Order of Operations

Fall 2013

Jeanne Fromer – Copyright Law – Attack Outline

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1. **INTRODUCTION AND POLICY**
   1. **Copyright Policy Generally**
      1. **Properties of IP**
         1. Public goods – Non-exclusive
         2. Nonrivalrous – Use of the idea doesn’t affect other people’s ability to use it
         3. *De minimis* marginal cost of reproduction
         4. Often high labor cost in creation
      2. **Theories for Protecting IP**
         1. Lockean Labor Theory – Man has property right in his person; labor of one’s body, and products of that labor are his own; never take more than one needs
         2. Hegelian Personhood Theory – To be self-actualized, a person must have control over his environment, some things are so tied to our identity that they are part of the person themselves (*i.e.* wedding ring)
         3. Utilitarian (Dominant American Theory)
            1. Nonrivalrous goods have a free rider problem
            2. Need to incentivize development of new ideas
            3. Second comers can distribute at cost close to marginal cost of reproduction
            4. “*Quid pro quo*” – Contribution to public domain in exchange for protection of socially useful works
            5. Limitations

Increases transaction costs

Raises consumer prices – Monopoly rents, dead weight losses

Toll roads on creation – Limits cumulative developments

* 1. **Copyright Law Generally**
     1. **Exclusive Rights**
        1. Production
        2. Distribution
        3. Public performance/display
        4. Derivative works
     2. **Elements of Infringement**
        1. Δ had access
        2. And sufficiently copied the work

1. **COPYRIGHTABLE SUBJECT MATTER**
   1. **Generally**
      1. 17 U.S.C. § 102 – Subject Matter of Copyright: In General
         1. (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. Including:
            1. **Literary works**
            2. **Musical works**, including accompanying words
            3. **Dramatic works**, including accompanying music
            4. **Pantomimes and choreographic works**
            5. **Pictorial, graphic, and sculptural works** (PGS)
            6. **Motion pictures** and other audiovisual works
            7. **Sound recordings**
            8. **Architectural works**
         2. (b) Copyright does not 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
   2. **Fixation**
      1. **Analysis**
         1. Work is “fixed” when **embodiment is sufficiently permanent/stable** to be **perceived** for a period of **more than transitory duration** (§ 101)
         2. Works considered fixed
            1. Need not be readable by humans (*White-Smith* overruled by amendment)
            2. Work may change over time, or include user input (*Williams Electronics*)

Must be sufficiently repetitive/predictable

* + - * 1. Work may be stored in RAM/buffers (*MAI Systems*)
        2. 1.2s in buffer is not more than transitory duration (*Cartoon Network*)

§ 102(a): 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

* + - * 1. Simultaneous recording of live performances (§ 101)
      1. International: Some countries have a “perception” requirement consistent with the moral rights theory
    1. **§ 101 – Definitions**
       1. A work is “fixed” in a tangible medium of expression when its embodiment in a copy, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds/image/or both that are being transmitted, is “fixed” if a fixation of the work is being made simultaneously with the transmission
       2. “Copies” are material objects in which a work is fixed by any method now known or later developed, from which the work can be perceived by any method
       3. “Phonorecords” is same as “copies” but for sound recording
    2. **Policy for Fixation Requirement**
       1. Evidentiary difficulties for proving infringement
       2. Preservation of knowledge and culture
       3. Art. I § 8 reference to “writings” implying a degree of permanence
       4. § 102(b) keeps out abstract ideas
    3. **Cases**
       1. *White-Smith v. Apollo* (1908) – Overruled by 1976 Copyright Act
          1. Holding that player piano roll is not “fixed” for purposes of copyright
          2. Reasoning – Not readable by human
       2. *Williams Electronics v. Arctic International* (3d Cir. 1982)
          1. Holding: Memory devices storing computer game sufficiently fixed when game “attract” and “play” modes were sufficiently repetitious and predictable to be perceived
       3. *MAI Systems v. Peak Computer* (9th Cir. 1993)
          1. Holding that copy of program in RAM was sufficiently stable to be perceived – once loaded, Δ-technicians can view error log/service computer
       4. *Cartoon Network v. CSC Holdings* (2d Cir. 2008)
          1. Holding that streaming device that stores video segments for 1.2s and never contains the whole work at one time is not fixed because it is only held for transitory duration
  1. **Originality**
     1. **Analysis – Originality Generally**

§ 102(a): Copyright protection subsists… in original works of authorship

* + - 1. Rule – A work must be original **to the author** (*Feist*)
         1. Independently created by the author (**NOT** a novelty requirement)
         2. And possessing a modicum of creativity
      2. Consider
         1. Minimal creativity required (*Bleistein*)
         2. Copies of original works can get copyright if more than a trivial variation, *even if variation occurs by happenstance* (*Alfred Bell*)

*But* Subjective effort to make a perfect copy is not original (*Meshwerks*)

* + - 1. Photograph Analysis
         1. Rendition (*how* – angle/light/exposure/etc.); Timing (right place @ right time – theoretically can be recreated); Creation of subject (photographer creates scene by directing/arranging elements – can infringe with effort to recreate)
      2. Note
         1. Extent of protection will depend on level of originality (*Mannion*)

Photo: Rendition/Timing/Creation of subject matter

* + - * 1. No “sweat of the brow” (*Feist*)
        2. *De minimis* limitations – rhythm of song, short phrases, names, slogans, etc.
    1. **Policy**
       1. “The *sine qua non* for copyright is not originality… [it must be] original to the author” – Legislative history left this undefined to allow courts to change originality with time – not question of novelty, ingenuity, or aesthetic merit
       2. Less stringent than “obviousness” in patent
       3. Author’s intent to copy, and *de minimis* limitations may undermine originality
    2. **Cases**
       1. *Burrow-Giles Lithographic v. Sarony* (1884) (holding that **photo of Oscar Wilde is original** when photographer selected elements of the photograph [background, positioning, etc.] rather than focusing on accuracy of representation alone)
       2. *Bleistein v. Donaldson Lithographing* (1903) (holding that chromolithographs for **circus posters were original**/copyright – origin of nondiscrimination principle, Δ is free to recreate from the original subjects, but not to copy Π’s expression)
       3. *Alfred Bell v. Catalda Fine Arts* (2d Cir. 1951) (holding that **mezzotint copies of famous paintings are original** works & merit copyright – work must be more than trivial variation, but that variation can occur by happenstance)
       4. *Feist v. Rural Telephone* (1991) (holding that mere **alphabetical listing and selection of data to include in Π’s white pages listings was not original** – No modicum of creativity)
       5. *West Reporter* – Case captions, case classification, parallel cites protectable
       6. *Meshwerks v. Toyota* (10th Cir. 2008) (holding **subjective intent to create digital wireframe exact copy of Toyota car is not original**)
       7. *Mannion v. Coors Brewing Co.* (SDNY 2006) (holding that **Π’s selection of elements in photo of Garnett was original**)
       8. *Chapman Kelley v. Chicago Park District* (7th Cir. 2011) (holding that **Π’s flower bed display was not original** – lacked “authorship and stable fixation”)
  1. **Idea/Expression Limitation**
     1. **Analysis**
        1. **Copyright does not protect ideas, only expression of ideas** (*Baker*; *Erickson*)

§ 102(b): Copyright does not extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery

* + - * 1. Interpretation of historical events are not copyrightable (*Hoehling*)

But expression of the interpretation is copyrightable

* + - * 1. Taxonomies/compilations are copyrightable if sufficiently creative – these are at the margin (*American Dental*; *Feist*; *Baker*)
        2. Idea/expression limitation strengthens originality
      1. **Merger**
         1. If only a **limited number of ways exist to express an idea**, the idea/expression merge into an uncopyrightable whole (*Morrisey*)

Can copy Π’s expression because it has merged with the underlying idea

Spot: Only one efficient/practical way to express an idea

Infringement claim expressed at high level of abstraction (*Erickson*)

Some courts recognize thin rights (*Johnson v. Phoenix* (9th Cir. 1989))

* + - * 1. ID the idea (Broad: Chicken dinners; Narrow: *This* chicken dinner recipe), determine if it can be expressed more than one way
      1. ***Scenes a faire***
         1. **Common phrases/events that audiences expect** and, as such, are practically indispensable from a specific topic (*Atari v. Phillips* (7th Cir. 1982))
         2. Primarily fictional works – Bars elements that are pre-ordained by the topic
      2. **Blank Form Doctrine** – Blank forms (time cards, graph paper, diaries, bank checks, etc.) which are designed for recording info, and don’t in themselves convey info, are not copyrightable (37 C.F.R. § 202.1(c))
    1. **Policy**
       1. “Good ideas” are for patent law which has more requirements and limited time
          1. Protecting ideas doesn’t advance science or the useful arts
       2. Concern: Historical theories develop incrementally, don’t want to allow toll roads on developing historical interpretations (*Hoehling*)
    2. **Cases**
       1. *Baker v. Selden* (1879)
          1. Book introducing system of bookkeeping & blank example forms
          2. Uncopyrightable idea of bookkeeping though specific expression can be copyrighted – blank forms are outside copyright
       2. *Morrisey v. Procter & Gamble* (1st Cir. 1967) (holding instructions for sweepstakes not copyrightable because parties would quickly exhaust all possible ways of conducting a sweepstakes 🡪 merger)
       3. *Erickson v. Blake* (D. Ore. 2012)
          1. Pi Symphony – Held that if the similarity between the two expressions is the underlying idea/fact, there is no infringement – Rhythm, phrasing, harmony, etc. are copyrightable, but not infringed here
       4. *Hoehling v. Universal City Studios* (2d Cir. 1980)
          1. Π’s account of Hindenburg including theory re who sabotaged ship and why
          2. Δ wrote dramatic historical novel & made movie
          3. Held: Facts/interpretation of historical events are not copyrightable; specific scenes taken were *scenes a faire* (bar scene)
       5. *American Dental Assoc. v. Delta Dental* (7th Cir. 1997)
          1. ADA manual on dental procedures/nomenclature (# system, short/long descriptions, special organization)
          2. Held: Copyrightable taxonomy – classification was creative (procedure complexity, part of the mouth, tools used – required choices), numbering system required thought re future versions, short/long descriptions are copyrightable expression
       6. *Walker v. Time Life* (2d Cir. 1986) (holding that depictions of “drunks, prostitutes, vermin… would appear in any work about cops in the S. Bronx” – *scenes a faire*)

1. **DERIVATIVE WORKS/COMPILATIONS**
   1. **Generally**
      1. § 103 – Compilations and Derivative Works
         1. (a) – Copyright includes compilations/derivative works, but protection for works employing preexisting copyrighted materials does not extend to any part of the work the compilation/derivative work uses
         2. (b) – Copyright in a compilation/derivative work extends only to the new material from the author, and doesn’t imply any exclusive right in the preexisting material. Copyright in the derivative is independent of, and does not affect the copyright of the preexisting material.
      2. § 101
         1. A “derivative work’ is based on preexisting works: **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**. Work consisting of **editorial revisions, annotations, elaborations, or other modifications** which represent an original work of authorship = derivative work
         2. Compilation – Formed by collecting/assembling preexisting materials that are selected, coordinated, or arranged such that the result is an original work
         3. Collective work – Periodical issue, anthology, or encyclopedia – number of contributions, constituting separate/independent works are assembled into a whole
   2. **Analysis**
      1. Derivative work must have original contribution **not present** in the underlying work

Start with **§ 101 Definition** of the work, then ask: Does the work have **original contribution not present in the underlying work?**

Use changed form/compilation analysis to help with specific fact pattern

* + - 1. Must contribute substantial, not merely trivial, originality (*L. Batlin*)
      2. “True artistic skill” in reproduction (*Alva Studios* – Hand of God)
    1. **Changing Form**
       1. If underlying work is in public domain, and derivative work sufficiently changes the form of the underlying work 🡪 original (*Doran* – *i.e.* 2D vs. 3D, etc.)
       2. If underlying work is under copyright (*Entertainment Research Group*; *Durham*)
          1. Original aspects of derivative must – (1) Be more than trivial (*L. Batlin*), (2) Not rely on functional considerations, (3) **Not affect the scope of any copyright** in the underlying work
    2. **Compilations**
       1. Copyright in compilations is thin and limited to author’s contribution (*Feist*)
          1. Selection, coordination, or arrangement of underlying material
          2. Ask whether the compiler has demonstrated originality in the arrangement, not whether it is conceivable it could be arranged another way (*Bellsouth*)
          3. **Discretion**, **Judgment**, and **Skill** (*Mason*; *American Dental*)
       2. Unoriginal elements can be combined in an expressive way (*Roth Greeting*)
          1. Look to the **overall look and feel** of the combination
       3. Creation of facts can be protected (*CCC*) 🡪 Ideas – no copyright, but ideas infused with author’s taste/opinion (price estimates, etc.) – copyright
       4. Examples: Maps (*Mason*), greeting card (*Roth Greeting*), Databases (*Bellsouth, CCC*, *American Dental*)
    3. **WATCH OUT FOR IDEA/EXPRESSION MERGER!**
  1. **Policy** – Derivatives must have originality, otherwise you can usurp the public domain
  2. **Cases**
     1. *L. Batlin v. Snyder* (2d Cir. 1976) (holding that **plastic Uncle Sam bank** derived from old iron one was **not original** – differences were trivial, and based on functional considerations, concern: allowing miniscule variation would usurp public domain)
     2. *Entertainment Research v. Genesis Creative* (9th Cir. 1997) (holding that **inflatable 3D costumes** for customer/copyright holders of characters were **trivial/functional variations**, and recognizing copyright would affect the scope of copyright holder’s rights to license derivatives like this (*Durham*))
     3. *Feist v. Rural Telephone* (1991) (holding that **alphabetization** of the phone book alone is not sufficiently creative – selection/coordination/arrangement – no copyright)
     4. *Roth Greeting Cards v. United Card* (9th Cir. 1970) (holding **greeting cards** containing short text phrase and an illustration are an **original compilation/infringed** even though the individual elements are not infringed (illustration)/not copyrightable (text) because Δ copied the “overall look and feel” of Π’s compilation)
        1. Kilkenny Dissent – Concerns about finding infringement of compilation when text is uncopyrightable and image is not infringed – whole > sum of parts
     5. *Mason v. Montgomery Data* (holding that **maps** compiling information from numerous sources **were original** (*Feist*) because they involved substantial judgment/discretion reconciling conflicting info – Record had competitor maps (very different) and affidavits attesting to skillz – Δ was copying and providing overlays with additions/corrections)
     6. *Bellsouth Advertising & Publishing v. Donnelley Information* (11th Cir. 1993)
        1. Competing **yellow page** providers, Δ copies info from Π’s pages
        2. Π determines geographic scope of its directory – no copyright (*Feist*)
        3. Π determines marketing techniques like # of free listings/business methods
           1. Fact discovery/business technique, not authorship 🡪 no copyright
        4. Π arranged alphabetically by business type 🡪 not original and Δ didn’t copy Π’s “business types”
     7. *CCC Information Services v. Maclean Hunter Market Reports* (2d Cir. 1994)
        1. Red Book – Compilation of price estimates generated by editors
        2. Selection/arrangement – arranged by region where editors find price stability
        3. Individual valuations are result of creative endeavors of the editors
        4. Kinds of ideas
           1. Ideas that advance understanding of phenomena (E=MC2 – no copyright)
           2. Ideas infused with author’s taste or opinion (copyright)

1. **USEFUL ARTICLES AND ARCHITECTURAL WORKS**
   1. **Generally**
      1. § 101
         1. **Useful Article** – Article having intrinsic utilitarian function that isn’t merely to portray the appearance of the article/convey info
         2. **Pictorial, Graphic, Sculptural Works** – 2D/3D works of fine graphic, and applied art, photos, maps, globes, models, technical drawings, architectural plans. The design of a useful article… shall be considered PGS only if… such design incorporates… **features** that can be **identified separately from**, and **capable of existing independently of**, the **utilitarian aspects** of the article
         3. **Literary Works** – Other than audiovisual, expressed in words/verbal or numerical symbols – books, periodicals, manuscripts, phonorecords, etc.
         4. **Sound Recording** – Fixation of musical/spoken sounds, not including sounds accompanying a motion picture/audiovisual work
         5. **Dramatic Works** – Dialog/acting and accompanying music
         6. **Pantomimes/Choreographic Works** – Copyright on fixation only
         7. **Motion Picture** – Audiovisual work – series of related images that impart an impression of motion together with sounds
         8. **Architectural Work** – Design of building embodied in any tangible medium of expression (building, plans, drawings). Includes overall form, arrangement and composition of spaces and elements, not individual standard features
         9. **Building** – Habitat including structures used, but not inhabited (church, gazebo)
   2. **Analysis – Useful Articles**
      1. Must be a **PGS**
      2. Design is **physically separable** without impact on utility? (*Mazer*)
      3. 2nd Cir. Tests of **conceptual separability**
         1. Design primarily aesthetic or functional? Marketable as art? (*Kieselstein*)
         2. Aesthetic/utilitarian features inextricably intertwined? (*Carol Barnhart*)
            1. Ornamental aspects *required* by utilitarian function?
            2. Does visual inspection engender two concepts in the observer that aren’t simultaneously entertained? (*Barnhart* dissenting)
         3. Did artist seek primarily aesthetic or utilitarian ends? (*Brandir*)
            1. Does design cause reasonable observer to perceive aesthetic concept unrelated to its use? (*Brandir* dissent)
      4. Alternative: Design Patent 🡪 35 U.S.C. §§ 171-173
         1. Novel, non-obvious, ornamental, and non-functional
         2. 14y term
         3. *See also* Semi-Conductor Chip Act, Vessel Hull Design Protection Act
   3. **Policy – Useful Articles**
      1. Institutional (do people accept as art?), intentional (subjective intent to make art?), formal (conceptual division between aesthetic/utilitarian aspects)
      2. Fashion – Usually no protection w/out original print, argument that designers don’t need same incentives to create, argument that knock offs actually spur innovation here, problem of idea/expression (a dress vs. this dress) and functionality
   4. **Analysis – Architectural Works**
      1. **ONLY** applies to buildings **AFTER** Dec. 1, 1990!
         1. Otherwise must be PGS if separable (*i.e.* gargoyles), plans protected, but others can build lawfully acquired plans
      2. **§ 102(a)(8)**
         1. Excludes non-habitable structures/standard features
         2. Plans are protected and can’t build from them even if lawfully acquired
      3. Architectural **protection is thin** (*Intervest*) – like a compilation – original overall form as well as the arrangement/composition of spaces and elements 🡪 **“Overall Look and Feel”** (*Nelson-Salabes*)
         1. § 120 – (a) Pictorial representations allowed, (b) modification/destruction allowed
   5. **Cases**
      1. *Mazer v. Stein* (1954) (holding lamps with statuette base are separable/copyrightable)
      2. *Kieselstein Cord v. Accessories by Pearl* (2d Cir. 1980) (holding belt buckles that were registered as jewelry and received lots of notoriety had design and utilitarian aspects that were conceptually separable (*e.g.* buckle and ornamentation🡪 copyright)
         1. Dissent – This is an aesthetically pleasing belt buckle – come on…
      3. *Carol Barnhart v. Economy Cover* (2d Cir. 1985) (held that human torso forms for displaying clothing are functional/non-separable – ornamental surface of *Kieselstein* buckle was not required by utilitarian function – perspective of average observer (FN5)) (dissenting: separateness exists when there are two concepts in the observer’s mind not entertained simultaneously)
      4. *Brandir International v. Cascade Pacific Lumber* (2d Cir. 1987) (held squiggly line public bicycle racks were functional/non-separable reasoning that design modifications made for functional reasons dominate the final product)
         1. Criticism – Focus on modifications makes copyright hinge on accidents of the design process where it could have been perfect on the first go around
      5. *Nelson-Salabes v. Morningside Holdings* (D. Md. 2001)
         1. Π hired to design building, sold to Δ, Δ goes with different architect – but copies Π’s plans (Y-shaped footprint, bay windows, octagonal entrance, etc. – all public domain) 🡪 analysis as a compilation – overall look and feel created original structure
      6. *Intervest Construction* (11th Cir. 2008) (demonstrates thin protection – significant modification to Π’s original plans can defeat “substantial similarity”)
2. **COMPUTER SOFTWARE AND CHARACTERS**
   1. **Generally**
      1. § 101
         1. **Literary Works** - … also includes computer databases, and computer programs to the extent they incorporate authorship in programmer’s expression of original ideas, as distinguished from the ideas themselves
         2. **Computer Program** – Set of statements/instructions to be used directly/indirectly in a computer to bring about a certain result
   2. **Analysis – Computer Programs**
      1. Computer source & object code is copyrightable (§ 101; *Apple Computer*)
      2. **Idea/Expression** limitation – Aspects necessarily incident to an idea, system or process are not copyrightable (*Altai*)
         1. When specific instructions are the only/essential means of accomplishing a task, later use by another is not infringement (Nat. Comm. On New Tech. Uses of Copyrighted Works)
      3. **Test (*Altai*)**
         1. Abstraction – idea-flow chart-modules-algorithms-source code-object code
            1. Towards the right, stronger rights, but thin none-the-less
            2. Higher levels of abstraction would only be protected as compilation (*Softel*)
         2. Filtration – Efficient modules approach idea, elements dictated by external factors (compatibility, industry practice, functionality, mechanical specifications, hardware constraints, etc.) not copyrightable, public domain elements
            1. Consider: originality, merger, *sense a faire*
         3. Comparison – Result is thin copyright usually limited to literal copying
   3. **Policy – Computer Programs**
      1. Network effects, avoiding duplicative efforts, more programs/functionality for end users, ability to exchange info, rapid learning/lower training costs, job mobility
      2. Concerns: Lock in, devalued/obsolete software after extensive startup investment
      3. Limited alternative protection: Patent suffers from § 101 issues, trade secrecy is subject to reverse engineering
   4. **Analysis – Characters**
      1. Characters must be delineated in sufficient detail (*X One X*)
         1. **Literary Characters**: Copyrightable only if they constitute the story being told (*Warner Brothers* – Sam Spade case)
         2. **Graphic Characters** (Mickey Mouse): Copyrightable only if delineated in sufficient detail (*X One X*; *Air Pirates*)
         3. **Visual Characters**: Copyrightable only if they **display consistent, widely identifiable visual characteristics** (*X One X*)
      2. **Policy Concerns**
         1. Series of copyrighted projects (*MGM*) – Can result in *exceptionally* broad protection 🡪 James Bond and automobile commercial
         2. Interaction with right of publicity when people play characters (*Titan Sports*)
         3. Trademark may be more appropriate
   5. **Cases – Software**
      1. *Apple Computer v. Franklin Computer* (3d Cir. 1983) (holding source code/object code and operating systems are protectable)
      2. *Computer Associates International* *v. Altai* (2d Cir. 1992) (holding “cleanroom” rewrite of Π’s “adapter” module providing cross operating system compatibility for Δ’s competing scheduling program was non-infringing)
      3. *Softel v. Dragon Medical & Scientific Communications* (2d Cir. 1997) (holding that Δ’s program which was Π’s program translated into a different language for different hardware may still be infringing based on compilation analysis of the 4 identified software elements in the case)
   6. **Cases – Characters**
      1. *Warner Bros. v. X One X* (8th Cir. 2011)
         1. Public domain posters of Π’s copyrighted films depicting characters from the film
         2. Δ makes stuff with images from the posters (noninfringing), stuff with images and catch phrases of characters (infringing), 3d models/dolls of characters (infringing)
         3. Analysis – The posters release a very thin version of the characters into the public domain – essentially limited to those specific images and nothing more
            1. Argument that the movie developed the character much more than the underlying public domain books
      2. *Warner Bros. v. CBS* (9th Cir. 1954) (holding literary characters must constitute the story being told for copyright)
      3. *Walt Disney v. Air Pirates* (9th Cir. 1978) (holding visual characters must be delineated in sufficient detail for copyright)
      4. *MGM v. American Honda Motor Co.* (CD Cal.) (holding that Π’s copyright in the James Bond character, based on stable aspects of the character throughout the movies, covered Δ’s depiction of a similar (though arguably generic) tuxedoed action figure in a car commercial)
         1. Criticism: Distilling character across many works rapidly approaches an idea, concerns about monopolizing the “action hero spy”
3. **AUTHORSHIP**
   1. **Generally**
      1. § 101
         1. Joint Work – Prepared by 2+ authors with intention that their contributions are merged into an inseparable/interdependent parts of a unitary whole
            1. HR – “Joint” if the authors collaborate or if each of the authors prepared his/her contribution with the knowledge and intention that it would be merged

Intention is the author’s intent at the time the writing is done

* + - 1. Work Made for Hire
         1. Work prepared by employee in scope of employment
         2. Specially ordered or commissioned for use as a contribution to a collective work, part of a motion picture/AV work, translation, supplementary work, compilation, instructional text, test, answer material for test

If the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire

Supplementary work – Prepared as a secondary adjunct to a work by another author – *i.e.* forward, afterward, illustration, maps, etc.

* + 1. § 105 – US Gov. Works – No copyright for work of the government, but government can receive and hold copyright by assignment, bequest, or otherwise.
    2. § 201 – Ownership of Copyright
       1. (a) Vests initially in the author(s) of the work
       2. (b) Works made for hire vest in the employer or other person for whom the work was prepared unless express, signed agreement otherwise
  1. **Analysis – Authorship/Joint Authorship**
     1. Authorship vests in the work’s author (§ 201(a))
        1. **Author** – Someone that
           1. **Exercised a high degree of control** over a work
           2. That **is a product of his/her original intellectual conceptions** (*Titanic*)
           3. Must superintend/mastermind the work, exercise control (*Aalmuhammed*)
        2. **Joint Work** – Prepared by 2+ authors
           1. **With the intention** their contributions be **merged into inseparable** parts of a unitary whole (§§ 101, 201)

Each contribution must be copyrightable (*Trinity* (7th Cir.))

*But see* Nimmer: *De minimis* contribution ok if final is copyrightable

* + - * 1. Who has decision making authority? Objective manifestations of intent? (*Aal*)

Whether audience appeal turns on both contributions and share of each in its success can’t be appraised (*Aalmuhammed*)

* + 1. Joint authors are tenants in common – can grant non-exclusive licenses, exclusive license requires all authors to consent, co-authors owe accounting to each other for generated rents
  1. **Analysis – Work for Hire**
     1. **NOTE:** Either Employee in scope OR Independent Contractor = WFH
     2. ***Reid* Factors to Determine Employees (BOLD = Most important under *Ames*)**
        1. **Right to control work being performed**
        2. **Skill required**
        3. Source of instrumentalities and tools
        4. Location of the work
        5. Duration of the relationship
        6. **Right to assign additional projects**
        7. Hired party’s discretion
        8. Method of payment
        9. Role in hiring and paying assistants
        10. Regular course of employer’s business
        11. **Payment of employee benefits, taxes**
        12. Note: Based on RSA, RTA §7.07(3)(a) – Employee has a principal that controls manner/means of agent’s performance of work
     3. **Working Within the Scope of Employment (RSA § 228; *Roeslin*)**
        1. Kind of work he is employed to perform
        2. Occurs substantially within authorized work hours
        3. Actuated, at least in part, by a purpose to serve the employer
        4. Note: RTA § 7.07(2) – Performing work assigned by employer, or course of conduct subject to employer’s control. Not when acts occur within independent course of conduct not intended to serve any purpose of the employer.
     4. **Independent Contractor?**
        1. Specially ordered or commissioned
        2. Within an enumerated category: Contribution to collective work, part of a motion picture/AV work, translation, supplementary work (intro/conclusion, illustration, etc.), compilation, test, answer for test, atlas
        3. With written agreement signed by both parties IDing it as work for hire
  2. **Policy**
     1. Authors that assign rights after creation (rather than work for hire) can terminate the agreement after 35y – can’t if it is a work for hire
     2. Length of copyright is different
     3. Works for hire are ineligible for “moral rights”
     4. Employee executed employer’s vision, employer bears costs/risks
     5. Employer is in best position to exploit the work
     6. Lower transaction costs – employment benefits in exchange for copyright
     7. 7th Cir. teach exception – academic publications are not works for hire
  3. **Cases**
     1. *Lindsay v. The Wrecked & Abandoned Vessel R.M.S. Titanic* (SDNY 1999)
        1. Documentary on salvage of Titanic – story boards, drawings, camera angles, shooting sequences, design/fabrication of lighting, etc.
        2. Held: Δ is not an author for holding the camera, work represents Π’s original intellectual conception/vision/control (*Burrow-Giles*)
     2. *Erickson v. Trinity Theater* (7th Cir. 1994)
        1. Δ stopped paying royalties on the plays Π wrote arguing Δ’s actors are co-authors
        2. Held: Δ is not a co-author without individually copyrightable contribution – more than directions/ideas, crap about discouraging/encouraging collaborations
     3. *Aalmuhammed v. Lee* (9th Cir. 1999)
        1. Held: Π, consultant on *Malcolm X*, who made substantial revisions, and collaborated to create 2 scenes was not a co-author
           1. Focus on superintendent/mastermind of the work and objective intent of authors to combine the work – 9th Cir. rescues Δ for neglecting to K w/ Π
     4. *Community for Creative Non-Violence v. Reid* (1989)
        1. CCNV hires Reid to make nativity scene with homeless people
        2. Held: Reid is an IC, not employee, question whether CCNV is co-author – settled
     5. *Aymes v. Bonelli* (2d Cir. 1992)
        1. Aymes hired to create computer programs under Bonelli’s direction, no express agreement re copyrights
        2. Focus on **bold** *Reid* factors above – Held: Not employee – suggests tax/benefits are dispositive, but NOTE this would be a bad paradigm for start-ups
     6. *Roeslin v. District of Columbia* (D.D.C. 1995)
        1. Roeslin writes computer program on his spare time, at his own cost, against supervisor’s orders – massively streamlines duties (but duties don’t involve programming) – District adopts program and asserts ownership in it
        2. Held: Not work for hire because outside scope of employment (even though made to benefit employer)

1. **FORMALITIES**
   1. **Analysis – Publication, Notice, Registration, Deposit, Duration**
      1. **Determine which Act Applies**
         1. Published before Jan. 1, 1978 🡪 1909 Act
         2. Published before Mar. 1, 1989 🡪 1976 Pre-Berne
         3. Published after Mar. 1, 1989 🡪 1976 Post-Berne
      2. **Publication**
         1. 1909 – Publication when copyright owner consents to sale/dissemination of original or tangible copies to the general public, or an authorized offer to do same
         2. 1976 – “Publication” is the distribution of copies of a work to the law public by sale or other transfer of ownership, or offer to do same. Public performance does not in and of itself constitute publication
         3. If Π claims common law copyright due to no publication, often takes huge publication for court to recognize – if Π claims publication under statute, courts easily find publication (*American Visuals* (2d Cir. 1956))
         4. Distribution to **a select group** for a **limited purpose** is not publication
            1. Public performance generally not publication (*King* – 200k people)

Same for distributing architectural plans for a bid

* + - * 1. Distribution to news media = select group for limited purpose (*King*)
        2. **Forfeiture** occurs when work is available **to the public at large** without regard to who they are/what they do with it
    1. **Notice**
       1. 1909 Act
          1. Symbol (©) or “Copyright”
          2. Name of the copyright owner, date of first publication
          3. Located in 1 of 20 prescribed locations for books, periodicals, musical works, and reasonable notice for motion pictures and PGS
          4. Forfeited if omitted
       2. 1976 Act Pre-Berne
          1. Same as (a) and (b) above, located to give reasonable notice (§ 401(c))
          2. Common law covers unfixed works
          3. If notice is omitted – 5y to cure with “reasonable efforts” – register within 5y or curative measure fails (§ 405(a)(2))
       3. 1976 Act Post-Berne
          1. Notice eliminates “innocent infringement” defense – constructive notice
          2. Otherwise not required
    2. **Registration**
       1. Prerequisite to suit for both Acts (not for post-Berne non-US works) (§ 411(a))
       2. 1909 Act
          1. Optional until final year of first term
          2. Mandatory for renewal of works published before 1964
       3. 1976 Act
          1. Optional (§ 408) but

Gives *prima facie* validity (requiring preponderance from Δ)

Statutory damages and attorney’s fees available (§ 412)

* + - 1. Policy – Notice Function
    1. **Deposit**
       1. 1909 Act – Prerequisite to suit, failure to comply is forfeit, unrecorded transfer void against subsequent *bona fide* purchaser for value
       2. 1976 Act – Prerequisite to suit (not for post-Berne foreign works), failure results in fine/sanction, unrecorded transfer void against subsequent *bona fide* purchaser for value (and recordation is prerequisite to suit)
       3. Policy – Collecting knowledge, challenging for things that are update often
    2. **Restoration**
       1. Effective Jan. 1, 1996 (§ 104A(d)(1))
       2. Must be **foreign work**, lost due to failure to follow formalities (§ 104A(h)(6)(C))
       3. Copyright must still be valid in source country
    3. **Duration**
       1. Published w/ notice 1923-1964 – 28y + 67y (95y total) after renewal
          1. Renewal – If author survives, assignment remains. If author dies, rights revert to heirs. Authors of derivative works lose rights in the original (*Stewart*)
       2. Published w/notice 1964 – Jan. 1 1978 – 95y, auto-renewal @ 28y
          1. Renewal – Timely renewal vests author’s contingent interest and reverts assignments back to author (or heirs) including derivative works
          2. Registering renewal gives statutory damages, attorney fees, seizure/forfeiture
          3. Author can’t terminate right to exploit derivative, but can terminate rights in new derivative works (§ 304(c)(6)(A))
          4. **Termination (§ 304(c)/(d))**

Transfers conveying interest in renewal term including by author or heirs (not works for hire or by will), exercised by person making grant (unless author made the grant)

During 5y window beginning 56y from date of copyright, or Jan. 1, 1978 if later, second chance between 75-80y against subsequent assignments from first grant

* + - 1. Fixed after Jan. 1, 1978 – Life of author + 70y, anonymous or work for hire is shorter of 120y from creation or 95y from publication
         1. **Termination (§ 203)**

Single/joint works (not work for hire), transfers by authors (not heirs/by will), exercised by author or majority interest in work

During 5y period beginning 35y from date executing grant

For publication, 35y from publication, or 40y from execution

Notice 2-10y prior to effective date, recorded with copyright office

Derivative can exploit according to original term, but nothing new

* + - 1. Works created but unpublished by Jan. 1, 1978
         1. Not published before Jan. 1, 2003 – Can’t expire before Dec. 31, 2002
         2. Published before Jan. 1, 2003 – Can’t expire before Dec. 31, 2047
      2. Policy
         1. Expanding duration intended to match life of author, based on “moral rights”
         2. Congress can extend copyright duration under Constitution (*Eldred*) and restore term of foreign works in public domain due to formalities (*Golan*)

Limited time, promotes science (extension is part of consideration

1st Am. protected by fair use and idea/expression distinction

* 1. **Cases**
     1. *Estate of Martin Luther King Jr. v. CBS* (11th Cir. 1999)
        1. Holding that King’s “I have a dream speech” to 200k people and news was not a general forfeiture (select group, limited purpose), CBS can’t use footage they took to make documentary
     2. *Eldred v. Ashcroft* (2003)
        1. “Limited time,” “promoting the progress,” & 1st Am. challenge to term extension
        2. Limited time – it is limited as long as there is *some* end
           1. Rational basis – Aligning with euros and protecting the kids man

Stevens – irrational to harm the public good without incentive to create

Majority – extension is part of the original incentive

* + - 1. Promote the progress – Already part of consideration
         1. Stevens – post-hoc modification of terms harms the public
      2. 1st Am. – About protecting one’s own speech, not borrowing from others, fair use/idea/expression are enough protection
         1. Breyer – Just transferring revenue to rights holders and creates problems for orphan works with no new incentive
    1. **Note – Policy Problems with Term Extension**
       1. Inconsistent to give more rights without more public benefit
       2. “Limited” is irrelevant if terms can always just be extended
          1. Patents were renewable, now attempts to K for longer terms are patent misuse
       3. “Promoting progress of science and the useful arts”
          1. Extension adds no value, just robs public domain
          2. Undermines the tit-for-tat incentive scheme
          3. 1976 Act has term run from creation not publication which is inconsistent here
       4. Extending rights to works with no commercial value – difficult to track down right holder, holder may be impossible to find, and may deny permission or engage in hold-up bargaining
       5. Fair use is limited
    2. **Justifications for term extension**
       1. Corresponds to increasingly longer lifespans, otherwise not much (*see above*)
    3. *Golan* – SC affirms foreign reinstatement under *Eldred*
       1. Π had been already using the works – SCUSA holds that there is a time limit, still rational promotion of progress and same 1st Am. protections
    4. *Stewart v. Abend* (1990)
       1. 1942 – Published, 1945 – assigns movie rights, 1968 – dies, 1969 – copyright renewed and assigned to troll, 1980 – troll sues re: re-release of 1954 movie
       2. Renewal provides author second bite at the apple – poor bargaining position at first assignment is stronger later (IP is hard to value at t0 (Nimmer))
       3. Held: Author must survive to the renewal period for valid assignment of renewal rights

1. **INFRINGEMENT – EXCLUSIVE RIGHTS**
   1. **Generally**
      1. § 106 – Exclusive rights in copyrighted works
         1. Reproduction

Note:

Threshold question is whether Π has ownership in an original work of authorship, fixed, with copyright still in effect!

* + - 1. Adaptation (derivative works)
      2. Public distribution
         1. Importation (§ 602)
      3. Public performance
      4. Public display
      5. Transmission
      6. Digital performance rights (DPRDRA 1995)
      7. Moral rights (§ 106A) (VARA 1990)
      8. Anti-circumvention protections (§§ 1201-02) (DMCA 1999)
      9. DAT restrictions, Taxes (§§ 1002-07)
  1. **Elements**
     1. Actual reproduction (copying in fact) of
     2. Protected material (*see* copyrightability)
     3. That is substantially similar
  2. **Copying in Fact – Actual Reproduction**
     1. **Analysis**
        1. Direct evidence of copying
        2. Circumstantial evidence of copying (*Three Boys*)
           1. Access – Reasonable opportunity to copy (more than bare possibility)

Demonstrate work is widely disseminated, or possible chain of custody

Subconscious copying counts

* + - * 1. Similarity to the copyrighted work suggesting copying

Look at copyrighted/non-copyrighted elements

*Probative similarity* alone is insufficient (*Selle*) look for irregular aspects of the original expression imported into the copy

Must disprove copying from a common source

*Striking similarity* alone can prove access when works don’t originate from public domain elements (*i.e.* constraints of genre) (*Ty*)

* + - 1. Δ can rebut by showing lack of access/showing independent creation
    1. **Cases**
       1. *Three Boys v. Michael Bolton* (9th Cir. 2000) (holding that Π showed copying in fact through wide dissemination and the fact that Δ grew up listening to Isley Bros., was a fan, and thought he might be copying a Marvin Gaye song)
          1. Counter: Experts hadn’t heard the song and 129 others had same name
       2. *Selle v. Gibb* (7th Cir. 1984) (holding that similarity alone can’t prove access when Π sent tape to record company then Bee Gees have somewhat similar song – must look for an unexpected departure or other error to prove copying)
       3. *Ty v. GMA Accessories* (7th Cir. 1997) (holding that Δ copied Π’s pig beanie baby – significant similarity proved access when works were not derived from public domain sources, similarity such that it was unlikely to be independent creation. Original designer’s drawing was substantially different)
  1. **Right of Reproduction**
     1. **Analysis – Substantial Similarity Generally**
        1. Are the works exact or substantially similar copies?
           1. Δ can admit copying in fact, must still analyze substantial similarity
        2. Second Circuit – “Total Concept and Feel”
           1. Whether *average lay observer*, unless he set out to detect disparities, would be disposed to overlook them, and regard aesthetic appeal as the same (*Boisson*)
           2. More discerning observer – When work combines public domain and original

Substantial similarity must derive from copyrightable elements

Look at “total concept and feel,” don’t over-dissect the works

*Boisson*; *Mannion*

* + - * 1. Δ can’t escape liability by simply cataloging differences (*Steinberg*)
      1. Ninth Circuit – Extrinsic/Intrinsic Test
         1. Extrinsic (Ideas) – Fact question, acceptable to decide on MSJ (*Cavalier*)

Analytical dissection/experts ok (*Krofft*)

Objective comparison of protectable expressive elements (*Cavalier*)

Type of work, materials, subject matter, setting, plot, themes, mood, dialogue, characters, etc.

* + - * 1. Intrinsic (Expression) (*Krofft*)

Whether ordinary reasonable person would look at the works and find them substantially similar – total concept and feel – no dissection/experts

* + 1. **Analysis – Computers (2d Cir.)**
       1. Expert testimony/dissection allowed (*Altai*)
       2. *Altai* – Abstraction/filtration
          1. Dissect to elements, and assess protectability of each element
          2. Filter unprotected elements leaving “gold nuggets”

Non-protectable material: Elements dictated by efficiency (merger), elements dictated by external factors (*sense a faire* – compatibility, industry demands/standards), elements from public domain

* + - * 1. Determine level of abstraction/how much overlap
    1. **Exceptions! Exact Copying is Allowed If**
       1. Non-profit/library can distribute single copy if non-commercial, available to public and notice of copyright included (§108)
       2. Copying by owners (not licensees) of computer programs allowing use (§ 117)
       3. Ephemeral copies by broadcasters (§§ 112, 118)
       4. Innocent infringer (§405(b)) – Infringing use prior to Berne convention implementation in 1988 where there is no notice of copyright and no actual notice
    2. **Cases**
       1. *Nichols v. Universal Pictures* (2d Cir. 1930)
          1. Π writes play about Jewish person marrying Irish Catholic, Δ produces vaguely similar movie – held: not substantially similar
          2. Plot – religious zealotry vs. cultural differences, star crossed lovers – generic
       2. *Arnstein v. Porter* (2d Cir. 1946)
          1. Whether Δ took from Π’s work so much of what is pleasing to the ears that Δ wrongfully appropriated something which belongs to Π
          2. Consider: Type of people that think it is similar, nature of the similarity (gold nugget?), degree of similarity (few ways to express an idea? More similarity required)
       3. *Steinberg v. Columbia Pictures* (SDNY 1987)
          1. Δ copies much of Π’s *New Yorker* cover drawing
          2. Admitted copying in fact (inspiration)
          3. Reasoning – Can’t copy the copy, but can go back to the source
          4. Δ can’t simply catalogue differences between the works
          5. Pedestrians/cars are *sense a faire*, but can’t copy Π’s expression
       4. *Boisson v. Banian* (2d Cir. 2001)
          1. Quilts with square blocks with alphabet/icons
          2. More discerning observer test – one blanket has similar colors, layout, and selection of icon images
       5. *Mannion v. Coors Brewing* (SDNY 2006)
          1. Garnett picture compared to Coors ad – look at protectable elements (lighting, angle, jewelry, composition) – remanded for infringement analysis (no MSJ)
       6. *Sid & Marty Krofft Television v. McDonalds* (9th Cir. 1977)
          1. Π show called Pufnsnuf, Δ ripped off for commercials
          2. Extrinsic/intrinsic test – infringed by capturing concept and feel
       7. *Cavalier v. Random House* (9th Cir. 2002)
          1. Π submits 280+ pgs of material/ideas to Δ including books
          2. Δ makes books with similar idea
          3. Held: substantial differences in most material except artwork & night light

Stories very different, moon character was *sense a faire*

* + - 1. *Swirsky v. Carey* (9th Cir. 2004)
         1. Similarities between choruses of 2 popular songs, not lyrics/verses
         2. Objective analysis can’t just compare notes of music
         3. Extrinsic test is satisfied if expert says there is similarity
  1. **Right of Distribution**
     1. **Generally**
        1. § 106 – The copyright owner has the exclusive right to (3) distribute of copies of the work by sale or other transfer, or by rental, lease or lending
        2. § 109(a) – § 106(3) is subject to first sale doctrine
        3. § 602(a) – Importing copyrighted material acquired outside US is infringement
           1. Work lawfully manufactured in the US for export and subject to first sale
           2. Exceptions: Government use (excluding schools and AV works – except for archival purpose), use by importer of no more than 1 copy at a time or multiple copies in personal baggage, 1 copy of an AV work for archival purpose and no more than 5 copies for library lending (scholarly, educational, or religious purpose)
        4. § 602(d) – Prohibits importation of unauthorized reproductions
     2. **Analysis**
        1. Distribution (§ 106(3))
           1. *Making a work available* alone is **not** distribution (*Capitol Records*)

Minority – Availability alone is enough (*Hotaling*)

* + - * 1. Requires actual distribution and dissemination (*Capitol Records*)
      1. First Sale (§ 109(a))
         1. Right holder can’t control sale beyond first sale (*Bobb’s-Merrill*; § 109(a))
         2. Except: No commercial rental of phonorecords, computer software (§ 109(b))
      2. Importation Right (§ 602(a))
         1. Ability to stop importation of infringing products
         2. Work lawfully manufactured in US for export and subject to first sale abroad

§ 602(a) applies through § 106(3) 🡪 subject to first sale (*Quality King*)

* + - * 1. Work lawfully manufactured abroad and subject to valid first sale abroad

First sale applies here also (*Kirtsaeng*)

* + 1. **Policy – First Sale**
       1. Potentially raises up-front costs to compensate for losses in secondary markets
       2. Encourages limitations in K to compensate
       3. But affords wider access to works through secondary markets/lower costs
       4. Note: Capture of Congress with commercial rental exception (§ 109(b))
    2. **Cases**
       1. *Capitol Records v. Thomas* (D. Minn. 2008)
          1. Δ distributed songs on Kazaa – Issue whether proof of actual distro necessary
          2. Held: Proof of actual distro required, can be shown by distro to rights holder

*E.g.*, distribution to Π’s investigators even though Π can’t infringe their own copyright

* + - * 1. Analysis – Nimmer/dictionary define distribution as more than offer, Statute defines distribute to include mere offer – but not this §, definition of “publication” includes offer to distribute
        2. *Charming-Betsy* – Should align with treaties – only if there is ambiguity
      1. *Bobb’s Merrill Company v. Strauss* (1908)
         1. Π sued Δ for buying books and selling under MSRP (notice in book)
         2. Held: After first sale without restriction, Π has no more rights of control
      2. *Kirtsaeng v. John Wiley & Sons* (2013)
         1. Π buys textbooks manufactured in Thailand and sold in US for less $
         2. § 109(a) – “Lawfully made under this title” – Held: copies made under license outside the US are “lawfully made” under US copyright law
         3. Policy – The act really is about importing pirate copies
  1. **Derivative Works**
     1. **Generally**
        1. § 106(2) – Derivative works
        2. § 101 – A derivative work is a work based upon one or more pre-existing works
           1. Translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation
           2. Or any other form in which a work may be **recast, transformed, or adapted**
           3. Editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship is a derivative work
           4. NOTE: Literary works are not on this list
     2. **Analysis – Substantial Similarity (2d Cir.) vs. Substantial Incorp. (9th Cir.)**
        1. Substantial Similarity (*Castle Rock*) (2d Cir.)
           1. Interpretation 1: If work is non-transformative and substantially similar, then it is a derivative work (*Castle Rock*)

Qualitative – More than *de minimis*

Quantitative – Whether derivative work copies expression or merely ideas

* + - * 1. Interpretation 2: Derivative works recast the same story/material into another medium or retell it in another way (*Warner Brothers*)
      1. Substantial Incorporation (9th Cir.)
         1. Works do not need to be fixed to be derivative (*Galoob*)

But must incorporate protected work in concrete/permanent form (*Galoob*)

Must be embodied in some way

Must substantially incorporate protected material from the preexisting work (*Micro Star*)

* + - * 1. Copyright owner has the right to prepare sequels (*Micro Star*)
      1. Upon Finding a Derivative Work
         1. Shielded from termination rights
         2. Shielded from term restoration of foreign works in public domain
         3. Can circumvent first sale when Δ is purchasing Π’s product and reconstituting in a different way (*Compare Mirage Editions and* *Lee v. A.R.T.*)

Consider: Custom, change in form, consumptive versus productive use

* + 1. **Policy**
       1. Courts are hesitant to find no infringement when author hasn’t decided to “market-saturate with variations of the original”
          1. *i.e.* are you usurping a market the author may exploit/expressly not exploit?
       2. Goldstein – Artist empowerment
          1. Who is most likely to exploit derivative works? 🡪 author can’t write the book and product the film 🡪 K for someone to create the derivative
          2. Allow author to capitalize on derivatives they couldn’t produce alone
          3. Protect integrity of the work

Can dilute quality of the work, but promote innovation/creativity

* + - 1. New Media – Problem of granting protection over unknown future rights
    1. **Cases**
       1. *Castle Rock v. Carol Publishing* (2d Cir. 1998)
          1. Seinfeld “quiz book” – court breaks w/ ordinary/discerning observer test
          2. Finds derivative under qualitative/quantitative test
       2. *Warner Bros. v. RDR Books* (SDNY 2008)
          1. Harry Potter Lexicon – substantially similar (qual/quan) analysis
          2. Held: Not a derivative work – would sweep parodies, etc. into derivative
       3. *Mirage Editions v. Albuquerque A.R.T.* (9th Cir. 1988)
          1. Δ makes tiles with Π’s drawings (from a book Π made) sealed into the tile
          2. Held: Tiles are derivative works because drawings are recast/transformed through the tile-preparing process
       4. *Lee v. A.R.T. Company* (7th Cir. 1997) – Same as *Mirage Editions*
          1. Held: Not derivative/covered by first sale
          2. Must show work is altered in a way described in § 101 – this is just like framing a picture
       5. *Lewis Galoob Toys v. Nintendo of America* (9th Cir. 1992)
          1. Δ makes Game Genie – modifies several bits as they pass from cartridge to console – Held: Source of the display is entirely the cartridge
          2. Game Genie just enhances what comes out – does not incorporate the work
       6. *Micro Star v. FormGen* (9th Cir. 1998)
          1. Duke Nukem user-generated levels compiled and sold on CD by DΠ
          2. Concrete/permanent form 🡪 CDROM
          3. Substantially incorporate 🡪 MAP files contain detailed instructions to pull and display art from library to create the level 🡪 substantial
          4. *Galoob* – Game Genie didn’t copy, record, or instruct to display anything – just edited a couple of bits as they passed through
  1. **Moral Rights**
     1. **Generally**
        1. Art. 6*bis* of Berne Convention
           1. Independent of author’s economic rights, and after transfer of said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation, or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor/reputation
        2. § 101 – Visual Art is (1) painting, drawing, print/sculpture, existing in single copy, limited edition (200 or fewer – signed or marked/numbered) or (2) still photo produced for exhibition only in single or limited edition (200 or less, signed/numbered)
           1. NOT poster, map, globe, chart, technical drawing, diagram, model, applied art, AV work, book, magazine, newspaper, periodical, database, electronic info service, electronic publication or similar
           2. NOT merchandising items, ads or promos, descriptive covering or other packaging material

|  |  |
| --- | --- |
| Moral Rights | |
| Euros | USA |
| * Right of disclosure (divulgation) * Right to withdraw/disavow * Right of paternity (attribution) * Right of integrity | * Distribution right/right of privacy * Limited (§§ 203/304 retractions) * VARA (§ 106A), Lanham (§ 43(a)) * Derivative works and VARA (§ 106A) |

* + 1. **Analysis**
       1. Moral rights
          1. Right to claim paternity of the work (Berne)
          2. Right to work’s integrity – distortion, mutilation, other modification (Berne)
          3. Divulgation/disclosure 🡪 right of first publication
          4. Withdrawal 🡪 if the work no longer demonstrates the author’s views
          5. *Doit de Suite* 🡪 $ to artist from proceeds arising from resale of artist’s work
       2. Ownership (*Gillian*)
          1. Author owns rights in underlying work, derivative work does not affect rights in underlying work – only protectable elements of derivative are those added beyond the original work
          2. To determine derivative rights, court looks to terms of original license
          3. Lanham Act § 43(a) – Claim a mutilated work is no longer Π’s product such that attribution to the author is a misrepresentation (palming off)
          4. No reverse palming off under § 43(a) unless product itself is taken, and repackaged as Δ’s product (origin of *this* good, not underlying idea) (*Dastar*)

Expired works can be copied without author attribution

* + - 1. Visual Artists Rights Act (VARA – § 106A)
         1. Must be a work of visual art (§ 101 – PGS)
         2. Must be asserted by the author (no works for hire!)

Not waived by signed writing?

* + - * 1. Must be made for exhibition purposes only (*Lilly*)

Analyzed at time of creation – photos rarely qualify (*Lilly*)

* + - * 1. Signed/numbered?
        2. Protections

False or no attribution

Intentional distortion, mutilation, or modification that is prejudicial to author’s honor/reputation

Destruction of a work of recognized stature

Must be **meritorious** and **recognized** by experts, members of art community, or cross-section of society (*Martin*)

**Only applies to specific embodiments of the work**

* + - * 1. Subject to – Fair use, modification due to passage of time/conservation (§ 113(d)(2) – building owner can remove if author is given notice)
        2. Duration – If after 6/1/1991 – author’s life, else co-extensive with copyright if rights held by author on 6/1/1991, else no protection
    1. **Cases**
       1. *Gillian v. American Broadcasting Companies* (2d Cir. 1976)
          1. Π (Monty Python) sues Δ to prevent broadcast of edited versions of their comedy skits – edited version is derivative of original broadcast, original broadcast is derivative of original script
          2. Held: BBC can’t grant license beyond their original license which was limited requiring approval before editing
       2. *Lilly v. Stout* (D. DC 2005)
          1. Π’s photos to use as “studies” for Δ’s paintings
          2. Δ makes one painting, but then uses 6 of the photos and sells as book
          3. Δ claims authorship and that Π was acting at her direction
          4. Held: Intent was not for exhibition purpose at time of creation

Negatives covered 🡪 inferred by Π’s background that he would exhibit prints, but prints themselves were made for Δ to use as studies

* + - 1. *Martin v. City of Indianapolis* (7th Cir. 1990)
         1. Π’s VARA sculpture that Δ tore down without notice
         2. Held: Submitted news articles citing quality of the sculpture was sufficient to show stature/recognition
         3. Dissent – Would require experts – articles were hearsay/SOM – not admissible for truth of the matter (stature)
  1. **Public Performance and Public Display**
     1. **Generally**
        1. § 106(4) – Public performance of literary, musical, choreographic works, pantomimes, motion pictures and other AV works
        2. § 106(5) – Public display of literary, musical, choreographic works, pantomimes, other pictorial, graphic, or sculptural works including stills from motion pictures and other AV works
        3. § 109(c) – Owner of a lawful copy or person authorized by the owner may display the work publicly, either directly, or by projection of no more than one image at a time, to viewers present at the place where the copy is located without permission of the copyright holder (§ 109(d) – not if rented/leased/loaned)
        4. § 110
           1. (1) Face-to-face teaching in nonprofit educational institution
           2. (2) Some distance learning – integral part of class session
           3. (3) Performance of nondramatic literary/musical work or of dramatico-musical work of a religious nature, or display in the course of services at a place or worship or other religious assembly
           4. (4) Performance of nondramatic literary/musical work other than in a transmission to the public, without any purpose of direct/indirect commercial advantage and without payment of fee/compensation
           5. (5)(A) Home-style transmissions, (B) Small business/restaurant if limited speakers/TVs
           6. (8) Public display or performance for the handicapped
        5. § 111(d): Compulsory license of certain retransmission of TV signal over cable
        6. § 119 – Compulsory license of certain retransmission of TV signals over satellite
        7. § 101
           1. To perform means recite, render, play, dance, or act, either directly or by any device or process, or if motion picture or AV work, to show images in a sequence or to make sounds accompanying it audible
           2. Publicly means (1) to perform/display at a place open to the public or any place where a substantial number of persons outside a normal circle of a family and its social acquaintances is gathered or

(2) to transmit/communicate a performance/display of a work to a place specified in (1) or to the public by device or process whether public receives it in the same place, separate places, same time, or separate times

* + - * 1. To display means to show a copy, directly or by other means, or if a motion picture to show individual images non-sequentially
    1. **Analysis**
       1. No First Sale for performance (for display § 109(c)) (*Columbia Pictures*)
       2. Performance applies to literary, musical, dramatic, choreographic works, pantomimes, motion pictures and AV works (§ 106(4))
       3. Display applies to literary, musical, dramatic, choreographic works, pantomimes, pictorial, graphic, or sculptural works, including individual images of a motion picture or other AV work (§ 106(5))
          1. § 109(c) – First Sale Limitation – Lawful owner of copy can display without permission at the place where the copy is located
       4. Display/Performance is Public if (***See* § 101**; *Columbia Pictures*)
          1. Place where it takes place is public
          2. Place is accessible by lots of people (size/composition of audience)
          3. Transmitted to public place or to public even if in different places/times
          4. Consider

Functional – Market substitution effects or analogy to public place (*e.g.*, movie theater) (*Columbia Pictures*)

Technical – Single copy transmitted to single person, even if many people are able to watch their individual copies (*Cartoon Network*)

* + - * 1. Factors – Control of the copy, control of the machine, privacy, in-home or not
        2. Market Substitution – Playing copyrighted work from remote command center approximates broadcast – less costly, allows more rentals (*Columbia Pictures*)
      1. Transmit Clause Analysis
         1. “Transmit” requires consideration of the audience – viewed by public? 🡪 public, viewed by singe subscriber? 🡪 not public
         2. Don’t aggregate private transmissions not capable of being received by the public *unless* private transmissions are received from a single copy
    1. **Hypos**
       1. Private booths at video store are public (*Redd Horne*)
       2. Hotel room w/DVD player at front desk – non-public (9th Cir.), but rental from hotel desk played in room was public (ND Cal.)
       3. Play DVD at home w/ 10 friends – private, 30? – public, SBA movie night? Pub.
       4. Co-worker clips comic and posts at cubicle – protected (§ 109(c)) – posts on Facebook? – Public display
       5. Bring copyrighted poster to class to discuss? – § 109(c)/§ 110(1)
       6. Post to class website? NOT § 110(1), maybe non-public, § 110(2) maybe
       7. Play CD on boom box at beach? § 110(4)
       8. Girl scouts sing “Puff the Magic Dragon” – § 110(4)
    2. **Cases**
       1. *Herbert v. Shanley* (holding restaurant playing music in background is public performance for profit)
       2. *Columbia Pictures v. Redd Horne* (3d Cir. 1984) (holding that Δ’s 4 person booths where public can rent and watch movies controlled by clerk is public performance – “place” is whole store like a movie theater)
       3. *Cartoon Network v. CSC Holdings* (2d Cir. 2008)
          1. Remote DVR storage
          2. Right of reproduction – Buffering is transitory, copies are initiated by customers for personal storage (time-shifting)
          3. Playback is non-public – customer makes unique copy which is played back to that customer alone (single subscriber is audience) – Δ had license to show original broadcast, copies made by individuals played individually later
       4. *Ringgold v. BET* – Π sued for displaying her work in BG in TV scene
       5. *Perfect 10 v. Amazon.com* (9th Cir. 2007) (holding that Google image search is *prima facie* reproduction, “in-line” linking not public display (showing image on host server with Δ’s border), caching same as in-line linking (stores address only)) (*Compare* Duke Nukem MAP – derivative not fixed ok, but inconsistent)
  1. **Musical Works and Sound Recordings**
     1. **Two Copyrights Implicated!**
        1. Musical Composition – Notes/lyrics, composer is author, fixed on sheet/record
        2. Sound Recording (§ 101) – Work that results from fixation of music, spoken words, or sounds, not including sounds accompanying AV works, regardless of how they’re embodied
     2. **Summary**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Reproduction & distribution in Phonorecords | Other Reproduction/Creation of Derivative Works | Public Performance |
| Musical Works | Statutory right: § 106(1)/(3)  Limitations:  § 115 compulsory license  §§ 1001-1008 – Audio Home Recording Act  Administered by:  Music publishers Copyright office  Harry Fox | Statutory right: § 106(1)/(2)  Administered by: Music Publishers | Statutory right: § 106(4)  Limitations: § 110  Administered by:  ASCAP, BMI, SESAC |
| Sound Recordings | Statutory right: § 106(1)/(3)  Limitations:  § 114(b) – “Sound alikes” not covered  §§ 1001-1008 – AHRA  Administered:  Record Labels, copyright office | Statutory right: § 106(1)/(2)  Limitations:  § 114(b) – actual sound must be reproduced  Administered:  Record Labels | Statutory right: § 106(6)  Limitations  §§ 106(6) & 114(a) – digital audio transmission only  § 114(d)-(j) exemptions  Administered by:  Record labels  Sound exchange |

* + 1. **§ 115 Compulsory License for Reproduction of Musical Works – Covers**
       1. Applies to any phonorecord that mechanically reproduces the musical work, doesn’t apply to web streaming
       2. Limited to works that were distributed to the public, embodied in a phonorecord under authority of the copyright owner (*i.e.* sheet music only doesn’t count)
       3. (a)(2) – Cover can’t change basic melody/fundamental character of the work – can make new arrangement to conform to the style of the recording artist
          1. *E.g.*, Can’t add to it (no youtube – “Synchronization license”), no copyright in derivative work without permission of original right holder
       4. Royalty is 9.1 cents or 1.75 cents per minute (greater) to Harry Fox
    2. **§ 114 Reproduction Right in a Sound Recording**
       1. No duplicating the sound recording in the form of copies that directly/indirectly recapture the actual sounds fixed in the recording
       2. Derivative right is limited to work in which the actual fixed sounds are rearranged, remixed, or altered in sequence or quality
       3. (1) and (2) do not apply to making/duplication of another sound recording of independent fixation of other sounds though they imitate/simulate the original
    3. **§§ 1001-1008 Audio Home Recording Act (AHRA)**
       1. Imposed technological constraints on recording devices -serial copy management
       2. Royalty tax on devices/blank media
       3. **Immunity for noncommercial in-home copying (1008)** – noncommercial use by consumer for making digital or analog musical recordings
       4. *RIAA v. Diamond* (held Rio MP3 player makes copies for portability of owned songs 🡪 covered by § 1008)
       5. *A&M Records v. Napster* (AHRA doesn’t apply to downloaded MP3s)
    4. **Public Performance of Musical Works/Sound Recordings**
       1. § 106(4) – Musical works (license – ASCAP, BMI, SESAC blanket license)
       2. § 106(6) – Sound recording (only digital audio transmission)
       3. Public performance by digital audio transmission triggers both rights
       4. § 114(d) Licensing
          1. Interactive transmission – User chooses with some specificity

Requires specific authorization

* + - * 1. Less interactive – (1)No signal casing receiver to change channels, (2) no pre-announcing songs, (3) include info about recording being transmitted, (4) weird requirement about how many songs per artist/album can be played

Compulsory License

* + - * 1. Completely non-interactive transmission – Exempt from license requirement
      1. *Arista Records v. Launch Media* (2d Cir. 2009)
         1. § 114(j)(7) – Interactive service enables member of the public to receive a transmission of a program specially created for the recipient, or on request, a transmission of a particular sound recording selected by the recipient
         2. Held: Webcasting service with semi-custom radio stations based on some user input was not an interactive service
         3. **Policy** – No market substitution in record sales based on this kind of use
    1. **Analysis – Sampling**
       1. *De minimis* – When the average listener wouldn’t recognize the appropriation there is no infringement (*Newton* (9th Cir. 2004) – Musical Composition)
       2. Sampling of a sound recording infringes the owner’s exclusive right to sample his own recording – no *de minimis* exception (*Bridgeport* (6th Cir. 2005))
    2. **Cases**
       1. *Newton v. Diamond* (9th Cir. 2004)
          1. Beastie Boys sample of Π’s song – license in recording but not composition
          2. Held: *de minimis* use – Because the recording was licensed, Π had to separate specific additions of this performance from the composition
          3. Fragmented literal similarity – Taking something small, but identically, which doesn’t capture any substantial elements of the work
          4. Quantitative (not long), qualitative (not the “hook”)
       2. *Bridgeport Music v. Dimension Films* (6th Cir. 2005)
          1. Sampling - Δ had license in musical composition but not the sound recording
          2. Held: no *de minimis* exception when Δ doesn’t dispute they sampled

§ 114(b) implies copyright holder has exclusive sampling right

* + - * 1. **Policy** – License or do not sample – can do a sound-alike, market controls price, sampling is never accidental

1. **DIRECT AND INDIRECT INFRINGEMENT**
   1. **Analysis**
      1. Infringement requires (1) a valid exclusive right and (2) infringement of copyright
      2. **Direct Infringement**
         1. Strict liability, but requires a volitional act (*Netcom*)
            1. Ask employee to operate a copying system? 🡪 volitional (*Cartoon Network*)
            2. Have system automatically obey user commands? 🡪 non-volitional (*Netcom*)
      3. **Vicarious Liability**
         1. Right and ability to supervise infringing activity (*Fonovisa*)
            1. Legal right to stop/limit directly infringing conduct (*Perfect 10 v. Amazon*)
            2. And practical ability to do so (*Perfect 10 v. Amazon*)
         2. Holds a direct financial interest in the infringement (*Fonovisa*)
            1. Indirect profits that are sufficiently large can count (*Fonovisa*)
         3. Knowledge not required, employer/employee relationship not required
      4. **Contributory Infringement**
         1. Knowledge of infringing activity (*Fonovisa*)
            1. Specific, not generalized knowledge
         2. Induce, cause, or materially contribute to direct infringement (*Fonovisa*)
            1. Provide site/facilities for known infringing activity is sufficient
         3. Computer System Operator (*Perfect 10 v. Amazon*)
            1. Actual knowledge of specific infringing material
            2. Can take simple measures to prevent further copyright damage
            3. Yet continues to provide access to infringing works
         4. Computer system operator that learns of infringing material and fails to purge 🡪 contributory infringement (*Napster*)
   2. **Policy**
      1. Services/products that facilitate access to infringing websites can significantly magnify a problem, but merely making it easier for infringers to be profitable is insufficient to materially contribute to infringement (*Perfect 10 v. Amazon*)
      2. More tasteful/easier to sue channels of copyright violation rather than end-users
      3. Balance because we like new technologies
   3. **Cases**
      1. *Religious Technology Center v. Netcom* (ND Cal. 1995)
         1. Π sued Δ for posting parts of L. Ron Hubbard’s books on a BBS after asking ISP/BBS to remove content and was ignored
         2. Usenet maintains posting for 11d, BBS for 3d
         3. Held: infringement requires volitional act – copying here is necessary for BBSs to function at all
         4. *See Frena* – BBS liable for infringing right to distribute and display Π’s work
      2. *Fonovisa v. Cherry Auction* (9th Cir. 1996)
         1. Swap meet both vicariously/contributorily liable for sales of infringing goods
      3. *Perfect 10 v. Amazon* (9th Cir. 2007)
         1. Contributory – Remand to determine remedial measures Google can take to prevent assisting websites that distribute infringing porn
         2. Vicarious – No legal right to stop/limit direct infringement of 3rd parties or practical way of policing
      4. *Perfect 10 v. Visa* (9th Cir. 2007)
         1. Π sued credit card companies for processing payments on infringing sites
         2. Contributory – No material contribution/direct connection to infringement
            1. Nothing passes over Δ’s network or is displayed using their equipment
            2. No assistance in locating infringing images
         3. Vicarious – Δ policy allows termination if illegal activity
            1. But Δ can’t control infringing activity – Right to withdraw isn’t the same as right to control (carrot vs. stick)
         4. Kozinski Dissent: Loading images (*Google*) = processing payments, withdrawing service = right to control
2. **DEVICE MANUFACTURER LIABILITY – LIMITATIONS ON CONTRIBUTORY INFRINGEMENT**
   1. **Analysis**
      1. **Substantial Non-Infringing Uses (*Sony v. Universal*)**
         1. One who sells a staple article/commodity of commerce
         2. Suitable for substantial noninfringing uses
            1. Anecdotal evidence of substantial noninfringing use (*Grokster* Breyer)
            2. Overwhelming infringement with no reasonable prospect of substantial noninfringing use likely to develop (*Grokster* Ginsburg)
         3. Is not liable for contributory infringement
            1. Can’t impute intent as a matter of law from the characteristics of the product
            2. If device is *incapable* of noninfringing use 🡪 infringement likely (*Grokster*)
      2. **Limitations**
         1. Structure of the system for exchanging copyrighted material alone is insufficient
            1. Requires specific information identifying infringing activity (*Napster*)
            2. Providing instructions for infringement then willfully blinding to infringing activity is sufficient to show specific knowledge (*Aimster*)
         2. **Induced Infringement (*Grokster*)**
            1. Actively entice, instruct, or persuade another to infringe and provides means

Not Sufficient: Knowledge of limited infringing activity is not enough

Product distribution, customer technical support and product updates

* 1. **Policy**
     1. Public interest in having access to helpful articles of commerce
     2. Copyright holder’s interest in protecting their work
  2. **Cases**
     1. *Sony v. Universal City Studios* (1984) (holding Betamax tapes allowing users to time-shift TV broadcast is substantial noninfringing use – no contributory liability)
     2. *A&M Records v. Napster* (9th Cir. 2001)
        1. Δ maintains index of user’s files and provides means to file share among nodes
        2. Contributory infringement – Knowledge of files and ability to purge is enough
        3. Vicarious liability – Index gave control, benefit was tons of new users – ads
     3. *In re Aimster* (7th Cir. 2003) (holding that Δ’s system that encrypted files was willful blindness – software tutorial was an “invitation to infringe”)
     4. *MGM v. Grokster* (2005) (no central indexing, query passed to user nodes until one returns a desired file location – induced infringement by ads “like Napster” & means)

1. **ONLINE SERVICE PROVIDERS – DMCA SAFE HARBOR**
   1. **§ 512(i) – Qualifying for Safe Harbor**
      1. Δ can’t interfere with “standard technical measures” applied by copyright holders
      2. Adopt/implement reasonable policy to terminate repeat infringers & inform users
   2. **§ 512(a) – Transitory Digital Network Communications**
      1. Transmission initiated by someone other than ISP, carried through automatic process
      2. ISP must not: Select recipient except through automatic process, maintain a copy accessible to anyone other than recipient, modify material during transmission
   3. **§ 512(b) – System Caching**
      1. Material made available by someone else, transmitted to recipient
      2. Storage is automatic, complies with “further conditions” of copyright holder
      3. Disable access to cached on notice of court order to remove from originating site
   4. **§ 512(c) – Storing Information at the Direction of Users – Main Analysis!!**
      1. Applies to material hosted for subscribers and material downloaded by servers and held for a limited time (*e.g.*, Usenet groups)
      2. (1) Safe harbor is only available when infringement occurs by reason of the storage at the direction of a user of material residing on a system/network controlled/operated by/for the service provider
         1. (A) Safe harbor is only available if ISP (i) has no actual knowledge of infringing material, (ii) is not aware of facts/circumstances from which infringing activity is apparent (Red Flag Knowledge), (iii) or upon obtaining awareness, acts expeditiously to remove/disable access to the material
         2. (B) ISP can’t receive financial benefit directly attributable to infringing activity and have right and ability to control the activity
            1. Requires item-specific knowledge and more than ability to remove or block access to posted material (*Viacom*) – need substantial influence on users
      3. (2) ISP designated agent to receive take-down notices, files with copyright office and makes publicly available
      4. On take-down, must notify subscriber who can send counter-notification
         1. Consents to jurisdiction and ISP has to put material back up in 10d
         2. ISP notifies copyright holder next and hilarity ensues
      5. NOTE (*Viacom*)
         1. Knowledge must be *specific* infringing activity (based on (iii) which contemplates removing specific content)
         2. Willful blindness possible (*Aimster*), no affirmative duty to monitor (**§ 512(m)**)
   5. **§ 512(d) – Providing Information Location Tools (Hyperlinks)** (same as § 512(c))
   6. **§ 512(f) –** COA against anyone who knowingly materially misrepresents that material is infringing copyright holder’s rights
      1. For copyright holder to proceed in good faith under DMCA, must consider whether Δ is making fair use of the material (*Lenz*)
   7. **§ 512(g) –** User filed response to take-down requires ISP to reestablish material within 10d and provide notice to copyright holder
   8. **§ 512(h) –** Federal DC clerks can issue subpoenas for ID of subscribers that post allegedly infringing materials
   9. **§ 512(m) –** Safe Harbor can’t be conditioned on ISP monitoring or affirmatively seeking facts indicating infringing activity except standard technical measures in § 512(i)
   10. **Cases**
       1. *Viacom International v. YouTube* (2d Cir. 2012)
          1. Whether YouTube fits § 512(c) safe harbor
          2. Internal emails indicating subjective knowledge of specific infringing activity
             1. Held: Must show parity with clips in suit
          3. % infringing activity alone is insufficient to impute knowledge
             1. Statute partially abrogates willful blindness (§ 512(m))
          4. Held: Π survives MSJ based on emails, remand for fact finding re clips in suit
       2. *Lenz v. Universal Music* (ND Cal. 2008)
          1. Π video of her kid dancing to Prince song, Δ take-down, Π § 512(g) response
          2. Π sues alleging misrepresentation in violation of § 512(f)
          3. Held: Δ must proceed in good faith that material is not authorized including whether Π is making fair use of the material
2. **FAIR USE**
   1. **§ 107 – Fair Use.** Fair use includes, *e.g.*, criticism, comment, news reporting, teaching, scholarship, or research 🡪 not infringement
      1. **Factors**
         1. Purpose/character of the use, including whether it is for commercial or nonprofit educational purpose
         2. Nature of the copyrighted work
         3. Amount/substantiality of the portion used in relation to the work as a whole and
         4. The effect of the use on potential market for or value of the copyrighted work
         5. Courts often add a “Public benefit” factor
      2. 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
   2. **Cultural Interchange**
      1. **Unpublished Works** – Authors have a special interest in choosing when/how their work will be published
      2. **1st Am.** – Copyright already incorporates 1st Am. in fair use and idea/expression
      3. **Factors**
         1. Purpose of the Use
            1. News reporting – Is Δ infringing a right or simply reporting un-copyrightable facts? (*Compare Harper & Row with Nunez*)
            2. Biographical/historical artifacts – fair use (*Bill Graham*)
            3. Must have good faith/fair dealing (*Harper & Row*)
            4. Parody/transformative use is favored (*Campbell*)
            5. Commercial character (*Campbell* – Just a factor; *Harper & Row* – Disfavored)
            6. Request for license doesn’t preclude fair use defense (*Campbell*)
         2. Nature of the Copyrighted Work
            1. Unpublished works heavily weighs against fair use (*Harper & Row*)
            2. Fictional/creative works > protection than historical/factual works (*H&R*)
            3. Parody/transformative works tend to undermine this factor because *the whole point* is to borrow from core expressive works (*Campbell*)
         3. Amount/Substantiality of the Portion Used
            1. “Heart of the work” (*Harper & Row*)

BUT Parody will focus on heart (*Campbell*)

* + - * 1. Qualitative/quantitative analysis

Parody uses enough to be recognizable then immediately departs with comment/criticism (*Campbell*)

*See Nunez* – work that can’t be apportioned tend to neutralize this factor

Can’t take more than necessary to conjure up the original (*Air Pirates*)

* + - 1. Effect on the Market
         1. Direct effects on market for original and derivative works (*Castle*; *Nunez*)

Market usurpation is against fair use (*Campbell*)

Includes only uses that Π is likely to develop

Market suppression (*e.g.*, reaction to criticism) is fair use (*Campbell*)

Transformative works are less likely to usurp demand

* + - * 1. Π can’t exploit a market for parody/criticism to limit fair uses (*Castle Rock*; *Bill Graham*)
    1. **Parody (*Campbell*)**
       1. Parody quotes existing material such that it is identifiable then departs, adding comment/criticism of the original
       2. Parody is important for social discourse and copyright holder would be unlikely to grant license for something that criticizes their work
       3. Parody – Imitation for the purpose of critiquing the original
       4. Satire – Copying to make another point – comment on society, humor, etc.
    2. **Policy** – A plagiarist can’t point to what he didn’t take as a defense (Learned Hand)
    3. **Cases**
       1. *Harper & Row v. Nation* (1985) – **Not Fair Use**
          1. Ford’s memoires, licensed quotes to Time magazine exclusively for pre-publication (Time retained right to withhold payment if scooped)
          2. Δ publishes 300 words verbatim that leaked, Π sued Δ when Time backed out
          3. Direct infringement – fragmented literal reproduction
          4. Purpose of the use – News, but took author’s expression with intent of supplanting Π’s right of 1st publication without paying
          5. Nature of the copyrighted work – Historical – Δ could use brief quotes, coined terms, instead wholesale copied descriptions/expression
          6. Amount/substantiality – took the “heart of the work”
          7. Effect on the market – Time cancelled
       2. *Time v. Bernard Geis* (SDNY 1968) (**fair use** when Δ took photos of footage of Kennedy assassination then used stills to make charcoal drawings for his book)
          1. “Public interest” in the info
       3. *Salinger v. Random House* (2d Cir. 1987) (**not fair use** when Δ closely paraphrased Π’s unpublished letters in unauthorized biography about Π)
          1. Spurred § 107 amendment indicating unpublished status is just a factor
       4. *Campbell v. Acuff-Rose Music* (1994) (**fair use** when Δ made a parody of Roy Orbison’s “Pretty Woman” song – Transformative works favor fair use)
       5. *Walt Disney v. Air Pirates* (9th Cir. 1978) (**not fair use** for comic strip copied entire images of Mickey in parody depicting Mickey in compromising scenes)
       6. *Leibovitz v. Paramount* (2d Cir. 1996) (**fair use** parody of Vanity Fair image of pregnant Demi Moore showing Leslie Neilson’s face on a pregnant model’s body posed in same position for Naked Gun sequel ad)
          1. Neilson’s smirk comments on Moore’s pretentious look
          2. Transformative 🡪 Advertising movie vs. selling mag. Beauty vs. Comedy
       7. *Suntrust Bank v. Houghton Miffin* (11th Cir. 2001) (**fair use** parody of Gone with the Wind from the point of view of slaves in the book – criticizes relationship between white/black people portrayed in the book)
       8. *Rogers v. Koons* (2d Cir. 1992) (**not fair use** satirical sculpture based on photo/post card because derivative work must conjure original which can’t happen if the original is essentially unknown)
       9. *Blanch v. Koons* (2d Cir. 2006) (**fair use** parody commenting on “materialism” embodied in original image of a woman’s feet)

**SEE NEXT PAGE FOR MORE CASES!**

* + - 1. *Castle Rock v. Carol Publishing* (2d Cir. 198) – **Not Fair Use**
         1. Purpose/character – non-transformative Seinfeld quiz book

Made to “satisfy your Seinfeld craving” 🡪 replace/be the same

* + - * 1. Nature of the copyrighted work – core 🡪 fiction
        2. Amount/substantiality – Δ copied too much even though calling up Seinfeld’s “nothingness” would require exhaustive examples – 643 q’s = too much
        3. Effect on the market – Usurps derivative market Π would normally exploit
      1. *Nunez v. Caribbean International News* (1st Cir. 2000) – **Fair Use**
         1. Π’s nude pictures of model distributed to modeling community – controversy erupts because she’s “Miss Puerto Rico” – Δ published 3 photos with articles
         2. Purpose/character – Commercial/news – “Pictures were the story”

Intent was to report facts, not scoop author’s rights

Transformative 🡪 used with commentary, not just modeling

Good faith – attributed to Π and obtained lawfully

* + - * 1. Nature of the work – factual/creative – meant for portfolio, non-artistic, exhausted right of first publication, Π didn’t attempt to limit dissemination
        2. Effect on the market – Potentially usurped market for licensing to news
      1. *Bill Graham v. Dorling Kindersley* (2d Cir. 2006) – **Fair Use**
         1. Coffee table book re Grateful Dead – 480pgs with images, text, timeline, analysis – Π owned 7 of 2000 images in the book
         2. Purpose/character – Transformative – historical scholarship. Images were tour posters Δ used as historical artifacts – small size minimized expression
         3. Nature of the copyrighted work – Transformative – limited relevance
         4. Amount and substantiality used – reduced size/scattered with text – copied entire work but minimized impact
         5. Effect on the market – Must be a traditional and not a transformative market

Willingness to license doesn’t establish barrier to fair use

* 1. **Technological Interchange**
     1. **Analysis (*Sega*; *Sony*)**
        1. Where disassembly is the only way to gain access to ideas/functional elements
        2. Where there is a legitimate reason to seek such access
        3. Disassembly is a fair use of the copyrighted work
        4. Nature of the copyrighted work is the most important factor
           1. Thin copyright in software, copying is intermediate to discovery of unprotectable elements hidden within
        5. Transformativeness favoring fair use can be based on functionality of Δ’s technology rather than expression (*Perfect 10*)
     2. **Cases**
        1. *Sega Enterprises v. Accolade* (9th Cir. 1992)
           1. Δ reverse engineered Sega games to get compatibility requirements for competing independently produced games
           2. Direct infringement – Decompiling involves copying
           3. Purpose/Character – Copying to determine unprotectable functional requirements 🡪 public benefit of more game producers
           4. Nature of the work – Π seeks to monopolize functional elements
           5. Effect on the market – Copying for independent expression, no attempt to scoop a game, benefit for network effects on the operating system
        2. *Sony Computer Entertainment v. Connectix* (9th Cir. 2000)
           1. Δ PlayStation emulator – hardware/software emulation including BIOS
           2. Direct infringement – made tons of copies of BIOS in reverse engineering
           3. Nature of the work – BIOS is not core expression – functional
           4. Amount/substantiality – full copy but intermediate to final goal
           5. Purpose/character – Modestly transformative, commercialized, but copying was to determine compatibility/functionality
           6. Effect on the market – Legitimate competitor for platforms
           7. Held: Extends *Sega* from games to platforms
        3. *Perfect 10 v. Amazon* (9th Cir. 2007)
           1. Google thumbnail images – transformative use for search engine
           2. Need to copy whole thing to make it recognizable, really no meaningful effect on the market for high res images (maybe for phones, but no data)
        4. *Sony v. Universal City Studios* (1984)
           1. Survey data showing Betamax used for time-shifting – delete after watching, some people keep libraries, no evidence of decreased TV watching
           2. Substantial non-infringing use – Π can’t prevent other copyright holders from *allowing* time shifting
           3. Fair use – Noncommercial (time-shifting), copy of whole program, core expressive fiction, but no effect on the market and prohibition would simply inhibit access (note: court shifted burden to Π to show harm because of noncommercial use)
           4. Blackmun dissenting: Productive vs. non-productive use

Ordinary user 🡪 Non-productive

Scholar 🡪 Productive

* 1. **Preventing Market Failure**
     1. **Analysis – 4th Fair Use Factor (Mostly) (Wendy Gordon)**
        1. Pro-Fair Use
           1. High transaction costs (*Sony*)

*E.g.*, “Home uses” would be too expensive to negotiate, teaching uses, scholarship, research (*but see Texaco*), parodies/criticism

* + - * 1. Positive externalities that are not contemplated in licenses
        2. Owner desire to exercise impermissible restraint on dissemination (*Campbell*)
      1. Anti-Fair Use
         1. Use is harmful
         2. Widespread use would cause market collapse
      2. Right to seek licenses becomes cognizable under the 4th factor when the means for paying for it is easier (*Texaco*)
      3. Circularity: People might be paying royalties for a use out of risk aversion, which creates a market for the use (*Texaco* dissenting)
         1. Argument that transformative uses can short-circuit the market effect
    1. **Cases**
       1. *A&M Records v. Napster* (9th Cir. 2001)
          1. File Sharing

Purpose/character – Commercial based on aggregation, avoiding cost of purchases, prototypically non-transformative

Nature of the work – Core creative work (music)

Amount/substantiality – Entire work is copied

Market – Decimates CDs, fubars producer ability to enter digital sales

*But* Market failure – Digital download was unavailable *because* of the record companies

* + - * 1. Sampling – Π already exploits this market
        2. Space shifting – *Sony* time-shifting argument doesn’t involve distributing copies to the public
      1. *American Geophysical Union v. Texaco* (2d Cir. 1995)
         1. Scientific journal publisher sued Δ because Δ-researchers were photocopying individual articles out of journals
         2. Purpose/character – Indirectly commercial, archival, non-transformative
         3. Nature of the work – Primarily factual
         4. Amount/substantiality – Copying several entire articles from single issues
         5. Effect on the market

Issue was whether there is a mechanism to get copies of individual articles

DC found three possible

Obtain articles from document delivery services which pay royalties

Negotiate photocopying licenses directly with publishers and/or

Photocopying license from Copyright Clearance Center (CCC)

* + - * 1. Dissent – Questions validity of CCC argument, argues circularity

Note: Google book search recent case finding the use transformative so no market failure consideration

1. **CONTRACTS**
   1. **Generally**
      1. § 101 – Transfer of ownership is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothrcation of a copyright or any of the exclusive rights **BUT not including nonexclusive licenses**
      2. § 201(d): (1) Copyright may be transferred by means of conveyance/operation of law, by will, as personal property according to state intestate laws. (2) Any exclusive right, including subdivision of any of the rights, may be transferred. The owner of any of the exclusive rights is entitled to protection/remedies in this statute
      3. § 204(a) – Transfer of copyright, other than by operation of law, is not valid unless in writing and signed by the owner (or owner’s agent) of the right conveyed
         1. **Nonexclusive licenses** don’t need to be in writing (*Asset Marketing*)
      4. § 205(c)(2) – Recordation is constructive notice of registration
      5. **§ 205(d) – Prevailing party in conflicting transfers**
         1. Transfer first executed and recorded w/in 1mo (2mo if executed outside US), satisfying § 205(c) (registration/proper ID of work) prevails
         2. **First transfer** still prevails if recorded before later transfer
         3. **Later transfer** prevails if recipient
            1. Records first
            2. Took in good faith, for valuable consideration, or on basis of promise to pay royalties, and
            3. Had no notice of earlier transfer
         4. Whether recorded or not, **nonexclusive license** prevails over conflicting transfer of ownership if license is in writing, & signed by author/agent so long as
            1. Taken in good faith, before conflicting transfer is recorded and
            2. Without notice of the conflicting transfer
   2. **Analysis**
      1. **§ 204(a) – Statute of frauds** (*See also Asset Marketing*)
      2. **§ 205(d) – Priority of transfers**
      3. **Implied Nonexclusive License Test** (*Asset Marketing*)
         1. Licensee requests creation of a work
         2. Licensor makes and delivers it
         3. Licensor intends that the licensee copy and distribute the work
            1. Intent is at the time of creation and delivery manifested by conduct
            2. Factors

Whether it was short-term or ongoing relationship

Whether creator used written Ks limiting licensee’s rights

Whether creator’s conduct indicated that use of the material without the creator’s involvement or consent was permissible

* + 1. **New Uses**
       1. Licensees may pursue any use **reasonably falling within the medium described in the license** – *i.e.* K-interpretation (*Bartsch*; *Boosey*)
          1. Possible Exception: When new use was entirely unforeseeable at time of K
       2. Neutral principles of K-interpretation (*Boosey*; *Rosetta*)
          1. Dictionary definition, industry standard
          2. Actions indicating intent (Striking boiler plate provisions, retaining rights, etc)
       3. Does new use fall within the same medium as original grant? (*Rosetta*)
          1. Movie theater/video (*Boosey*), Print/eBook (*Rosetta*)
          2. **Policy** – Encourage development of new technologies
  1. **Policy**
     1. Authors are bad at marketing/monetizing their work – strong K-rights lets them seek people who are better at that (efficient distribution/dissemination)
     2. Nimmer argues the “reasonably falls” test for new tech should be narrow
        1. Burden on Π to create limitations on scope, not licensor to predict the future
        2. Lets authors renegotiate when new tech comes out
     3. Problems with Ks
        1. Aversion to alienation, requires maintenance of chain-of-title
        2. For software: ruins secondary markets, ignores software copyright holder’s desire to front-load or back-load payments
        3. Limits interoperability of software if company ceases updates/distribution
     4. K may contemplates rights explicitly not protected by copyright
  2. **Cases**
     1. *Asset Marketing Systems v. Gagnon* (9th Cir. 2008)
        1. Gagnon developed software for AMS, paid over $2mil
        2. Gagnon created software at AMS’s request & delivered it – specifically for them, changes at their direction, source code on AMS’s computers
        3. Intent as manifested by conduct
           1. Based on written agreements, scope of relationship, payment – license
           2. “Client agrees that IP produced by contractor *while performing services under this agreement* will be the property of contractor and will be licensed to client on a non-exclusive basis as will any copyrights, patents, or trademarks obtained by contractor *while performing services under the agreement*”
           3. Italicized phrase modifies the production of IP and obtainment of IP rights
     2. *Boosey & Hawkes Music v. Walt Disney* (2d Cir. 1998)
        1. Stravinsky’s “Rite of Spring” in Fantasia
        2. Language: “the nonexclusive, irrevocable right… to record *in any manner, medium or form*, and to license the performance of… the composition”
        3. Held: Also contemplated release of the film on video
     3. *Random House v. Rosetta Books* (SDNY 2001)
        1. Language: “Print, publish, and sell the work *in book form*”
        2. Held: Does not include eBooks
           1. Dictionary definition of “book,” language in K contemplating “book club” version, “reprint,” and “braille” editions, authors specifically reserving rights in the K, industry custom that “in book form” is very precise/specific
           2. Violation of non-compete is against authors, not Δ

1. **LITIGATION PROCEDURE AND REMEDIES**
   1. **Generally**
      1. 28 U.S.C. § 1338(a) – DC has [exclusive] original jx of any civil action arising under any Act of Congress relating to patents… copyrights and trademarks.
      2. § 501(b) – Legal/beneficial owner of an exclusive right under copyright is entitled to institute an infringement action while he/she owns the right, subject to 411
      3. § 411 – Must register prior to bringing suit, 3y civil SOL on infringement
      4. § 502(a) – Any court with jx can grant temporary/final injunctions on terms it deems reasonable to prevent/restrain infringement
      5. § 503 (Note: § 505 – discretionary attorney’s fees)
         1. (a) Any time during suit, court may impound copies and equip. to make them claimed to have been made in violation of copyright owner’s exclusive right
         2. (b) As part of final judgment, court may order destruction of all copies and equip. to make them in violation of copyright owner’s exclusive right
      6. § 504(b) – Copyright owner can get actual damages, and any profits of Δ attributable to infringement not taken into account in computing actual damages. Π is required only to present proof of Δ’s gross revenue, Δ proves deductible expenses and elements of profit attributable to factors other than copyright
   2. **Analysis**
      1. **“Arising Under” Jurisdiction** (*Bassett*) – Complaint is for a remedy expressly granted by the act or asserts a claim requiring construction of copyright law
         1. *E.g.*, Determine authorship in K-dispute, BUT normal K-dispute is state law
         2. **Policy** – Allows uniformity, state specialization w/ specific industries
      2. **Statute of Limitations** (§ 507(a)-(b))
         1. Criminal – Within 5y after COA arose
         2. Civil – Within 3y after *claim accrued* – tolls when Π has knowledge or is chargeable with knowledge of infringement
            1. Rolling SOL – Argument Π can reach to beginning of ongoing infringement (7th Cir.) (*but* majority reaches only 3y back – 9th Cir.)
      3. **Injunctive Relief** (“Property Rule” – *eBay v. MercExchange* (2006))
         1. Π must show
            1. Suffered irreparable injury

Can’t be presumed based on infringement alone (*MGM*)

* + - * 1. Remedies available at law (monetary damages), are inadequate to compensate for injury
        2. That remedy in equity is warranted after balancing Π/Δ hardships
        3. That public interest isn’t disserved by permanent injunction
    1. **Monetary Damages** (“Liability Rule”)
       1. Actual damages + profits from infringement not in actual damages (§ 504(b))
          1. Π proves gross revenue, Δ proves deductibles

When Δ makes changes to infringing work to suit their purpose – deducted from Δ’s profits attributable to original (*Frank Music*)

Qualitative/quantitative assessment, doubts favor Π (*Frank Music*)

* + - 1. SJ is appropriate if there is no conceivable connection between infringement and revenues, or despite connection, Π offers only speculation as to causal link between infringement and revenue (*Bouchat*)
    1. **Statutory Damages** (§ 504(c))
       1. Calculated *per work* (all parts of compilation/derivative work are one work)
       2. Copyright must be registered *prior to infringement* (§ 412)
       3. Award from $750 - $30k, innocent ($200 min), willful ($150k max)
       4. Election to statutory damages can be made any time before final judgment
          1. Some courts allow Π to prove up damages, then take the greater of the two
       5. Constitutionality
          1. Punitive Damages (*Gore* Guideposts) (DPC) – (1) degree of reprehensibility of Δ’s conduct, (2) disparity between harm suffered and damages award, (3) difference between this remedy and civil penalties authorized in comparable cases (preference for single digit ratio, but often higher)
          2. Statutory Damages (*St. Louis v. Williams* (1919)) (DPC)

Inquire whether awards are so severe and oppressive as to be wholly disproportioned to the offense and obviously unreasonable

Regularly sustains ratios over 100x

**Policy** – Interest of the public, # of opportunities to commit offense, need for securing uniform adherence to federal law (*Rassett*)

* + - * 1. 8th Am. does not apply because “fine” means payment to gov. (*Zomba*)
    1. **Willful Infringement** (*Zomba*)
       1. Notified conduct is copyright infringement – But reasonably, and in good faith believes the contrary – Is not a willful copyright infringer
    2. **Criminal Prosecution**
       1. § 506(a) – Willful, for purpose of commercial advantage or private financial gain
       2. Willful means voluntary, intentional violation of known legal duty
          1. *Moran* – Subjective standard – consider reasonability of asserted belief
       3. NET Act:
          1. § 101 – Financial gain is receipt/expectation of **anything of value** including receipt of other copyrighted works
          2. § 506(a) – Criminal liability when infringement involves willful reproduction or distribution, including electronic means, during any 180d period, of 1+ copies of 1+ copyrighted works with retail value over $1k
          3. Open issue whether this includes secondary liability
       4. ART Act:
          1. Felony to knowingly use AV device to record a movie playing in theater
          2. Willful infringement becomes criminal by distribution of a work being prepared for commercial distro, by making it available on a computer network accessible to the public, if Δ knew or should have known the work was intended for commercial distribution (§ 506(a)(1)(C))
  1. **Cases**
     1. *Righthaven v. Hoehn* (9th Cir. 2013)
        1. Copyright assertion company assigned copyright to sue Δ
        2. Held: § 501(b) requires a legal/beneficial owner of an exclusive right as defined by § 106 – Dismissed, no SMJ for court
        3. Analysis
           1. Copyright is statutory, no common law penumbra – only COA is in statute
           2. Look @ substance/effect of the assigning K

Agreement gave Π bare right to sue – not contemplated in § 106

Transfer by assignment or exclusive license are the same thing, if Π is transferred title then grants back exclusive license – no standing

Amended agreement only allows Π to exploit if author has 30d notice and author can repurchase on 14d notice for $10 🡪 Π owns nothing really

* + - 1. **Policy** – Creates too much litigation, Δ will settle rather than develop affirmative defense jurisprudence, over-incentivizes out of proportion to actual damages
    1. *Abend v. MCA* (9th Cir. 1988)
       1. Hitchcock movie made from story, Π sues Δ when they re-release film
          1. Film is derivative work, lots of effort from people, lots of success
          2. Injustice if people can’t enjoy film (lots of expression added to original)
          3. Monetary relief is adequate – § 504(b) damages/profits attributable to copyright – no injunction due to great public injury that would result
       2. **Policy** – Deny injunction in the face of great public injury
    2. *Christopher Phelps v. Galloway* (4th Cir. 2007)
       1. Δ build house that infringes Π’s copyrighted architectural plans
       2. Jury award of $20k and no injunction
       3. Irreparable injury – Damages don’t remedy home’s continuing presence
       4. Inadequacy of damages – Calculation of future damages/profits is speculative
       5. Balancing – Π is fully compensated, sale of home doesn’t make a new copy, permanent injunction would restrain alienation without benefit, legislative history against encumbering complete homes (focus on functionality), injunction would encumber non-infringing elements (pool, garden, etc.)
       6. Is this a compulsory license? Yes, but happens under backdrop that court could impound/destroy offending material
    3. *MGM v. Grokster* (ND Cal. 2007)
       1. *MAI* – Injunction if there’s past infringement & likelihood of future infringement
       2. No presumption of injunction – Π can establish loss of market share/reputation, qualitative factors about Δ’s actions resulting in irreparable harm, infringement is largely what Δ is doing
       3. Irreparable harm – Δ induces *tons* of infringement, damages are astronomical (Δ can’t pay), Π’s copyrights are very vulnerable due to continued infringement on this scale, no mechanism to collect statutory damages for ongoing infringement outside the infringing software (??), irreparable harm
    4. *Bouchat v. Baltimore Ravens*
       1. “Flying B” logo Π drew
       2. Π argues that at least some portion of their revenues is attributable to his work
          1. Should only have to prove gross revenue, bt 4th Cir. holds SJ is appropriate if there’s no conceivable connection between infringement/revenue
          2. If there is conceivable connection, need more than speculation re causal link
    5. *Zoomba Enterprises v. Panorama Records* (6th Cir. 2007)
       1. Δ makes karaoke audio discs containing covers of Π’s copyrighted songs
       2. Π send cease and desist, consent agreement followed, Δ violated immediately
       3. DC awarded $31k per song - $806k total, Δ calculated lost revenue at $18.5k
       4. Court discounts fair use claim – bad faith – no abuse of discretion since conduct was willful, max fine is $150k per song, so $31k is okey dokey
       5. No DPC violation
    6. *Capitol Records v. Thomas-Rasset* (8th Cir. 2012)
       1. Δ willfully infringes 24 songs through file sharing, jury award $200k, DC reduced to $54k (after 2 trials)
       2. Constitutionality
          1. *Gore* doesn’t apply – statutory damages are for when actual harm is hard to measure, and statutory damages *are* authorized civil penalties
          2. *Williams* applies – Multiplier is in reasonable range

Decreased record co. revenue, aggravated willful infringement

Award near the bottom of the statutory range for willful infringement

* + 1. *US v. Moran* (D. Neb. 1991)
       1. Δ video store owner made backup copies of movies in case of vandalism
       2. Held: Willfulness means subjective willful intent to violate copyright, ***not*** mere intent to make a copy
       3. Δ thought what he was doing was legal 🡪 No copyright violation
    2. *US v. LaMacchia* (D. Mass. 1994) – For commercial advantage/private financial gain
       1. Δ set up BBS for disseminating/soliciting pirated software
       2. Indicted under wire fraud statute alleging $1mil damages, but Δ didn’t derive personal benefit (no profit)
       3. *Dowling* (1985) – Held that copyrighted musical composition on bootleg records is not stolen property within the Stolen Property Act
       4. Mail fraud statute doesn’t require that Δ have profited (copyright did at the time)
       5. Even if the court accepted the argument that illegal conduct alone was sufficient, Δ’s actions are not criminal under the [then current] copyright statute

1. **TECHNOLOGICAL PROTECTIONS – DMCA**
   1. **Digital Millennium Copyright Act (DMCA)**
      1. § 1201(a)(1)(C) – Library of Congress rulemaking
      2. § 1201(a)(2) – No person shall offer to the public or traffic in technology that
         1. (A) is primarily designed for the purpose of circumventing a technological measure that effectively controls access to a work protected under copyright
            1. Intent of the author is only relevant for defense, otherwise consider only what the program does (*Reimerdes*)
         2. (B) has only limited commercially significant purpose/use other than to circumvent a technological measure that effectively controls access to a work protected under copyright or
         3. (C) is marketed for use in circumventing a technological measure that effectively controls access to a work protected under copyright
         4. NOTE: “Effectively controls” means it requires *some method* to bypass, not necessarily a *good method* (*Reimerdes*)
      3. § 1201(a)(3)
         1. Circumvent a technological measure means to descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner
         2. Effectively control means the measure, in the ordinary course of its operation, requires the application of information, or a process or a treatment, with the authority of the copyright owner, to gain access to the work
      4. § 1201(c)(1) – Nothing in this § shall effect rights, remedies or defenses to copyright infringement, including fair use under this title
      5. § 1201(d) – Non-profit libraries, archives, and educational institutions can circumvent to determine whether to acquire a particular work
      6. § 1201(e) – Law enforcement activities
      7. § 1201(f) – Reverse engineering – Allowed to achieve interoperability
         1. Must be made available by the original author
         2. Dissemination solely for the purpose of interoperability
      8. § 1201(g) – Good faith encryption research – look @ how results of this research are disseminated and consider good faith
      9. § 1201(j) – Security testing
   2. **§ 1201(a)(2) Claim Elements (*Chamberlain*)**
      1. Ownership of a valid copyright on a work
      2. Effectively controlled by a technological measure which Δ circumvented (*see above*)
      3. That 3rd parties can now access
      4. Without authorization, in a manner that
      5. Infringes/facilitates infringing a right protected by copyright because of a product that
      6. Δ either
         1. Designed/produced primarily for circumvention
         2. Made available despite limited commercial significance beyond circumvention
         3. Marketed for use in circumvention of controlling technological measures
      7. NOTE: No COA if technology doesn’t protect copyrighted work (*Chamberlain*)
         1. Access must bear reasonable relationship to copyright protection (*Chamberlain*)
         2. No protection if work is accessible other than through tech. protection (*Lexmark*)
   3. **DMCA Overview**

|  |  |  |
| --- | --- | --- |
|  | Access protection measures | Rights protection measures |
| Individual acts of circumvention | § 1201(a)(1) | No prohibition |
| Manufacturing or offering devices that circumvent | § 1201(a)(2) | § 1201(b) |

* 1. **Policy**
     1. Allowing protections
        1. Can block things that are in public domain, can limit fair use
        2. Less litigation if it actually stops infringement
     2. Should law protect this?
        1. Is it necessary to make authorship attractive? – No
        2. Concern: Electronic arms race, overprotection of things not under copyright, or rights holders refusing to put things online
     3. Bootstrapping (*Chamberlain*) – Take something not copyrightable, add protection measure, then use DMCA to get protection over otherwise unprotectable material
  2. **Cases**
     1. *Universal City Studios v. Reimerdes* (SDNY 2000)
        1. DVD encryption with CSS, kid cracks, writes/published DeCSS, Δ distributed
        2. Defenses
           1. Not DMCA violation – Court holds that “effectively controls access” just means “controls access” (*some* protection is enough); court discounts argument that it helps make Linux computers compatible (look @ software not intent)
           2. Protected by fair use – Held: this is DMCA, not copyright violation, so § 1201(c)(1) is not implicated – as applied challenge only, no facial challenge
           3. Protected by 1st. Am. 🡪 nope
     2. *Chamberlain v. Skylink* (Fed. Cir. 2004)
        1. Π garage door opener, Δ universal remote that lets users open Π’s doors
           1. Circumvented Π’s “rolling key” method
        2. Π doesn’t allege copyright violation – argument that because the opener & transmitter use programs under copyright, and because rolling codes are a technological measure, access is controlled - § 1201(a)(2)
        3. Held: If technological measure isn’t protecting copyrighted material, there is no DMCA claim
           1. Elements of DMCA § 1201(a)(2) claim – fails because users had unrestricted license, and countermeasure doesn’t protect copyrighted material
           2. Π’s argument ignores distinction between Δ’s products enabling copying and Δ’s products enabling legit. uses of Π’s copyrighted software
     3. *Lexmark v. Static Control Components* (6th Cir. 2005)
        1. Π printers/cartridges, Δ makes chips allowing 3rd parties to refill Π’s cartridges in violation of license agreement
        2. Program on Δ’s chip is small (no copyright), exactly copies Π’s program
        3. Held: DMCA doesn’t apply when access control doesn’t restrict access
           1. Copyrighted work is freely accessible by other means – Π must prevent all access to the work
        4. Concurring: Question is the purpose of the technology – chip isn’t intended to reap any benefit from the program, just make Δ’s competing cartridges inoperable with Π’s printers

1. **CONTRACTS AND PREEMPTION**
   1. **Analysis – Ks and Licenses**
      1. **Factors to Determine K or License** (*Vernor*)
         1. Whether agreement is labeled a license
         2. Whether copyright owner significantly restricts user’s ability to transfer software
         3. Whether copyright owner imposes notable use restrictions
      2. **If Agreement is a License**
         1. No fair use exception
         2. No essential step defense
      3. Copyright owner who grants nonexclusive license waives right to sue licensee for copyright infringement – only breach of K available (*Jacobsen*)
         1. If license is limited in scope, and licensee acts outside the scope, THEN Π can bring copyright infringement (*Jacobsen*)
         2. If terms are covenants – breach of K, if conditions – infringement
            1. “Provided that…” – Condition (*Jacobsen*)
      4. K gives damages and state court jurisdiction
      5. Copyright gives damages, injunction, statutory damages, fee shifting, etc.
   2. **Policy – Ks and Licenses**
      1. K requires consideration, license doesn’t – agreements can be both K and license
      2. **Restrictive Licenses on Alienation (*Vernor*)**
         1. Π argues the license (1) allows tiered pricing, (2) increases sales, (3) lowers prices by spreading costs, (4) reduces piracy
         2. Δ argues (1) law’s aversion on restraints on alienation, (2) forces everyone to trace chain of title, (3) ignores economic realities when copyright owner releases software without expectation of return in exchange for payment, (4) facilitates secondary markets/cheaper options, (5) these are Ks of adhesion, (6) undermines existence of libraries
   3. **Cases – Ks and Licenses**
      1. *Vernor v. Autodesk* (9th Cir. 2010)
         1. Π sells AutoCAD, CTA had licenses they sold to Δ after upgrading, Δ sold on eBay – DMCA take-down/response battle
         2. Held: First sale/essential step require Δ to be owner, not licensee
            1. Essential step (§ 117 – no infringement by making copy of a program as essential step in using the program)
            2. Consider: Did Π retain title? Require return/destruction? Forbid duplication? Require transferee to maintain possession?
      2. *Jacobsen v. Katzer* (Fed. Cir. 2008)
         1. Open source license requiring derivative work to include author’s name, copyright notice, COPYING file w/ license terms, ID of Π and Sourceforge as source of files & description of modifications
         2. License creates conditions based on “provided that” language
            1. No license without those conditions, required for Π to get people to his site to contribute, conditions were clear and invited negotiation
   4. **Analysis – Copyright Misuse**
      1. Misuse precludes *enforcement* so long as there is misuse (*Video Pipeline*)
      2. Misuse defense is available even if Δ is not subject of the misuse (*Video Pipeline*)
         1. Consider: Using copyright to restrict dissemination of info or to disrupt copyright’s goal to increase the store of creative expression for public (*Video Pipeline*; *Napster*)
         2. Antitrust violations can be copyright misuse if undermining copyright policy
            1. Need nexus between anticompetitive action and Π’s power over the material
      3. Copyright holder using copyright to restrain creative expression (think DMCA actions over token copyright)
      4. Restrictions on use should be reasonable
      5. Not a defense to K claims (*Napster*)
   5. **Case**
      1. *Video Pipeline v. Buena Vista Home Entertainment* (3d Cir. 2003)
         1. Δ puts movie trailers on internet, Disney sues
         2. Δ claims misuse – Disney licenses with other companies preventing licensee from criticizing/defaming Disney/movie industry
         3. Held: Not misuse – Critics can comment on other websites, can repudiate and turn to fair use, Π doesn’t have to license to anyone that walks in
   6. **Preemption**
      1. **§ 301**
         1. (a) On/after 1/1/1978, all rights equivalent to § 106, in fixed works of authorship under §§ 102-03, whether produced before/after that date and whether published/unpublished, are governed by this title – eat it state/common law
         2. (b) Nothing in this title annuls/limits anything under state/common law WRT
            1. Subject matter outside §§ 102, 103, including unfixed works
            2. COA arising out of undertakings commenced before 1/1/1978
            3. Activities violating legal or equitable rights not equivalent to § 106 right
      2. **Types:** Express, Frustration (conflict), Field (*Goldstein* holding no field in copyright)
      3. **Analysis**
         1. State laws may – Expand/restrict copyright and both are subject to preemption
            1. Consider: Databases, sound alikes, useful articles, ideas, facts
         2. Test
            1. Subject comes under copyright
            2. Right asserted is equivalent to a § 106 right

Consider: Is there an “extra element” in addition to copyright elements

* + - 1. Preemption and K-Law – 2 Interpretations
         1. Analyze breach and determine if § 106 violated 🡪 preempted is yes
         2. Mutual assent + consideration renders COA breach of K different from copyright infringement 🡪 never preempted

*ProCD*/*Bowers* – Copyright sets default, parties can opt in/out by K

* + 1. **Policy** – Fed. copyright gives uniformity, Open question whether K of adhesion opting in/out of copyright remedies is misuse
  1. **Case – Preemption**
     1. *Bowers v. Baystate Technologies* (Fed. Cir. 2003)
        1. Π marketed patented software under license prohibiting reverse engineering
        2. Held: K claim doesn’t affect *Atari* holding that reverse engineering is fair use – but you can waive affirmative defenses by K
           1. Parties can efficiently breach and be subject to the resulting damages
        3. Dyk Dissenting
           1. Permits state K claim to eviscerate fair use – test should be whether it substantially impedes the public use of the otherwise unprotected material
           2. State can permit parties to K out of fair use, but should require arm’s length, free negotiations, not K of adhesion (negotiation is the “extra element”)

Fall 2013

Jeanne Fromer – Copyright Law – Short Attack Outline

**Strategy**

Analyze Π’s status

1. Author
2. Original – limitations – what is protected?
3. Not expired – Spot: language referencing duration

Analyze which rights are infringed

1. Cite individual rights
2. Apply facts
3. A v. B type-analysis, but don’t duplicate efforts unnecessarily

Consider also

1. Moral rights
2. DMCA

Secondary Liability

1. Vicarious
2. Contributory
3. Limitations

Ks/Preemption

1. Remember, if use is covered, only K damages
   1. Remember if only K remedies – no federal jx w/out diversity
2. Spit out preemption arguments if there is a K – free points!
3. Watch out for easy misuse arguments!

|  |  |
| --- | --- |
|  | General Authorship |
|  | Joint Work |
|  | Work for Hire: Employee in the scope |
|  | Work for Hire: Independent Contractor |

1. **AUTHORSHIP** (p. 14)
   1. **Authorship** vests initially in the author(s) of the work (§ 201(a))
      1. An author **exercised a high degree of control** over a work
      2. That **is a product of his/her original intellectual conceptions** (*Titanic* (SDNY))
      3. An author **superintends/masterminds** the work, **exercises control** (*Aalmuhammed*)
   2. **Joint Works** are prepared by 2+ authors
      1. **With the intention** their contributions be **merged** into inseparable parts of a unitary whole (§§ 101 (Joint Work), 201)
         1. **Each contribution** must be individually copyrightable (*Trinity* (7th))
            1. Nimmer argues *de minimis* is ok if final is copyrightable
      2. Consider: Decision making authority, objective manifestations of intent, whether audience appeal turns on both contributions and share in success can’t be appraised (*Aalmuhammed* (9th))
      3. Joint authors are **tenants in common** – Nonexclusive licenses ok, exclusive requires approval of all, accounting for generated rents
   3. **Work for Hire** – Either employee in the scope or an independent contractor
      1. Must be an employee working within the scope of employment
         1. ***Reid* factors to determine employee** (Most important under *Aymes* in BOLD)
            1. **Right to control work being performed**
            2. **Skill required**
            3. Source of instrumentalities and tools
            4. Location of the work
            5. Duration of the relationship
            6. **Right to assign additional projects**
            7. Hired party’s discretion
            8. Method of payment
            9. Role in hiring and paying assistants
            10. Regular course of employer’s business
            11. **Payment of employee benefits, taxes**
         2. Consider: RTA §7.07(3)(a) – Employee has a principal that controls manner/means of agent’s performance of work
         3. ***Roeslin* (DDC) and RSA § 228 to determine scope**
            1. Kind of work employed to perform
            2. Occurs substantially within authorized work hours
            3. Actuated, at least in part, by a purpose to serve the employer
      2. Alternately can be an **independent contractor** (§ 101 enumerating categories)
         1. Specially ordered or commissioned
         2. Within an enumerated category: Contribution to collective work, part of a motion picture/AV work, translation, supplementary work (intro/conclusion, illustration, etc.), compilation, test, answer for test, atlas
         3. With written agreement signed by both parties IDing it as work for hire
   4. **Cases**
      1. *Lindsay v. The Wrecked & Abandoned Vessel R.M.S. Titanic* (SDNY 1999)
         1. Documentary on salvage of Titanic – story boards, drawings, camera angles, shooting sequences, design/fabrication of lighting, etc.
         2. Held: Δ is not author for holding camera, Π’s conception/vision/control
      2. *Erickson v. Trinity Theater* (7th Cir. 1994)
         1. Argument that Δ’s actors co-authored Π’s plays
         2. Held: Need individually copyrightable contribution – More than directions/ideas
      3. *Aalmuhammed v. Lee* (9th Cir. 1999)
         1. Held: Π, consultant on *Malcolm X*, who made substantial revisions and collaborated to create 2 scenes was not a co-author
         2. 9th Cir. rescued Δ for neglecting to K w/ Π who wanted authorship credit
            1. Must mastermind/superintend, manifestation of intent to combine
      4. *Community for Creative Non-Violence v. Reid* (1989)
         1. CCNV hires Reid to make nativity scene w/ homeless people
         2. Held: IC, not employee, question whether CCNV is co-author
      5. *Aymes v. Bonelli* (2d Cir. 1992)
         1. Aymes hired to make computer programs under Bonelli’s direction
         2. No express agreement re copyright
         3. Considers *Reid* factors – not employee, suggest tax/benefits dispositive
      6. *Roselin v. District of Columbia* (DDC 1995)
         1. Roeslin writes program in spare time, at his own cost, against supervisor orders
         2. Massively streamlines duties (but duties don’t involve programming)
         3. District adopts program and asserts ownership
         4. Held: Outside scope of employment, not work for hire even though made to benefit the employer

|  |  |
| --- | --- |
|  | Cite § 102 |
|  | Fixed |
|  | Original (CITE *Feist*!) |
|  | Idea Expression Limitation |
|  | Derivative, useful, architectural, program, character |

1. **COPYRIGHTABLE SUBJECT MATTER** (p. 3)
   1. **Statute**
      1. 17 U.S.C. § 102 – Subject Matter of Copyright: In General
         1. (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. Including:
            1. **Literary works**
            2. **Musical works**, including accompanying words
            3. **Dramatic works**, including accompanying music
            4. **Pantomimes and choreographic works**
            5. **Pictorial, graphic, and sculptural works** (PGS)
            6. **Motion pictures** and other audiovisual works
            7. **Sound recordings**
            8. **Architectural works**
      2. (b) Copyright does not 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
   2. **Fixation** (p. 4)
      1. Work is “fixed” when **embodiment is sufficiently permanent/stable** to be **perceived** for a period of **more than transitory duration** (§ 101)
         1. Doesn’t need to be human-readable (*White Smith v. Apollo* (1908) piano roll)
         2. Change/include user input if repetitive/predictable (*Williams Elec.* (3d Cir.))
         3. RAM is fixed (*MAI* (9th Cir.)), 1.2s in buffer is not (*Cartoon Network* (2d Cir.))
         4. Simultaneous recording of live performance (§ 101)
   3. **Originality** (p. 5)
      1. Work must (1) **independently created** with (2) a **modicum of creativity** (*Feist*)
         1. Creativity is minimal (*Bleistein* (1903) – nondiscrimination principle, posters)
         2. More than trivial variation, by happenstance (*Alfred Bell* (2d Cir) mezzotints)
         3. Subjective effort to make perfect copy is not original (*Meshwerks* (10th))
         4. No “sweat of the brow” (*Feist* – Phone books, alphabetical listings)
         5. Flower bed is not original (*Chapman Kelley* (7th Cir.))
      2. **Photographs**
         1. Rendition (*how* – angle/light/exposure/etc.); Timing (right place @ right time – theoretically can be recreated); Creation of subject (photographer creates scene by directing/arranging elements – can infringe with effort to recreate)
            1. Extent of protection will track originality (*Mannion* (SDNY) Garnett picture)
   4. **Idea/Expression Limitation** (p. 6)
      1. Copyright protects only expressions of ideas (*Baker* forms; *Erickson* Pi; § 102(b))
         1. Interpretation of historical event is idea, expression of interpretation is copyrightable (*Hoehling* (2d) Hindenburg sabotage theory)
         2. Taxonomies/compilations are at the margin (*American Dental*; *Feist*; *Baker*)
      2. **Merger** – If only limited ways to express an idea, idea/expression merge (*Morrisey*)
         1. Can copy Π’s expression if merged – infringement expressed at high level of abstraction (*Erickson*) (broad: chicken dinners vs. narrow: *this* chicken dinner)
         2. *E.g.*, instruction manual (*Morrisey* (1st) instruction for sweepstakes)
         3. Possible thin copyright (*Johnson v. Phoenix* (9th Cir.))
      3. ***Scenes a faire*** – Common phrases/events audiences expect/are indispensable from a specific topic (*Atari v. Phillips* (7th Cir.); *Walker* (2d) standard things from S. Bronx)
      4. **Blank Form Doctrine** – Blank forms (time cards, graph paper, diaries, bank checks, etc.) which are designed for recording info, and don’t in themselves convey info, are not copyrightable (37 C.F.R. § 202.1(c))
   5. **Derivative Works** (p.8)
      1. Derivative must have **original contribution not present** in underlying work
         1. *L. Batlin* (2d) Must be non-trivial – not dictated by functional need (Plastic Uncle Sam bank) – Exception for “exceptional skill” copy (*Alva* SDNY Hand of God)
      2. If underlying work is in public domain, and derivative work sufficiently changes the form of the underlying work 🡪 original (*Doran* – *i.e.* 2D vs. 3D, etc.)
      3. If underlying work is under copyright (*Entertainment Research* (9th); *Durham*)
         1. Original aspects of derivative must – (1) Be more than trivial (*L. Batlin*), (2) Not rely on functional considerations, (3) **Not affect the scope of any copyright** in the underlying work (§ 103(b))
   6. **Compilation**
      1. Databases – Thin rights – selection, coordination, arrangement (*Feist*)
         1. Requires originality in the arrangement (*Bellsouth* (11th) phone books))
         2. Requires **discretion**, **judgment** and **skill** (*Mason* fancy maps; *American Dental*)
         3. Ideas infused with author’s taste/opinion are original (*CCC* – red book values)
      2. **Overall look and feel** of original arrangement of unoriginal elements (*Roth Greeting*)
      3. Examples: Maps (*Mason*), greeting card (*Roth Greeting*), Databases (*Bellsouth, CCC*, *American Dental*) – WATCH OUT FOR MERGER!
   7. **Useful Articles** (p. 10)
      1. Pictorial, graphical, or sculptural work
      2. Design is **physically separable** without impairing utility? (*Mazer* (1954) lamps)
      3. 2d Cir.: Expression is **conceptually separable** as creative work
         1. Primarily aesthetic or functional? Marketable as art? (*Kieselstein* buckles)
         2. Aesthetic/utilitarian features inextricably intertwined? (*Barnhart* torso forms)
            1. Ornamental aspects *required* by utilitarian function
            2. Or engender 2 separate concepts in observer’s mind? (*Barnhart dissent*)
         3. Artist seek aesthetic or utilitarian ends? (*Brandir* squiggly bike rack)
            1. Modifications made for functional consideration that dominate design
            2. Design cause reasonable observer to perceive aesthetics unrelated to use? (*Brandir dissent*)
      4. Alternative: Design Patent 🡪 35 U.S.C. §§ 171-173
         1. Novel, non-obvious, ornamental, and non-functional
         2. 14y term
         3. *See also* Semi-Conductor Chip Act, Vessel Hull Design Protection Act
   8. **Architectural Works** (p. 11)
      1. **Only** applies to buildings **after** Dec. 1, 1990 – Else useful article (*e.g.* gargoyles), plans protected, but people can build based on lawfully acquired plans
      2. **§ 102(a)(8)** – Excludes non-habitable structures/standard features, plans protected and can’t build even if lawfully acquired
      3. **§ 120** – (a) Pictures allowed, (b) modification/destruction allowed
      4. Protection is thin, like compilation, **overall form** and **arrangement/composition** of spaces and elements
         1. *Intervest* (11th) significant mods can defeat substantial similarity
         2. *Nelson-Salabes* (D. Md.) Y-shape, bay windows, entrance – Pub. Dom., but original arrangement
   9. **Computer Programs** (p. 12)
      1. Source/object code copyrightable (§ 101, *Apple* (3d))
      2. **Idea/Expression** limitation – Aspects necessarily incident to an idea, system or process are not copyrightable (*Altai* (2d) “cleanroom” rewrite is not infringing)
      3. **Test (*Altai*)**
         1. Abstraction – idea-flow chart-modules-algorithms-source code-object code
            1. Towards the right, stronger rights, but thin none-the-less
            2. Higher levels of abstraction would only be protected as compilation (*Softel*)
         2. Filtration – Efficient modules approach idea, elements dictated by external factors (compatibility, industry practice, functionality, mechanical specifications, hardware constraints, etc.) not copyrightable, public domain elements
            1. Consider: originality, merger, *sense a faire*
         3. Comparison – Result is thin copyright usually limited to literal copying
   10. **Fictional Characters** (p. 12)
       1. Characters must be delineated in sufficient detail (*X One X*)
          1. **Literary Characters**: Copyrightable only if they constitute the story being told (*Warner Brothers v. CBS* (9th Cir. 1954) – Sam Spade case)
          2. **Graphic Characters** (Mickey Mouse): Copyrightable only if delineated in sufficient detail (*X One X*; *Air Pirates*)
          3. **Visual Characters**: Copyrightable only if they **display consistent, widely identifiable visual characteristics** (*X One X*) – concern: idea/expression
       2. **Cases**
          1. *Warner Bros. v. X One X* (8th Cir. 2011)
             1. Pub. Dom. Posters of Π’s copyrighted films depicting characters
             2. Δ makes: stuff w/ images (noninfringing), stuff w/ images and catch phrases (infringing), 3D models/dolls (infringing)
             3. Analysis: Posters are very thin version of character compared to film
          2. *MGM v. American Honda Motor Co.* (CD Cal.) (holding that Π’s copyright in the James Bond character, based on stable aspects of the character throughout the movies, covered Δ’s depiction of a similar (though arguably generic) tuxedoed action figure in a car commercial)
             1. Criticism: Distilling character across many works rapidly approaches an idea, concerns about monopolizing the “action hero spy”

|  |  |
| --- | --- |
|  | Publication |
|  | Notice |
|  | Registration |
|  | Duration, Renewal, Termination |
|  | Deposit/Restoration |

1. **FORMALITIES** (p.18)
   1. **Publication**
      1. Distribution to **a select group** for a **limited purpose** is not publication
         1. Public performance generally not publication (*King* – 200k people)
            1. Same for distributing architectural plans for a bid
         2. Distribution to news media = select group for limited purpose (*King*)
      2. **Forfeiture** occurs when work is available **to the public at large** without regard to who they are/what they do with it
   2. **Notice** – Eliminates “innocent infringement” defense, constructive notice, not required
      1. Published pre-3/1/1989 (mandatory, cured w/in 5y) pre-1/1/1978 (forfeit if omitted)
   3. **Registration**
      1. Prerequisite to suit (not for post-Berne non-US works) (§ 411(a))
      2. § 408 – *Prima facie* validity (preponderance from Δ)
      3. § 412 – Statutory damages and fees available
      4. Pre-1/1/1978 – Mandatory for renewal
   4. **Duration**
      1. Published w/ notice **1923-1964** – 28y + 67y (95y total) after renewal
         1. Renewal – If author survives, assignment remains. If author dies, rights revert to heirs. Authors of derivative works lose rights in the original (*Stewart*)
      2. Published w/notice **1964 – Jan. 1 1978** – 95y, auto-renewal @ 28y
         1. Renewal – Timely renewal vests author’s contingent interest and reverts assignments back to author (or heirs) including derivative works

**Consider all of:**

**1) Duration**

**2) Renewal**

**3) Termination**

* + - 1. Registering renewal gives statutory damages, attorney fees, seizure/forfeiture
      2. Author can’t terminate right to exploit derivative, but can terminate rights in new derivative works (§ 304(c)(6)(A))
      3. **Termination (§ 304(c)/(d))**
         1. Transfers conveying interest in renewal term including by author or heirs (not works for hire or by will), exercised by person making grant (unless author made the grant)
         2. During 5y window beginning 56y from date of copyright, or Jan. 1, 1978 if later, second chance between 75-80y against subsequent assignments from first grant
    1. Fixed after **Jan. 1, 1978** – Life of author + 70y, anonymous or work for hire is shorter of 120y from creation or 95y from publication
       1. **Termination (§ 203)**
          1. Single/joint works (not work for hire), transfers by authors (not heirs/by will), exercised by author or majority interest in work
          2. During 5y period beginning 35y from date executing grant

For right of publication, 35y from publication, or 40y from execution (earlier of the two)

* + - * 1. Notice 2-10y prior to effective date, recorded with copyright office
        2. Derivative can exploit according to original term, but nothing new
    1. Works created but unpublished by Jan. 1, 1978 – TERM EXTENSION
       1. Not published before Jan. 1, 2003 – Can’t expire before Dec. 31, 2002
       2. Published before Jan. 1, 2003 – Can’t expire before Dec. 31, 2047
  1. **Deposit** – Pre-requisite to suit, unrecorded transfers void against subsequent *bona fide* purchasers for value (§ 407)
  2. **Restoration**
     1. Effective Jan. 1, 1996 (§ 104A(d)(1))
     2. Must be **foreign work**, lost due to failure to follow formalities (§ 104A(h)(6)(C))
     3. Copyright must still be valid in source country
  3. **Cases**
     1. *Estate of Martin Luther King Jr. v. CBS* (11th Cir. 1999)
        1. King’s “I have a dream” speech to 200k people/news was not general forfeiture (select group/limited purpose), CBS can’t use their footage for documentary
     2. *Eldred v. Ashcroft* (2003) – **Constitutionality of term extension**
        1. “Limited time,” promoting the progress,” & 1st Am. challenge to term extension
        2. Limited time – just requires *some* end – rational basis aligning with euros
        3. Promote progress – Already part of consideration with authors for works
        4. 1st Am. – About protecting one’s own speech, not borrowing from others – protection from fair use, idea/expression are enough
     3. *Golan* – SC affirms foreign reinstatement under *Eldred*
     4. *Stewart v. Abend* (1990)
        1. Holding author must survive to renewal period for valid assignment of renewal rights – allowed copyright troll COA against movie studio after author died
  4. **Note – Policy Problems with Term Extension**
     1. Inconsistent to give more rights without more public benefit
     2. “Limited” is irrelevant if terms can always just be extended
        1. Patents were renewable, now attempts to K for longer terms are patent misuse
     3. “Promoting progress of science and the useful arts”
        1. Extension adds no value, just robs public domain
        2. Undermines the tit-for-tat incentive scheme
        3. 1976 Act has term run from creation not publication which is inconsistent here
     4. Extending rights to works with no commercial value – difficult to track down right holder, holder may be impossible to find, and may deny permission or engage in hold-up bargaining
     5. Fair use is limited
  5. **Justifications for term extension**
     1. Corresponds to increasingly longer lifespans, otherwise not much (*see above*)

1. **DIRECT INFRINGEMENT** (p. 21)

|  |  |
| --- | --- |
|  | Cite § 106 rights infringed |
|  | Describe the right |
|  | Lay out the test |
|  | Apply the facts |
|  | Move on! |

* 1. **Statute**
     1. **§ 106** – Exclusive rights in copyrighted works
        1. Reproduction

Note:

Threshold question is whether Π has ownership in an original work of authorship, fixed, with copyright still in effect!

* + - 1. Adaptation (derivative works)
      2. Public distribution
         1. Importation (§ 602)
      3. Public performance
      4. Public display
      5. Transmission
      6. Digital performance rights (DPRDRA 1995)
      7. Moral rights (§ 106A) (VARA 1990)
      8. Anti-circumvention protections (§§ 1201-02) (DMCA 1999)
    1. DAT restrictions, Taxes (§§ 1002-07)
  1. **Elements** – (1) Actual reproduction (copying in fact) of (2) protected material (3) that is substantially similar to the original (note: generally must be fixed, not original (piracy))
  2. **Copying in Fact – Actual Reproduction** (p. 21)
     1. **Direct** evidence of copying or
     2. **Circumstantial** evidence of copying (*Three Boys* (9th) Bolton infringing Isley Bros.)
        1. **Access** – Reasonable opportunity (more than bare possibility)

Probative similarity is better than striking. Striking can be disproven by showing copying from a common source, whereas probative undercuts that argument

* + - * 1. Wide dissemination, possible chain of custody, subconscious copying
      1. **Similarity** to the work suggesting copying (copyright &noncopyrighted elements)
         1. Probative similarity – Copied irregularity/unexpected aspect (*Selle* (7th))

Disproves copying from a common source/style

* + - * 1. Striking similarity – If works don’t originate from pub. dom. Elements (*Ty*7)
      1. Δ can rebut by showing lack of access/independent creation (*e.g.*,studio tapes)
  1. **Right of Reproduction** (p. 22) (§ 106(1)) (***see cases at p. 23!!***)
     1. Works are exact or substantially similar copies (*Nichols* (2d) – Specific not general – story re Jewish/Irish family intermarriage, play/movie)
     2. Second Circuit – Discerning Observer
        1. Whether the *average lay observer*, unless he set out to detect disparities, would be disposed to overlook them, and regard aesthetic appeal as the same (*Boisson*)
           1. The discerning would still find same with uncopyrightable elements filtered
           2. Consider: “Total concept and feel”
        2. *Boisson*: Quilts with alphabet/icons – color, layout, selection of icons
        3. *Mannion*: Garnett photo
     3. Ninth Circuit – Extrinsic/Intrinsic Test
        1. Extrinsic (ideas) – Fact question (MSJ ok; *Cavalier*), dissection/experts ok (*Krofft*), objective comparison of protectable elements (*Cavalier*)
        2. Intrinsic (expression) – Ordinary reasonable person and find total concept and feel substantially similar – no dissection/experts (*Krofft*)
        3. *Krofft* – Pufnsnuf ripped off for McDonalds commercials – infringed
        4. *Cavalier* – Π submits 280pgs of materials, moon character *sense a faire*, artwork/night light remanded for substantial similarity
  2. **Computers** (p. 22) – Experts ok (*Altai*) – Abstraction/filtration/dissection
     1. Elements dictated by efficiency merge, elements dictated by external factors are *sense a faire* (standards, compatibility), elements in public domain.
     2. Determine level of abstraction and amount of overlap
  3. **Exceptions – Exact Copying Allowed If:** (p. 22)
     1. Non-profit/library can distribute single copy if non-commercial, available to public and notice of copyright included (§108)
     2. Copying by owners (not licensees) of computer programs allowing use (§ 117)
     3. Ephemeral copies by broadcasters (§§ 112, 118)
     4. Innocent infringer (§405(b)) – Infringing use prior to Berne convention implementation in 1988 where there is no notice of copyright and no actual notice
  4. **Right of Distribution** (p. 24) (§ 106(3))
     1. Making a work *available only* is not distribution (*Capitol Records* (D. Minn.))
        1. Minority: Availability alone is sufficient (*Hotaling*)
     2. **First Sale (§ 109(a))**
        1. Can’t control alienation beyond first sale (*Bobb’s-Merrill*)
        2. Except: No commercial rental of phonorecords or computer software (§ 109(b))
     3. **Importation (§ 602(a))**
        1. Work lawfully manufactured in US for export and subject to first sale abroad
           1. § 602(a) applies through § 106(3) 🡪 subject to first sale (*Quality King*)
        2. Work lawfully manufactured abroad and subject to valid first sale abroad
           1. First sale applies here also (*Kirtsaeng*)
     4. *Capitol Records* (D. Minn.) – Proof of actual distro required for songs on Kazaa
        1. Investigators ok even though Π technically can’t infringe their own copyright
     5. *Bobb’s Merrill* (1908) – Distributor can sell books below MSRP after they purchase
     6. *Kirtsaeng* (2013) – Copies made outside US under license are subject to first sale
  5. **Derivative Works** (p. 26)
     1. Second Circuit – Substantial Similarity
        1. *Castle Rock* – If work is non-transformative and substantially similar
           1. Qualitative – more than *de minimis*
           2. Quantitative – copying expression or merely ideas
        2. *Warner Brothers* – Derivatives recast the same material into another medium or retell the story in a different way
     2. **Fixation**
        1. Works needn’t be fixed to be derivative but must incorporate protected work in a concrete/permanent form (*Galoob* Game genie) – Embodied *in some way*
        2. S*ubstantially incorporate* protected material from original work (*Micro Star*)
        3. Copyright owner has the right to prepare sequels (*Micro Star* Nukem MAP files)
     3. Derivative works – Shielded from termination and term restoration
        1. Reconstituting Π’s products into derivative works can kill first sale defense (*Compare Mirage Editions* (destroy book-infringe) *and Lee v. A.R.T.* (post card-noninfringing)(custom, change in form, consumptive vs. productive use)
  6. **Public Performance** (p.30)
     1. No first sale (*Columbia Pictures* (3d) – 4 person booths showing videos)
     2. Literary, musical, dramatic, choreographic works, pantomimes, motion pictures and AV works (§ 106(4))
  7. **Public Display** (p. 30)
     1. Literary, musical, dramatic, choreographic works, pantomimes, pictorial, graphic, or sculptural works, including individual images of a motion picture or other AV work (§ 106(5))
     2. **§ 109(c) – First Sale** – Lawful owner of copy can display without permission at the place where the copy is located
  8. **“Public”** (p. 31)
     1. Place where it takes place is public, accessible by lots of people (size/composition)
     2. Transmitted to the public
     3. Consider
        1. Functional – Market substitution effects or analogy to public place (*e.g.*, movie theater) (*Columbia Pictures*)
        2. Technical – Single copy transmitted to single person, even if many people are able to watch their individual copies (*Cartoon Network* (2d) Remote DVR svc.)
     4. Factors – Control of the copy, control of the machine, privacy, in-home or not
        1. Transmit Clause Analysis
           1. “Transmit” requires consideration of the audience – viewed by public? 🡪 public, viewed by singe subscriber? 🡪 not public
           2. Don’t aggregate private transmissions not capable of being received by the public *unless* private transmissions are received from a single copy
  9. **Exceptions to Public Performance/Display Right**
     1. § 110
        1. (1) Face-to-face teaching in nonprofit educational institution
        2. (2) Some distance learning – integral part of class session
        3. (3) Performance of nondramatic literary/musical work or of dramatico-musical work of a religious nature, or display in the course of services at a place or worship or other religious assembly
        4. (4) Performance of nondramatic literary/musical work other than in a transmission to the public, without any purpose of direct/indirect commercial advantage and without payment of fee/compensation
        5. (5)(A) Home-style transmissions, (B) Small business/restaurant if limited speakers/TVs
        6. (8) Public display or performance for the handicapped
  10. **Musical Works and Sound Recordings – Remember 2 rights involved!** (p.32)
      1. Copyright in musical recordings available since 1972!
      2. **Reproduction/Distribution/Derivative works**
         1. **§ 115** – Compulsory license for covers of musical works (Harry Fox)
            1. NOT web streaming (recording only), covers of music distributed to public embodied in a recording (no sheet music)
            2. (a)(2) – Can’t change basic melody/fundamental character of the work, can make new arrangement to conform to style of artist
            3. Royalty – 9.1c or 1.75c per min. (greater of 2) to Harry Fox
         2. **§ 114** – Reproduction right in sound recordings
            1. Can’t reproduce the actual sounds fixed in the recording
            2. Derivative right is limited to work that uses the actual fixed sounds (sampling)
            3. Does not apply to making/duplication of “sound alikes” – reproduce the sound
            4. **Sampling**

*De minimis* – When the average listener wouldn’t recognize the appropriation there is no infringement (*Newton* (9th Cir. 2004) – Beastie license in recording not composition)

Fragmented literal similarity – Taking something small, but identically, which doesn’t capture any substantial elements of the work

Sampling of a sound recording infringes the owner’s exclusive right to sample his own recording – no *de minimis* exception (*Bridgeport* (6th) Δ sampled w/ license for music, not recording)

* + - 1. **§§ 1001-1008 – Audio Home Recording Act (AHRA)**
         1. Technological constraints on recording devices – serial copy management
         2. Royalty tax on devices/blank media
         3. **Immunity for noncommercial in-home copying (1008)** – noncommercial use by consumer for making digital or analog musical recordings
         4. *RIAA v. Diamond* (held Rio MP3 player makes copies for portability of owned songs 🡪 covered by § 1008)
         5. *A&M Records v. Napster* (AHRA doesn’t apply to downloaded MP3s)
    1. **Public Performance** (p. 33)
       1. § 106(4) – Musical works (license – ASCAP, BMI, SESAC blanket license)
       2. § 106(6) – Sound recording (only digital audio transmission)
       3. Public performance by digital audio transmission triggers both rights
       4. § 114(d) – License
          1. Interactive (user chooses songs w/ some specificity – requires specific license)
          2. Less interactive ((1) No signal casing receiver to change channels, (2) no pre-announcing songs, (3) ID songs sent, (4) weird requirement about how many songs per artist/album can be played – Compulsory License)
          3. Completely non-interactive (no license)
       5. § 114(j)(7) – Interactive service enables member of the public to receive a transmission of a program specially created for the recipient, or on request, a transmission of a particular sound recording selected by the recipient
       6. *Arista Records* (2d) (semi-custom radio station webcaster is not interactive)
          1. No market substitution
  1. **Moral Rights – Visual Artists Rights Act (VARA - § 106A)** (p. 29)
     1. Work of visual art (§ 101 – PGS)
     2. Asserted by the author (NOT work for hire!)
        1. Not waived by signed writing
     3. Must be made for exhibition purposes only (*Lilly* (DDC) photo “studies” for painting)
        1. Analyzed at time of creation – photos rarely qualify (*Lilly*)
     4. Singed/numbered
     5. **Protections**
        1. False or no attribution
        2. Intentional distortion, mutilation, or modification that is prejudicial to author’s honor/reputation
        3. Destruction of a work of recognized stature
           1. Must be **meritorious** and **recognized** by experts, members of art community, or cross-section of society (*Martin* (7th) – sculpture removed w/out notice)

*Martin* dissent: submitted articles were hearsay – would require experts

* + - * 1. **Only applies to specific embodiments of the work**
    1. Subject to – Fair use, modification due to passage of time/conservation (§ 113(d)(2) – building owner can remove if author is given notice)
    2. Duration – If after 6/1/1991 – author’s life, else co-extensive with copyright if rights held by author on 6/1/1991, else no protection

1. **INFRINGEMENT** (p. 34)
   1. Requires: (1) Valid copyright and (2) infringement of an exclusive right
   2. **Direct Infringement** – Strict liability requiring a volitional act (*Netcom* (NDCal) BBS)
      1. Ask employee to operate a copying system 🡪 volitional (*Redd Horne*)
      2. System automatically copies based on user input (BBS) – non-volition (*Netcom*)
   3. **Vicarious Liability**
      1. Right and ability to supervise infringing activity (*Fonovisa* (9th) swap meet)
         1. Legal right to stop/limit infringement & practical ability (*Perfect 10 v. Amazon*)
      2. Holds direct (or large indirect) financial interest in infringement (*Fonovisa*)
      3. Knowledge not required, employer/employee not required
   4. **Contributory Infringement**
      1. *Specific* (not generalized) knowledge of infringing activity (*Fonovisa*)
      2. Induce, cause, or materially contribute to direct infringement (*Fonovisa*)
         1. Provide site/facilities for known infringing activity is sufficient
      3. Computer System Operator (*Perfect 10 v. Amazon*)
         1. Actual knowledge of specific infringing material
            1. Knowledge of limited infringing activity not enough
            2. Requires specific information identifying infringing activity (*Napster*)
         2. Can take simple measures to prevent further copyright damage
         3. Yet continues to provide access to infringing works
      4. Computer system operator that learns of infringing material and fails to purge 🡪 contributory infringement (*Napster*)
      5. Requires a “direct connection” to infringing activity (*Perfect 10 v. Visa* (9th))
2. **DEVICE MANUFACTURERS** (p. 35) – Limitations on secondary liability
   1. **Substantial Non-Infringing Uses (*Sony v. Universal* (1984) Betamax)**
      1. One who sells a staple article/commodity of commerce
      2. Suitable for substantial noninfringing uses
         1. Anecdotal evidence of substantial noninfringing use (*Grokster* Breyer)
         2. Overwhelming infringement w/ no reasonable substantial noninfringing use likely to develop (*Grokster* Ginsburg)
      3. Is not liable for contributory infringement
         1. If device is *incapable* of noninfringing use 🡪 infringement likely (*Grokster*)
   2. **Induced Infringement (*Grokster* (2005) no central index, queries passed along nodes)**
      1. Actively entice, instruct, or persuade another to infringe and provide the means
         1. No intent as matter of law from the characteristics of the product alone
            1. Product distribution, customer technical support and product updates
            2. Providing instructions for infringement then willfully blinding to infringing activity is sufficient to show specific knowledge (*Aimster*)
3. **FAIR USE** (p.38)

|  |  |
| --- | --- |
|  | Cite § 107 |
|  | Factors |
|  | Apply the facts |

* 1. **§ 107 – Fair Use.** Fair use includes, *e.g.*, criticism, comment, news reporting, teaching, scholarship, or research 🡪 not infringement
     1. **Factors**
        1. Purpose/character of the use, including whether it is for commercial or nonprofit educational purpose
        2. Nature of the copyrighted work
        3. Amount/substantiality of the portion used in relation to the work as a whole and
        4. The effect of the use on potential market for or value of the copyrighted work
        5. Courts often add a “Public benefit” factor
     2. 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
  2. **Purpose of the Use**
     1. News reporting – Δ infringing a right or reporting uncopyrightable facts? (*Compare Harper & Row* (1985)(Ford memoire) *with Nunez* (1st)(Miss Puerto Rico scandal))
     2. Biographical/historical artifacts – Fair Use (*Bill Graham* (2d) GD coffee table book)
     3. Good faith/fair dealing (*Harper & Row*)
     4. Parody/transformative use is favored (*Campbell* (2d) Roy Orbison parody)
        1. Important for promoting social discourse, artist unlikely to license here
     5. Commercial character (*Campbell* (factor), *Harper & Row* (disfavored))
     6. Request for license doesn’t preclude fair use defense (*Campbell*)
  3. **Nature of the Copyrighted Work**
     1. Unpublished works heavily weigh against fair use (*Harper & Row*)
     2. Fictional/creative > protection than historical/factual (*Harper & Row*)
     3. Parody/transformative works undermine this factor because *the whole point* is to borrow from core expressive works (*Campbell*)
  4. **Amount/Substantiality Used**
     1. “Heart of the work” (*Harper & Row*) – BUT parody will focus on heart (*Campbell*)
     2. Quantitative/Qualitative
        1. Parody: Enough to ID then immediately departs w/ comment (*Campbell*)
        2. Work that can’t be apportioned will undermine this factor (*Nunez*)
        3. Can’t take more than necessary to conjure up the original (*Air Pirates* (9th))
  5. **Effect on the Market**
     1. Direct effects on market for original and derivative works (*Castle Rock* (2d) Seinfeld)
        1. Market usurpation is against fair use (*Campbell*) – Only uses Π likely to develop
        2. Market suppression (*e.g.*, reaction to criticism) is fair use (*Campbell*)
           1. Transformative works are less likely to usurp demand
     2. Π can’t exploit a market for parody/criticism to limit fair uses (*Bill Graham*)
  6. **Examples**
     1. *Harper & Row* (1985) (**not fair use** stolen quotes from Ford’s unpublished memoire)
     2. *Time v. Geis* (SDNY)(**fair use** charcoals from photos of Kennedy assassination film)
     3. *Salinger* (2d)(**not fair use** close paraphrase of Π’s unpublished letters in biography)
     4. *Campbell* (1994) (**fair use** parody of Roy Orbison “Pretty Woman”)
     5. *Air Pirates* (9th) (**not fair use** copy of entire comic with only small changes)
     6. *Leibovitz* (2d)(**fair use** parody of pregnant Demi Moore w/ Leslie Neilson’s face)
     7. *Rogers v. Koons* (2d) (**not fair use** sculpture because post card was unknown)
     8. *Castle Rock* (2d) (**not fair use** Seinfeld quiz book)
     9. *Nunez* (1st) (**fair use** pictures of Miss Puerto Rico for news publication)
     10. *Bill Graham* (2d) (**fair use** of GD concert photos in coffee table book – “artifacts”)
  7. **Technological Interchange** (p. 41)
     1. If disassembly is the only way to gain access to ideas/functional elements, and there is a legit reason to seek such access – disassembly is fair use of copyrighted work
     2. **Nature of the Copyrighted Work** – Thin copyright in software, copying is intermediate to discovery of unprotectable elements
        1. Antitrust motivation – favor innovation/interoperability
     3. Transformativeness favoring fair use can be based on functionality of Δ’s technology rather than expression (*Perfect 10*)
     4. *Sega* (9th) (**fair use** indie Sega games)
     5. *Sony v. Connectix* (9th) (**fair use** PlayStation emulator)
     6. *Perfect 10* (9th)(**fair use** Google thumbnail images – transformative as search tools)
     7. *Sony v. Universal* (1984) (**fair use** time shifting – no market effects, prohibition simply limits access with no corresponding benefit)
  8. **Market Failure** (p. 42) – **4th Fair Use Factor (Wendy Gordon)**
     1. Pro-Fair Use
        1. **Market Failure –** High transaction costs (*Sony*)
           1. *E.g.*, “Home uses” would be too expensive to negotiate, teaching uses, scholarship, research (*but see Texaco*), parodies/criticism
        2. **Socially Desirable Use –** Positive externalities not contemplated in licenses
        3. **Minimal Harm to Incentives**
        4. Owner desire to exercise impermissible restraint on dissemination (*Campbell*)
     2. Anti-Fair Use
        1. Use is harmful
        2. Widespread use would cause market collapse
        3. Right to seek licenses becomes cognizable under the 4th factor when the means for paying for it is easier (*Texaco*)
     3. Circularity: People might be paying royalties for a use out of risk aversion, which creates a market for the use (*Texaco* dissenting)
        1. Argument that transformative uses can short-circuit the market effect
     4. *Napster* (9th) (file sharing decimates CD market, fubars producer ability to enter digital sales – *but note* digital downloads were unavailable *because* of record cos.)
     5. *Texaco* (2d) (existence of mechanism to obtain copies of single scientific articles meant there was a market that individual copying was undermining)

1. **CONTRACTS** (p. 44)
   1. **Statute of Frauds** – § 204(a) Transfer of copyright, other than by operation of law, is not valid unless in writing and signed by the owner (or owner’s agent) of the right conveyed
      1. **Nonexclusive licenses** don’t need to be in writing (*Asset Marketing*)
   2. **§ 205(d) – Prevailing party in conflicting transfers**
      1. Transfer first executed and recorded w/in 1mo (2mo if executed outside US), satisfying § 205(c) (registration/proper ID of work) prevails
      2. **First transfer** still prevails if recorded before later transfer
      3. **Later transfer** prevails if recipient
         1. Records first
         2. Took in good faith, for valuable consideration, or on basis of promise to pay royalties, and
         3. Had no notice of earlier transfer
      4. Whether recorded or not, **nonexclusive license** prevails over conflicting transfer of ownership if license is in writing, & signed by author/agent so long as
         1. Taken in good faith, before conflicting transfer is recorded and
         2. Without notice of the conflicting transfer
   3. **Implied Nonexclusive License Test** (*Asset Marketing*)
      1. Licensee requests creation of a work
      2. Licensor makes and delivers it
      3. Licensor intends that the licensee copy and distribute the work
         1. Intent is at the time of creation and delivery manifested by conduct
         2. Factors
            1. Whether it was short-term or ongoing relationship
            2. Whether creator used written Ks limiting licensee’s rights
            3. Whether creator’s conduct indicated that use of the material without the creator’s involvement or consent was permissible
   4. **New Uses**
      1. Licensees may pursue any use **reasonably falling within the medium described in the license** – (*Bartsch*; *Boosey*)
         1. Exception: When new use was entirely unforeseeable at time of K
      2. Neutral principles of K-interpretation (*Boosey*; *Rosetta*)
         1. Dictionary definition, industry standard
         2. Actions indicating intent (Striking boiler plate provisions, retaining rights, etc)
      3. Does new use fall within the same medium as original grant? (*Rosetta*)
         1. Movie theater/video **in K** (*Boosey*), Print/eBook **not in K** (*Rosetta*)
      4. **Policy** – Encourage development of new technologies
   5. **Cases**
      1. *Asset Marketing* (9th) (dude developed software for AMS, paid $2mil, at request, per specs, delivered on their system, look @ writings 🡪 implied license)
      2. *Boosey* (2d) (“Rite of Spring in Fantasia – “in any manner, medium or form”)
      3. *Rosetta* (SDNY) (eBook – “in book form” – dictionary, term of art in industry)
2. **CONTRACTS AND PREEMPTION** (p. 52)
   1. **K vs. License** (Spot: Software clickwrap)
      1. **Factors to Determine K or License** (*Vernor*)
         1. Whether agreement is labeled a license
         2. Whether copyright owner significantly restricts user’s ability to transfer software
         3. Whether copyright owner imposes notable use restrictions
      2. **If Agreement is a License**
         1. No fair use exception
         2. No essential step defense
   2. **Breach of K vs. Copyright Infringement** (Spot: Behavior contemplated in K)
      1. Copyright owner who **grants nonexclusive license waives right to sue licensee for copyright infringement** – only breach of K available (*Jacobsen*)
         1. If license is limited in scope, and licensee acts outside the scope, **THEN** Π can bring copyright infringement (*Jacobsen*)
         2. If terms are covenants – breach of K, if conditions – infringement
            1. “Provided that…” – Condition (*Jacobsen*)
      2. K gives damages and state court jurisdiction
      3. Copyright gives damages, injunction, statutory damages, fee shifting, etc.
   3. **Copyright Misuse**
      1. Misuse precludes *enforcement* so long as there is misuse (*Video Pipeline*)
      2. Misuse defense is available even if Δ is not subject of the misuse (*Video Pipeline*)
      3. Consider
         1. Copyright to restrict dissemination of info/to disrupt copyright’s goal to increase store of creative expression (*Video Pipeline*; *Napster*)
         2. Antitrust violations as misuse (need nexus w/ copyright (*Napster*)); K terms beyond length of copyright
         3. Copyright to restrain creative expression (DMCA action over token copyright)
         4. K of adhesion with draconian terms
      4. Not a defense to K claims (*Napster*)
   4. **Preemption**
      1. Preemption and K-Law – 2 Interpretations
         1. Analyze breach and determine if § 106 violated 🡪 preempted is yes
         2. Mutual assent + consideration renders COA breach of K different from copyright infringement 🡪 never preempted (K is “extra element”)
            1. *ProCD*/*Bowers* – Copyright sets default, parties can opt in/out by K
      2. **Policy** – Fed. copyright gives uniformity, Open question whether K of adhesion opting in/out of copyright remedies is misuse
   5. **Cases**
      1. *Vernor* (9th) (Δ selling second hand copies of AutoCAD – Δ is **licensee**, no first sale)
      2. *Jacobsen* (Fed. Cir.) (Open source license, Δ doesn’t attribute – “Provided that” is a condition precedent 🡪 infringement)

*Video Pipeline* (3d) (Disney license preventing criticism or defaming Disney/movie industry held: Not misuse, can comment elsewhere, can repudiate & fair use, Π doesn’t have to license to everyone)

*Bowers* (Fed. Cir.) (software license prohibiting reverse engineering – Held not preempted, reverse engineering is fair use (*Atari*), but can efficiently breach)

* Dyk Dissenting: K of adhesion ≠ Arm’s length agreement & negotiation

|  |  |  |
| --- | --- | --- |
|  | Access protection measures | Rights protection measures |
| Individual acts of circumvention | § 1201(a)(1) – Individual circumvention | No prohibition |
| Manufacturing or offering devices that circumvent | § 1201(a)(2) | § 1201(b) |

1. **TECHNOLOGICAL PROTECTIONS – DMCA** (§ 1201(a)(1) – Δ circumvents)
   1. § 1201(a)(2) – No person shall **offer to the public or traffic in technology** that
      1. (A) is primarily designed for the purpose of circumventing a technological measure that effectively controls access to a work protected under copyright
         1. Intent of the author is only relevant for defense, otherwise consider only what the program does (*Reimerdes*)
      2. (B) has only limited commercially significant purpose/use other than to circumvent a technological measure that effectively controls access to a work protected under copyright or
      3. (C) is marketed for use in circumventing a technological measure that effectively controls access to a work protected under copyright
   2. **§ 1201(a)(2) Claim Elements (*Chamberlain*)**
      1. Ownership of a valid copyright on a work
      2. Effectively controlled by a technological measure which Δ circumvented
         1. “Effectively controls” means it requires *some method* to bypass, not necessarily a *good method* (*Reimerdes*)
      3. That 3rd parties can now access
      4. Without authorization, in a manner that
      5. Infringes/facilitates infringing a right protected by copyright because of a product that
      6. Δ either
         1. Designed/produced primarily for circumvention
         2. Made available despite limited commercial significance beyond circumvention
         3. Marketed for use in circumvention of controlling technological measures
      7. NOTE: No COA if technology doesn’t protect copyrighted work (*Chamberlain*)
         1. Access must bear reasonable relationship to copyright protection (*Chamberlain*)
         2. No protection if work is accessible other than through tech. protection (*Lexmark*)
   3. § 1201(a)(3) – **Definitions: Circumvent, Effectively Control**
      1. **Circumvent** a technological measure means to descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner
      2. **Effectively control** means the measure, in the ordinary course of its operation, requires the application of information, or a process or a treatment, with the authority of the copyright owner, to gain access to the work
   4. § 1201(c)(1) – Nothing in this § shall effect rights, remedies or defenses to copyright infringement, including fair use under this title
      1. *Remeirdes* – DMCA claim is separate from copyright, even if behavior is protected by fair use, that is not a defense to a DMCA claim
      2. *Chamberlain* – DMCA shouldn’t be considered in a vacuum from copyright
   5. **Cases**
      1. *Remeirdes* (SDNY) (DVD CSS/DeCSS case)
      2. *Chamberlain* (Fed. Cir.) (Garage door openers, access measure didn’t protect copyrighted material – no DMCA violation – *see above* elements)
      3. *Lexmark* (6th) (Chip allowing 3rd party ink cartridge refill, no DMCA cause control doesn’t restrict access to copyrighted work, only interoperability)
2. **ONLINE SERVICE PROVIDERS – DMCA SAFE HARBOR**
   1. **§ 512(i) – Qualifying for Safe Harbor**
      1. Δ can’t interfere with “standard technical measures” applied by copyright holders
      2. Adopt/implement reasonable policy to terminate repeat infringers & inform users
   2. **§ 512(a) – Transitory Digital Network Communications**
      1. Transmission initiated by someone other than ISP, carried through automatic process
      2. ISP must not: Select recipient except through automatic process, maintain a copy accessible to anyone other than recipient, modify material during transmission
   3. **§ 512(b) – System Caching**
      1. Material made available by someone else, transmitted to recipient
      2. Storage is automatic, complies with “further conditions” of copyright holder
      3. Disable access to cached on notice of court order to remove from originating site
   4. **§ 512(c) – Storing Information at the Direction of Users**
      1. Material hosted for subscribers & material downloaded by servers/held for limited time (*e.g.*, Usenet groups)
      2. (1) Safe harbor only available when infringement occurs by storage @ direction of user of material on a system/network controlled/operated by/for service provider
         1. (A) Only if ISP (i) has no actual knowledge of infringing material, (ii) is not aware of facts/circumstances from which infringing activity is apparent (red flag knowledge), (iii) or upon obtaining awareness, acts expeditiously to remove/disable access to the material
         2. (B) ISP can’t receive financial benefit directly attributable to infringement and have right/ability to control the activity
            1. Requires item-specific knowledge & more than ability to remove/block (*Viacom*) – Requires substantial influence on the users
      3. (2) Designate agent for take-downs, files w/ copyright office & publicly available
      4. On take-down, must notify subscriber who can send counter-notification
         1. Consents to jurisdiction and ISP has to put material back up in 10d (§ 512(g))
         2. ISP notifies copyright holder next and hilarity ensues
      5. NOTE (*Viacom*)
         1. Knowledge must be *specific* infringing activity (based on (iii) which contemplates removing specific content)
      6. Willful blindness possible (*Aimster*), no affirmative duty to monitor (**§ 512(m)**)
   5. **§ 512(f) –** COA against anyone who knowingly materially misrepresents that material is infringing copyright holder’s rights
      1. For copyright holder to proceed in good faith under DMCA, must consider whether Δ is making fair use of the material (*Lenz*)
   6. **Cases**
      1. *Viacom* (2d) (must show internal YouTube emails demonstrated *specific knowledge* of the infringing clips *in the suit*)
      2. *Lenz* (ND Cal.) (Must consider fair use in YouTube video of children dancing to Prince song)
3. **LITIGATION PROCEDURE AND REMEDIES** (p. 46)
   1. **“Arising Under” Jx** (*Bassett*) – Complaint is for remedy in the Act, or requires construction of copyright law (*e.g.*, determine authorship in K dispute, else state Jx)
   2. **Statute of Limitations** (§ 507(a)-(b)) – Criminal (5y after COA), Civil (3y after claim accrued – tolls when knowledge is chargeable to Π, 7th “reaches back” to beginning of ongoing infringement, majority – 9th – reaches back 3y)
   3. **Injunctive Relief** (“Property Rule” *eBay v. MercExchange* (2006)) (§ 502(a))
      1. Π must show (1) irreparable injury (*Grokster* not just infringement), (2) remedies available at law ($) are inadequate to compensate, (3) warranted after balancing hardships between Π/Δ, and (4) public interest isn’t disserved by injunction
   4. **Monetary Damages** (“Liability Rule”)
      1. Actual damages + profits from infringement not in actual damages (§ 504(b))
         1. Π proves gross revenue, Δ proves deductibles
            1. Δ changes original, deducts from profit attributable to original (*Frank Music*)
            2. Qualitative/quantitative, doubts in favor of Π (*Frank Music*)
      2. SJ appropriate if no conceivable connection between infringement & revenues, or despite connection, Π only offers speculation re causal link (*Bouchat*)
   5. **Statutory Damages** (§ 504(c))
      1. Calculated *per work* (all parts of compilation/derivative work are one work)
      2. **Copyright must be registered prior to infringement** (§ 412)
      3. $750 - $30k, if innocent ($200 min), if willful ($150 max)
      4. Election to statutory can be made any time before final judgment
         1. Some courts allow proving both then picking the higher one
      5. Constitutionality (*Thomas-Rasset*)
         1. Punitive Damages (*Gore* Guideposts) (DPC) – (1) degree of reprehensibility of Δ’s conduct, (2) disparity between harm suffered and damages award, (3) difference between this remedy and civil penalties authorized in comparable cases (preference for single digit ratio, but often higher)
         2. Statutory Damages (*St. Louis v. Williams* (1919)) (DPC)
            1. Inquire whether awards are so severe and oppressive as to be wholly disproportioned to the offense and obviously unreasonable
            2. Regularly sustains ratios over 100x
            3. **Policy** – Interest of the public, # of opportunities to commit offense, need for securing uniform adherence to federal law (*Rassett*)
         3. 8th Am. does not apply because “fine” means payment to gov. (*Zomba*)
   6. **Willful Infringement** (*Zomba*) – Notified conduct is infringement, but reasonably & in good faith believes contrary is not willful copyright infringement
   7. **Criminal Prosecution**
      1. § 506(a) – Willful, for purpose of commercial advantage or private financial gain
         1. Voluntary, intentional violation of known legal duty
         2. Subjective – consider reasonability of asserted belief (*Moran*)
      2. NET Act
         1. § 101: Financial gain – receive anything of value including other copyrighted wks
         2. § 506(a) – Criminal liability for willful reproduction/distro, including electronic means, during any 180d period, of 1+ copies of 1+ works w/ value over $1k
         3. Open issue: Secondary liability
      3. ART Act
         1. Felony to knowingly use AV device to record movie playing in theater
         2. Criminal willful infringement by distribution of work being prepared for commercial distro, by making available on computer network accessible to public, if Δ knew/should have known it was intended for commercial distro (§ 506(a)(1)(C))
   8. § 503 (Note: § 505 – discretionary attorney’s fees)
      1. (a) Any time during suit, court may impound copies and equip. to make them claimed to have been made in violation of copyright owner’s exclusive right
      2. (b) As part of final judgment, court may order destruction of all copies and equip. to make them in violation of copyright owner’s exclusive right
   9. **Cases**
      1. *Righthaven* (9th) (Copyright troll assigned bare right to sue, held: § 501(b) requires legal/beneficial owner of exclusive § 106 right – dismissed for lack of SMJ)
      2. *Abend* (9th) (Hitchcock movie from story, held: $ only, no injunction – substantial public harm due to contributions of director/actors/etc. in derivative film)
      3. *Christopher Phelps* (4th) (no injunction on alienation of home built with infringing architectural plans – would retrain noninfringing property, draconian)
      4. *Grokster* (ND Cal) (Injunction, no presumption, but tons of infringement, inability to pay damages, Π’s copyrights are vulnerable to large scale infringement)
      5. *Bouchat* (Ravens logo, court bails out NFL team at cost of fan)
      6. *Zoomba* (6th) (Karaoke covers of Π’s songs – statutory damages awarded totaling $806k in face of $18.5k actual damages, no fair use, no DPC violation, bad faith)
      7. *Capitol Records v. Thomas-Rasset* (8th) (24 songs shared, appeals court reinstates $200k statutory damages after DC reduced to $54k, constitutionality reasoning)
      8. *Moran* (D. Neb.) (video store owner makes backup copies, thought it was legal, wasn’t renting copy and original at same time – willfulness requires intent to violate copyright, not merely to make a copy)
      9. *LaMacchia* (D. Mass.) (BBS for disseminating/soliciting pirated software, held: no financial gain so not cognizable under (then current) Act, spawned amendment)
4. **POLICY TOPICS**
   1. Capture – Which groups are organized seems to dictate what exceptions there are
      1. Video vs. Audio rentals
      2. DMCA & OSP exceptions/safe harbor
      3. Statutory damages
   2. Remedies – Cost of injunction and outcome of granting one
      1. Consider: Injunction is the prototypical property right that the author is selling to the publisher/distributor
   3. Rules (granular) vs. Standards (abstract/general)
      1. DMCA – Congress passing rules rather than standards, hilarity ensues
   4. Certainty (see also injunctions above)
   5. Building on the shoulders of those before, versus incentives for “original” creators
      1. Need to balance
   6. Positive aspects of arms races in the absence of property rights