provided that it has been “fixed in any tangible medium of expression, now known or later developed, from which [it] can be perceived, reproduced, or otherwise communicated, either directly or indirectly with the aid of a machine or device.” 17 U.S.C. § 102(a). Specifically, the work must be fixed in a copy or phonorecord “by or under the authority of the author” and the work must be “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C. § 101 (definition of “fixed”).

The terms “copy” and “phonorecord” are very broad. They cover “all of the material objects in which copyrightable works are capable of being fixed,” H.R. REP. NO. 94-1476, at 53 (1976), reprinted in 1976 U.S.C.C.A.N 5659, 5666.

- Copies are “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,” including the material object “in which the work is first fixed.” 17 U.S.C. § 101.
- Phonorecords are “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,” including “the material object in which the sounds are first fixed.” 17 U.S.C. § 101.

There are countless ways that a work may be fixed in a copy or phonorecord and “it makes no difference what the form, manner, or medium of fixation may be.” H.R. REP. NO. 94-1476, at 52 (1976), reprinted in 1976 U.S.C.C.A.N. at 5666. For example, a work may be expressed in “words, numbers, notes, sounds, pictures, or any other graphic or symbolic indicia” and the author’s expression may be fixed “in a physical object in written, printed, photographic, sculptural, punched, magnetic, or any other stable form.” *Id.*

Most works are fixed by their very nature, such as an article printed on paper, a song recorded in a digital audio file, a sculpture rendered in bronze, a screenplay saved in a data file, or an audiovisual work captured on film. Nevertheless, some

works of authorship may not satisfy the fixation requirement, such as an improvisational speech, sketch, dance, or other performance that is not recorded in a tangible medium of expression. Other works may be temporarily embodied in a tangible form, but may not be sufficiently permanent or stable to warrant copyright protection, such as “purely evanescent or transient reproductions such as those projected briefly on a screen, shown electronically on a television,... or captured momentarily in the memory of a computer.” H.R. REP. NO. 94-1476, at 53 (1976), reprinted in 1976 U.S.C.C.A.N. at 5666 (internal quotations marks omitted).

The Office rarely encounters works that do not satisfy the fixation requirement because the Office requires applicants to submit copies or phonorecords that contain a visually or aurally perceptible copy of the work. However, the Office may communicate with the applicant or may refuse registration if the work or the medium of expression only exists for a transitory period of time, if the work or the medium is constantly changing, or if the medium does not allow the specific elements of the work to be perceived, reproduced, or otherwise communicated in a consistent and uniform manner.

Stern Electronics, Inc. v. Kaufman
669 F.2d 852 (2nd Cir. 1982)

NEWMAN, Circuit Judge:

[Stern sold arcade machines, including Scramble.]



Video games like “Scramble” can roughly be described as computers programmed to create on a television screen cartoons in which some of the action is controlled by the player. In Stern’s “Scramble,” for example, the video screen displays a spaceship moving horizontally through six different scenes in which obstacles are encountered. With each scene the player faces increasing difficulty in traversing the course and scoring points. The first scene depicts mountainous terrain, missile bases, and fuel depots. The player controls the altitude and speed of the spaceship, decides when to release the ship’s supply of bombs, and fires lasers that can destroy attacking missiles and aircraft. He attempts to bomb the missile bases (scoring points for success), bomb the fuel depots (increasing his own diminishing fuel supply with each hit), avoid the missiles being fired from the ground, and avoid crashing his ship into the mountains. And that is only scene one. In subsequent scenes the hazards include missile-firing enemy aircraft and tunnel-like airspaces. The scenes are in color, and the action is accompanied by battlefield sounds.

The game is built into a cabinet containing a cathode ray tube, a number of electronic circuit boards, a loudspeaker, and hand controls for the player. The electronic circuitry includes memory storage devices called PROMs, an acronym for “programmable read only memory.” The PROM stores the instructions and data from a computer program in such a way that when electric current passes through the circuitry, the interaction of the program stored in the PROM with the other components of the game produces the sights and sounds of the audiovisual display that the player sees and hears. The memory devices determine not only the appearance and movement of the images but also the variations in movement in response to the player’s operation of the hand controls.

Stern manufactures amusement equipment, including video games, for distribution worldwide. ... Even in the fast-paced world of video games, “Scramble” quickly became a big success. Approximately 10,000 units were sold at about \$2,000 each in the first two months for an initial sales volume of about \$20 million. ...

[Omni was enjoined from distributing its own “Scramble” arcade games. One of its arguments was that Stern’s Scramble was not fixed.]

Omni contends that Konami is not entitled to secure a copyright in the sights and sounds of its “Scramble” game because the audiovisual work is neither “fixed in any tangible medium of expression” nor “original” within the meaning of § 102(a). Both contentions arise from the fact that the sequence of some of the images appearing on the screen during each play of the game will vary depending upon the actions taken by the player. For example, if he fails to avoid enemy fire, his spaceship will be destroyed; if he fails to destroy enough fuel depots, his own fuel supply will run out, and his spaceship will crash; if he succeeds in destroying missile sites and enemy planes, those images will disappear from the screen; and the precise course travelled by his spaceship will depend upon his adjustment of the craft’s altitude and velocity.

If the content of the audiovisual display were not affected by the participation of the player, there would be no doubt that the display itself, and not merely the written computer program, would be eligible for copyright. The display satisfies the statutory definition of an original “audiovisual work,” and the memory devices of the game satisfy the statutory requirement of a “copy” in which the work is “fixed.” The Act defines “copies” as “material objects ... 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” and specifies that a work is “fixed” when “its embodiment in a copy ... is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C.App. § 101 (1976). The audiovisual work is permanently embodied in a material object, the memory devices, from which it can be perceived with the aid of the other components of the game.

We agree with the District Court that the player’s participation does not withdraw the audiovisual work from copyright eligibility. No doubt the entire sequence of all the sights and sounds of the game are different each time the game is played, depending upon the route and speed the player selects for his spaceship and the timing and accuracy of his release of his craft’s bombs and lasers. Nevertheless, many aspects of the sights and the sequence of their appearance remain constant during each play of the game. These include the appearance (shape, color, and size) of the player’s spaceship, the enemy craft, the ground missile bases and fuel depots, and the terrain over which (and beneath which) the player’s ship flies, as well as the sequence in which the missile bases, fuel depots, and terrain appears. Also constant are the sounds heard whenever the player successfully destroys an enemy craft or installation or fails to avoid an enemy missile or laser. It is true, as appellants contend, that some of these sights and sounds will not be seen and heard during each play of the game in the event that the player’s spaceship is destroyed before the entire course is traversed. But the images remain fixed, capable of being seen and heard each time a player succeeds in keeping his spaceship aloft long enough to permit the appearances of all the images and sounds of a complete play of the game. The repetitive sequence of a substantial portion of the sights and sounds of the game qualifies for copyright protection as an audiovisual work. ...

Questions

Which of the following are sufficiently fixed to be copyrightable? In each case where your answer is “yes,” identify the material object.

- A song sung on the sidewalk?
- A song written out as sheet music?

- A song on a CD?
- A diagram on a blackboard?
- A PowerPoint slide?
- A sonnet in your mind?
- A photograph?
- *The Fast and the Furious: Tokyo Drift*?
- The lecture I gave on originality?

2 Registration

Compendium of U.S. Copyright Office Practices (3d ed. 2014)

§ 202 - Purposes and Advantages of Registration

Under the current copyright law, a work of authorship is protected by copyright from the moment it is created, provided that the work is original and has been fixed in a tangible medium of expression. See 17 U.S.C. §§ 102(a), 408(a). Although registration is not required for a work to be protected by copyright, it does provide several important benefits:

- A registration creates a public record that includes key facts relating to the authorship and ownership of the claimed work, as well as information about the work, such as title, year of creation, date of publication (if any), and the type of authorship that the work contains (e.g., photographs, text, sound recordings).
- Registration (or a refusal to register) is a prerequisite to filing a lawsuit for copyright infringement involving a U.S. work. See 17 U.S.C. § 411(a); see also *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 132 S. Ct. 1962, 1977 (2014) (“Although registration is ‘permissive,’ both the certificate and the original work must be on file with the Copyright Office before a copyright owner can sue for infringement.”); *Alaska Stock, LLC v. Houghton Mifflin Harcourt Publishing Co.*, 747 F.3d 673, 678 (9th Cir. 2014) (“Though an owner has property rights without registration, he needs to register the copyright to sue for infringement.”).
- To claim statutory damages or attorney’s fees in a copyright infringement lawsuit, a work must be registered before the infringement began or within three months after the first publication of the work. See 17 U.S.C. §§ 412(c), 504, 505.
- A registration constitutes prima facie evidence of the validity of the copyright and the facts stated in the certificate of registration, but only if the work is registered before or within five years after the work is first published.

- A registration provides information to prospective licensees, such as the name and address for obtaining permission to use the work.
- A document that has been recorded with the U.S. Copyright Office may provide constructive notice of the facts stated therein, but only if the document specifically identifies a work of authorship and only if that work has been registered. See 17 U.S.C. § 205(c)(1)-(2).
- The deposit copy(ies) submitted with an application for registration of a published work may satisfy the mandatory deposit requirement, provided that the applicant submitted the best edition of the work. See 17 U.S.C. §§ 407, 408(b).
- A registration is necessary to secure the full benefits of a preregistration that has been issued by the U.S. Copyright Office. See 17 U.S.C. § 408(f)(3).
- The U.S. Customs and Border Protection Service may seize foreign pirated copies of a copyright owner's work, provided that the work has been registered with the U.S. Copyright Office and the certificate of registration has been recorded with the U.S. Customs and Border Protection Service.
- A registration is required to claim royalties under the compulsory license for making and distributing phonorecords. See 17 U.S.C. § 115(c)(1).

3 Deposit

Compendium of U.S. Copyright Office Practices (3d ed. 2014)

§ 1502 - Deposit for Registration Distinguished from Mandatory Deposit

The U.S. Copyright Act provides for two separate sets of deposit requirements: deposits submitted in connection with registration applications and those submitted in accordance with the mandatory deposit provisions (or “legal deposit” provisions) of the law. The U.S. Copyright Office administers both sets of provisions.

The Register of Copyrights specifies by regulation the form of deposit that must accompany a copyright claim and registration application. Said regulations reflect and inform the ability of the Office to examine the work for copyrightable authorship, to verify the authorship claimed in the application, and to verify the facts stated in the application. Deposits may also be used for evidentiary purposes in litigation involving a copyrighted work. Since registration is not required as a condition for copyright protection, the Register has the authority to adjust or exempt the deposit requirements as appropriate for certain works or application procedures, weighing the needs or concerns of applicants and the public. 17 U.S.C. §§ 407(c), 408(c)(1). Deposits may also be selected by the Library of Congress. 17 U.S.C. § 704.

Mandatory deposit is a statutory requirement for the benefit of the national collection of the Library of Congress. Section 407 of the Copyright Act provides that

the owner of copyright or the owner of the exclusive right of publication in a work published in the United States must deposit two copies or phonorecords of the work within three months after publication. 17 U.S.C. § 407(a). ...

In most cases, a deposit submitted for registration may be used to satisfy the mandatory deposit requirement, provided that the applicant submits two complete copies or two complete phonorecords of the best edition of the work. See 17 U.S.C. § 408(b). In such cases, there is no need to submit additional copies or phonorecords for the purpose of mandatory deposit. ...

For some classes of works, the deposit requirements for registration and mandatory deposit are not the same. In such cases, a separate submission of copies, phonorecords, or identifying material may be needed to register the work and to satisfy the mandatory deposit requirements. For example, mandatory deposit for a computer program requires two complete copies of the best edition, while registration may be accomplished with identifying material containing a selection of the source code for that work. In the digital context, such nuance and distinction is even more important, and applicable regulations are therefore subject to change.

§ 1511 - *Mandatory Deposit*

... Submitting a published work for the use or disposition of the Library is not a condition of copyright protection. However, if compliance with the mandatory deposit requirement is not accomplished within three months of publication, the Register of Copyrights may facilitate, demand, negotiate, or exempt the provision of copies or phonorecords for the Library of Congress at any time after a work has been published in the United States. If the Office issues a written demand and if required copies or phonorecords are not received within three months of receipt of the demand, the copyright owner or owner of the exclusive right of publication in that work may be subject to fines or other monetary liability. 17 U.S.C. § 407(d).

4 Notice

Compendium of U.S. Copyright Office Practices (3d ed. 2014)

§ 2202.2(A) - *Advantages to Using Notice on Post-Berne Works*

Although notice is optional for unpublished works, foreign works, or works published on or after March 1, 1989, the U.S. Copyright Office strongly encourages copyright owners to use a notice for the following reasons:

- It puts potential users on notice that copyright is claimed in the work.
- In the case of a published work, a notice may prevent a defendant in a copyright infringement action from attempting to limit his or her liability for damages or injunctive relief based on an innocent infringement defense.

- It identifies the copyright owner at the time the work was first published for parties seeking permission to use the work.
- It identifies the year of first publication, which may be used to determine the term of copyright protection in the case of an anonymous work, a pseudonymous work, or a work made for hire.
- It may prevent the work from becoming an orphan work by identifying the copyright owner and/or specifying the term of the copyright.

See 17 U.S.C. §§ 401(d), 402(d), 405(b), 406(a), 504(c)(2). ...

§ 2204.1 - Notice for Works Fixed in Copies

A notice for a work published before March 1, 1989 that has been fixed in copies should include the following elements:

- The symbol © or the word “Copyright” or the abbreviation “Copr.”;
- The year of first publication for the work; and
- The name of the copyright owner, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner.

17 U.S.C. § 401(b). ... The elements of the notice should appear as a single continuous statement containing the copyright symbol or the word “Copyright” or the abbreviation “Copr.,” followed by the year of first publication, followed by the name of the copyright owner.

Examples:

- © 1978 John Doe
- Copyright 1980 John Doe
- Copr. 1982 John Doe

5 Term

Copyright Act

17 U.S.C. § 302 - Duration of copyright: Works created on or after January 1, 1978

- (a) In General.— 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 70 years after the author’s death.
- (b) Joint Works.— In the case of a joint work prepared by two or more authors who did not work for hire, the copyright endures for a term consisting of the life of the last surviving author and 70 years after such last surviving author’s death.

- (c) Anonymous Works, Pseudonymous Works, and Works Made for Hire.— In the case of an anonymous work, a pseudonymous work, or a work made for hire, the 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. ...

17 U.S.C. § 305 - Duration of copyright: Terminal date

All terms of copyright provided by sections 302 through 304 run to the end of the calendar year in which they would otherwise expire.

D Infringement: Similarity

This section starts with passages from three classic copyright cases that set out the essential issues in assessing similarity. They are followed by a more recent case that works through the details in a more concrete setting.

Sheldon v. Metro-Goldwyn Pictures Corp.

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

[The plaintiffs wrote a play, *Dishonored Lady*, which was based on the true story of Madeline Smith, who was tried in 1857 for poisoning her lover after he threatened to expose love letters she had written him. The defendants' film, *Letty Lynton*, was also "founded on the story of Madeleine Smith."]

Learned Hand, Circuit Judge:...

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. ...

[T]he plaintiffs' originality is necessarily limited to the variants they introduced. Nevertheless, it is still true that their whole contribution may not be protected; for the defendants were entitled to use, not only all that had gone before, but even the plaintiffs' contribution itself, if they drew from it only the more general patterns; that is, if they kept clear of its "expression." ...

True, much of the picture owes nothing to the play; some of it is plainly drawn from the novel; but that is entirely immaterial; it is enough that substantial parts were lifted; no plagiarist can excuse the wrong by showing how much of his work he did not pirate.

Nichols v. Universal Pictures Corporation

45 F.2d 119 (2d Cir. 1930)

[The plaintiff's play, *Abie's Irish Rose*, and the defendant's movie, *The Cohens and the Kellys*, both concerned the tension between an Irish family and a Jewish family when their children fall in love and marry.]

L. HAND, Circuit Judge.

It is of course essential to any protection of literary property, whether at common-law or under the statute, that the right cannot be limited literally to the text, else a plagiarist would escape by immaterial variations. That has never been the law, but, as soon as literal appropriation ceases to be the test, the whole matter is necessarily at large, so that, as was recently well said by a distinguished judge, the decisions cannot help much in a new case. *Fendler v. Morosco*, 253 N. Y. 281, 292, 171 N. E. 56. When plays are concerned, the plagiarist may excise a separate scene or he may appropriate part of the dialogue. Then the question is whether the part so taken is "substantial" ... it is the same question as arises in the case of any other copyrighted work. But when 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. In some cases the question has been treated as though it were analogous to lifting a portion out of the copyrighted work, but the analogy is not a good one, because, though the skeleton is a part of the body, it pervades and supports the whole. In such cases we are rather concerned with the line between expression and what is expressed. As respects plays, the controversy chiefly centers upon the characters and sequence of incident, these being the substance.

... But we do not doubt that two plays may correspond in plot closely enough for infringement. How far that correspondence must go is another matter. Nor need we hold that the same may not be true as to the characters, quite independently of the "plot" proper, though, as far as we know, such a case has never arisen. 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 be copy-

righted; that is the penalty an author must bear for marking them too indistinctly.

In the two plays at bar we think both as to incident and character, the defendant took no more — assuming that it took anything at all — than the law allowed. The stories are quite different. One is of a religious zealot who insists upon his child's marrying no one outside his faith; opposed by another who is in this respect just like him, and is his foil. Their difference in race is merely an obbligation to the main theme, religion. They sink their differences through grandparental pride and affection. In the other, zealotry is wholly absent; religion does not even appear. It is true that the parents are hostile to each other in part because they differ in race; but the marriage of their son to a Jew does not apparently offend the Irish family at all, and it exacerbates the existing animosity of the Jew, principally because he has become rich, when he learns it. They are reconciled through the honesty of the Jew and the generosity of the Irishman; the grandchild has nothing whatever to do with it. The only matter common to the two is a quarrel between a Jewish and an Irish father, the marriage of their children, the birth of grandchildren and a reconciliation.

If the defendant took so much from the plaintiff, it may well have been because her amazing success seemed to prove that this was a subject of enduring popularity. Even so, granting that the plaintiff's play was wholly original, and assuming that novelty is not essential to a copyright, there is no monopoly in such a background. Though the plaintiff discovered the vein, she could not keep it to herself; so defined, the theme was too generalized an abstraction from what she wrote. It was only a part of her "ideas."

Nor does she fare better as to her characters. It is indeed scarcely credible that she should not have been aware of those stock figures, the low comedy Jew and Irishman. The defendant has not taken from her more than their prototypes have contained for many decades. If so, obviously so to generalize her copyright, would allow her to cover what was not original with her. But we need not hold this as matter of fact, much as we might be justified. Even though we take it that she devised her figures out of her brain *de novo*, still the defendant was within its rights. ...

... We assume that the plaintiff's play is altogether original, even to an extent that in fact it is hard to believe. We assume further that, so far as it has been anticipated by earlier plays of which she knew nothing, that fact is immaterial. Still, as we have already said, her copyright did not cover everything that might be drawn from her play; its content went to some extent into the public domain. We have to decide how much, and while we are as aware as any one that the line, wherever it is drawn, will seem arbitrary, that is no excuse for not drawing it; it is a question such as courts must answer in nearly all cases. Whatever may be the difficulties *a priori*, we have no question on which side of the line this case falls. A comedy based upon conflicts between Irish and Jews, into which the marriage of their children enters, is no more susceptible of copyright than the outline of *Romeo and Juliet*.

The plaintiff has prepared an elaborate analysis of the two plays, showing a “quadrangle” of the common characters, in which each is represented by the emotions which he discovers. She presents the resulting parallelism as proof of infringement, but the adjectives employed are so general as to be quite useless. Take for example the attribute of “love” ascribed to both Jews. The plaintiff has depicted her father as deeply attached to his son, who is his hope and joy; not so, the defendant, whose father’s conduct is throughout not actuated by any affection for his daughter, and who is merely once overcome for the moment by her distress when he has violently dismissed her lover. “Anger” covers emotions aroused by quite different occasions in each case; so do “anxiety,” “despondency” and “disgust.” It is unnecessary to go through the catalogue for emotions are too much colored by their causes to be a test when used so broadly. This is not the proper approach to a solution; it must be more ingenuous, more like that of a spectator, who would rely upon the complex of his impressions of each character. ...

Arnstein v. Porter

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

[The plaintiff, Ira B. Arnstein, alleged that Cole Porter copied numerous songs from him. Arnstein was a serial and vexatious litigant; among his allegations was that Porter “had stooges right along to follow me, watch me, and live in the same apartment with me.”]

Frank, Circuit Judge:...

Assuming that adequate proof is made of copying, that is not enough; for there can be “permissible copying,” copying which is not illicit. Whether (if he copied) defendant unlawfully appropriated presents, too, an issue of fact. The proper criterion on that issue is not an analytic or other comparison of the respective musical compositions as they appear on paper or in the judgment of trained musicians.³² The plaintiff’s legally protected interest is not, as such, his reputation as a musician but his interest in the potential financial returns from his compositions which derive from the lay public’s approbation of his efforts. The question, therefore, is whether defendant took from plaintiff’s works so much of what is pleasing to the ears of lay listeners, who comprise the audience for whom such popular music is composed, that defendant wrongfully appropriated something which belongs to the plaintiff.

Surely, then, we have an issue of fact which a jury is peculiarly fitted to determine.³⁵ ...

We should not be taken as saying that a plagiarism case can never arise in which

³²Where plaintiff relies on similarities to prove copying (as distinguished from improper appropriation) paper comparisons and the opinions of experts may aid the court.

³⁵It would, accordingly, be proper to exclude tone-deaf persons from the jury.

absence of similarities is so patent that a summary judgment for defendant would be correct. Thus suppose that Ravel's "Bolero" or Shostakovich's "Fifth Symphony" were alleged to infringe "When Irish Eyes Are Smiling." But this is not such a case. For, after listening to the playing of the respective compositions, we are, at this time, unable to conclude that the likenesses are so trifling that, on the issue of misappropriation, a trial judge could legitimately direct a verdict for defendant.

At the trial, plaintiff may play, or cause to be played, the pieces in such manner that they may seem to a jury to be inexcusably alike, in terms of the way in which lay listeners of such music would be likely to react. The plaintiff may call witnesses whose testimony may aid the jury in reaching its conclusion as to the responses of such audiences. Expert testimony of musicians may also be received, but it will in no way be controlling on the issue of illicit copying, and should be utilized only to assist in determining the reactions of lay auditors. The impression made on the refined ears of musical experts or their views as to the musical excellence of plaintiff's or defendant's works are utterly immaterial on the issue of misappropriation; for the views of such persons are caviar to the general — and plaintiff's and defendant's compositions are not caviar. ...

Children's Book Problem

You are law clerk to a judge hearing a copyright infringement case. The plaintiff's work is a children's book; the allegedly infringing work is a G-rated animated movie. The plaintiff has offered an expert witness who has made a chart of 83 alleged similarities; the defendant has offered an expert witness who will testify that the book primarily appeals to "verbally oriented" children aged 9-11, while the movie primarily appeals to "visually oriented" children aged 6-8.

Will you restrict the jury pool to children? To parents? What special instructions, if any, will you give the jury regarding its task of assessing similarity? Will you allow the plaintiff's expert to testify? The defendant's? If you allow either of them to testify, what will you instruct the jury regarding the relevance of the opinions they offer? How will you allow the parties to present the works to the jury during the trial? Will you allow the jury to have copies of the book and a DVD of the movie with them during deliberations?

Boisson v. Banian, Ltd. 273 F.3d 262 (2d Cir. 2001)

Cardamone, Circuit Judge:

Plaintiffs Judi Boisson and her wholly-owned company, American Country Quilts and Linens, Inc., d/b/a Judi Boisson American Country, brought suit in the United States District Court for the Eastern District of New York (Platt, J.), alleg-

ing that defendants Vijay Rao and his wholly-owned company Banian Ltd., illegally copied two quilt designs for which plaintiffs had obtained copyright registrations. Following a bench trial, the trial court, in denying the claims of copyright infringement, ruled that defendants' quilts were not substantially similar to what it deemed were the protectible elements of plaintiffs' works. ...

In reviewing this decision, we find plaintiffs' copyrights cover more elements than were recognized by the trial court, and that though the trial court articulated the proper test when comparing the contested works, its application of that test was too narrow. It failed not only to account for the protectible elements we identify, but also to consider the overall look and feel brought about by the creator's arrangement of unprotectible elements. Hence, we disagree with part of the district court's ruling and find some instances of copyright infringement. The trial court's disposition of those claims must therefore be reversed and remanded for a determination as to what remedies should be awarded.

BACKGROUND

Judi Boisson has been in the quilt trade for over 20 years, beginning her career by selling antique American quilts — in particular, Amish quilts — she purchased in various states throughout the country. By the late 1980s, having difficulty finding antique quilts, she decided to design and manufacture her own and began selling them in 1991 through her company. Boisson published catalogs in 1993 and 1996 to advertise and sell her quilts. Her works are also sold to linen, gift, antique, and children's stores and high-end catalog companies. Various home furnishing magazines have published articles featuring Boisson and her quilts.

In 1991 plaintiff designed and produced two alphabet quilts entitled "School Days I" and "School Days II." Although we later describe the quilts in greater detail, we note each consists of square blocks containing the capital letters of the alphabet, displayed in order. The blocks are set in horizontal rows and vertical columns, with the last row filled by blocks containing various pictures or icons. The letters and blocks are made up of different colors, set off by a white border and colored edging.

...

Defendant Vijay Rao is the president and sole shareholder of defendant Banian Ltd., incorporated in November 1991. Rao is an electrical engineer in the telecommunications industry who became interested in selling quilts in February 1992. To that end, he imported from India each of the three alphabet quilts at issue in this case. He sold them through boutique stores and catalog companies. The first quilt he ordered was "ABC Green Version I," which he had been shown by a third party. Defendants have not sold this pattern since 1993. "ABC Green Version II" was ordered in September 1994, based upon modifications to "ABC Green Version I" requested by Rao. Defendants reordered this quilt once in April 1995, and then stopped



Figure 4.1: School Days I

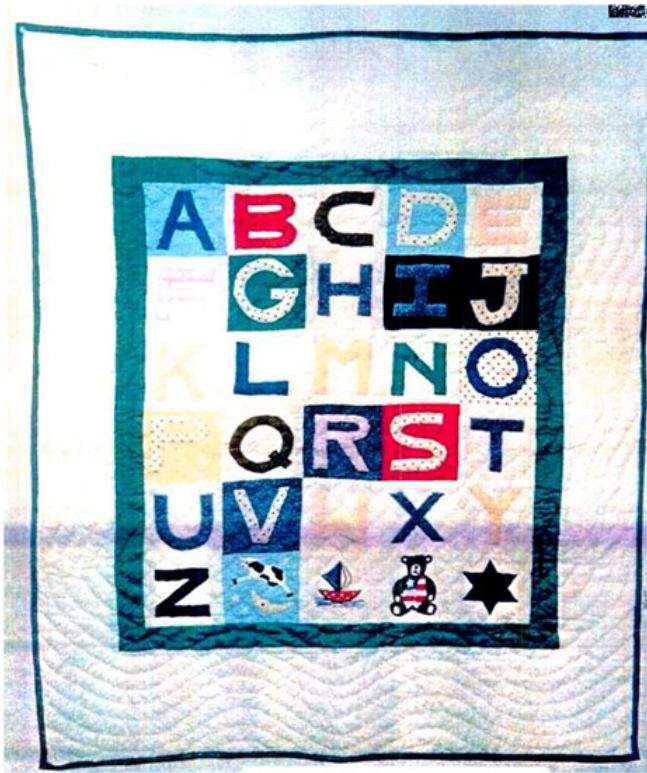


Figure 4.2: ABC Green

selling it in March 1997. Regarding “ABC Navy,” Rao testified that he designed the quilt himself based upon “ABC Green Version II” and imported finished copies in November 1995. Defendants voluntarily withdrew their “ABC Navy” quilts from the market in November 1998 following the initiation of this litigation. ...

IV. SUBSTANTIAL SIMILARITY: ORDINARY OBSERVER V. MORE DISCERNING OBSERVER

Having found that plaintiffs’ quilts are entitled to copyright protection and that defendants actually copied at least some elements of plaintiffs’ quilts, we turn our analysis to defendants’ contention that its quilts were not substantially similar to plaintiffs’. We review *de novo* the district court’s determination with respect to substantial similarity because credibility is not at stake and all that is required is a visual comparison of the products — a task we may perform as well as the district court.

Generally, an allegedly infringing work is considered substantially similar to a copyrighted work if “the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.” *Folio Impressions*, 937 F.2d at 765. Yet in *Folio Impressions*, the evidence



Figure 4.3: ABC Navy

at trial showed the plaintiff designer had copied the background for its fabric from a public domain document and “contributed nothing, not even a trivial variation.” 937 F.2d at 764. Thus, part of the plaintiff’s fabric was not original and therefore not protectible. We articulated the need for an ordinary observer to be “more discerning” in such circumstances.

The ordinary observer would compare the finished product that the fabric designs were intended to grace (women’s dresses), and would be inclined to view the entire dress — consisting of protectible and unprotectible elements — as one whole. Here, since only some of the design enjoys copyright protection, the observer’s inspection must be more discerning.

Id. at 765-66. Shortly after *Folio Impressions* was decided, we reiterated that a “more refined analysis” is required where a plaintiff’s work is not “wholly original,” but rather incorporates elements from the public domain. *Key Publ’ns, Inc. v. Chinatown Today Publ’g Enters., Inc.*, 945 F.2d 509, 514 (2d Cir.1991). In these instances, “[w]hat must be shown is substantial similarity between those elements, and only those elements, that provide copyrightability to the allegedly infringed compilation.” In contrast, where the plaintiff’s work contains no material imported from the public domain, the “more discerning” test is unnecessary. In the case at hand, because the alphabet was taken from the public domain, we must apply the “more discerning” ordinary observer test.

In applying this test, a court is not to dissect the works at issue into separate components and compare only the copyrightable elements. To do so would be to take the “more discerning” test to an extreme, which would result in almost nothing being copyrightable because original works broken down into their composite parts would usually be little more than basic unprotectible elements like letters, colors and symbols. This outcome — affording no copyright protection to an original compilation of unprotectible elements — would be contrary to the Supreme Court’s holding in *Feist Publications*.

Although the “more discerning” test has not always been identified by name in our case law, we have nevertheless always recognized that the test is guided by comparing the “total concept and feel” of the contested works. For example, in *Streetwise Maps*, 159 F.3d at 748, we found no infringement — not because the plaintiff’s map consisted of public domain facts such as street locations, landmasses, bodies of water and landmarks, as well as color — but rather “because the total concept and overall feel created by the two works may not be said to be substantially similar.” ...

In the present case, while use of the alphabet may not provide a basis for infringement, we must compare defendants’ quilts and plaintiffs’ quilts on the basis of the

arrangement and shapes of the letters, the colors chosen to represent the letters and other parts of the quilts, the quilting patterns, the particular icons chosen and their placement. Our analysis of the “total concept and feel” of these works should be instructed by common sense. Cf. *Hamil Am.*, 193 F.3d at 102 (noting that the ordinary observer test involves an examination of “total concept and feel,” which in turn can be guided by “good eyes and common sense”). It is at this juncture that we part from the district court, which never considered the arrangement of the whole when comparing plaintiffs’ works with defendants’. With this concept in mind, we pass to a comparison of the quilts at issue.

V. COMPARISON

A. *“School Days I” v. “ABC Green” Versions*

“School Days I” consists of six horizontal rows, each row containing five blocks, with a capital letter or an icon in each block. The groupings of blocks in each row are as follows: A-E; F-J; K-O; P-T; U-Y; and Z with four icons following in the last row. The four icons are a cat, a house, a single-starred American flag and a basket. “ABC Green Version I” displays the capital letters of the alphabet in the same formation. The four icons in the last row are a cow jumping over the moon, a sailboat, a bear and a star. “ABC Green Version II” is identical to “ABC Green Version I,” except that the picture of the cow jumping over the moon is somewhat altered, the bear is replaced by a teddy bear sitting up and wearing a vest that looks like a single-starred American flag, and the star in the last block is represented in a different color.

All three quilts use a combination of contrasting solid color fabrics or a combination of solid and polka-dotted fabrics to represent the blocks and letters. The following similarities are observed in plaintiffs’ and defendants’ designs: “A” is dark blue on a light blue background; “B” is red on a white background; “D” is made of polka-dot fabric on a light blue background; “F” on plaintiffs’ “School Days I” is white on a pink background, while the “F” on defendants’ “ABC Green” versions is pink on a white background; “G” has a green background; “H” and “L” are each a shade of blue on a white background; “M” in each quilt is a shade of yellow on a white background. “N” is green on a white background; “O” is blue on a polka-dot background; “P” is polka-dot fabric on a yellow background; “Q” is brown on a light background; “R” is pink on a gray/purple background. “S” is white on a red background; “T” is blue on a white background; “U” is gray on a white background; “V” is white on a gray background; “W” is pink on a white background; “X” is purple in all quilts, albeit in different shades, on a light background; “Y” is a shade of yellow on the same light background; and “Z” is navy blue or black, in all the quilts.

Boisson also testified that defendants utilized the same unique shapes as she had

given to the letters “J,” “M,” “N,” “P,” “R” and “W.” With respect to the quilting patterns, “School Days I” and the “ABC Green” versions feature diamond-shaped quilting within the blocks and a “wavy” pattern in the plain white border that surrounds the blocks. The quilts are also edged with a 3/8” green binding.

From this enormous amount of sameness, we think defendants’ quilts sufficiently similar to plaintiffs’ design as to demonstrate illegal copying. In particular, the overwhelming similarities in color choices lean toward a finding of infringement. See 1 Nimmer & Nimmer, *supra*, § 2.14, at 2-178.4 (“[S]imilarity of color arrangements may create an inference of copying of other protectible subject matter.”). Although the icons chosen for each quilt are different and defendants added a green rectangular border around their rows of blocks, these differences are not sufficient to cause even the “more discerning” observer to think the quilts are other than substantially similar insofar as the protectible elements of plaintiffs’ quilt are concerned. Moreover, the substitution in “ABC Green Version II” of the teddy bear wearing a flag vest as the third icon causes this version of defendants’ quilt to look even more like plaintiffs’ quilt that uses a single-starred American flag as its third icon. Consequently, both of defendants’ “ABC Green” quilts infringed plaintiffs’ copyright on its “School Days I” quilt.

B. “School Days I” v. “ABC Navy”

We agree with the district court, however, that Rao did not infringe on plaintiffs’ design in “School Days I” when he created “ABC Navy.” While both quilts utilize an arrangement of six horizontal rows of five blocks each, “ABC Navy” does not have its four icons in the last row. Rather, the teddy bear with the flag vest is placed after the “A” in the first row, the cow jumping over the moon is placed after the “L” in the third row, the star is placed after the “S” in the fifth row, and the sailboat is placed after the “Z” in the last row. Further, the colors chosen to represent the letters and the blocks in “ABC Navy” are, for the most part, entirely different from “School Days I.” Defendants dropped the use of polka-dot fabric, and plaintiffs did not even offer a color comparison in their proposed findings of fact to the district court, as they had with each of the “ABC Green” versions. The quilting pattern in the plain white border is changed to a “zig-zag” in “ABC Navy,” as opposed to plaintiffs’ “wavy” design. Finally, although defendants use a binding around the edge of their quilt, in this instance it is blue instead of green.

Looking at these quilts side-by-side, we conclude they are not substantially similar to one another. Just as we rejected defendants’ earlier argument and held that what few differences existed between “School Days I” and the “ABC Green” quilts could not preclude a finding of infringement, plaintiffs’ emphasis on the similarity in style between some of the letters between “School Days I” and “ABC Navy” cannot support a finding of infringement. Because no observer, let alone a “more

discerning” observer, would likely find the two works to be substantially similar, no copyright violation could properly be found. ...

New Yorker Problem

Below you will find a cover from the *New Yorker* and a poster for the movie *Moscow on the Hudson*. The copyright owners of the former have sued the producers of the latter for copyright infringement. You are the judge assigned to the case, which you have conducted as a bench trial by the consent of the parties. Write the portion of your opinion finding substantial similarity or the lack thereof. Be as specific as you can.

??

E Infringement: Prohibited Conduct

1 Proof of Copying

Three Boys Music Corp. v. Bolton 212 F.3d 477 (9th Cir. 2000)

D.W. NELSON, Circuit Judge:

In 1994, a jury found that Michael Bolton’s 1991 pop hit, ”Love Is a Wonderful Thing,” infringed on the copyright of a 1964 Isley Brothers’ song of the same name. The district court denied Bolton’s motion for a new trial and affirmed the jury’s award of \$5.4 million.

Bolton, his co-author, Andrew Goldmark, and their record companies (”Sony Music”) appeal ...

I. BACKGROUND

The Isley Brothers, one of this country’s most well-known rhythm and blues groups, have been inducted into the Rock and Roll Hall of Fame. They helped define the soul sound of the 1960s with songs such as ”Shout,” ”Twist and Shout,” and ”This Old Heart of Mine,” and they mastered the funky beats of the 1970s with songs such as ”Who’s That Lady,” ”Fight the Power,” and ”It’s Your Thing.” In 1964, the Isley Brothers wrote and recorded ”Love is a Wonderful Thing” for United Artists. The Isley Brothers received a copyright for ”Love is a Wonderful Thing” from the Register of Copyrights on February 6, 1964. The following year, they switched to the famous Motown label and had three top-100 hits including ”This Old Heart of Mine.”

Hoping to benefit from the Isley Brothers’ Motown success, United Artists released ”Love is a Wonderful Thing” in 1966. The song was not released on an al-

NEW YORKER

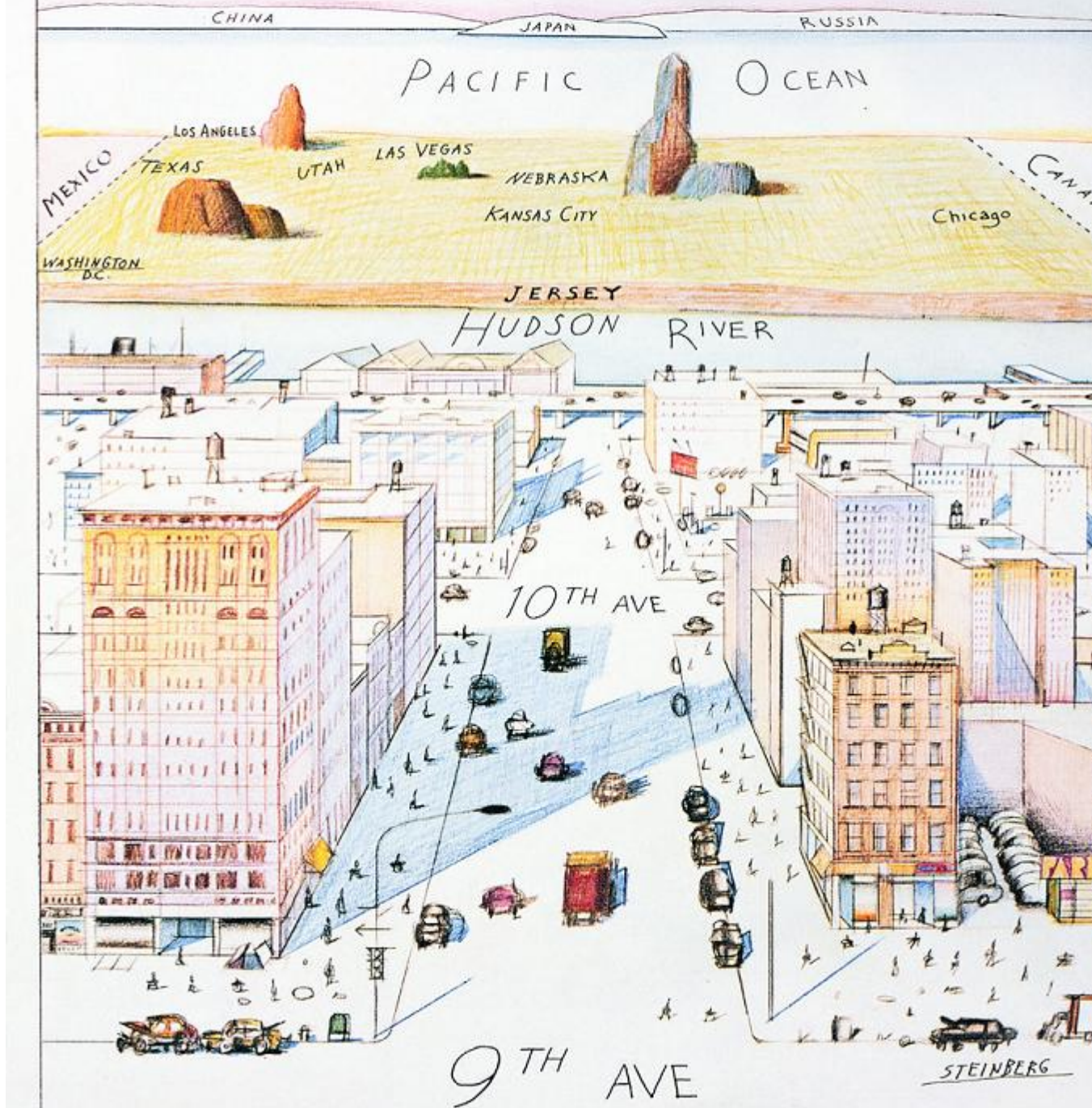


Figure 4.4: *New Yorker* cover by Saul Steinberg

Figure 4.5: *Moscow on the Hudson* poster

bum, only on a 45-record as a single. Several industry publications predicted that "Love is a Wonderful Thing" would be a hit—"Cash Box" on August 27, 1966, "Gavin Report" on August 26, 1966, and "Billboard" on September 10, 1966. On September 17, 1966, Billboard listed "Love is a Wonderful Thing" at number 110 in a chart titled "Bubbling Under the Hot 100." The song was never listed on any other Top 100 charts. In 1991, the Isley Brothers' "Love is a Wonderful Thing" was released on compact disc. See Isley Brothers, *The Isley Brothers—The Complete UA Sessions*, (EMI 1991).

Michael Bolton is a singer/songwriter who gained popularity in the late 1980s and early 1990s by reviving the soul sound of the 1960s. Bolton has orchestrated this soul-music revival in part by covering old songs such as Percy Sledge's "When a Man Love a Woman" and Otis Redding's "(Sittin' on the) Dock of the Bay." Bolton also has written his own hit songs. In early 1990, Bolton and Goldmark wrote a song called "Love Is a Wonderful Thing." Bolton released it as a single in April 1991, and as part of Bolton's album, "Time, Love and Tenderness." Bolton's "Love Is a Wonderful Thing" finished 1991 at number 49 on Billboard's year-end pop chart.

On February 24, 1992, Three Boys Music Corporation filed a copyright infringement action for damages against the appellants under 17 U.S.C. §§ 101 et seq. (1988).

...

II. DISCUSSION

Proof of copyright infringement is often highly circumstantial, particularly in cases involving music. A copyright plaintiff must prove (1) ownership of the copyright; and (2) infringement—that the defendant copied protected elements of the plaintiff's work. See *Smith v. Jackson*, 84 F.3d 1213, 1218 (9th Cir.1996) (citation omitted). Absent direct evidence of copying, proof of infringement involves fact-based showings that the defendant had "access" to the plaintiff's work and that the two works are "substantially similar." *Id.*

Given the difficulty of proving access and substantial similarity, appellate courts have been reluctant to reverse jury verdicts in music cases. ...

As a general matter, the standard for reviewing jury verdicts is whether they are supported by "substantial evidence"—that is, such relevant evidence as reasonable minds might accept as adequate to support a conclusion. See *Poppell v. City of San Diego*, 149 F.3d 951, 962 (9th Cir.1998). The credibility of witnesses is an issue for the jury and is generally not subject to appellate review. See *Gilbrook v. City of Westminster*, 177 F.3d 839, 856 (9th Cir.).

A. Access

Proof of access requires "an opportunity to view or to copy plaintiff's work." *Sid and Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157,

1172 (9th Cir.1977). This is often described as providing a "reasonable opportunity" or "reasonable possibility" of viewing the plaintiff's work. 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright*, § 13.02[A], at 13-19 (1999); *Jason v. Fonda*, 526 F.Supp. 774, 775 (C.D.Cal.1981), *aff'd*, 698 F.2d 966 (9th Cir. 1982). We have defined reasonable access as "more than a 'bare possibility.'" *Jason*, 698 F.2d at 967. Nimmer has elaborated on our definition: "Of course, reasonable opportunity as here used, does not encompass any bare possibility in the sense that anything is possible. Access may not be inferred through mere speculation or conjecture. There must be a reasonable possibility of viewing the plaintiff's work—not a bare possibility." 4 Nimmer, § 13.02[A], at 13-19. "At times, distinguishing a 'bare' possibility from a 'reasonable' possibility will present a close question." *Id.* at 13-20.

Circumstantial evidence of reasonable access is proven in one of two ways: (1) a particular chain of events is established between the plaintiff's work and the defendant's access to that work (such as through dealings with a publisher or record company), or (2) the plaintiff's work has been widely disseminated. See 4 Nimmer, § 13.02[A], at 13-20-13-21; 2 Paul Goldstein, *Copyright: Principles, Law, and Practice* § 8.3.1.1., at 90-91 (1989). Goldstein remarks that in music cases the "typically more successful route to proving access requires the plaintiff to show that its work was widely disseminated through sales of sheet music, records, and radio performances." 2 Goldstein, § 8.3.1.1, at 91. Nimmer, however, cautioned that "[c]oncrete cases will pose difficult judgments as to where along the access spectrum a given exploitation falls." 4 Nimmer, § 13.02[A], at 13-22.

Proof of widespread dissemination is sometimes accompanied by a theory that copyright infringement of a popular song was subconscious. Subconscious copying has been accepted since Learned Hand embraced it in a 1924 music infringement case: "Everything registers somewhere in our memories, and no one can tell what may evoke it.... Once it appears that another has in fact used the copyright as the source of this production, he has invaded the author's rights. It is no excuse that in so doing his memory has played him a trick." *Fred Fisher, Inc. v. Dillingham*, 298 F. 145, 147-48 (S.D.N.Y.1924). In *Fred Fisher*, Judge Hand found that the similarities between the songs "amount[ed] to identity" and that the infringement had occurred "probably unconsciously, what he had certainly often heard only a short time before." *Id.* at 147.

In modern cases, however, the theory of subconscious copying has been applied to songs that are more remote in time. *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 722 F.2d 988 (2d Cir.1983) is the most prominent example. In *ABKCO*, the Second Circuit affirmed a jury's verdict that former Beatle George Harrison, in writing the song "My Sweet Lord," subconsciously copied The Chiffons' "He's So Fine," which was released six years earlier. See *id.* at 997, 999. Harrison admitted hearing "He's So Fine" in 1963, when it was number one on the Billboard charts

in the United States for five weeks and one of the top 30 hits in England for seven weeks. See *id.* at 998. The court found: "the evidence, standing alone, 'by no means compels the conclusion that there was access ... it does not compel the conclusion that there was not.'" *Id.* (quoting *Heim v. Universal Pictures Co.*, 154 F.2d 480, 487 (2d Cir.1946)). In *ABKCO*, however, the court found that "the similarity was so striking and where access was found, the remoteness of that access provides no basis for reversal." *Id.* Furthermore, "the mere lapse of a considerable period of time between the moment of access and the creation of defendant's work does not preclude a finding of copying." 4 *Nimmer*, § 13.02[A], at 13-20 (citing *ABKCO*, 722 F.2d at 997-98).

The Isley Brothers' access argument was based on a theory of widespread dissemination and subconscious copying. They presented evidence supporting four principal ways that Bolton and Goldmark could have had access to the Isley Brothers' "Love is a Wonderful Thing":

(1) Bolton grew up listening to groups such as the Isley Brothers and singing their songs. In 1966, Bolton and Goldmark were 13 and 15, respectively, growing up in Connecticut. Bolton testified that he had been listening to rhythm and blues music by black singers since he was 10 or 11, "appreciated a lot of Black singers," and as a youth was the lead singer in a band that performed "covers" of popular songs by black singers. Bolton also testified that his brother had a "pretty good record collection."

(2) Three disk jockeys testified that the Isley Brothers' song was widely disseminated on radio and television stations where Bolton and Goldmark grew up. First, Jerry Blavitt testified that the Isley Brothers' "Love is a Wonderful Thing" was played five or six times during a 13-week period on the television show, "The Disco-Phonic Scene," which he said aired in Philadelphia, New York, and Hartford-New Haven. Blavitt also testified that he played the song two to three times a week as a disk jockey in Philadelphia and that the station is still playing the song today. Second, Earl Rodney Jones testified that he played the song a minimum of four times a day during an eight to 14 to 24 week period on WVON radio in Chicago, and that the station is still playing the song today. Finally, Jerry Bledsoe testified that he played the song on WUFO radio in Buffalo, and WWRL radio in New York was playing the song in New York in 1967 when he went there. Bledsoe also testified that he played the song twice on a television show, "Soul," which aired in New York and probably in New Haven, Connecticut, where Bolton lived.

(3) Bolton confessed to being a huge fan of the Isley Brothers and a collector of their music. Ronald Isley testified that when Bolton saw Isley at the Lou Rawls United Negro College Fund Benefit concert in 1988, Bolton said, "I know this guy. I go back with him. I have all his stuff." Angela Winbush, Isley's wife, testified about that meeting that Bolton said, "This man needs no introduction. I know everything

he's done."

(4) Bolton wondered if he and Goldmark were copying a song by another famous soul singer. Bolton produced a work tape attempting to show that he and Goldmark independently created their version of "Love Is a Wonderful Thing." On that tape of their recording session, Bolton asked Goldmark if the song they were composing was Marvin Gaye's "Some Kind of Wonderful." [1] The district court, in affirming the jury's verdict, wrote about Bolton's Marvin Gaye remark:

This statement suggests that Bolton was contemplating the possibility that the work he and Goldmark were creating, or at least a portion of it, belonged to someone else, but that Bolton wasn't sure who it belonged to. A reasonable jury can infer that Bolton mistakenly attributed the work to Marvin Gaye, when in reality Bolton was subconsciously drawing on Plaintiff's song. The appellants contend that the Isley Brothers' theory of access amounts to a "twenty-five-years-after-the-fact-subconscious copying claim." Indeed, this is a more attenuated case of reasonable access and subconscious copying than ABKCO. In this case, the appellants never admitted hearing the Isley Brothers' "Love is a Wonderful Thing." That song never topped the Billboard charts or even made the top 100 for a single week. The song was not released on an album or compact disc until 1991, a year after Bolton and Goldmark wrote their song. Nor did the Isley Brothers ever claim that Bolton's and Goldmark's song is so "strikingly similar" to the Isley Brothers' that proof of access is presumed and need not be proven.

Despite the weaknesses of the Isley Brothers' theory of reasonable access, the appellants had a full opportunity to present their case to the jury. Three rhythm and blues experts (including legendary Motown songwriter Lamont Dozier of Holland-Dozier-Holland fame) testified that they never heard of the Isley Brothers' "Love is a Wonderful Thing." Furthermore, Bolton produced copies of "TV Guide" from 1966 suggesting that the television shows playing the song never aired in Connecticut. Bolton also pointed out that 129 songs called "Love is a Wonderful Thing" are registered with the Copyright Office, 85 of them before 1964.

The Isley Brothers' reasonable access arguments are not without merit. Teenagers are generally avid music listeners. It is entirely plausible that two Connecticut teenagers obsessed with rhythm and blues music could remember an Isley Brothers' song that was played on the radio and television for a few weeks, and subconsciously copy it twenty years later. Furthermore, Ronald Isley testified that when they met, Bolton said, "I have all his stuff." Finally, as the district court pointed out, Bolton's remark about Marvin Gaye and "Some Kind of Wonderful" indicates that Bolton believed he may have been copying someone else's song. ...

B. Substantial Similarity

Under our case law, substantial similarity is inextricably linked to the issue of access. In what is known as the "inverse ratio rule," we "require a lower standard of proof of substantial similarity when a high degree of access is shown." Smith, 84 F.3d at 1218 (citing *Shaw v. Lindheim*, 919 F.2d 1353, 1361-62 (9th Cir.1990); *Krofft*, 562 F.2d at 1172). Furthermore, in the absence of any proof of access, a copyright plaintiff can still make out a case of infringement by showing that the songs were "strikingly similar." See Smith, 84 F.3d at 1220; *Baxter v. MCA, Inc.*, 812 F.2d 421, 423, 424 n. 2 (9th Cir.1987). ...

1. Evidence of Substantial Similarity

Bolton and Goldmark argue that there was insufficient evidence of substantial similarity because the Isley Brothers' expert musicologist, Dr. Gerald Eskelin, failed to show that there was copying of a combination of unprotectible elements. On the contrary, Eskelin testified that the two songs shared a combination of five unprotectible elements: (1) the title hook phrase (including the lyric, rhythm, and pitch); (2) the shifted cadence; (3) the instrumental figures; (4) the verse/chorus relationship; and (5) the fade ending. Although the appellants presented testimony from their own expert musicologist, Anthony Ricigliano, he conceded that there were similarities between the two songs and that he had not found the combination of unprotectible elements in the Isley Brothers' song "anywhere in the prior art." The jury heard testimony from both of these experts and "found infringement based on a unique compilation of those elements." We refuse to interfere with the jury's credibility determination, nor do we find that the jury's finding of substantial similarity was clearly erroneous.

2. Independent Creation

Bolton and Goldmark also contend that their witnesses rebutted the Isley Brothers' prima facie case of copyright infringement with evidence of independent creation. By establishing reasonable access and substantial similarity, a copyright plaintiff creates a presumption of copying. The burden shifts to the defendant to rebut that presumption through proof of independent creation. See *Granite Music Corp. v. United Artists Corp.*, 532 F.2d 718, 721 (9th Cir.1976).

The appellants' case of independent creation hinges on three factors: the work tape demonstrating how Bolton and Goldmark created their song, Bolton and Goldmark's history of songwriting, and testimony that their arranger, Walter Afanasieff, contributed two of five unprotectible elements that they allegedly copied. The jury, however, heard the testimony of Bolton, Goldmark, Afanasieff, and Ricigliano about independent creation. The work tape revealed evidence that Bolton may have subconsciously copied a song that he believed to be written by Marvin Gaye. Bolton and Goldmark's history of songwriting presents no direct evidence about this case.

And AfanasiEFF's contributions to Bolton and Goldmark's song were described by the appellants' own expert as "very common." Once again, we refuse to disturb the jury's determination about independent creation. The substantial evidence of copying based on access and substantial similarity was such that a reasonable juror could reject this defense.

3. Inverse-Ratio Rule

Although this may be a weak case of access and a circumstantial case of substantial similarity, neither issue warrants reversal of the jury's verdict. An amicus brief on behalf of the recording and motion picture industries warns against watering down the requirements for musical copyright infringement. This case presents no such danger. The Ninth Circuit's inverse-ratio rule requires a lesser showing of substantial similarity if there is a strong showing of access. See *Smith*, 84 F.3d at 1218. In this case, there was a weak showing of access. We have never held, however, that the inverse ratio rule says a weak showing of access requires a stronger showing of substantial similarity. Nor are we redefining the test of substantial similarity here; we merely find that there was substantial evidence from which the jury could find access and substantial similarity in this case. ...

Bee Gees Problem

The plaintiff, Ronald Selle, an amateur musician, recorded a demo tape of his song "Let It End." He performed the song several times with his band in the Chicago area at small local clubs. He sent cassette tapes of the recording to eleven music companies. Eight returned it to him; three never responded. Sometime later, he heard what he thought was his song playing on the radio; it turned out to be "How Deep Is Your Love" by the Bee Gees, which was used on the soundtrack to *Saturday Night Fever*. Selle sued the Bee Gees and their record company, Polygram.

The Bee Gees were three brothers: Maurice, Robin, and Barry Gibb. They did not read or write music; instead, they composed their songs by playing together in a studio, refining their ideas. In discovery and at trial, they testified that they created "How Deep Is Your Love" during recording sessions at the Chateau d'Herouville near Pontoise, a remote village in France about 25 miles northwest of Paris. Barry Gibb and Blue Weaver, a keyboard player at the sessions, testified that Weaver played a "beautiful chord" at Barry's request, and the two of them refined the idea into a rough "work tape," which was produced in evidence.

Selle provided an musicological analysis of the two songs from Arrand Parsons, a professor of music at Northwestern University. Parsons testified that the first eight bars of each song (Theme A) have twenty-four notes out of thirty-four and forty notes in plaintiff's and defendants' compositions, respectively, that are identical in pitch and symmetrical positions. Out of thirty-five rhythmic impulses in plaintiff's

composition and forty in defendants', thirty are identical. In the last four bars of both songs (Theme B), fourteen notes in each are identical in pitch. Of the fourteen rhythmic impulses in Theme B of both songs, eleven are identical. Finally, both Theme A (the first eight bars) and Theme B (the last four bars) occur in the same position in each composition. Based on his structural analysis of the two songs, coupled with his detailed analysis of the melodies of Themes A and B in both of them, Mr. Parsons gave his opinion that the two songs could not have been independently created.

Maurice Gibb was then called by the plaintiff as an adverse party witness. The opening melody from one of the songs was played for him. He identified it as "How Deep Is Your Love." Counsel for the plaintiff then read a stipulation of the parties that the music which had been played to Maurice Gibb was "the melody of Theme B, the first two phrases of Ronald Selle's 'Let It End.'" Plaintiff rested his case in chief. Defendants put on their defense. They did not call an expert witness to testify.

The jury returned a general verdict of infringement in favor of the plaintiff, Selle, but the District Court judge entered judgment notwithstanding the verdict for the defendants, and the Court of Appeals affirmed. Who was right: the jury or the judges? You may, if you want, listen to the plaintiff's and defendants' songs. (Should you?)

2 Direct Infringement

Copyright Act

17 U.S.C. § 106 - *Exclusive rights in copyrighted works*

Subject to sections 107 through 122, the owner of copyright under this title has 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.

17 U.S.C. § 101 - *Definitions*

“Copies” are 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. To “display” a work means to show 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. 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.

Copyright Act

17 U.S.C. § 106A - *Rights of certain authors to attribution and integrity*

- (a) Rights of Attribution and Integrity.— Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art—
 - (1) shall have the right—
 - (A) to claim authorship of that work, and
 - (B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;
 - (2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation; and
 - (3) subject to the limitations set forth in section 113 (d), shall have the right—
 - (A) to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and
 - (B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right. ...

- (c) Exceptions.—
 - (1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a distortion, mutilation, or other modification described in subsection (a)(3)(A).
 - (2) The modification of a work of visual art which is the result of conservation, or of the public presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.
 - (3) The rights described in paragraphs (1) and (2) of subsection (a) shall not apply to any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in subparagraph (A) or (B) of the definition of “work of visual art” in section 101, and any such reproduction, depiction, portrayal, or other use of a work is not a destruction, distortion, mutilation, or other modification described in paragraph (3) of subsection (a). ...
- (e) Transfer and Waiver.—
 - (1) The rights conferred by subsection (a) may not be transferred, but those rights may be waived if the author expressly agrees to such waiver in a written instrument signed by the author. Such instrument shall specifically identify the work, and uses of that work, to which the waiver. ...
 - (2) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any copy of that work, or of a copyright or any exclusive right under a copyright in that work. Transfer of ownership of any copy of a work of visual art, or of a copyright or any exclusive right under a copyright, shall not constitute a waiver of the rights conferred by subsection (a). ...

17 U.S.C. § 101 - *Definitions*

A “work of visual art” is—

- (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 multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of 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. ...

Copyright Act

17 U.S.C. § 110 - *Limitations on exclusive rights: Exemption of certain performances and displays*

Notwithstanding the provisions of section 106, the following are not infringements of copyright:

- (1) performance or display of a work by instructors or pupils in the course of face-to-face teaching activities of a nonprofit educational institution, in a classroom or similar place devoted to instruction, unless, in the case of a motion picture or other audiovisual work, the performance, or the display of individual images, is given by means of a copy that was not lawfully made under this title, and that the person responsible for the performance knew or had reason to believe was not lawfully made; ...
- (4) performance of a nondramatic literary or musical work otherwise than in a transmission to the public, without any purpose of direct or indirect commercial advantage and without payment of any fee or other compensation for the performance to any of its performers, promoters, or organizers,
- (5) (A) except as provided in subparagraph (B), communication of a transmission embodying a performance or display of a work by the public reception of the transmission on a single receiving apparatus of a kind commonly used in private homes, unless—
 - (i) a direct charge is made to see or hear the transmission; or
 - (ii) the transmission thus received is further transmitted to the public;...

Copyright Act

17 U.S.C. § 1101 - *Unauthorized fixation and trafficking in sound recordings and music videos*

- (a) Unauthorized Acts.—Anyone who, without the consent of the performer or performers involved—
 - (1) fixes the sounds or sounds and images of a live musical performance in a copy or phonorecord, or reproduces copies or phonorecords of such a performance from an unauthorized fixation,
 - (2) transmits or otherwise communicates to the public the sounds or sounds and images of a live musical performance, or

- (3) distributes or offers to distribute, sells or offers to sell, rents or offers to rent, or traffics in any copy or phonorecord fixed as described in paragraph (1), regardless of whether the fixations occurred in the United States,

shall be subject to the remedies provided in sections 502 through 505, to the same extent as an infringer of copyright.

CoStar Group, Inc. v. LoopNet, Inc.
373 F.3d 544 (4th Cir. 2004)

NIEMEYER, Circuit Judge:

... CoStar is a national provider of commercial real estate information, and it claims to have collected the most comprehensive database of information on commercial real estate markets and commercial properties in the United States and the United Kingdom. ... LoopNet is an Internet service provider ("ISP") whose website allows subscribers, generally real estate brokers, to post listings of commercial real estate on the Internet. ... Beginning in early 1998, CoStar became aware that photographs for which it held copyrights were being posted on LoopNet's website by LoopNet's subscribers. ...

While the Copyright Act does not require that the infringer know that he is infringing or that his conduct amount to a willful violation of the copyright owner's rights, it nonetheless requires conduct by a person who causes in some meaningful way an infringement. Were this not so, the Supreme Court could not have held, as it did in *Sony*, that a manufacturer of copy machines, possessing constructive knowledge that purchasers of its machine may be using them to engage in copyright infringement, is not strictly liable for infringement. 464 U.S. at 439-42, 104 S.Ct. 774. This, of course, does not mean that a manufacturer or owner of machines used for copyright violations could not have some indirect liability, such as contributory or vicarious liability. But such extensions of liability would require a showing of additional elements such as knowledge coupled with inducement or supervision coupled with a financial interest in the illegal copying. ...

But to establish *direct* liability under §§ 501 and 106 of the Act, something more must be shown than mere ownership of a machine used by others to make illegal copies. There must be actual infringing conduct with a nexus sufficiently close and causal to the illegal copying that one could conclude that the machine owner himself trespassed on the exclusive domain of the copyright owner. The *Netcom* court described this nexus as requiring some aspect of volition or causation. 907 F.Supp. at 1370. Indeed, counsel for both parties agreed at oral argument that a copy machine owner who makes the machine available to the public to use for copying is not, with-

out more, strictly liable under § 106 for illegal copying by a customer. The ISP in this case is an analogue to the owner of a traditional copying machine whose customers pay a fixed amount per copy and operate the machine themselves to make copies. When a customer duplicates an infringing work, the owner of the copy machine is not considered a direct infringer. Similarly, an ISP who owns an electronic facility that responds automatically to users' input is not a direct infringer. If the Copyright Act does not hold the owner of the copying machine liable as a direct infringer when its customer copies infringing material without knowledge of the owner, the ISP should not be found liable as a direct infringer when its facility is used by a subscriber to violate a copyright without intervening conduct of the ISP.

3 Secondary Liability

Fonovisa, Inc. v. Cherry Auction, Inc.
76 F.3d 259 (9th Cir. 1996)

SCHROEDER, Circuit Judge:

This is a copyright and trademark enforcement action against the operators of a swap meet, sometimes called a flea market, where third-party vendors routinely sell counterfeit recordings that infringe on the plaintiff's copyrights and trademarks. The district court dismissed on the pleadings, holding that the plaintiffs, as a matter of law, could not maintain any cause of action against the swap meet for sales by vendors who leased its premises. The district court's decision is published. *Fonovisa Inc. v. Cherry Auction, Inc.*, 847 F.Supp. 1492 (E.D.Cal.1994). We reverse.

BACKGROUND

The plaintiff and appellant is Fonovisa, Inc., a California corporation that owns copyrights and trademarks to Latin/Hispanic music recordings. Fonovisa filed this action in district court against defendant-appellee, Cherry Auction, Inc., and its individual operators (collectively "Cherry Auction"). For purposes of this appeal, it is undisputed that Cherry Auction operates a swap meet in Fresno, California, similar to many other swap meets in this country where customers come to purchase various merchandise from individual vendors. See generally, *Flea Market Owner Sued for Trademark Infringement*, 4 No. 3 J. Proprietary Rts. 22 (1992). The vendors pay a daily rental fee to the swap meet operators in exchange for booth space. Cherry Auction supplies parking, conducts advertising and retains the right to exclude any vendor for any reason, at any time, and thus can exclude vendors for patent and trademark infringement. In addition, Cherry Auction receives an entrance fee from each customer who attends the swap meet.

There is also no dispute for purposes of this appeal that Cherry Auction and its operators were aware that vendors in their swap meet were selling counterfeit recordings in violation of Fonovisa's trademarks and copyrights. Indeed, it is alleged that in 1991, the Fresno County Sheriff's Department raided the Cherry Auction swap meet and seized more than 38,000 counterfeit recordings. The following year, after finding that vendors at the Cherry Auction swap meet were still selling counterfeit recordings, the Sheriff sent a letter notifying Cherry Auction of the on-going sales of infringing materials, and reminding Cherry Auction that they had agreed to provide the Sheriff with identifying information from each vendor. In addition, in 1993, Fonovisa itself sent an investigator to the Cherry Auction site and observed sales of counterfeit recordings.

Fonovisa filed its original complaint in the district court on February 25, 1993, and on March 22, 1994, the district court granted defendants' motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6). In this appeal, Fonovisa does not challenge the district court's dismissal of its claim for direct copyright infringement, but does appeal the dismissal of its claims for contributory copyright infringement, vicarious copyright infringement and contributory trademark infringement.

The copyright claims are brought pursuant to 17 U.S.C. §§ 101 et seq. Although the Copyright Act does not expressly impose liability on anyone other than direct infringers, courts have long recognized that in certain circumstances, vicarious or contributory liability will be imposed. See *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 435, 104 S.Ct. 774, 785, 78 L.Ed.2d 574 (1984) (explaining that "vicarious liability is imposed in virtually all areas of the law, and the concept of contributory infringement is merely a species of the broader problem of identifying circumstances in which it is just to hold one individually accountable for the actions of another"). ...

We analyze each of the plaintiff's claims in turn.

VICARIOUS COPYRIGHT INFRINGEMENT

The concept of vicarious copyright liability was developed in the Second Circuit as an outgrowth of the agency principles of respondeat superior. The landmark case on vicarious liability for sales of counterfeit recordings is *Shapiro, Bernstein and Co. v. H.L. Green Co.*, 316 F.2d 304 (2d Cir.1963). In *Shapiro*, the court was faced with a copyright infringement suit against the owner of a chain of department stores where a concessionaire was selling counterfeit recordings. Noting that the normal agency rule of respondeat superior imposes liability on an employer for copyright infringements by an employee, the court endeavored to fashion a principle for enforcing copyrights against a defendant whose economic interests were intertwined with the direct infringer's, but who did not actually employ the direct infringer.

The *Shapiro* court looked at the two lines of cases it perceived as most clearly

relevant. In one line of cases, the landlord-tenant cases, the courts had held that a landlord who lacked knowledge of the infringing acts of its tenant and who exercised no control over the leased premises was not liable for infringing sales by its tenant. See e.g. *Deutsch v. Arnold*, 98 F.2d 686 (2d Cir.1938); c.f. *Fromont v. Aeolian Co.*, 254 F. 592 (S.D.N.Y.1918). In the other line of cases, the so-called “dance hall cases,” the operator of an entertainment venue was held liable for infringing performances when the operator (1) could control the premises and (2) obtained a direct financial benefit from the audience, who paid to enjoy the infringing performance. See e.g. *Buck v. Jewell-La-Salle Realty Co.*, 283 U.S. 191, 198-199, 51 S.Ct. 410, 411-12, 75 L.Ed. 971 (1931); *Dreamland Ball Room, Inc. v. Shapiro, Bernstein & Co.*, 36 F.2d 354 (7th Cir.1929).

From those two lines of cases, the Shapiro court determined that the relationship between the store owner and the concessionaire in the case before it was closer to the dance-hall model than to the landlord-tenant model. It imposed liability even though the defendant was unaware of the infringement. Shapiro deemed the imposition of vicarious liability neither unduly harsh nor unfair because the store proprietor had the power to cease the conduct of the concessionaire, and because the proprietor derived an obvious and direct financial benefit from the infringement. 316 F.2d at 307. The test was more clearly articulated in a later Second Circuit case as follows: “even in the absence of an employer-employee relationship one may be vicariously liable if he has the right and ability to supervise the infringing activity and also has a direct financial interest in such activities.” *Gershwin Publishing Corp. v. Columbia Artists Management, Inc.*, 443 F.2d 1159, 1162 (2d Cir.1971). See also 3 *Melville Nimmer & David Nimmer, Nimmer on Copyright § 1204(A)[1]*, at 1270-72 (1995). The most recent and comprehensive discussion of the evolution of the doctrine of vicarious liability for copyright infringement is contained in Judge Keeton’s opinion in *Polygram Intern. Pub., Inc. v. Nevada/TIG, Inc.*, 855 F.Supp. 1314 (D.Mass.1984).

The district court in this case agreed with defendant Cherry Auction that Fonovisa did not, as a matter of law, meet either the control or the financial benefit prong of the vicarious copyright infringement test articulated in *Gershwin*, supra. Rather, the district court concluded that based on the pleadings, “Cherry Auction neither supervised nor profited from the vendors’ sales.” 847 F.Supp. at 1496. In the district court’s view, with respect to both control and financial benefit, Cherry Auction was in the same position as an absentee landlord who has surrendered its exclusive right of occupancy in its leased property to its tenants.

This analogy to absentee landlord is not in accord with the facts as alleged in the district court and which we, for purposes of appeal, must accept. The allegations below were that vendors occupied small booths within premises that Cherry Auction controlled and patrolled. According to the complaint, Cherry Auction had the right to terminate vendors for any reason whatsoever and through that right had the ability

to control the activities of vendors on the premises. In addition, Cherry Auction promoted the swap meet and controlled the access of customers to the swap meet area. In terms of control, the allegations before us are strikingly similar to those in Shapiro and Gershwin.

In Shapiro, for example, the court focused on the formal licensing agreement between defendant department store and the direct infringer-concessionaire. There, the concessionaire selling the bootleg recordings had a licensing agreement with the department store (H.L. Green Company) that required the concessionaire and its employees to “abide by, observe and obey all regulations promulgated from time to time by the H.L. Green Company,” and H.L. Green Company had the “unreviewable discretion” to discharge the concessionaires’ employees. 316 F.2d at 306. In practice, H.L. Green Company was not actively involved in the sale of records and the concessionaire controlled and supervised the individual employees. *Id.* Nevertheless, H.L. Green’s ability to police its concessionaire — which parallels Cherry Auction’s ability to police its vendors under Cherry Auction’s similarly broad contract with its vendors — was sufficient to satisfy the control requirement. *Id.* at 308.

...

The district court’s dismissal of the vicarious liability claim in this case was therefore not justified on the ground that the complaint failed to allege sufficient control.

We next consider the issue of financial benefit. The plaintiff’s allegations encompass many substantive benefits to Cherry Auction from the infringing sales. These include the payment of a daily rental fee by each of the infringing vendors; a direct payment to Cherry Auction by each customer in the form of an admission fee, and incidental payments for parking, food and other services by customers seeking to purchase infringing recordings.

Cherry Auction nevertheless contends that these benefits cannot satisfy the financial benefit prong of vicarious liability because a commission, directly tied to the sale of particular infringing items, is required. They ask that we restrict the financial benefit prong to the precise facts presented in Shapiro, where defendant H.L. Green Company received a 10 or 12 per cent commission from the direct infringers’ gross receipts. Cherry Auction points to the low daily rental fee paid by each vendor, discounting all other financial benefits flowing to the swap meet, and asks that we hold that the swap meet is materially similar to a mere landlord. The facts alleged by Fonovisa, however, reflect that the defendants reap 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. The plaintiff has sufficiently alleged direct financial benefit.

Our conclusion is fortified by the continuing line of cases, starting with the dance hall cases, imposing vicarious liability on the operator of a business where infring-

ing performances enhance the attractiveness of the venue to potential customers. In *Polygram*, for example, direct infringers were participants in a trade show who used infringing music to communicate with attendees and to cultivate interest in their wares. 855 F.Supp. at 1332. The court held that the trade show participants “derived a significant financial benefit from the attention” that attendees paid to the infringing music. *Id.*; See also *Famous Music Corp. v. Bay State Harness Horse Racing and Breeding Ass’n*, 554 F.2d 1213, 1214 (1st Cir.1977) (race track owner vicariously liable for band that entertained patrons who were not “absorbed in watching the races”); *Shapiro*, 316 F.2d at 307 (dance hall cases hold proprietor liable where infringing “activities provide the proprietor with a source of customers and enhanced income”). In this case, the sale of pirated recordings at the Cherry Auction swap meet is a “draw” for customers, as was the performance of pirated music in the dance hall cases and their progeny.

Plaintiffs have stated a claim for vicarious copyright infringement.

CONTRIBUTORY COPYRIGHT INFRINGEMENT

Contributory infringement originates in tort law and stems from the notion that one who directly contributes to another’s infringement should be held accountable. See *Sony v. Universal City*, 464 U.S. at 417, 104 S.Ct. at 774-776; 1 Niel Boorstyn, *Boorstyn On Copyright* § 10.06[2], at 10-21 (1994) (“In other words, the common law doctrine that one who knowingly participates in or furthers a tortious act is jointly and severally liable with the prime tortfeasor, is applicable under copyright law”). Contributory infringement has been described as an outgrowth of enterprise liability, see 3 *Nimmer* § 1204[a][2], at 1275; *Demetriades v. Kaufmann*, 690 F.Supp. 289, 292 (S.D.N.Y.1988), and imposes liability where one person knowingly contributes to the infringing conduct of another. The classic statement of the doctrine is in *Gershwin*, 443 F.2d 1159, 1162: “[O]ne who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a ‘contributory’ infringer.” See also *Universal City Studios v. Sony Corp. of America*, 659 F.2d 963, 975 (9th Cir.1981), rev’d on other grounds, 464 U.S. 417, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984) (adopting *Gershwin* in this circuit).

There is no question that plaintiff adequately alleged the element of knowledge in this case. The disputed issue is whether plaintiff adequately alleged that Cherry Auction materially contributed to the infringing activity. We have little difficulty in holding that the allegations in this case are sufficient to show material contribution to the infringing activity. Indeed, it would be difficult for the infringing activity to take place in the massive quantities alleged without the support services provided by the swap meet. These services include, inter alia, the provision of space, utilities, parking, advertising, plumbing, and customers.

Here again Cherry Auction asks us to ignore all aspects of the enterprise described by the plaintiffs, to concentrate solely on the rental of space, and to hold that the swap meet provides nothing more. Yet Cherry Auction actively strives to provide the environment and the market for counterfeit recording sales to thrive. Its participation in the sales cannot be termed “passive,” as Cherry Auction would prefer.

The district court apparently took the view that contribution to infringement should be limited to circumstances in which the defendant “expressly promoted or encouraged the sale of counterfeit products, or in some manner protected the identity of the infringers.” 847 F.Supp. 1492, 1496. Given the allegations that the local sheriff lawfully requested that Cherry Auction gather and share basic, identifying information about its vendors, and that Cherry Auction failed to comply, the defendant appears to qualify within the last portion of the district court’s own standard that posits liability for protecting infringers’ identities. Moreover, we agree with the Third Circuit’s analysis in *Columbia Pictures Industries, Inc. v. Aveco, Inc.*, 800 F.2d 59 (3rd Cir.1986) that providing the site and facilities for known infringing activity is sufficient to establish contributory liability. See 2 William F. Patry, *Copyright Law & Practice* 1147 (“Merely providing the means for infringement may be sufficient” to incur contributory copyright liability). ...

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

JUSTICE STEVENS delivered the opinion of the Court.

Petitioners manufacture and sell home video tape recorders [the “Betamax”]. Respondents own the copyrights on some of the television programs that are broadcast on the public airwaves. Some members of the general public use video tape recorders sold by petitioners to record some of these broadcasts, as well as a large number of other broadcasts. The question presented is whether the sale of petitioners’ copying equipment to the general public violates any of the rights conferred upon respondents by the Copyright Act. ...

If vicarious liability is to be imposed on Sony in this case, it must rest on the fact that it has sold equipment with constructive knowledge of the fact that its customers may use that equipment to make unauthorized copies of copyrighted material. There is no precedent in the law of copyright for the imposition of vicarious liability on such a theory. The closest analogy is provided by the patent law cases to which it is appropriate to refer because of the historic kinship between patent law and copyright law.

In the Patent Act both the concept of infringement and the concept of contributory infringement are expressly defined by statute. The prohibition against contrib-

utory infringement is confined to the knowing sale of a component especially made for use in connection with a particular patent. There is no suggestion in the statute that one patentee may object to the sale of a product that might be used in connection with other patents. Moreover, the Act expressly provides that the sale of a "staple article or commodity of commerce suitable for substantial noninfringing use" is not contributory infringement. 35 U. S. C. § 271(c). ...

We recognize there are substantial differences between the patent and copyright laws. But in both areas the contributory infringement doctrine is grounded on the recognition that adequate protection of a monopoly may require the courts to look beyond actual duplication of a device or publication to the products or activities that make such duplication possible. The staple article of commerce doctrine must strike a balance between a copyright holder's legitimate demand for effective — not merely symbolic — protection of the statutory monopoly, and the rights of others freely to engage in substantially unrelated areas of commerce. Accordingly, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.

[The Court held that the Betamax was capable of two substantial noninfringing uses. The first was recording programs for later viewing ("time-shifting") with the permission of the copyright owner. Religious and educational broadcasters (including Fred Rogers of *Mister Rogers' Neighborhood* testified that they did not object to time-shifting. The second was time-shifting even without broadcaster permission, which was protected as fair use.]

Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.
545 U.S. 913 (2005)

JUSTICE SOUTER delivered the opinion of the Court.

The question is under what circumstances the distributor of a product capable of both lawful and unlawful use is liable for acts of copyright infringement by third parties using the product. We hold 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.

Exclusive Rights

You work for a copyright owner who is determined to bring suit against the following. In each case, identify every theory of copyright liability available. Be sure to consider both the different § 106 rights and the various flavors of secondary liability. Be creative.

- A woman calling herself Makeover Morticia gives tutorials on how to put on makeup effectively, which she livestreams on a Google Hangout. She is paid by makeup companies to use their products and promote them on her streams. She regularly streams music from Spotify over her computer speakers as she works; this background music is audible to her viewers. Sometimes she turns up the music and tells the audience, "You should totally download this."
- *Terminations* is a best-selling dystopian young-adult novel. Fannie Frederickson, a young adult, writes a sequel in the form of a play, which she titles *Reversions*. Her high school's drama club performs *Reversions* as its annual fall drama. It gives three performances, for which it charges \$5 admission; the proceeds are used to pay for a cast party at a local diner.
- The Renton Theater obtains a digital copy of the movie *Rager* under a license permitting its exhibition at a single theater. But in addition to showing the movie in its own theater, Renton repeatedly duplicates *Rager* and rents out the copies to ten other movie theaters.
- Diversion Devices sells high-capacity digital video recorders with DVD-R drives. Some buyers of Diversion's DVRs use them to record television programs onto DVRs, which they give as presents to friends, family, and co-workers.

Copyright Act

17 U.S.C. § 1201 - Circumvention of copyright protection systems

- (a) Violations Regarding Circumvention of Technological Measures. —
- (1) (A) No person shall circumvent a technological measure that effectively controls access to a work protected under this title. The prohibition contained in the preceding sentence shall take effect at the end of the 2-year period beginning on the date of the enactment of this chapter.
- ...
- (2) No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that —
- (A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title;
- (B) has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title; or

- (C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.

F Defenses

1 First Sale

Copyright Act

17 U.S.C. § 109 - *Limitations on exclusive rights: Effect of transfer of particular copy or phonorecord*

- (a) 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. ...
- (b) Notwithstanding the provisions of subsection (a), unless authorized by the owners of copyright in the sound recording or the owner of copyright in a computer program ... and in the case of a sound recording in the musical works embodied therein, neither the owner of a particular phonorecord nor any person in possession of a particular copy of a computer program ... may, for the purposes of direct or indirect commercial advantage, dispose of, or authorize the disposal of, the possession of that phonorecord or computer program ... by rental, lease, or lending ...
- (c) 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.

UMG Recordings, Inc. v. Augusto 628 F. 3d 1175 (9th Cir. 2011)

Canby, Circuit Judge:

The material facts of the case are undisputed. UMG is among the world's largest music companies. One of its core businesses is the creation, manufacture, and sale of recorded music, or phonorecords, the copyrights of which are owned by UMG. These phonorecords generally take the form of compact discs ("CDs"). Like many

music companies, UMG ships specially-produced promotional CDs to a large group of individuals (“recipients”), such as music critics and radio programmers, that it has selected. There is no prior agreement or request by the recipients to receive the CDs. UMG does not seek or receive payment for the CDs, the content and design of which often differs from that of their commercial counterparts. UMG ships the promotional CDs by means of the United States Postal Service and United Parcel Service. Relatively few of the recipients refuse delivery of the CDs or return them to UMG, and UMG destroys those that are returned.

Most of the promotional CDs in issue in this case bore a statement (the “promotional statement”) similar to the following:

This CD is the property of the record company and is licensed to the intended recipient for personal use only. Acceptance of this CD shall constitute an agreement to comply with the terms of the license. Resale or transfer of possession is not allowed and may be punishable under federal and state laws. Some of the CDs bore a more succinct statement, such as “Promotional Use Only—Not for Sale.”

Augusto was not among the select group of individuals slated to receive the promotional CDs. He nevertheless managed to acquire numerous such CDs, many of which he sold through online auctions at eBay.com. Augusto regularly advertised the CDs as “rare ... industry editions” and referred to them as “Promo CDs.” After several unsuccessful attempts at halting the auctions through eBay’s dispute resolution program, UMG filed a complaint against Augusto in the United States District Court for the Central District of California, alleging that Augusto had infringed UMG’s copyrights in eight promotional CDs for which it retained the “exclusive right to distribute.” The district court granted summary judgment in favor of Augusto, and UMG appealed. We have jurisdiction of the appeal pursuant to 28 U.S.C. § 1291.

...

Although UMG, as the owner of the copyright, has exclusive rights in the promotional CDs, “[e]xemptions, compulsory licenses, and defenses found in the Copyright Act narrow [those] rights.” *Wall Data Inc. v. Los Angeles Cnty. Sheriff’s Dept.*, 447 F.3d 769, 777 (9th Cir. 2006). Augusto invokes the “first sale” doctrine embodied in § 109(a) of the Act. 17 U.S.C. § 109(a). He argues that the circumstances attending UMG’s distribution of the discs effected a “sale” (transfer of ownership) of the discs to the original recipients and that, under the “first sale” doctrine, the recipients and subsequent owners of those particular copies were permitted to sell or otherwise dispose of those copies without authorization by the copyright holder. ...

UMG, on the other hand, contends that the promotional statement effected a license with the recipients and, because the recipients were not owners but licensees

of the CDs, neither they nor Augusto were entitled to sell or otherwise transfer the CDs.

The first sale doctrine provides that “the owner of a particular copy or phonorecord lawfully made under [the Act], 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.” 17 U.S.C. § 109(a). Notwithstanding its distinctive name, the doctrine applies not only when a copy is first sold, but when a copy is given away or title is otherwise transferred without the accouterments of a sale. The seminal illustration of the principle is found in *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339 (1908), where a copyright owner unsuccessfully attempted to restrain the resale of a copyrighted book by including in it the following notice: “The price of this book at retail is \$1 net. No dealer is licensed to sell it at a less price, and a sale at less price will be treated as an infringement of the copyright.” The Court noted that the statutory grant to a copyright owner of the “sole right of vending” the work did not continue after the first sale of a given copy.. “The purchaser of a book, once sold by authority of the owner of the copyright, may sell it again, although he could not publish a new edition of it.” The attempt to limit resale below a certain price was therefore held invalid.

The rule of *Bobbs-Merrill* remains in full force, enshrined as it is in § 109(a) of the Act: a copyright owner who transfers title in a particular copy to a purchaser or donee cannot prevent resale of that particular copy. We have recognized, however, that not every transfer of possession of a copy transfers title. Particularly with regard to computer software, we have recognized that copyright owners may create licensing arrangements so that users acquire only a license to use the particular copy of software and do not acquire title that permits further transfer or sale of that copy without the permission of the copyright owner. Our most recent example of that rule is *Vernor v. Autodesk, Inc.*, 621 F.3d 1102 (9th Cir. 2010). ...

The same question is presented here. Did UMG succeed in creating a license in recipients of its promotional CDs, or did it convey title despite the restrictive labeling on the CDs? We conclude that, under all the circumstances of the CDs’ distribution, the recipients were entitled to use or dispose of them in any manner they saw fit, and UMG did not enter a license agreement for the CDs with the recipients. Accordingly, UMG transferred title to the particular copies of its promotional CDs and cannot maintain an infringement action against Augusto for his subsequent sale of those copies.

Our conclusion that the recipients acquired ownership of the CDs is based largely on the nature of UMG’s distribution. First, the promotional CDs are dispatched to the recipients without any prior arrangement as to those particular copies. The CDs are not numbered, and no attempt is made to keep track of where particular copies are or what use is made of them. As explained in greater detail below, although UMG

places written restrictions in the labels of the CDs, it has not established that the restrictions on the CDs create a license agreement.

We also hold that, because the CDs were unordered merchandise, the recipients were free to dispose of them as they saw fit under the Unordered Merchandise Statute, 39 U.S.C. § 3009, which provides in pertinent part that,

- (a) [e]xcept for ... free samples clearly and conspicuously marked as such,... the mailing of unordered merchandise... constitutes an unfair method of competition and an unfair trade practice....
- (b) Any merchandise mailed in violation of subsection (a) of this section ... may be treated as a gift by the recipient, who shall have the right to retain, use, discard, or dispose of it in any manner he sees fit without any obligation whatsoever to the sender. ...

Id. § 3009(a), (b) (emphasis added). The statute defines “unordered merchandise” as “merchandise mailed without the prior expressed request or consent of the recipient” but leaves “merchandise” itself undefined. Id. § 3009(d). Although the statute applies in terms to “mailed” merchandise, the Federal Trade Commission has applied its prohibitions to other types of shipment, as violations of § 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. See 43 Fed.Reg. 4113 (Jan. 31, 1978).

...

There are additional reasons for concluding that UMG’s distribution of the CDs did not involve a consensual licensing operation. Some of the statements on the CDs and UMG’s purported method of securing agreement to licenses militate against a conclusion that any licenses were created. The sparsest promotional statement, “Promotional Use Only—Not for Sale,” does not even purport to create a license. But even the more detailed statement is flawed in the manner in which it purports to secure agreement from the recipient. The more detailed statement provides:

This CD is the property of the record company and is licensed to the intended recipient for personal use only. Acceptance of this CD shall constitute an agreement to comply with the terms of the license. Resale or transfer of possession is not allowed and may be punishable under federal and state laws.

It is one thing to say, as the statement does, that “acceptance” of the CD constitutes an agreement to a license and its restrictions, but it is quite another to maintain that “acceptance” may be assumed when the recipient makes no response at all. This record reflects no responses. Even when the evidence is viewed in the light most favorable to UMG, it does not show that any recipients agreed to enter into a license agreement with UMG when they received the CDs.

Because the record here is devoid of any indication that the recipients agreed to a license, there is no evidence to support a conclusion that licenses were established under the terms of the promotional statement. Accordingly, we conclude that UMG's transfer of possession to the recipients, without meaningful control or even knowledge of the status of the CDs after shipment, accomplished a transfer of title.

...

Because we conclude that UMG's method of distribution transferred the ownership of the copies to the recipients, we have no need to parse the remaining provisions in UMG's purported licensing statement; UMG dispatched the CDs in a manner that permitted their receipt and retention by the recipients without the recipients accepting the terms of the promotional statements. UMG's transfer of unlimited possession in the circumstances present here effected a gift or sale within the meaning of the first sale doctrine, as the district court held. ...

2 Fair Use

Copyright Act

17 U.S.C. § 107 - *Limitations on exclusive rights: Fair use*

Notwithstanding the provisions of sections 106 and 106A, 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 itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Fair Use Checklist

The four fair use factors are a checklist of questions to ask about the facts in a given case, not a majority vote. As you see from the readings, they interrelate, and they are

not all of equal importance. I find it helpful to break the factors down into a slightly more detailed checklist:

- Factor one (“purpose and character of the [defendant’s] use”):
 - Is the use for criticism, comment, or another use specifically mentioned in the flush text at the start of section 107?
 - Is the use commercial or noncommercial?
 - Is the use transformative?
- Factor two (“nature of the [plaintiff’s] copyrighted work”):
 - Is the work primarily informational or primarily expressive?
 - Is the work published or unpublished?
- Factor three (“amount and substantiality of the portion used”):
 - How much did the defendant copy quantitatively from the plaintiff’s work?
 - How qualitatively important were the copied portions to the plaintiff’s work?
 - How extensive was the defendant’s copying in light of any proffered justifications?
- Factor four (“effect of the use upon the potential market”):
 - What is the relevant market, and is it one the plaintiff can legitimately claim a right to?
 - Did the plaintiff suffer losses because the defendant’s work substituted for her own, or for some other reason?
- Miscellaneous:
 - Did the defendant give appropriate attribution to the plaintiff’s work as a source?
 - Did either party engage in any dishonest or illegal conduct that bears directly on the copying?
 - Is there anything else significant in the facts not already accounted for?

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

JUSTICE O’CONNOR delivered the opinion of the Court.

... In February 1977, shortly after leaving the White House, former President Gerald R. Ford contracted with petitioners Harper & Row and Reader’s Digest, to publish his as yet unwritten memoirs. ... In addition to the right to publish the

Ford memoirs in book form, the agreement gave petitioners the exclusive right to license prepublication excerpts, known in the trade as “first serial rights.” Two years later, as the memoirs were nearing completion, petitioners negotiated a prepublication licensing agreement with Time, a weekly news magazine. Time agreed to pay \$25,000, \$12,500 in advance and an additional \$12,500 at publication, in exchange for the right to excerpt 7,500 words from Mr. Ford’s account of the Nixon pardon. The issue featuring the excerpts was timed to appear approximately one week before shipment of the full length book version to bookstores. Exclusivity was an important consideration; Harper & Row instituted procedures designed to maintain the confidentiality of the manuscript, and Time retained the right to renegotiate the second payment should the material appear in print prior to its release of the excerpts.

Two to three weeks before the Time article’s scheduled release, an unidentified person secretly brought a copy of the Ford manuscript to Victor Navasky, editor of *The Nation*, a political commentary magazine. Mr. Navasky knew that his possession of the manuscript was not authorized and that the manuscript must be returned quickly to his “source” to avoid discovery. He hastily put together what he believed was “a real hot news story” composed of quotes, paraphrases, and facts drawn exclusively from the manuscript. Mr. Navasky attempted no independent commentary, research or criticism, in part because of the need for speed if he was to “make news” by “publish[ing] in advance of publication of the Ford book.” The 2,250-word article, reprinted in the Appendix to this opinion, appeared on April 3, 1979. As a result of *The Nation*’s article, Time canceled its piece and refused to pay the remaining \$12,500. ...

[Harper & Row sued for copyright infringement. The District Court rejected the *The Nation*’s fair-use defense; the Court of Appeals reversed.]

... *The Nation* has admitted to lifting verbatim quotes of the author’s original language totaling between 300 and 400 words and constituting some 13% of *The Nation* article. In using generous verbatim excerpts of Mr. Ford’s unpublished manuscript to lend authenticity to its account of the forthcoming memoirs, *The Nation* effectively arrogated to itself the right of first publication, an important marketable subsidiary right. For the reasons set forth below, we find that this use of the copyrighted manuscript, even stripped to the verbatim quotes conceded by *The Nation* to be copyrightable expression, was not a fair use within the meaning of the Copyright Act. ...

III

A

Fair use was traditionally defined as “a privilege in others than the owner of the copyright to use the copyrighted material in a reasonable manner without his consent.”

H. Ball, *Law of Copyright and Literary Property* 260 (1944) (hereinafter Ball). The statutory formulation of the defense of fair use in the Copyright Act reflects the intent of Congress to codify the common-law doctrine. 3 Nimmer § 13.05. Section 107 requires a case-by-case determination whether a particular use is fair, and the statute notes four nonexclusive factors to be considered. This approach was “intended to restate the [pre-existing] judicial doctrine of fair use, not to change, narrow, or enlarge it in any way.” H. R. Rep. No. 94-1476, p. 66 (1976) (hereinafter House Report). ...

As early as 1841, Justice Story gave judicial recognition to the doctrine in a case that concerned the letters of another former President, George Washington.

“[A] reviewer may fairly cite largely from the original work, if his design be really and truly to use the passages for the purposes of fair and reasonable criticism. On the other hand, it is as clear, that if he thus cites the most important parts of the work, with a view, not to criticise, but to supersede the use of the original work, and substitute the review for it, such a use will be deemed in law a piracy.” *Folsom v. Marsh*, 9 F. Cas. 342, 344-345 (No. 4,901) (CC Mass.)

As Justice Story’s hypothetical illustrates, the fair use doctrine has always precluded a use that “supersede[s] the use of the original.” *Ibid.* Accord, S. Rep. No. 94-473, p. 65 (1975) (hereinafter Senate Report).

Perhaps because the fair use doctrine was predicated on the author’s implied consent to “reasonable and customary” use when he released his work for public consumption, fair use traditionally was not recognized as a defense to charges of copying from an author’s as yet unpublished works. This absolute rule, however, was tempered in practice by the equitable nature of the fair use doctrine. In a given case, factors such as implied consent through de facto publication on performance or dissemination of a work may tip the balance of equities in favor of prepublication use. But it has never been seriously disputed that “the fact that the plaintiff’s work is unpublished . . . is a factor tending to negate the defense of fair use.” *Ibid.* Publication of an author’s expression before he has authorized its dissemination seriously infringes the author’s right to decide when and whether it will be made public, a factor not present in fair use of published works. ...

B

Respondents, however, contend that First Amendment values require a different rule under the circumstances of this case. The thrust of the decision below is that “[t]he scope of [fair use] is undoubtedly wider when the information conveyed relates to matters of high public concern.” *Consumers Union of the United States, Inc. v. General Signal Corp.*, 724 F.2d 1044, 1050 (CA2 1983) (construing 723 F.

2d 195 (1983) (case below) as allowing advertiser to quote Consumer Reports), cert. denied, 469 U. S. 823 (1984). Respondents advance the substantial public import of the subject matter of the Ford memoirs as grounds for excusing a use that would ordinarily not pass muster as a fair use — the piracy of verbatim quotations for the purpose of “scooping” the authorized first serialization. Respondents explain their copying of Mr. Ford’s expression as essential to reporting the news story it claims the book itself represents. In respondents’ view, not only the facts contained in Mr. Ford’s memoirs, but “the precise manner in which [he] expressed himself [were] as newsworthy as what he had to say.” Brief for Respondents 38-39. Respondents argue that the public’s interest in learning this news as fast as possible outweighs the right of the author to control its first publication. ...

Respondents’ theory, however, would expand fair use to effectively destroy any expectation of copyright protection in the work of a public figure. Absent such protection, there would be little incentive to create or profit in financing such memoirs, and the public would be denied an important source of significant historical information. The promise of copyright would be an empty one if it could be avoided merely by dubbing the infringement a fair use “news report” of the book. See *Wainwright Securities Inc. v. Wall Street Transcript Corp.*, 558 F. 2d 91 (CA2 1977), cert. denied, 434 U. S. 1014 (1978).

Nor do respondents assert any actual necessity for circumventing the copyright scheme with respect to the types of works and users at issue here.[6] Where an author and publisher have invested extensive resources in creating an original work and are poised to release it to the public, no legitimate aim is served by pre-empting the right of first publication. The fact that the words the author has chosen to clothe his narrative may of themselves be “newsworthy” is not an independent justification for unauthorized copying of the author’s expression prior to publication. ...

IV

Fair use is a mixed question of law and fact. *Pacific & Southern Co. v. Duncan*, 744 F. 2d 1490, 1495, n. 8 (CA11 1984). Where the district court has found facts sufficient to evaluate each of the statutory factors, an appellate court “need not remand for further factfinding . . . [but] may conclude as a matter of law that [the challenged use] do[es] not qualify as a fair use of the copyrighted work.” *Id.*, at 1495. Thus whether *The Nation* article constitutes fair use under § 107 must be reviewed in light of the principles discussed above. The factors enumerated in the section are not meant to be exclusive: “[S]ince 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.” House Report, at 65. The four factors identified by Congress as especially relevant in determining whether the use was fair are: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the

substantiality of the portion used in relation to the copyrighted work as a whole; (4) the effect on the potential market for or value of the copyrighted work. We address each one separately.

Purpose of the Use. The Second Circuit correctly identified news reporting as the general purpose of The Nation's use. News reporting is one of the examples enumerated in § 107 to "give some idea of the sort of activities the courts might regard as fair use under the circumstances." Senate Report, at 61. This listing was not intended to be exhaustive, see *ibid.*; § 101 (definition of "including" and "such as"), or to single out any particular use as presumptively a "fair" use. The drafters resisted pressures from special interest groups to create presumptive categories of fair use, but structured the provision as an affirmative defense requiring a case-by-case analysis. See H. R. Rep. No. 83, 90th Cong., 1st Sess., 37 (1967); Patry 477, n. 4. "[W]hether a use referred to in the first sentence of section 107 is a fair use in a particular case will depend upon the application of the determinative factors, including those mentioned in the second sentence." Senate Report, at 62. The fact that an article arguably is "news" and therefore a productive use is simply one factor in a fair use analysis.

We agree with the Second Circuit that the trial court erred in fixing on whether the information contained in the memoirs was actually new to the public. As Judge Meskill wisely noted, "[c]ourts should be chary of deciding what is and what is not news." 723 F. 2d, at 215 (dissenting). Cf. *Gertz v. Robert Welch, Inc.*, 418 U. S. 323, 345-346 (1974). "The issue is not what constitutes 'news,' but whether a claim of newsreporting is a valid fair use defense to an infringement of copyrightable expression." Patry 119. The Nation has every right to seek to be the first to publish information. But The Nation went beyond simply reporting uncopyrightable information and actively sought to exploit the headline value of its infringement, making a "news event" out of its unauthorized first publication of a noted figure's copyrighted expression.

The fact that a publication was commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use. "[E]very commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U. S., at 451. In arguing that the purpose of news reporting is not purely commercial, The Nation misses the point entirely. The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price. See *Roy Export Co. Establishment v. Columbia Broadcasting System, Inc.*, 503 F. Supp., at 1144; 3 Nimmer § 13.05[A][1], at 13-71, n. 25.3.

In evaluating character and purpose we cannot ignore The Nation's stated pur-

pose of scooping the forthcoming hard-cover and Time abstracts. App. to Pet. for Cert. C-27. The Nation's use had not merely the incidental effect but the intended purpose of supplanting the copyright holder's commercially valuable right of first publication. See *Meredith Corp. v. Harper & Row, Publishers, Inc.*, 378 F. Supp. 686, 690 (SDNY) (purpose of text was to compete with original), aff'd, 500 F.2d 1221 (CA2 1974). Also relevant to the "character" of the use is "the propriety of the defendant's conduct." 3 Nimmer § 13.05[A], at 13-72. "Fair use presupposes 'good faith' and 'fair dealing.'" *Time Inc. v. Bernard Geis Associates*, 293 F. Supp. 130, 146 (SDNY 1968), quoting Schulman, *Fair Use and the Revision of the Copyright Act*, 53 Iowa L. Rev. 832 (1968). The trial court found that The Nation knowingly exploited a purloined manuscript. App. to Pet. for Cert. B-1, C-20 — C-21, C-28 — C-29. Unlike the typical claim of fair use, The Nation cannot offer up even the fiction of consent as justification. Like its competitor news-weekly, it was free to bid for the right of abstracting excerpts from "A Time to Heal." Fair use "distinguishes between 'a true scholar and a chiseler who infringes a work for personal profit.'" *Wainwright Securities Inc. v. Wall Street Transcript Corp.*, 558 F.2d, at 94, quoting from Hearings on Bills for the General Revision of the Copyright Law before the House Committee on the Judiciary, 89th Cong., 1st Sess., ser. 8, pt. 3, p. 1706 (1966) (statement of John Schulman).

Nature of the Copyrighted work. Second, the Act directs attention to the nature of the copyrighted work. "A Time to Heal" may be characterized as an unpublished historical narrative or autobiography. The law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy. See Gorman, *Fact or Fancy? The Implications for Copyright*, 29 J. Copyright Soc. 560, 561 (1982).

"[E]ven within the field of fact works, there are gradations as to the relative proportion of fact and fancy. One may move from sparsely embellished maps and directories to elegantly written biography. The extent to which one must permit expressive language to be copied, in order to assure dissemination of the underlying facts, will thus vary from case to case." *Id.*, at 563. Some of the briefer quotes from the memoirs are arguably necessary adequately to convey the facts; for example, Mr. Ford's characterization of the White House tapes as the "smoking gun" is perhaps so integral to the idea expressed as to be inseparable from it. Cf. 1 Nimmer § 1.10[C]. But The Nation did not stop at isolated phrases and instead excerpted subjective descriptions and portraits of public figures whose power lies in the author's individualized expression. Such use, focusing on the most expressive elements of the work, exceeds that necessary to disseminate the facts.

The fact that a work is unpublished is a critical element of its "nature." 3 Nimmer § 13.05[A]; Comment, 58 St. John's L. Rev., at 613. Our prior discussion establishes that the scope of fair use is narrower with respect to unpublished works. While even substantial quotations might qualify as fair use in a review of a published work or

a news account of a speech that had been delivered to the public or disseminated to the press, see House Report, at 65, the author's right to control the first public appearance of his expression weighs against such use of the work before its release. The right of first publication encompasses not only the choice whether to publish at all, but also the choices of when, where, and in what form first to publish a work.

In the case of Mr. Ford's manuscript, the copyright holders' interest in confidentiality is irrefutable; the copyright holders had entered into a contractual undertaking to "keep the manuscript confidential" and required that all those to whom the manuscript was shown also "sign an agreement to keep the manuscript confidential." App. to Pet. for Cert. C-19 — C-20. While the copyright holders' contract with Time required Time to submit its proposed article seven days before publication, The Nation's clandestine publication afforded no such opportunity for creative or quality control. *Id.*, at C-18. It was hastily patched together and contained "a number of inaccuracies." App. 300b-300c (testimony of Victor Navasky). A use that so clearly infringes the copyright holder's interests in confidentiality and creative control is difficult to characterize as "fair."

Amount and Substantiality of the Portion Used. Next, the Act directs us to examine the amount and substantiality of the portion used in relation to the copyrighted work as a whole. In absolute terms, the words actually quoted were an insubstantial portion of "A Time to Heal." The District Court, however, found that "[T]he Nation took what was essentially the heart of the book." 557 F. Supp., at 1072. We believe the Court of Appeals erred in overruling the District Judge's evaluation of the qualitative nature of the taking. See, e. g., *Roy Export Co. Establishment v. Columbia Broadcasting System, Inc.*, 503 F. Supp., at 1145 (taking of 55 seconds out of 1 hour and 29-minute film deemed qualitatively substantial). A Time editor described the chapters on the pardon as "the most interesting and moving parts of the entire manuscript." Reply Brief for Petitioners 16, n. 8. The portions actually quoted were selected by Mr. Navasky as among the most powerful passages in those chapters. He testified that he used verbatim excerpts because simply reciting the information could not adequately convey the "absolute certainty with which [Ford] expressed himself," App. 303; or show that "this comes from President Ford," *id.*, at 305; or carry the "definitive quality" of the original, *id.*, at 306. In short, he quoted these passages precisely because they qualitatively embodied Ford's distinctive expression.

As the statutory language indicates, a taking may not be excused merely because it is insubstantial with respect to the infringing work. As Judge Learned Hand cogently remarked, "no plagiarist can excuse the wrong by showing how much of his work he did not pirate." *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F. 2d 49, 56 (CA2), cert. denied, 298 U. S. 669 (1936). Conversely, the fact that a substantial portion of the infringing work was copied verbatim is evidence of the qualitative

value of the copied material, both to the originator and to the plagiarist who seeks to profit from marketing someone else's copyrighted expression.

Stripped to the verbatim quotes,[8] the direct takings from the unpublished manuscript constitute at least 13% of the infringing article. See *Meeropol v. Nizer*, 560 F. 2d 1061, 1071 (CA2 1977) (copyrighted letters constituted less than 1% of infringing work but were prominently featured). The *Nation* article is structured around the quoted excerpts which serve as its dramatic focal points. See Appendix to this opinion, post, p. 570. In view of the expressive value of the excerpts and their key role in the infringing work, we cannot agree with the Second Circuit that the "magazine took a meager, indeed an infinitesimal amount of Ford's original language." 723 F. 2d, at 209.

Effect on the Market. Finally, the Act focuses on "the effect of the use upon the potential market for or value of the copyrighted work." This last factor is undoubtedly the single most important element of fair use.[9] See 3 *Nimmer* § 13.05[A], at 13-76, and cases cited therein. "Fair use, when properly applied, is limited to copying by others which does not materially impair the marketability of the work which is copied." 1 *Nimmer* § 1.10[D], at 1-87. The trial court found not merely a potential but an actual effect on the market. Time's cancellation of its projected serialization and its refusal to pay the \$12,500 were the direct effect of the infringement. The Court of Appeals rejected this factfinding as clearly erroneous, noting that the record did not establish a causal relation between Time's nonperformance and respondents' unauthorized publication of Mr. Ford's expression as opposed to the facts taken from the memoirs. We disagree. Rarely will a case of copyright infringement present such clear-cut evidence of actual damage. Petitioners assured Time that there would be no other authorized publication of any portion of the unpublished manuscript prior to April 23, 1979. Any publication of material from chapters 1 and 3 would permit Time to renegotiate its final payment. Time cited *The Nation's* article, which contained verbatim quotes from the unpublished manuscript, as a reason for its nonperformance. ...

More important, to negate fair use one need only show that if the challenged use "should become widespread, it would adversely affect the potential market for the copyrighted work." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U. S., at 451 (emphasis added); *id.*, at 484, and n. 36 (collecting cases) (dissenting opinion). This inquiry must take account not only of harm to the original but also of harm to the market for derivative works. See *Iowa State University Research Foundation, Inc. v. American Broadcasting Cos.*, 621 F. 2d 57 (CA2 1980); *Meeropol v. Nizer*, *supra*, at 1070; *Roy Export v. Columbia Broadcasting System, Inc.*, 503 F. Supp., at 1146. "If the defendant's work adversely affects the value of any of the rights in the copyrighted work (in this case the adaptation [and serialization] right) the use is not fair." 3 *Nimmer* § 13.05[B], at 13-77 — 13-78 (footnote omitted). ...

The Nation conceded that its verbatim copying of some 300 words of direct quotation from the Ford manuscript would constitute an infringement unless excused as a fair use. Because we find that The Nation's use of these verbatim excerpts from the unpublished manuscript was not a fair use, the judgment of the Court of Appeals is reversed, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.

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

JUSTICE SOUTER delivered the opinion of the Court.

In 1964, Roy Orbison and William Dees wrote a rock ballad called "Oh, Pretty Woman" and assigned their rights in it to respondent Acuff-Rose Music, Inc. ...

Petitioners Luther R. Campbell, Christopher Wongwon, Mark Ross, and David Hobbs are collectively known as 2 Live Crew, a popular rap music group. In 1989, Campbell wrote a song entitled "Pretty Woman," which he later described in an affidavit as intended, "through comical lyrics, to satirize the original work. . . ." App. to Pet. for Cert. 80a. On July 5, 1989, 2 Live Crew's manager informed Acuff-Rose that 2 Live Crew had written a parody of "Oh, Pretty Woman," that they would afford all credit for ownership and authorship of the original song to Acuff-Rose, Dees, and Orbison, and that they were willing to pay a fee for the use they wished to make of it. Enclosed with the letter were a copy of the lyrics and a recording of 2 Live Crew's song. Acuff-Rose's agent refused permission, stating that "I am aware of the success enjoyed by 'The 2 Live Crews', but I must inform you that we cannot permit the use of a parody of 'Oh, Pretty Woman.'" Nonetheless, in June or July 1989, 2 Live Crew released records, cassette tapes, and compact discs of "Pretty Woman" in a collection of songs entitled "As Clean As They Wanna Be." The albums and compact discs identify the authors of "Pretty Woman" as Orbison and Dees and its publisher as Acuff-Rose.

Almost a year later, after nearly a quarter of a million copies of the recording had been sold, Acuff-Rose sued 2 Live Crew and its record company, Luke Skywalker Records, for copyright infringement. ...

The first factor in a fair use enquiry is "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." § 107(1). ... The central purpose of this investigation is to see, in Justice Story's words, whether the new work merely "supersede[s] the objects" of the original creation, *Folsom v. Marsh*, *supra*, at 348; accord, *Harper & Row*, *supra*, at 562 ("supplanting" the original), or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or

message; it asks, in other words, whether and to what extent the new work is "transformative." Leval, *Toward a Fair Use Standard*, 103 *Harv. L. Rev.* 1105, 1111 (1990) Although such transformative use is not absolutely necessary for a finding of fair use, *Sony*, *supra*, at 455, n. 40,¹¹ the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works. Such works thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright, see, e. g., *Sony*, *supra*, at 478-480 (Blackmun, J., dissenting), and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.

... Suffice it to say now that parody has an obvious claim to transformative value, as *Acuff-Rose* itself does not deny. Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one. We thus line up with the courts that have held that parody, like other comment or criticism, may claim fair use under § 107. See, e. g., *Fisher v. Dees*, 794 F. 2d 432 (CA9 1986) ("When Sonny Sniffs Glue," a parody of "When Sunny Gets Blue," is fair use); *Elsmere Music, Inc. v. National Broadcasting Co.*, 482 F. Supp. 741 580*580 (SDNY), *aff'd*, 623 F. 2d 252 (CA2 1980) ("I Love Sodom," a "Saturday Night Live" television parody of "I Love New York," is fair use); see also House Report, p. 65; Senate Report, p. 61 ("[U]se in a parody of some of the content of the work parodied" may be fair use).

The germ of parody lies in the definition of the Greek *parodeia*, quoted in Judge Nelson's Court of Appeals dissent, as "a song sung alongside another." 972 F. 2d, at 1440, quoting 7 *Encyclopedia Britannica* 768 (15th ed. 1975). Modern dictionaries accordingly describe a parody as a "literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule," or as a "composition in prose or verse in which the characteristic turns of thought and phrase in an author or class of authors are imitated in such a way as to make them appear ridiculous." For the purposes of copyright law, the nub of the definitions, and the heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works. If, on the contrary, the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger. Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can

¹¹ The obvious statutory exception to this focus on transformative uses is the straight reproduction of multiple copies for classroom distribution.

stand on its own two feet and so requires justification for the very act of borrowing.

The fact that parody can claim legitimacy for some appropriation does not, of course, tell either parodist or judge much about where to draw the line. ...

We have less difficulty in finding that critical element in 2 Live Crew's song than the Court of Appeals did, although having found it we will not take the further step of evaluating its quality. The threshold question when fair use is raised in defense of parody is whether a parodic character may reasonably be perceived.^[16] Whether, going beyond that, parody is in good taste or bad does not and should not matter to fair use. As Justice Holmes explained, "[i]t would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [a work], 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." *Bleistein v. Donaldson Lithographing Co.*, 188 U. S. 239, 251 (1903) (circus posters have copyright protection); cf. *Yankee Publishing Inc. v. News America Publishing, Inc.*, 809 F. Supp. 267, 280 (SDNY 1992) (Leval, J.) ("First Amendment protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed") (trademark case).

While we might not assign a high rank to the parodic element here, we think it fair to say that 2 Live Crew's song reasonably could be perceived as commenting on the original or criticizing it, to some degree. 2 Live Crew juxtaposes the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility. The later words can be taken as a comment on the naivete of the original of an earlier day, as a rejection of its sentiment that ignores the ugliness of street life and the debasement that it signifies. It is this joinder of reference and ridicule that marks off the author's choice of parody from the other types of comment and criticism that traditionally have had a claim to fair use protection as transformative works. ...¹⁸

City of Inglewood v. Teixeira

No. CV-15-01815-MWF (MRWx), 2015 WL 5025839 (C.D. Cal. Aug. 20, 2015)

¹⁸Finally, regardless of the weight one might place on the alleged infringer's state of mind, compare *Harper & Row*, 471 U. S., at 562 (fair use presupposes good faith and fair dealing) (quotation marks omitted), with *Folsom v. Marsh*, 9 F. Cas. 342, 349 (No. 4,901) (CCD Mass. 1841) (good faith does not bar a finding of infringement); Leval 1126-1127 (good faith irrelevant to fair use analysis), we reject Acuff-Rose's argument that 2 Live Crew's request for permission to use the original should be weighed against a finding of fair use. Even if good faith were central to fair use, 2 Live Crew's actions do not necessarily suggest that they believed their version was not fair use; the offer may simply have been made in a good-faith effort to avoid this litigation. If the use is otherwise fair, then no permission need be sought or granted. Thus, being denied permission to use a work does not weigh against a finding of fair use. See *Fisher v. Dees*, 794 F.2d 432, 437 (CA9 1986).

The Honorable MICHAEL W. FITZGERALD, U.S. District Judge

II. BACKGROUND

In this action, the City makes two basic allegations. First, that it enjoys a copyright interest in the video recordings it makes of open public meetings of the Inglewood City Council. Second, that Teixeira has violated the City’s copyright by using portions of these videos in making his own videos that criticize the City and its elected officials (the “Teixeira Videos”).

The City alleges that it is the valid copyright owner of video recordings, including six of Inglewood Council meetings from 2011 to 2013 (“the “City Council Videos”) for which it has submitted applications for copyright registration by the Register of Copyrights. (Compl.¶ 14, Ex. A).

Teixeira is a resident of Inglewood, California. (Compl.¶ 11). He operates a website, Inglewoodwatchdog.wix.com, and posts videos on YouTube as Dehol Truth. (Id.¶¶ 11, 19). The City alleges that Teixeira has willfully and intentionally used infringing copies of the City Council Videos in question and distributed them in online media, thereby violating the City’s exclusive reproduction and distribution rights.

III. DISCUSSION

In his Motion, Teixeira makes two arguments as to why the City’s action should be dismissed. First, under California law, the City may not claim and assert a copyright interest in the City Council Videos. Second, even if the City had an enforceable copyright interest in the videos, the Teixeira Videos fall squarely within the fair use protections of § 107 of the Copyright Act.

For the reasons explained below, the Court agrees with both of Teixeira’s arguments.

[Although federal law allows states and local government to claim copyright protection in works they create, the court held that California state law did not authorize local governments to do so.]

B. Teixeira’s Activity is Protected Fair Use

Because the Court has determined that the City cannot state a claim it need not address whether Teixeira’s copying constitutes fair use. Because the Court is dismissing the action, however, the Court will rule on fair use so that all issues may be appealed now, if the City chooses to do so.

Teixeira argues that he uses small portions of the freely available City Council Videos in order to create his own videos that comment on and criticize activities of the City Council, and in particular Mayor James Butts. This, he contends, falls

squarely within the protections of the fair use doctrine as codified at § 107 of the Copyright Act.

The City argues that fair use has never protected “such systematic infringement of copyright works for years at a time” and that “[c]opyrights would become meaningless if such wholesale theft were tolerated.” (Opp. at 2). The City contends that it is not trying to impinge on Teixeira’s First Amendment but merely seeks to have him “stop posting substantially all of the [City Council Videos] with [Teixeira’s] comments posted on top of them.” (Id.). The City continues to say that “[w]hat is really going on here is that the Defendant wants to criticize the City without doing his own work.” (Id.). The City also argues that a decision on the basis of fair use is not proper at this stage in the litigation.

A review of the videos is sufficient for the Court to rule that the Teixeira Videos are protected by the fair use doctrine as a matter of law. The Teixeira Videos use brief portions of the larger works in order to comment on, and criticize the political activities of the City Council and its members. He uses carefully chosen portions specifically for the purposes of exercising his First Amendment rights, and in doing so, substantially transforms the purpose and content of the City Council Videos. ...

2. Each Statutory Factor Favors a Finding of Fair Use

The Court determines that each statutory factor in § 107 favors a finding of fair use.

a. Purpose and Character of Use ...

There is presently no evidence before the Court as to whether Teixeira has produced the videos for a commercial purpose beyond the City’s allegation that he uses them to generate income, which the Court must accept as true on a motion under Rule 12(b)(6). Teixeira notes in his Reply that should the case proceed he will show that he does not produce the videos for commercial purposes. (Reply at 18, n. 11). Teixeira, however, does not rely on the non-commercial nature of the videos and the Court need not either. As the Supreme Court explained in *Campbell*, the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use. 510 U.S. at 579; see also *Hustler Magazine Inc. v. Moral Majority Inc.*, 796 F.2d 1148, 1152 (9th Cir.1986) (“Even assuming that the use had a purely commercial purpose, the presumption of unfairness can be rebutted by the characteristics of the use”).

The videos Teixeira produces address local politics in the City of Inglewood. They consist of his narrating his criticism of Mayor Butts over slides or other text, documents—such as a report by the Inglewood city clerk—and video clips, some of which are taken from the City Council Videos over which the City claims a copyright interest. The videos range in time from 3 minutes and 43 second to 15 minutes long, and the clips from the City Council Videos are considerably shorter. Some of

the clips are used unadorned but they are most often frequently overlaid with Teixeira's oral and written commentary and criticism, as well as music. Even when unadorned, they form only part of longer videos, with the clips contrasted with documents, sound recordings, and other video clips, accompanied with Teixeira's written and oral commentary.

Teixeira's use is highly transformative. His purpose falls directly within two of the categories explicitly referenced in § 107: criticism and commentary. The Teixeira Videos are also directed at political and other matters of public concern and constitute core First Amendment protected speech. The fair use doctrine generally provides a greater scope of protection when the works involve address matters of public concern. See *National Rifle Ass'n of America v. Handgun Control Federation of Ohio*, 15 F.3d 559, 562 (6th Cir.1994) ("The scope of the fair use doctrine is wider when the use relates to issues of public concern."); *Consumers Union of United States, Inc. v. Gen. Signal Corp.*, 724 F.2d 1044, 1050 (2d Cir.1983) ("The scope of the doctrine is undoubtedly wider when the information conveyed relates to matters of high public concern."); *Dhillon v. Does 1-10*, No. C 13-01465 SI, 2014 WL 722592, at *5 (N.D.Cal. Feb. 25, 2014) ("Rather than using the headshot photo as a positive marketing tool, as the plaintiff did, the defendant used the headshot photo as part of its criticism of, and commentary on, the plaintiff's politics. Such a use is precisely what the Copyright Act envisions as a paradigmatic fair use.") (citations omitted)).

The City's contention that Teixeira is "simply republishing untransformed, copies of the Copyrighted works, and free-riding on the City's expenses" is plainly incorrect on even the most cursory review of the Teixeira videos. The City's claim that "[t]he facts alleged a complete lack of transformativeness" is also irrelevant given the reference by the Complaint to the videos themselves.

The City's reliance on *Los Angeles Times v. Free Republic*, CV-98-07840-MMM, 2000 WL 565200 (C.D.Cal. Apr. 4, 2000) is also unpersuasive. The defendant hosed an online bulletin board on which "generally, exact copies of whole or substantial portions of articles [we]re posted." *Id.* at *6. The court rejected the arguments by the defendants that the works were transformative because the board did not substitute for the newspapers' websites, and because users added comments. *Id.* at *7. The court noted that "[c]opying portions of a copyrighted work for the purpose of criticism or commentary is often considered fair use." *Id.* (citing *Twin Peaks Productions, Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1375 (9th Cir.1993) ("Inevitably, some identification of the subject matter of a writing must occur before any useful comment may be made about it, and it is not uncommon for works serving a fair use purpose to give at least a brief indication of the plot. Works of criticism, teaching, and news reporting customarily do so.")). However, the court concluded that limited commentary added to verbatim copies was not sufficient, and

the amount of copying—full, verbatim copies—was too great to justify the limited commentary provided on the board. The purpose, the court concluded, was primarily to provide the content of the articles and the ancillary commentary was not sufficient to render the copying transformative because the copied works substituted for the originals. *Id.* at *7 (“For those who visit the site regularly, therefore, the articles posted there serve as substitutes for the originals found on plaintiffs’ websites or in their newspapers.”)

Teixeira’s use of the clips from the City Council Videos is of a wholly different sort. The clips are carefully chosen and heavily edited. Teixeira juxtaposes them with other materials, puts his own commentary over and around them, and uses specific clips to underscore and support the points he makes in his videos. No person wishing to find out what occurred during a lengthy City Council meeting would be satisfied with viewing any of the Teixeira Videos.

Indeed, the videos identified in the Complaint as infringing are quintessential transformative works for the purpose of criticism and commentary on matters of public concern. Even as used for commercial purpose—a fact which the Court assumes to be true—this factor alone would go a substantial way to support a finding of fair use.

b. Nature of the Copyrighted Work

... The purportedly copyright material is not creative in nature. The City Council Videos are straightforward recordings of public proceedings.

The City’s arguments address whether there is sufficient creativity to warrant copyright protection at all. While the videos are very likely sufficiently “creative” to fall within the scope of copyright protection, this does not mean that this factor favors the City.

Given the barely creative nature of the City Council Videos, and their informational purpose, they enjoy very narrow copyright protection. This factor therefore weighs in favor of a finding of fair use.

c. Amount and Substantiality of the Portion used ...

As described above with regards to the first factor, Teixeira uses only small portions of the total works and uses them for very specific and particular purposes. In five of the six accused videos, he intersperses short clips of the City Council Videos between written slides, pictures, other video clips, and his own commentary.

The first and second videos are approximately 15 minutes long and contain clips from the City Council meeting held on July 20, 2010. The video of the meeting is more than four hours long. (RJN, Ex. C). The clips used in Teixeira’s first two videos, are all under a minute long, and most of them 15 seconds or less. (RJN, Exs. A-1; A2). The videos address issues regarding Mayor Butts’ Inglewood residency

issues that arose while he was running for mayor, and his interactions with the City's Clerk regarding a report she compiled as to his voter registration and qualification to run for mayor.

The third video is the shortest of the Teixeira videos at three minutes and 43 seconds. (RJN, Ex. A-3). It is almost wholly comprised of a single clip from the City Council meeting on May 22, 2012, at which Mayor Butts reads a statement regarding a request for information about a shooting. (Id.). This is the longest clip used by Teixeira in any of the accused videos. Throughout the video there is music added by Teixeira, but more importantly, his commentary runs along the bottom of the screen as Butts talks. Teixeira ridicules Butts' physical tics as he talks, notes his apparent nervousness and stuttering, and specifically identifies points at which Teixeira alleges Butts is lying. The full video of the meeting runs more than three hours. ...

The City argues that Teixeira fails to meet his supposed burden of showing that it is "essential" to make the copies for his purpose of commenting on it. The City contends that each topic area of the City Council meetings is "an independent and entire work" and Teixeira cannot show why it is necessary to copy these "entire" works. However, a review of the videos makes it clear that Teixeira has copied only the parts of the City Council Videos that serve his purpose of making comment on them, or criticizing very particular statements by Butts. This use of another's material has been frequently recognized as protected fair use. See *Northland Family Planning Clinic, Inc. v. Center for Bio-Ethical Reform*, 868 F.Supp.2d 962 (C.D.Cal.2012) (holding that using verbatim portions of plaintiff's pro-abortion video in making a video protesting abortion was fair use); *Savage v. Council on American-Islamic Relations, Inc.*, C 07-6076 SI, 2008 WL 2951281, (N.D.Cal. Jul. 25, 2008) (holding that posting significant portions of radio hosts show to criticize his anti-Muslim views was protected fair use). *Maxtone-Graham v. Burtchaell*, 803 F.2d 1253, 1260 (2d Cir.1986) (fair use protected anti-abortion author's use of portions of book "to make the case against abortion"). The City's exceptionally narrow view of an "entire" work is without merit and contrary to the purpose of the fair use doctrine, which permits the use of reasonable quantities of a work for the purpose of criticism and comment.

Teixeira's use of the clips from the City Council Videos is limited to his purpose of criticizing Butts and the City Council, and commenting on the proceedings of the City Council. Teixeira chooses small and very specific parts of lengthy proceedings to make his point in his videos. The extent of his copying is reasonable in light of his purpose. Accordingly, this factor also strongly favors a finding of fair use.

d. Effect of Use on the Market

... This factor strongly favors Teixeira because there is no market for the City Council Videos and the accused works are not a substitute for the original works.

The City argues that the factor favors its position because Teixeira's copying denies the City of the opportunity to "recoup its expenses" and "deprives [the City] of potential revenue." This argument is without merit and flatly contradicted by the California law that governs the City's creation and use of the City Council Videos.

California law prevents public agencies from charging the public anything more than the "direct costs of duplication" when providing public records. Cal. Gov.Code § 6253(b). See also *North County Parents Org. v. Dep't of Education*, 23 Cal.App. 4th 144, 147, 28 Cal.Rptr.2d 359 (1994) (explaining that in passing section 6253(b) the Legislature "specified ... that the sole charge should be that for duplication" and specifically for "the direct cost of duplication" and not for "indirect" costs of duplication).

The City therefore may only collect fees to reimburse for the direct costs of providing copies of any record it creates, including the City Council Videos. It is specifically barred by law from charging any fee to recoup the costs of original production. And it is certainly not permitted to use the City Council Videos to generate any form of revenue. There can therefore be no commercial market for the City Council Videos and no activity by Teixeira can deprive the City of any revenue.

Because copyright's purpose is to protect the commercial interest of authors so as to incentivize the creation of further works the lack of a market for the City Council Videos suggests that the City has no interest in copyright protection of the City Council Videos.

Further, even if the City could generate revenue from its works, Teixeira's videos are not a substitute. The original works are lengthy, unadorned videos of City Council meetings. Teixeira's videos are considerably shorter, contain even shorter portions of the City Council meetings, and are exclusively for the purpose of presenting Teixeira's views and commentary on Inglewood city politics. See *Fisher v. Dees*, 794 F.2d 432, 438 (9th Cir.1986) (holding that there was no economic harm because the "two works do not fulfill the same demand").

Accordingly, this factor also strongly favors a finding of fair use.

3. Teixeira's Videos are Fair Use as a Matter of Law

Having reviewed the accused videos, the Court determines that—even assuming the City has any copyright interest to assert—they are clearly protected by the fair use doctrine. Indeed, the Court can scarcely conceive of works that are more appropriately protected by the fair use doctrine and § 107 than the Teixeira Videos. He is engaged in core First Amendment speech commenting on political affairs and matters of public concern. To do so, he has taken carefully selected and short portions of significantly longer works, and embellished them with commentary and political

criticism through music, his voice, and written subtitles. Even if California law allowed the City to assert a copyright claim, Teixeira's activities plainly fall within the protections of fair use.

The City accuses Teixeira of wanting "to criticize the City without doing his own work" by "posting substantially all of the full [City Council Videos] with [his] comments posted on top of them." (Opp. at 8). Even if the City's characterization of the Teixeira Videos were accurate, fair use would allow such use for the purpose of commentary.

Fox Broadcasting Co., Inc. v. Dish Network LLC
723 F.3d 1067 (9th Cir. 2013)

THOMAS, Circuit Judge:

... Plaintiffs Fox Broadcasting Company, Twentieth Century Fox Film Corp., and Fox Television Holdings, Inc. (collectively, "Fox") own the copyrights to television shows that air on the Fox television network. Its primetime lineup includes shows such as Glee, Bones, The Simpsons, and Family Guy. ...

One distributor that Fox contracts with is Dish Network, the third-largest pay television service provider in the United States. ...

In March 2012, Dish released to its customers the Hopper, a set-top box with digital video recorder (DVR) and video on demand capabilities. ...

At the same time it released the Hopper, Dish introduced a feature called PrimeTime Anytime that works only on the Hopper. PrimeTime Anytime allows a subscriber to set a single timer to record any and all primetime programming on the four major broadcast networks (including Fox) every night of the week. To enable PrimeTime Anytime, a Hopper user presses the "*" button on the remote control to reach the PrimeTime Anytime setup screen. The user selects "Enable," and a new menu appears where the viewer can disable recordings of certain networks on certain days of the week and change the length of time that the shows are saved (between two and eight days). By default, PrimeTime Anytime records primetime shows on all four networks each night of the week and saves all recordings for eight days. ...

In May 2012, Dish started offering a new feature, AutoHop, that allows users to automatically skip commercials. AutoHop is only available on shows recorded using PrimeTime Anytime, typically on the morning after the live broadcast. It is not available for all primetime programs. When a user plays back a PrimeTime Anytime recording, if AutoHop is available, a pop-up screen appears that allows the user to select the option to "automatically skip over" commercial breaks. By default, AutoHop is not selected.

If a customer enables AutoHop, the viewer sees only the first and last few seconds of each commercial break. A red kangaroo icon appears in the corner of the screen

to demonstrate that AutoHop is skipping commercials. Unlike the 30-second skip feature available on many DVRs, once a user has enabled AutoHop, the user does not press anything to skip through commercials. AutoHop does not delete commercials from the recording. Customers can see the commercials if they manually rewind or fast-forward into a commercial break. ...

Fox sued Dish for copyright infringement and breach of contract and sought a preliminary injunction. The district court denied the motion. ...

The district court did not abuse its discretion in concluding that Fox was unlikely to succeed on its claim of secondary copyright infringement for the PrimeTime Anytime and AutoHop programs. "Secondary liability for copyright infringement does not exist in the absence of direct infringement by a third party." *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 n. 2 (9th Cir.2001). Therefore, to establish secondary liability, Fox must establish that Dish's users are infringing. There is no dispute that Fox has established a prima facie case of direct infringement by Dish customers because Fox owns the copyrights to its shows and the users make copies. Thus, the burden shifts to Dish to demonstrate that it is likely to succeed on its affirmative defense that its customers' copying was a "fair use." Perfect 10, 508 F.3d at 1158. Dish has met this burden.

As the district court recognized, the Supreme Court's analysis in *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984), provides strong guidance in assessing whether Dish customers' copying of Fox programs is a "fair use." In *Sony*, the Supreme Court held that Sony was not liable for secondary infringement for manufacturing Betamax VCRs because customers used the machines primarily for time-shifting, "the practice of recording a program to view it once at a later time, and thereafter erasing it." *Id.* at 423, 104 S.Ct. 774. The Court held that "even the unauthorized home time-shifting of respondents' programs is legitimate fair use." *Id.* at 442, 104 S.Ct. 774.

Fox and its amici argue that Dish customers use PrimeTime Anytime and AutoHop for purposes other than time-shifting — namely, commercial-skipping and library-building. These uses were briefly discussed in *Sony*, in which the Court recognized that some Betamax customers used the device to avoid viewing advertisements and accumulate libraries of tapes. In *Sony*, about 25 percent of Betamax users fast-forwarded through commercials. *Id.* at 452 n. 36, 104 S.Ct. 774. Additionally, a "substantial number of interviewees had accumulated libraries of tapes." *Id.* at 423, 104 S.Ct. 774. One user owned about 100 tapes and bought his Betamax intending to "build a library of cassettes," but this "proved too expensive." *Id.* at 423 n. 3, 104 S.Ct. 774. Because the Betamax was primarily used for timeshifting, the Court in *Sony* never expressly decided whether commercial-skipping and library-building were fair uses. Cf. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 931, 125 S.Ct. 2764, 162 L.Ed.2d 781 (2005) (explaining that "[a]lthough Sony's

advertisements urged consumers to buy the VCR to ‘record favorite shows’ or ‘build a library’ of recorded programs, neither of these uses was necessarily infringing” (citations omitted)).

Yet, as the district court held, commercial-skipping does not implicate Fox’s copyright interest because Fox owns the copyrights to the television programs, not to the ads aired in the commercial breaks. If recording an entire copyrighted program is a fair use, the fact that viewers do not watch the ads not copyrighted by Fox cannot transform the recording into a copyright violation. Indeed, a recording made with PrimeTime Anytime still includes commercials; AutoHop simply skips those recorded commercials unless a viewer manually rewinds or fast-forwards into a commercial break. Thus, any analysis of the market harm should exclude consideration of AutoHop because ad-skipping does not implicate Fox’s copyright interests.

Analyzing PrimeTime Anytime under the fair use factors, Dish has demonstrated a likelihood of success on its customers’ fair use defense. As for the first factor, the “purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes,” 17 U.S.C. § 107(1), Dish customers’ home viewing is noncommercial under Sony, which held that “time-shifting for private home use” was a “noncommercial, nonprofit activity,” 464 U.S. at 449, 104 S.Ct. 774. Here, the district court found that PrimeTime Anytime is used for time-shifting, and that the Hopper is available only to private consumers. Fox Broad., 905 F.Supp.2d at 1098.

Sony also governs the analysis of the second and third factors, the “nature of the copyrighted work” and “the amount and substantiality of the portion used in relation to the copyrighted work as a whole,” 17 U.S.C. § 107(2), (3). Sony held that “when one considers the nature of a televised copyrighted audiovisual work, and that time-shifting merely enables a viewer to see such a work which he had been invited to witness in its entirety free of charge, the fact that the entire work is reproduced, does not have its ordinary effect of militating against a finding of fair use.” 464 U.S. at 449-50, 104 S.Ct. 774 1076*1076 (citations omitted). The same analysis applies here, and thus the fact that Dish users copy Fox’s entire copyrighted broadcasts does not have its ordinary effect of militating against a finding of fair use.

Finally, we consider the “effect of the use upon the potential market for or value of the copyrighted work.” 17 U.S.C. § 107(4). This is the “most important element of fair use.” Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 566, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985). Because Dish customers’ taping is “for a noncommercial purpose,” the likelihood of future market harm is not presumed but “must be demonstrated.” Sony, 464 U.S. at 451, 104 S.Ct. 774. Fox “need only show that if the challenged use ‘should become widespread, it would adversely affect the potential market for the copyrighted work.’” Harper & Row, 471 U.S. at 568, 105 S.Ct. 2218 (quoting Sony, 464 U.S. at 451, 104 S.Ct. 774 (emphasis added by Harper

& Row Court)).

Because Fox licenses its programs to distributors such as Hulu and Apple, the market harm analysis is somewhat different than in Sony, where no such secondary market existed for the copyright-holders' programs.[3] However, the record before the district court establishes that the market harm that Fox and its amici allege results from the automatic commercial-skipping, not the recording of programs through PrimeTime Anytime. Indeed, Fox often charges no additional license fees for providers to offer Fox's licensed video on demand, so long as providers disable fast-forwarding. This indicates that the ease of skipping commercials, rather than the on-demand availability of Fox programs, causes any market harm. And as we have discussed, the commercial-skipping does not implicate any copyright interest.

...

Therefore, the district court did not abuse its discretion in concluding that Fox was unlikely to succeed on its secondary infringement claim. ...

Chicago HOPE Problem

Compare Shepard Fairey's famous Obama "HOPE" poster with the photograph he used as a starting point. Assume that the photograph's copyright is owned by the Associated Press, which used it to illustrate a news story about a campaign event and then offered it for licensing through a stock photography bureau. Assume further that Fairey created the poster to support Obama, that he then licensed it for free to the Obama campaign, that the campaign has given out tens of thousands of prints to supporters and it has been distributed widely for free online. And finally, note that Fairey became significantly more famous as a result of the poster and the publicity it received, and that he initially lied under oath in trying to conceal the fact that he had used the photograph as a source. Fair use?



3 Section 512

Copyright Act

17 U.S.C. § 512 - *Limitations on liability relating to material online*

- (c) Information Residing on Systems or Networks At Direction of Users. —
- (1) In general. — A service provider shall not be liable for monetary relief, or, except as provided in subsection (j), for injunctive or other equitable relief, for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider— ...
 - (C) upon notification of claimed infringement as described in paragraph (3), responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.
 - (2) Designated agent. — The limitations on liability established in this subsection apply to a service provider only if the service provider has desig-

nated an agent to receive notifications of claimed infringement described in paragraph (3), by making available through its service, including on its website in a location accessible to the public, and by providing to the Copyright Office, substantially the following information:

- (A) the name, address, phone number, and electronic mail address of the agent.
 - (B) other contact information which the Register of Copyrights may deem appropriate. ...
- (3) Elements of notification.—
- (A) To be effective under this subsection, a notification of claimed infringement must be a written communication provided to the designated agent of a service provider that includes substantially the following:
 - (i) A physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.
 - (ii) Identification of the copyrighted work claimed to have been infringed, or, if multiple copyrighted works at a single online site are covered by a single notification, a representative list of such works at that site.
 - (iii) Identification of the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled, and information reasonably sufficient to permit the service provider to locate the material.
 - (iv) Information reasonably sufficient to permit the service provider to contact the complaining party, such as an address, telephone number, and, if available, an electronic mail address at which the complaining party may be contacted.
 - (v) A statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.
 - (vi) A statement that the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed. ...

4 Licenses

ASCAP 2010 Radio Station License Agreement

<http://www.ascap.com/media/files/pdf/licensing/radio/rmlc-license-agreement.pdf>

1 - Term

The term of this Agreement commences as of January 1, 2010, and ends on December 31, 2016, unless earlier terminated as hereinafter provided.

2 - Definitions.

- A. “ASCAP Repertory” means musical works for which ASCAP has the right to license for public performance now or hereafter during the term of this Agreement. All compositions written and copyrighted by ASCAP members and in the repertory on the date this Agreement is executed are included for the full term of this Agreement. Compositions written or copyrighted by ASCAP members during the license term are included for the full balance of the term.

3. - ASCAP Grant of Rights and Limitations.

- A. ASCAP grants LICENSEE a non-exclusive Through-to-the-Audience License to perform publicly in the U.S. Territory, by Radio Broadcasting or New Media Transmissions, non-dramatic performances of all musical works in the ASCAP Repertory during the Term.

4. - License Fee; Minimum Fee; Taxes. ...

- B. If you elect to pay a license fee on the blanket basis for your Radio Broadcasting, subject to the election provisions of Paragraphs 6.A and 6.B below, you agree to pay us a license fee of 1.7% of your Revenue Subject to Fee from Radio Broadcasting for each year 2012 through 2016 of the Agreement. ...
- G. Minimum Fee. In no event shall your total annual license fee be less than \$588.
- H. Annual Reports. You will submit a report of the license fee due for each year 2012 through 2016 of this Agreement, by April 1st of the following year, by fully completing the Statement of Account that will be made available on ASCAP’s website. For the avoidance of any doubt, all Annual Reports must be submitted using the electronic format and Internet-based delivery transmission methodology to be developed by ASCAP ...

5 Compulsory Licenses

Copyright Act

17 U.S.C. § 115 - *Scope of exclusive rights in nondramatic musical works: Compulsory license for making and distributing phonorecords*

In the case of nondramatic musical works, the exclusive rights provided by clauses (1) and (3) of section 106, to make and to distribute phonorecords of such works, are subject to compulsory licensing under the conditions specified by this section.

- (a) Availability and Scope of Compulsory License.—
 - (1) 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. ...
 - (2) A compulsory license includes the privilege of making a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the 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.

Code of Federal Regulations

37 C.F.R. § 385.3 (2015) - *Royalty rates for making and distributing phonorecords.*

- (a) Physical phonorecord deliveries and permanent digital downloads. For every physical phonorecord and permanent digital download made and distributed, the royalty rate payable for each work embodied in such phonorecord shall be either 9.1 cents or 1.75 cents per minute of playing time or fraction thereof, whichever amount is larger.
- (b) Ringtones. For every ringtone made and distributed, the royalty rate payable for each work embodied therein shall be 24 cents.