

Chapter 1

INTRODUCTION: THE LANDSCAPE OF COPYRIGHT

§ 1.02 COPYRIGHT AND RELATED BODIES OF LAW

[B] Federal Intellectual Property Law

USAGE: On page 10, ADD the following after the end of the second paragraph:

[4] Trade Secret Law

Although trade secrets traditionally were protected only by state law (see below), those state laws were complemented by the federal Economic Espionage Act, 18 U.S.C. §§ 1831-32, which criminalized theft of trade secrets in certain circumstances. In 2016, those criminal provisions were supplemented with the federal Defend Trade Secrets Act, 18 U.S.C. § 1836, which provides a federal civil cause of action for misappropriation of trade secrets. As defined by the DTSA, a trade secret is:

all forms and types of financial, business, scientific, technical, economic, or engineering information, ... if (A) the owner thereof has taken reasonable measures to keep such information secret; and (B) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, [others]....

18 U.S.C. § 1839(3).

In other words, trade secret law can protect much the same technological information as does patent law, but trade secret is even broader in its subject matter, extending to customer lists, marketing plans, and other information not included within patentable subject matter. Moreover, a trade secret does not have to meet the rigorous standards of inventiveness required by patent law. For these reasons, some businesses decide not to seek patent protection if the risk of being rejected is substantial, so that the time and expense of the patent application process do not seem warranted. In addition, trade secrets are a particularly appropriate form of protection for industrial processes. By its nature, a process can be practiced secretly by a few people and often is difficult to determine by reverse engineering. Compared with the patent exclusivity that runs an average of about 17 years (beginning on grant date and ending 20 years from filing), a trade secret may exist indefinitely, so long as substantial secrecy is maintained.

Trade secrecy is, however, not a general substitute for patent protection. One crucial limitation is that a valid trade secret exists only if its owner takes reasonable

measures to maintain its secrecy, and if the information is not generally known within the owner's industry. In addition, both independent development and reverse engineering are defenses to a trade secret claim. 18 U.S.C. § 1839(6)(B).

Even where a valid trade secret exists, however, it may sometimes be worth less in practice than other forms of intellectual property. Trade secrets have the attributes of property and can be licensed, taxed, and inherited. But if an attribute of property is the right to exclude others from using it, the trade secret is a weak form of property protection. A trade secret can be enforced only against actual or threatened misappropriation, such as theft by an industrial spy or breach of a contractual commitment not to divulge the trade secret. 18 U.S.C. § 1839(5). This is why it is often said that trade secret law protects a relationship rather than a property interest.

[C] State Intellectual Property Laws

[1] Unfair Competition and Trade Secrets

USAGE: On pages 10-11, SUBSTITUTE the following for the first section:

As already noted, state “unfair competition” laws complement the federal trademark statute, providing a cause of action when one company passes off its goods or services, or itself, as something or someone else. An action for unfair competition may involve trademark infringement; use of confusingly similar corporate names; use of similar titles of literary works, products, or containers; or trade dress similarities. False representations and false advertising also fall under this definition of unfair competition.

Likewise, the federal Defend Trade Secrets Act is complemented by state trade secret laws. Indeed, until relatively recently, trade secrets were protected *only* by state laws. Eventually, 47 of the 50 states adopted the Uniform Trade Secrets Act (1985); and the remaining states have common law based on the original Restatement of Torts § 757 (1939), and the Restatement, Third, of Unfair Competition § 39 (1995).

The federal Defend Trade Secrets Act was based upon the Uniform Act, so the substantial body of existing state case law will likely inform the construction of the DTSA. The DTSA, however, does not preempt any state laws, so state-law actions will continue to be brought under supplemental jurisdiction. Nonetheless, because the DTSA is nearly identical to the Uniform Act, it is likely that the DTSA will eventually supplant state law as a practical matter.

§ 1.03 HISTORY OF ANGLO-AMERICAN COPYRIGHT LAW

[D] The Copyright Act of 1976

[1] Important Changes Made by the 1976 Act

USAGE: On page 21, SUBSTITUTE the following for the last paragraph:

(2) *Subject matter.* The 1976 Act protects “original works of authorship.” (See Chapter 2 below.) What constitutes sufficient originality for a valid copyright is governed, in the first instance, by precedent carried over from prior case law. The Act established seven illustrative categories of copyrightable subject matter: (1) literary works; (2) musical works; (3) dramatic works; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; and (7) sound recordings. *See* 17 U.S.C. § 102(a). (An eighth category, architectural works, was added in 1990.) Category 7 is limited to recordings fixed on or after February 15, 1972, the date when sound recordings were first added as copyrightable works distinct from, and in addition to, the musical or literary works being recorded. (Pre-1972 sound recordings were afforded parallel federal protection in 2018.) The scope of protection provided for sound recordings, however, is narrower than that afforded to works in the six preceding categories, excluding any right against unauthorized broadcasting or sound-alike recordings. *See* 17 U.S.C. §§ 106 and 114.

§ 1.04 COPYRIGHT IN A CHANGING WORLD

[E] Intellectual Property and International Trade

[3] Updating the Berne Convention

USAGE: On page 36, SUBSTITUTE the following for the last two paragraphs of this section:

The U.S. Senate approved the two treaties in October 1988. Implementing legislation, including provisions on “anti-circumvention” and “copyright management information” (but not moral rights of performers), was signed into law as the Digital Millennium Copyright Act (“DMCA”) on October 28, 1998. Both treaties entered into force in 2002, and as of January 2019, each has 99 adherents.

In June 2013, the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (the “Marrakesh VIP Treaty”) was adopted by WIPO. The Marrakesh VIP Treaty is the first international agreement to require a mandatory exception or limitation to the exclusive rights provided

for in the Berne Convention. The treaty entered into force in 1966. The United States became the 50th country to ratify the treaty in 1989.

Chapter 2

PREREQUISITES FOR COPYRIGHT PROTECTION

§ 2.02 ORIGINALITY

[C] Originality and the Constitution

USAGE: On pages 77-78, SUBSTITUTE the following for the third paragraph of Note (2):

Suppose, for example, that a *computer* had generated the image from a verbal description of Wilde's appearance. These days, increasing amounts of authorship can be automated through software or authoring tools. Computers can create respectable-sounding music and poetry, to say nothing of high-quality technical drawings; and they are being used more and more to generate new computer programs to meet stated specifications and requirements. How should these products be regarded for copyright purposes? In 1979, the Congressionally-mandated National Commission on New Technological Uses of Copyrighted Works ("CONTU") took up the issue of computer-generated works in its *Final Report*, concluding that, in such cases, it is "obvious" that the "author is one who employs the computer," *id.* at 45, rather than (for example) the author of the program which drives the computer. Is that conclusion still "obvious"? *See, e.g.,* Rearden v. Walt Disney Co., 293 F. Supp. 3d 963 (N.D. Cal. 2018) (copyright in motion-capture software does not extend to the program's output, except perhaps where the user's role is so "marginal" that the program "does the lion's share of the work" in creating the output). Is it obvious that such works have *any* "author"? *See* U.S. Copyright Office, COMPENDIUM OF COPYRIGHT OFFICE PRACTICES § 313.2 (3d ed. 2014) (COMPENDIUM III).

USAGE: On page 81, SUBSTITUTE the following for the text of Note (8):

(8) *Non-human authorship.* Occasionally, disputes have arisen over paintings or photos created by animals. In 2011, for example, photographer David Slater published two "selfie" photos of a macaque monkey, taken by the monkey when it stole his camera. Various websites refused to remove the images on the ground that Slater was not the "author" and did not own the copyright. *See, e.g.,* http://en.wikipedia.org/wiki/Monkey_selfie (visited July 31, 2015). Is there a valid copyright in the photos? If so, who owns it? Slater, who set up the camera (perhaps anticipating the monkeys might take it)? The "owner" of the monkey (if it is a captive animal)? Can the monkey own a copyright?

See *Naruto v. Slater*, 888 F.3d 418 (9th Cir. 2018). For the view of the U.S. Copyright Office, see COMPENDIUM III, at § 313.2.

USAGE: On page 96, SUBSTITUTE the following for the second paragraph of Note (1):

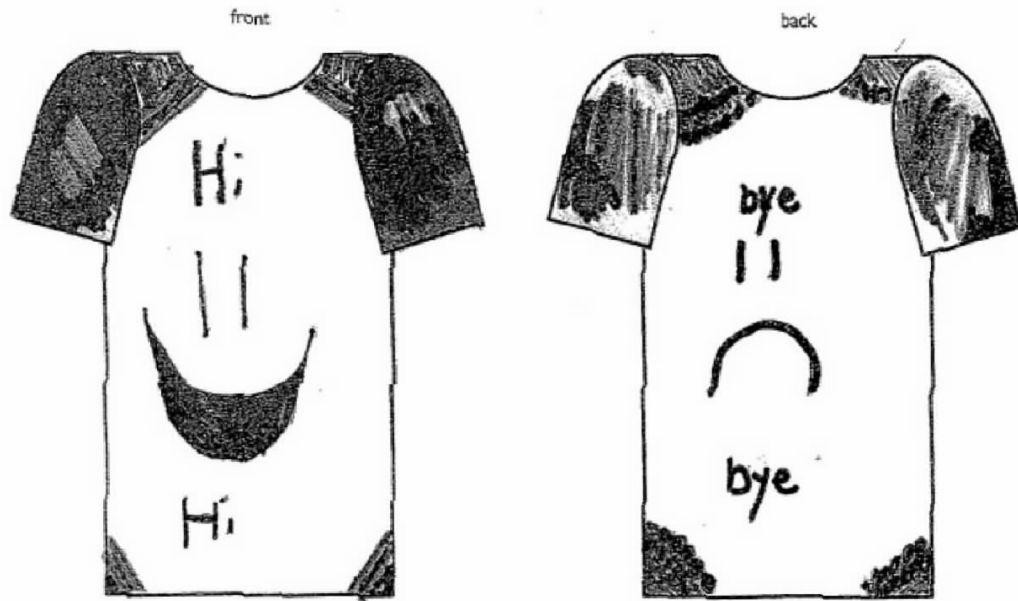
Feist ranks effortlessly as one of the Court’s truly great opinions on copyright. In a masterly opinion for a unanimous Court, Justice O’Connor emphatically declared originality to be an inescapable constitutional requirement for copyright protection for all works of authorship. For the backstory of *Feist*, and an analysis of its importance and its impact on the law of originality, *see* Joyce & Ochoa, *Reach Out and Touch Someone: Reflections on the 25th Anniversary of Feist Publications, Inc. v. Rural Telephone Service Co.*, 54 Hous. L. Rev. 257 (2016).

[C] Originality in the New Millennium

USAGE: On page 111, ADD the following text before Note (6):

(5A) Compare *Meshwerks* with *Home Legend, LLC v. Mannington Mills, Inc.*, 784 F.3d 1404 (11th Cir. 2015), which involved a digital photograph of a traditional wooden floor. Starting with a large number of wooden planks, Mannington employees had 1) added gouges, dents, nail holes, ripples, “chatter marks,” and other surface imperfections to the planks by hand; 2) applied stains of various colors, and added shadows and dark spots; 3) selected 30 of the planks and scanned them; 4) digitally retouched the resulting scans; and 5) selected 15 of the scans and combined them into the final photo. The court held that because Mannington had imagined what a distressed wooden floor might look like, instead of photographing an existing floor, the digital photo was sufficiently “original” to qualify for copyright protection.

(5B) Do you think the following t-shirt design is sufficiently original to qualify for copyright protection? Why or why not? *See I.C. ex rel. Solovsky v. Delta Galil USA*, 135 F. Supp. 3d 196 (S.D.N.Y. 2015).



[E] The Merger Doctrine

USAGE: On page 122, SUBSTITUTE the following for the text of Note (2):

(2) *Rules and games.* In *Morrissey*, the plaintiff's sweepstakes rule was held unprotectible not because its expression manifested insufficient originality, but because that expression was too closely tied to the underlying idea. *See also Allen v. Academic Games League of America, Inc.*, 89 F.3d 614 (9th Cir. 1996) (the merger doctrine "is particularly applicable with respect to games since they consist of abstract rules and play ideas"); *DaVinci Editrice, S.R.L. v. ZiKo Games, LLC*, 183 F. Supp. 2d 820 (S.D. Tex. 2016) (rules of role-playing card game are not protected).

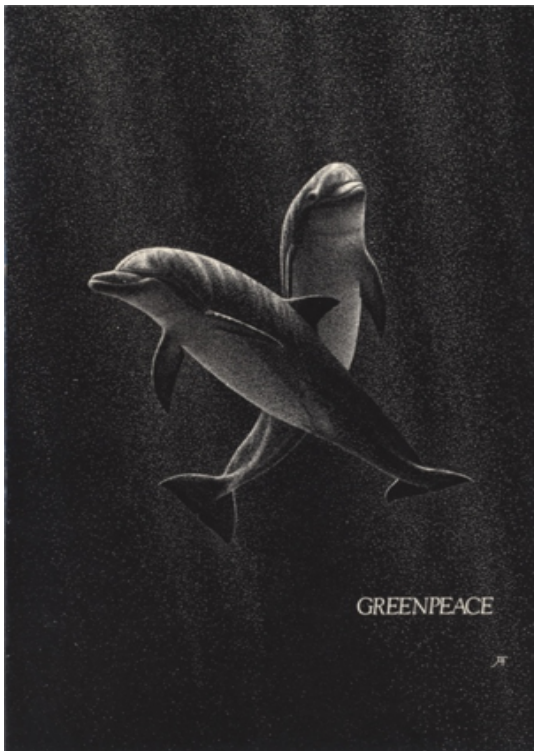
USAGE: On page 122, SUBSTITUTE the following for the text of Note (4):

(4) *Recipes.* Recipes have long tried our understanding of the idea/expression distinction. How many different (and effective) ways are there in which to describe the preparation of a particular dish? *Compare Lorenzana v. South American Restaurants Corp.*, 799 F.3d 31 (1st Cir. 2015) (individual recipes are not protected under § 102(b)); *Publications Int'l, Ltd. v. Meredith Corp.*, 88 F.3d 473 (7th Cir. 1996) (same), *with Barbour v. Head*, 178 F. Supp. 2d 758 (S.D. Tex. 2001) (declining to grant summary judgment to defendants). The latter case also illustrates the dangers of relying too heavily on the Internet, which apparently is where the defendants had found the plaintiffs' uncredited recipes.

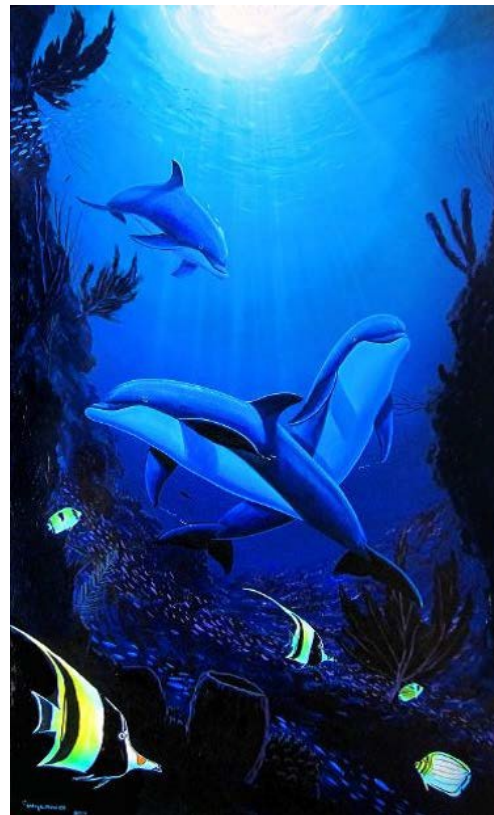
USAGE: On page 124, ADD the following after the end of Note (5) (after the illustrations):

(5A) *Idea-expression and merger in visual art.* While distinguishing idea from expression is never easy, it may be particularly difficult when it comes to drawings and photographs. As we saw in § 2.02[B] above, photos (and drawings) are generally original in their rendition, and they may be original in their subject matter if the artist or photographer “posed” or staged the scene. But to what extent should such subject matter be excluded from copyright protection as an idea or concept?

Consider a pen-and-ink drawing of two dolphins, one swimming vertically and the other swimming horizontally, forming a cross. Is the drawing infringed by a painting of three dolphins (and other sea creatures), two of which are posed in the same fashion? Can the court assume that such a pose exists in nature, or should it require evidence? What if the first artist claims he hired a professional animal trainer to pose the dolphins in an enclosed tank? *See Folkens v. Wyland Worldwide, LLC*, 882 F.3d 768 (9th Cir. 2018).



Pieter Folkens, *Two Dolphins*; and Robert Wyland, *Life in the Living Sea*



Or consider the iconic photo (and logo) of Michael Jordan with legs spread, dunking a basketball. It turns out that the famous Nike photo was based on (or inspired by) an earlier photo of Jordan in the same pose by another artist. The pose is one familiar to ballet dancers, but it is not common in basketball. Is the pose part of the idea or the expression? *See Rentmeester v. Nike, Inc.*, 883 F.3d 1111 (9th Cir. 2018).



Rentmeester's Photo



Nike's Photo

In *Mannion v. Coors Brewing Co.*, 377 F. Supp. 2d 444, 457-58 (S.D.N.Y. 2005), Judge Lewis Kaplan questioned the suitability of the idea/expression distinction as applied to works of visual art: “[The] difficulty ... is not simply that it is not always clear where to draw the line; it is that the line itself is meaningless because the conceptual categories it purports to delineate are ill-suited to the subject matter.” In his view, “[i]t is nonsensical to speak of one photograph being substantially similar to another in the rendition and creation of the subject but somehow not infringing because of a shared idea.” *Id.* at 460. Is that what happened in *Folkens* and *Rentmeester*? Judge Kaplan concluded that “[i]n the context of photography, the idea/expression distinction is not useful or relevant.” *Id.* Do you agree? If so, how should a court take into account a statute that provides: “*In no case* does copyright protection ... extend to *any* idea [or] concept”? 17 U.S.C. § 102(b) (emphasis added).

§ 2.03 OTHER PRELIMINARY CONSIDERATIONS

[B] U.S. Government Works

USAGE: On page 131, SUBSTITUTE the following for the text of the second and third paragraphs (ending at the top of page 132):

Certain types of government works, however, are part of the public domain and cannot be subject to copyright ownership by any government, whether state or federal — the most important being statutes and ordinances that are, themselves, the law. For example, in *Georgia v. Harrison Co.*, 548 F. Supp. 110 (N.D. Ga. 1982), the court held that a new codification of Georgia statutes was not subject to copyright, in part because citizens must have free access to the laws governing them. The same logic holds for judicial opinions. *See Banks v. Manchester*, 128 U.S. 244 (1888); Patterson & Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 UCLA L. Rev. 719 (1989). And while annotations summarizing judicial opinions generally are copyrightable, “official” annotations commissioned and adopted by the state legislature have been held to be uncopyrightable as “an exercise of sovereign power.” *Code Revision Comm’n v. Public.Resource.Org, Inc.*, 906 F.3d 1229 (11th Cir. 2018).

Somewhat more contentious is the situation in which the statute or ordinance is drafted by a private party. For example, in *Veeck v. Southern Building Code Congress Int’l*, 293 F.3d 791 (5th Cir. 2002), a model building code drafted by SBCCI was adopted by the towns of Anna and Savoy, Texas. Veeck purchased a copy directly from SBCCI and, notwithstanding the shrink-wrap license, posted the model code (as enacted) on his website. SBCCI sued, arguing that Banks could be distinguished on two grounds: first, that while judges’ salaries are paid by the government, private parties need copyright to finance their code-drafting activities; and second, that public “access” to the law only

required that copies be reasonably available for inspection. A majority of the Fifth Circuit, sitting *en banc*, disagreed, reversing a previous panel decision in favor of SBCCI. *Id.* at 795-800. Alternatively, the Veeck majority held that once the model code was enacted, it became a “fact” that could not be protected under the merger doctrine. *Id.* at 800-02; *see also Building Officials & Code Admins. Int’l v. Code Technology, Inc.*, 628 F.2d 730 (1st Cir. 1980) (vacating preliminary injunction; suggesting strongly that nonprofit organization’s building code entered the public domain when enacted by Massachusetts). *But see Practice Management Info. Corp. v. American Medical Ass’n*, 121 F.3d 516 (9th Cir. 1997) (upholding trial court’s ruling that AMA’s medical procedure coding system did not enter the public domain when adopted by agreement with federal health care agency as sole permissible system for use by applicants for Medicaid reimbursement). By contrast, one court chose to avoid an all-or-nothing ruling by relying instead on fair use, holding that different types of standards and incorporation might be treated differently, while avoiding difficult constitutional questions. *See Am. Soc’y for Testing and Materials v. Public.Resource.Org, Inc.*, 896 F.3d 437 (D.C. Cir. 2018). For an analysis of the issue, see Hughes, *Created Facts and the Flawed Ontology of Copyright Law*, 83 Notre Dame L. Rev. 43 (2007).

Chapter 3

WORKS OF AUTHORSHIP

§ 3.01 ORIGINAL WORKS OF AUTHORSHIP UNDER § 102

[B] Literary Works, Including Computer Software

USAGE: On page 145, SUBSTITUTE the following for the first paragraph of Note (5):

(5) Besides ideas, facts, systems and so forth, are there other elements of a copyrighted work that should not be protected by the copyright on the work as a whole? What about protection for a distinct literary or pictorial *style*, which can represent an author's or an artist's most valuable innovation? *See Hayuk v. Starbucks Corp.*, 157 F. Supp. 3d 285 (S.D.N.Y. 2016) (artist's style, consisting of colored rays arranged in geometric patterns, is not protectable). And what about titles? The regulations of the Copyright Office, at 37 C.F.R. § 202.1(a), state that "words and short phrases such as names, titles and slogans" are not "subject to copyright," and generally speaking the courts have gone along. Why not protect short phrases by copyright?

USAGE: On page 149, SUBSTITUTE the following for the third paragraph of Note (11):

Questions of copyright in characters as distinct works of authorship also arise in the context of videogames and virtual worlds. May a videogame maker incorporate literary or graphic characters into a game without a copyright license? *Cf. Marvel Enterprises, Inc. v. NCSoft Corp.*, 2005 U.S. Dist. LEXIS 8448 (C.D. Cal. Mar. 9, 2005). Does a player or user who creates a character or avatar with distinctive attributes, and perhaps a backstory, obtain copyright in the character or avatar? *See Blizzard Ent'mt, Inc. v. Lilith Games (Shanghai) Co.*, 122 U.S.P.Q.2d (BNA) 1807 (N.D. Cal. 2017) (players who created "mods" using Blizzard's "World Editor" were entitled to copyright in their versions as derivative works); *see also* Ochoa, *Who Owns an Avatar? Copyright, Creativity, and Virtual Worlds*, 14 Vand. J. Ent. & Tech. L. 959 (2012).

[C] Pictorial, Graphic and Sculptural Works

USAGE: On pages 177-196, SUBSTITUTE the following for the *Pivot Point* case and the Notes and Questions that follow:

Star Athletica, LLC v. Varsity Brands, Inc.

Supreme Court of the United States

___ U.S. ___, 137 S.Ct. 1002 (2017)

Justice THOMAS delivered the opinion of the Court.

Congress has provided copyright protection for original works of art, but not for industrial designs. The line between art and industrial design, however, is often difficult to draw. This is particularly true when an industrial design incorporates artistic elements. Congress has afforded limited protection for these artistic elements by providing that “pictorial, graphic, or sculptural features” of the “design of a useful article” are eligible for copyright protection as artistic works if those features “can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” 17 U.S.C. §101.

We granted certiorari to resolve widespread disagreement over the proper test for implementing §101’s separate-identification and independent-existence requirements. . . . We hold that a feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work — either on its own or fixed in some other tangible medium of expression — if it were imagined separately from the useful article into which it is incorporated. Because that test is satisfied in this case, we affirm.

I

Respondents Varsity Brands, Inc., [and related companies] design, make, and sell cheerleading uniforms. Respondents have obtained or acquired more than 200 U.S. copyright registrations for two-dimensional designs appearing on the surface of their uniforms and other garments. These designs are primarily “combinations, positionings, and arrangements of elements” that include “chevrons . . . , lines, curves, stripes, angles, diagonals, inverted [chevrons], coloring, and shapes.” . . .

Petitioner Star Athletica, LLC, also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs. . . .

II

. . . The Copyright Act . . . establishes a special rule for copyrighting a pictorial, graphic, or sculptural work incorporated into a “useful article,” which is defined as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” [§ 101] The statute does not protect useful articles as such. Rather, “the design of a useful article” is “considered a pictorial, graphical, or sculptural work only if, and only to the extent that, such design incorporates

pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” *Ibid.*



Design 299A

Design 299B



Design 074



Design 078



Design 0815

In this case, our task is to determine whether the arrangements of lines, chevrons, and colorful shapes appearing on the surface of respondents' cheerleading uniforms are eligible for copyright protection as separable features of the design of those cheerleading uniforms. . . .

B.

We must . . . decide when a feature incorporated into a useful article “can be identified separately from” and is “capable of existing independently of” “the utilitarian aspects” of the article. This is not a free-ranging search for the best copyright policy, but rather “depends solely on statutory interpretation.” *Mazer v. Stein*, 347 U.S. 201, 214 (1954). “The controlling principle in this case is the basic and unexceptional rule that courts must give effect to the clear meaning of statutes as written.” . . . We thus begin and end our inquiry with the text, giving each word its “ordinary, contemporary, common meaning.” . . .

1.

The statute provides that a “pictorial, graphic, or sculptural featur[e]” incorporated into the “design of a useful article” is eligible for copyright protection if it (1) “can be identified separately from,” and (2) is “capable of existing independently of, the utilitarian aspects of the article.” §101. The first requirement — separate identification — is not onerous. The decisionmaker need only be able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities. . . .

The independent-existence requirement is ordinarily more difficult to satisfy. The decisionmaker must determine that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article. . . . In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in §101 once it is imagined apart from the useful article. If the feature is not capable of existing as a pictorial, graphic, or sculptural work once separated from the useful article, then it was not a pictorial, graphic, or sculptural feature of that article, but rather one of its utilitarian aspects.

Of course, to qualify as a pictorial, graphic, or sculptural work on its own, the feature cannot itself be a useful article or “[a]n article that is normally a part of a useful article” (which is itself considered a useful article). §101. Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.

2.

The statute as a whole confirms our interpretation. The Copyright Act provides “the owner of [a] copyright” with the “exclusive righ[t] ... to reproduce the copyrighted work in copies.” § 106(1). The statute clarifies that this right “includes the right to reproduce the [copyrighted] work in or on any kind of article, whether useful or otherwise.” § 113(a). Section 101 is, in essence, the mirror image of § 113(a). Whereas § 113(a) protects a work of authorship first fixed in some tangible medium other than a useful article and subsequently applied to a useful article, § 101 protects art first fixed in the medium of a useful article. The two provisions make clear that copyright protection extends to pictorial, graphic, and sculptural works regardless of whether they were created as freestanding art or as features of useful articles. The ultimate separability question, then, is whether the feature for which copyright protection is claimed would have been eligible for copyright protection as a pictorial, graphic, or sculptural work had it originally been fixed in some tangible medium other than a useful article before being applied to a useful article.

3.

This interpretation is also consistent with the history of the Copyright Act. [Here, the Court discusses *Mazer v. Stein*, 347 U.S. 201 (1954).] . . .

Shortly thereafter, the Copyright Office enacted a regulation implementing the holdings of *Mazer*. As amended, the regulation introduced the modern separability test to copyright law:

“If the sole intrinsic function of an article is its utility, the fact that the article is unique and attractively shaped will not qualify it as a work of art. However, if the shape of a utilitarian article incorporates features, such as artistic sculpture, carving, or pictorial representation, which can be identified separately and are capable of existing independently as a work of art, such features will be eligible for registration.” 37 C.F.R. § 202.10(c) (1960) (punctuation altered).

Congress essentially lifted the language governing protection for the design of a useful article directly from the post-*Mazer* regulations and placed it into § 101 of the 1976 Act. Consistent with *Mazer*, the approach we outline today interprets §§ 101 and 113 in a way that would afford copyright protection to the statuette in *Mazer* regardless of whether it was first created as a standalone sculptural work or as the base of the lamp. .

..

C.

In sum, a feature of the design of a useful article is eligible for copyright if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium.

Applying this test to the surface decorations on the cheerleading uniforms is straightforward. First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium — for example, on a painter’s canvas — they would qualify as “two-dimensional . . . works of . . . art,” §101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression — different types of clothing — without replicating the uniform. The decorations are therefore separable from the uniforms and eligible for copyright protection.¹

The dissent argues that the designs are not separable because imaginatively removing them from the uniforms and placing them in some other medium of expression — a canvas, for example — would create “pictures of cheerleader uniforms.” Petitioner similarly argues that the decorations cannot be copyrighted because, even when extracted from the useful article, they retain the outline of a cheerleading uniform.

This is not a bar to copyright. Just as two-dimensional fine art corresponds to the shape of the canvas on which it is painted, two-dimensional applied art correlates to the contours of the article on which it is applied. A fresco painted on a wall, ceiling panel, or dome would not lose copyright protection, for example, simply because it was designed to track the dimensions of the surface on which it was painted. Or consider, for example, a design etched or painted on the surface of a guitar. If that entire design is imaginatively removed from the guitar’s surface and placed on an album cover, it would still resemble the shape of a guitar. But the image on the cover does not “replicate” the guitar as a useful article. Rather, the design is a two-dimensional work of art that corresponds to the shape of the useful article to which it was applied. The statute protects that work of art whether it is first drawn on the album cover and then applied to the guitar’s surface, or vice versa. Failing to protect that art would create an anomaly: It would extend protection to two-dimensional designs that cover a part of a useful article but would not protect the same design if it covered the entire article. The statute does not support that distinction, nor can it be reconciled with the dissent’s recognition that “artwork printed on a t-shirt” could be protected.

To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art fixed in the tangible medium of the uniform fabric. Even if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person

¹ We do not today hold that the surface decorations are copyrightable. We express no opinion on whether these works are sufficiently original to qualify for copyright protection, . . . or on whether any other prerequisite of a valid copyright has been satisfied.

from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear. They may prohibit only the reproduction of the surface designs in any tangible medium of expression — a uniform or otherwise.² . . .

D.

Petitioner and the Government raise several objections to the approach we announce today. None is meritorious.

1.

Petitioner first argues that our reading of the statute is missing an important step. It contends that a feature may exist independently only if it can stand alone as a copyrightable work *and* if the useful article from which it was extracted would remain equally useful. In other words, copyright extends only to “solely artistic” features of useful articles. According to petitioner, if a feature of a useful article “advance[s] the utility of the article,” then it is categorically beyond the scope of copyright. The designs here are not protected, it argues, because they are necessary to two of the uniforms’ “inherent, essential, or natural functions”—identifying the wearer as a cheerleader and enhancing the wearer’s physical appearance. Because the uniforms would not be equally useful without the designs, petitioner contends that the designs are inseparable from the “utilitarian aspects” of the uniform.

The Government suggests that the appropriate test is whether the useful article with the artistic feature removed would “remain similarly useful.” In the view of the United States, however, a plain white cheerleading uniform is “similarly useful” to uniforms with respondents’ designs.

The debate over the relative utility of a plain white cheerleading uniform is unnecessary. The focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction. The statute does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature. Instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own.

² The dissent suggests that our test would lead to the copyrighting of shovels. But a shovel, like a cheerleading uniform, even if displayed in an art gallery, is “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. §101. It therefore cannot be copyrighted. A drawing of a shovel could, of course, be copyrighted. And, if the shovel included any artistic features that could be perceived as art apart from the shovel, and which would qualify as protectable pictorial, graphic, or sculptural works on their own or in another medium, they too could be copyrighted. But a shovel as a shovel cannot.

Of course, because the removed feature may not be a useful article — as it would then not qualify as a pictorial, graphic, or sculptural work — there necessarily would be some aspects of the original useful article “left behind” if the feature were conceptually removed. But the statute does not require the imagined remainder to be a fully functioning useful article at all, much less an equally useful one. Indeed, such a requirement would deprive the *Mazer* statuette of protection had it been created first as a lamp base rather than as a statuette. Without the base, the “lamp” would be just a shade, bulb, and wires. The statute does not require that we imagine a nonartistic replacement for the removed feature to determine whether that feature is capable of an independent existence.

Petitioner's argument follows from its flawed view that the statute protects only “solely artistic” features that have no effect whatsoever on a useful article's utilitarian function. This view is inconsistent with the statutory text. The statute expressly protects two- and three-dimensional “applied art.” § 101. “Applied art” is art “employed in the decoration, design, or execution of useful objects,” Webster's Third New International Dictionary 105 (1976) (emphasis added), or “those arts or crafts that have a *primarily utilitarian function*, or ... the designs and decorations used in these arts,” Random House Dictionary 73 (1966) (emphasis added). . . . An artistic feature that would be eligible for copyright protection on its own cannot lose that protection simply because it was first created as a feature of the design of a useful article, even if it makes that article more useful. . . .

Because we reject the view that a useful article must remain after the artistic feature has been imaginatively separated from the article, we necessarily abandon the distinction between “physical” and “conceptual” separability, which some courts and commentators have adopted based on the Copyright Act's legislative history. *See* H.R. Rep. No. 94–1476, p. 55 (1976). According to this view, a feature is *physically* separable from the underlying useful article if it can “be physically separated from the article by ordinary means while leaving the utilitarian aspects of the article completely intact.” Compendium [of Copyright Office Practices (3d ed. 2015)] § 924.2(A). . . . *Conceptual* separability applies if the feature physically could not be removed from the useful article by ordinary means. *See* Compendium § 924.2(B). . . .

The statutory text indicates that separability is a conceptual undertaking. Because separability does not require the underlying useful article to remain, the physical-conceptual distinction is unnecessary.

2.

Petitioner next argues that we should incorporate two “objective” components into our test to provide guidance to the lower courts: (1) “whether the design elements can be identified as reflecting the designer's artistic judgment exercised independently of functional influence,” and (2) whether “there is [a] substantial likelihood that the

pictorial, graphic, or sculptural feature would still be marketable to some significant segment of the community without its utilitarian function.”

We reject this argument because neither consideration is grounded in the text of the statute. . . . The statute’s text makes clear . . . that our inquiry is limited to how the article and feature are perceived, not how or why they were designed. See *Brandir Int’l, Inc. v. Cascade Pacific Lumber Co.*, 834 F. 2d 1142, 1152 (2d Cir. 1987) (Winter, J., concurring in part and dissenting in part) (The statute “expressly states that the legal test is how the final article is perceived, not how it was developed through various stages”).

The same is true of marketability. Nothing in the statute suggests that copyrightability depends on market surveys. Moreover, asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act. . . .

3.

Finally, petitioner argues that allowing the surface decorations to qualify as a “work of authorship” is inconsistent with Congress’ intent to entirely exclude industrial design from copyright. Petitioner notes that Congress refused to pass a provision that would have provided limited copyright protection for industrial designs, including clothing, when it enacted the 1976 Act . . . and that it has enacted laws protecting designs for specific useful articles — semiconductor chips and boat hulls — while declining to enact other industrial design statutes. From this history of failed legislation petitioner reasons that Congress intends to channel intellectual property claims for industrial design into design patents. It therefore urges us to approach this question with a presumption against copyrightability.

We do not share petitioner’s concern. As an initial matter, “[c]ongressional inaction lacks persuasive significance” in most circumstances. . . . Moreover, we have long held that design patent and copyright are not mutually exclusive. . . . Congress has provided for limited copyright protection for certain features of industrial design, and approaching the statute with presumptive hostility toward protection for industrial design would undermine Congress’ choice. In any event, as explained above, our test does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection.

III.

We hold that an artistic feature of the design of a useful article is eligible for copyright protection if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if

imagined separately from the useful article. Because the designs on the surface of respondents' cheerleading uniforms in this case satisfy these requirements, the judgment of the Court of Appeals is affirmed.

Justice GINSBURG, concurring in the judgment.

I concur in the Court's judgment but not in its opinion. Unlike the majority, I would not take up in this case the separability test appropriate under 17 U.S.C. § 101. Consideration of that test is unwarranted because the designs at issue are not designs *of* useful articles. Instead, the designs are themselves copyrightable pictorial or graphic works *reproduced on* useful articles....

The designs here in controversy are standalone pictorial and graphic works that respondents Varsity Brands ... reproduce on cheerleading uniforms. Varsity's designs first appeared as pictorial and graphic works that Varsity's design team sketched on paper. Varsity then sought copyright protection for those two-dimensional designs, not for cheerleading costumes; its registration statements claimed "2-Dimensional artwork" and "fabric design (artwork)." Varsity next reproduced its two-dimensional graphic designs on cheerleading uniforms, also on other garments, including T-shirts and jackets.

In short, Varsity's designs . . . are standalone PGS works that may gain copyright protection as such, including the exclusive right to reproduce the designs on useful articles.

Justice BREYER, with whom Justice KENNEDY joins, dissenting.

I agree with much in the Court's opinion. But I do not agree that the designs that Varsity Brands, Inc., submitted to the Copyright Office are eligible for copyright protection. Even applying the majority's test, the designs cannot "be perceived as ... two- or three-dimensional work[s] of art separate from the useful article."

Look at the designs that Varsity submitted to the Copyright Office. You will see only pictures of cheerleader uniforms. And cheerleader uniforms are useful articles. A picture of the relevant design features, whether separately "perceived" on paper or in the imagination, is a picture of, and thereby "replicate[s]," the underlying useful article of which they are a part. Hence the design features that Varsity seeks to protect are not "capable of existing independently o[f] the utilitarian aspects of the article." 17 U.S.C. §101.

I

. . . Consider . . . the explanation that the House Report for the Copyright Act of 1976 provides. It says:

“Unless the shape of an automobile, airplane, ladies’ dress, food processor, television set, or any other industrial product contains some element that, *physically or conceptually*, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted” H. R. Rep. [94-1476], at 55 [(1976)] (emphasis added).

These words suggest two exercises, one physical, one mental. Can the design features (the picture, the graphic, the sculpture) be physically removed from the article (and considered separately), all the while leaving the fully functioning utilitarian object in place? If not, can one nonetheless conceive of the design features separately without replicating a picture of the utilitarian object? If the answer to either of these questions is “yes,” then the design is eligible for copyright protection. Otherwise, it is not. . . .

An example will help. Imagine a lamp with a circular marble base, a vertical 10-inch tall brass rod (containing wires) inserted off center on the base, a light bulb fixture emerging from the top of the brass rod, and a lampshade sitting on top. In front of the brass rod a porcelain Siamese cat sits on the base facing outward. Obviously, the Siamese cat is physically separate from the lamp, as it could be easily removed while leaving both cat and lamp intact. And, assuming it otherwise qualifies, the designed cat is eligible for copyright protection.



Fig. 1



Fig. 2

Now suppose there is no long brass rod; instead the cat sits in the middle of the base and the wires run up through the cat to the bulbs. The cat is not physically separate from the lamp, as the reality of the lamp's construction is such that an effort to physically separate the cat and lamp will destroy both cat and lamp. . . . But we can easily imagine the cat on its own, as did Congress when conceptualizing the ballet dancer [in *Mazer*]. . . .

By way of contrast, Van Gogh's painting of a pair of old shoes, though beautifully executed and copyrightable as a painting, would not qualify for a shoe design copyright. Courts have similarly denied copyright protection to objects . . . such as measuring spoons shaped like heart-tipped arrows, candleholders shaped like sailboats, and wire spokes on a wheel cover. None of these designs could qualify for copyright protection that would prevent others from selling spoons, candleholders, or wheel covers with the same design. Why not? Because in each case the design is not separable from the utilitarian aspects of the object to which it relates. . . .

. . . The law has long recognized that drawings or photographs of real world objects are copyrightable as drawings or photographs, but the copyright does not give protection against others making the underlying useful objects. That is why a copyright on Van Gogh's painting would prevent others from reproducing that painting, but it would not prevent others from reproducing and selling the comfortable old shoes that the painting depicts. Indeed, the purpose of § 113(b) [is] to ensure that "copyright in a pictorial, graphic, or sculptural work, portraying a useful article as such, does not extend to the manufacture of the useful article itself." H.R. Rep., at 105. . . .

IV.

If we ask the "separateness" question correctly, the answer here is not difficult to find. The majority's opinion . . . depicts the cheerleader dress designs that Varsity submitted to the Copyright Office. Can the design features in Varsity's pictures exist separately from the utilitarian aspects of a dress? Can we extract those features as copyrightable design works standing alone, without bringing along . . . the dresses of which they constitute a part?

Consider designs 074, 078, and 0815. They certainly look like cheerleader uniforms. That is to say, they look like pictures of cheerleader uniforms, just like Van Gogh's old shoes look like shoes. I do not see how one could see them otherwise. Designs 299A and 299B present slightly closer questions. They omit some of the dresslike context that the other designs possess. But the necklines, the sleeves, and the cut of the skirt suggest that they too are pictures of dresses. Looking at all five of Varsity's pictures, I do not see how one could conceptualize the design features in a way that does not picture, not just artistic designs, but dresses as well.

Were I to accept the majority's invitation to "imaginatively remov[e]" the chevrons and stripes as they are arranged on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a "painter's canvas," that painting would be of a

cheerleader's dress. The esthetic elements on which Varsity seeks protection exist only as part of the uniform design — there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms. Hence, each design is not physically separate, nor is it conceptually separate, from the useful article it depicts, namely, a cheerleader's dress. They cannot be copyrighted.

Varsity, of course, could have sought a design patent for its designs. Or, it could have sought a copyright on a textile design, even one with a similar theme of chevrons and lines.

But that is not the nature of Varsity's copyright claim. It has instead claimed ownership of the particular "treatment and arrangement" of the chevrons and lines of the design as they appear at the neckline, waist, skirt, sleeves, and overall cut of each uniform. The majority imagines that Varsity submitted something different — that is, only the surface decorations of chevrons and stripes, as in a textile design. As the majority sees it, Varsity's copyright claim would be the same had it submitted a plain rectangular space depicting chevrons and stripes, like swaths from a bolt of fabric. But considered on their own, the simple stripes are plainly unoriginal. Varsity, then, seeks to do indirectly what it cannot do directly: bring along the design and cut of the dresses by seeking to protect surface decorations whose "treatment and arrangement" are coextensive with that design and cut. As Varsity would have it, it would prevent its competitors from making useful three-dimensional cheerleader uniforms by submitting plainly unoriginal chevrons and stripes as cut and arranged on a useful article. . . .

I fear that, in looking past the three-dimensional design inherent in Varsity's claim by treating it as if it were no more than a design for a bolt of cloth, the majority has lost sight of its own important limiting principle. One may not "claim a copyright in a useful article merely by creating a replica of that article in some other medium," such as in a picture. That is to say, one cannot obtain a copyright that would give its holder "any rights in the useful article that inspired it."

With respect, I dissent.

NOTES AND QUESTIONS

Useful Articles

(1) Nothing in pre-1976 American copyright law barred protection for otherwise qualified works that were also "useful articles." To the contrary, the 1909 Act may have been intended to rule out any discrimination on this basis. Nonetheless, the Copyright Office interpreted that Act narrowly, in a series of regulations culminating with the one in effect when the Supreme Court decided *Mazer*. That regulation, according to which protection was available for "works of artistic craftsmanship in so far as their form but

not their mechanical or utilitarian aspects are concerned,” in turn became the basis for the approach taken in the 1976 Act.

In *Mazer v. Stein*, the Court deferred (as courts frequently do) to the interpretation placed on the statute by the Copyright Office. Why? Is it simply a matter of giving weight to expertise? When Justice Reed refers to the “practice of the Copyright Office” for guidance about the meaning of the terms “works of art” and “reproductions of works of art,” is his reference to *current* practice only? If not, what is its scope?

Following *Mazer*, the Copyright Office adopted a regulation setting forth its understanding of the case. The regulation stated:

If the sole intrinsic function of an article is its utility, the fact that the article is unique and attractively shaped will not qualify it as a work of art. However, if the shape of a utilitarian article incorporates features, such as artistic sculpture, carving, or pictorial representation, which can be identified separately and are capable of existing independently as a work of art, such features will be eligible for registration.

Former 37 C.F.R. § 202.10(c), quoted in *Esquire, Inc. v. Ringer*, 591 F.2d 796, 800 (D.C. Cir. 1978). This regulation also left its mark on the language adopted by Congress in the 1976 Act.

(2) Whatever the background, did Congress have to adopt an approach that discriminated between “artistic” features and “mechanical or utilitarian” aspects when it legislated in 1976? Was it wise to do so? Why not grant copyright protection to all pictorial, graphic, and sculptural works embodied in useful articles? Does the Copyright Clause afford Congress the power to do so? How did the drafters of the 1976 Act differ from the drafters of the 1909 Act and the Copyright Office regulations in their treatment of the problem?

(3) Be sure you understand the statutory basis for the separability limitation on copyright protection for useful articles. Section 102(a) provides copyright protection for “pictorial, graphic, and sculptural” works. The definition of that category in § 101 excludes “the design of a useful article,” unless that design contains “pictorial, graphic, or sculptural *features*” (emphasis added) that are separable from “the utilitarian aspects of the article.” If separable features exist, then “the design of a useful article” qualifies as a “pictorial, graphic, and sculptural” work that is protected under the Act. But before we can apply the separability limitation, we must also look to the § 101 definition of “useful article” to determine *which* works are subject to that limitation.

(4) Obviously, the concept of “utilitarian function” at work in the 1976 Act’s definition of a “useful article” is a relatively specialized one. In some sense, all copyrightable works aspire to usefulness. What could be more profoundly “useful,” for example, than the inspirational effect of great art or music? In thinking about your

answer, and as you read the materials that follow, keep in mind that the “useful article” limit on copyrightability constrains a party’s ability to receive a “back door” utility (or design) patent through copyright.

(5) The definition of a “useful article” provides that an article is not “useful” if its only function is “to convey information.” The apparent purpose of this limitation is to exclude literary works, such as directories and textbooks, and some pictorial works, such as maps, from the definition. *See generally* Ochoa, *What is a “Useful Article” in Copyright Law After Star Athletica?*, 166 U. Pa. L. Rev. Online 105 (2017). But what about computer programs? Aren’t most application programs “useful” for something other than to convey information? Yet we know that *Apple v. Franklin*, and the decisions following it, have rejected the notion that protection for computer programs in object code form is limited because of their “utility.” Is this because programs are considered “literary works” and the limitation on protection for “useful article[s]” is contained in the statutory definition of “pictorial, graphic, and sculptural” works? Whatever its legal merit, does such a distinction have any basis in common sense?

(6) The Act also provides that an article is not “useful” if its only function is “to portray the appearance of the article.” But what, exactly, does this mean? In two cases involving taxidermy forms, both the Fourth Circuit and the Second Circuit concluded that animal and fish mannequins, respectively, fell within this exception. *See Superior Form Builders, Inc. v. Dan Chase Taxidermy Supply Co.*, 74 F.3d 488 (4th Cir. 1996); *Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320 (2d Cir. 1996). The fact that the mannequins were used to display animal and fish skins was not sufficient to make them “useful articles.” Some human mannequins are used to display clothing, which may be considered to be a utilitarian purpose. *See Carol Barnhart Inc. v. Economy Cover Corp.*, 594 F. Supp. 364, 370 (S.D.N.Y. 1984) (discussed in more detail below). In *Pivot Point Int’l, Inc. v. Charlene Products, Inc.*, 372 F.3d 913 (7th Cir. 2004), the court expressed doubt as to whether a female mannequin head (dubbed “Mara”) that was used by cosmetology students to practice makeup application and hair styling was a “useful article” at all. Does Mara have “an intrinsic utilitarian function” other than to portray her own appearance? The *Pivot Point* court dodged the issue, assuming without deciding that Mara was a useful article, and rested its decision instead on “conceptual separability.”

(7) Applying the “useful article” doctrine to fashion or apparel has proven to be particularly challenging because it requires analysis of both what the “utilitarian aspects” of a design are and whether there is copyrightable expression that is separable from these. Perhaps a look into the recent history of protection for apparel would be helpful.

In *Masquerade Novelty, Inc. v. Unique Industries, Inc.*, 912 F.2d 663 (3d Cir. 1990), the court considered the copyrightability of the plaintiff’s “nose masks” (representing the characteristic proboscises of pigs, parrots, and so forth). The District Court had granted summary judgment on the ground that the animal shapes were “conceptually inseparable from the product’s utilitarian purpose of creating humor.” *Id.* at 670 (quoting District Court opinion). The Circuit Court agreed that, *if* the masks were considered

“useful,” effective separation of form and function would be difficult indeed, but it rejected the underlying premise:

That nose masks are meant to be worn by humans to evoke laughter does not distinguish them from clearly copyrightable works of art like paintings. When worn by a human being, a nose mask may evoke chuckles or guffaws from onlookers. When hung on a wall, a painting may evoke a myriad of human emotions, but we would not say that the painting is not copyrightable because its artistic elements could not be separated from the emotional effect its creator hoped it would have on persons viewing it. The utilitarian nature of an animal nose mask or a painting of the crucifixion of Jesus Christ inheres solely in its appearance, regardless of the fact that the nose mask’s appearance is intended to evoke mirth and the painting’s appearance a feeling of religious reverence. Thus, Masquerade’s nose masks are not “useful articles” for purposes of 17 U.S.C. § 101, and are copyrightable as sculptural works.

Id. at 671.

The reasoning in *Masquerade* seemed to conflict with a previous case involving Halloween costumes, *Whimsicality, Inc. v. Rubie’s Costume Co.*, 891 F.2d 452 (2d Cir. 1989), in which the court stated bluntly: “[T]he Copyright Office considers costumes to be wearing apparel and consistently rejects applications to register them.” *Id.* at 454. The conflict led the Copyright Office to clarify its position. In *Registrability of Costume Designs*, 56 Fed. Reg. 56530 (Nov. 5, 1991), the Register agreed that masks were not useful articles, but he maintained that costumes “serve a dual purpose of clothing the body and portraying their appearance.” Since the former was “an intrinsic utilitarian function” of the costumes, the Register continues to treat “fanciful” costumes as “useful article[s]” subject to separability analysis. *See, e.g., Chosun Int’l, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324, 329 & n.3 (2d Cir. 2005) (reversing District Court’s holding that “Halloween costumes may not be copyrighted” and remanding for determination of separability).

(8) In the Register’s view, “the general policy of nonregistrability of garment designs will be applied not only to ordinary wearing apparel, but also to period and historical dress, and uniforms.” 56 Fed. Reg. at 56532; *see also* Compendium III § 924.3. Will this still be true after *Star Athletica*? In *Star Athletica*, the Supreme Court implicitly assumes, without discussion, that cheerleading uniforms are “useful articles.” Moreover, it repeatedly says that the “shape, cut, and dimensions” of the uniforms are not protected, without expressly identifying what “utilitarian aspects” those features serve. What are the “utilitarian aspects” of a cheerleading uniform? In the opinion below, the Sixth Circuit identified three such aspects: to “cover the body, wick away moisture, and withstand the rigors of athletic movements.” 799 F.3d 468, 490 (6th Cir. 2016). Do you agree? Can you think of any others? The defendant argued that identifying the team to which one

belonged was also a utilitarian function, but this argument was rejected by the Sixth Circuit because it merely “convey[ed] information.”

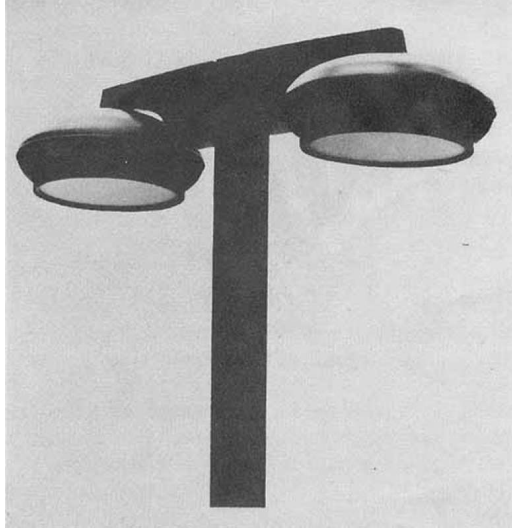
By contrast, in *Jovani Fashion, Inc. v. Fiesta Fashions*, 500 Fed. App’x 42, 44 (2d Cir. 2012), the Second Circuit affirmed the District Court’s holding that aspects of a prom dress — the selection and arrangement of sequins and beads, their patterns on the bust portion, and the wire-edged tulles added to the lower portion — were inseparable from its function as clothing for a special occasion, observing that “clothing, in addition to covering the body, serves a ‘decorative function,’ so that the decorative elements of clothing are generally ‘intrinsic’ to the overall function, rather than separable from it.” Is this analysis still good law after *Star Athletica*? Does *Star Athletica* open the door to greater protection for wearing apparel and fashion designs than was the case under the Register’s prior interpretation?

In one of the first decisions since *Star Athletica*, a District Court held that a banana costume was a “useful article,” and that cutout holes for arms, legs, and face were “utilitarian aspects” of the costume, but that the remaining elements were separable and entitled to protection. *Silvertop Assocs., Inc. v. Kangaroo Mfg., Inc.*, 319 F. Supp. 3d 754 (D.N.J. 2018). In response to concerns that the decision would give plaintiff a monopoly on banana costumes, the court pointed to 21 different banana costumes in the record that were “easily distinguishable” from the costume copied by the defendant.

“Conceptual Separability”: A Potpourri of Analyses

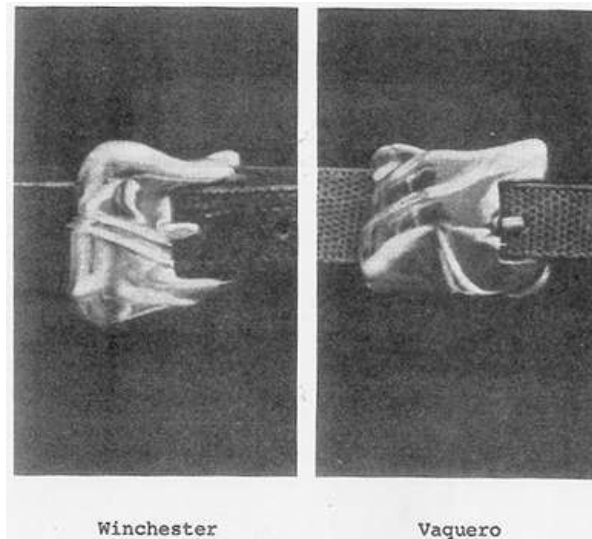
(9) By its definition of “pictorial, graphic, and sculptural works,” § 101 of the 1976 Act indicates that the “design of a useful article” may itself qualify as such a copyrightable work only to the extent that it incorporates artistic features “that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” Just what does the last-quoted language mean? Before confronting the Supreme Court’s opinion in *Star Athletica*, it may be useful to briefly review the tortured treatment this phrase had previously received in the Courts of Appeals. As you do, ask yourself: would any of these cases be decided differently under the Supreme Court’s opinion?

(10) In *Esquire, Inc. v. Ringer*, 591 F.2d 796 (D.C. Cir. 1978), the court considered the copyrightability of a lighting fixture (pictured nearby). The court held that “the overall design or configuration of a utilitarian object, even if it is determined by aesthetic as well as functional considerations, is not eligible for copyright.” 591 F.2d at 803-04. The opinion implies that “conceptual separability” can exist only where the physical disaggregation of an object’s useful and decorative features could be imagined but, for some practical reason, cannot be accomplished. The removal of an incised *bas relief* from the wall of a building might be an example.



The *Esquire* Lighting Fixture

(11) The Second Circuit took up the “separability” problem in *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989 (1980), a case involving claims of copyright in decorative belt buckles, which the evidence suggested were sometimes worn as jewelry in their own right. The majority’s analysis, however, was less than helpful. It simply concluded that “the primarily ornamental aspect of the ... buckles is conceptually separate from their subsidiary utilitarian function.” *Id.* at 993.



The *Kieselstein-Cord* Buckles

(12) The Second Circuit’s next foray into the territory of “useful article[s]” was in *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411 (2d Cir. 1985). *Barnhart* involved four life-size human torso forms made of styrene, each without neck, arms, or a

back, which were designed and used to display sweaters, blouses and dress shirts. The majority concluded that “the features claimed to be aesthetic or artistic ... are inextricably intertwined with the utilitarian feature, the display of clothes.” *Id.* at 419. Isn’t asking whether the decorative features of a work are “inextricably intertwined” with its utilitarian aspects an essentially subjective inquiry? Perhaps the inquiry into “conceptual separability” is *inherently* subjective, and the real question is *whose* subjectivity should control.

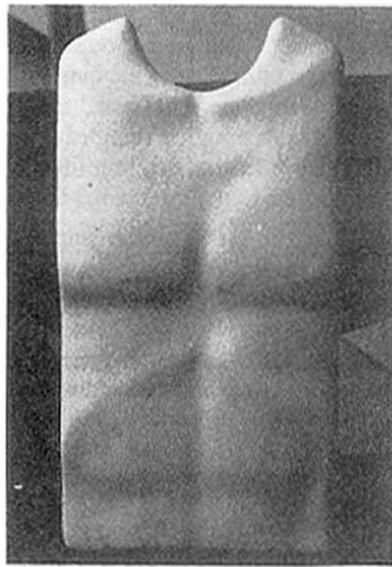


Figure 1



Figure 2



Figure 3



Figure 4

The Four Torsos in *Barnhart*

Judge Newman, dissenting in *Barnhart*, answered that he thought “the relevant beholder must be that most useful legal personage — the ordinary, reasonable observer.” But what, exactly, should the ordinary observer be asked to determine? Judge Newman suggested:

I think the requisite “separateness” exists whenever the design creates in the mind of the ordinary observer two different concepts that are not inevitably entertained simultaneously. ... [T]he example of the artistically designed chair displayed in a museum may be helpful. The ordinary observer can be expected to apprehend the design of a chair whenever the object is viewed. He may, in addition, entertain the concept of a work of art, but if this second concept is engendered in the observer’s mind simultaneously with the concept of the article’s utilitarian function, the requisite “separateness” does not exist. The test is not whether the observer fails to recognize the object as a chair but only whether the concept of the utilitarian function can be displaced in the mind by some other concept. ... The separate concept will normally be that of a work of art.

Id. at 422-23. The majority in *Barnhart* criticized Judge Newman’s standard as “so ethereal as to amount to a ‘non-test’ that would be extremely difficult, if not impossible, to administer or apply.” *Id.* at 419 n.5. Other courts apparently agree, as no court has yet adopted Judge Newman’s proposal. On the other hand, his test bears a striking resemblance to some of the language used by the Supreme Court in *Star Athletica*.

(13) The next case involved the copyrightability of a design for a bicycle rack constructed of metal tubing bent to create a serpentine form. In *Brandir International, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987), the court adopted a test for “conceptual separability” proposed by Professor Denicola in the article cited in *Pivot Point*. In the *Brandir* court’s words:

[I]f design elements reflect a merger of aesthetic and functional considerations, the artistic aspects of a work cannot be said to be conceptually separable from the utilitarian aspects. Conversely, where the design elements can be identified as reflecting the designer’s artistic judgment exercised independently of functional influences, conceptual separability exists.

834 F.2d at 1145. Because the artist had modified his original sculpture in order to produce a more useful bike rack, the court concluded that the bike rack was not copyrightable.



The *Brandir* Bike Rack

The *Brandir*-Denicola test was subsequently endorsed by both the Seventh Circuit, in *Pivot Point*, and the Fourth Circuit, in *Universal Furniture Int'l, Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417, 434 (4th Cir. 2010) (involving the “decorative elements” on plaintiff’s furniture, consisting of “three-dimensional shells, acanthus leaves, columns, finials, rosettes, and other carvings”). The Supreme Court, however, expressly rejected this test in *Star Athletica*, stating that “our inquiry is limited to how the article and feature are perceived, not how or why they were designed.”

(14) Three federal appellate courts had also used the test proposed by Professor Nimmer, asking whether “there is any substantial likelihood that even if the article had no utilitarian use it would still be *marketable* to some significant segment of the community simply because of its aesthetic qualities[?]” See 1 Nimmer on Copyright § 2.08[B][3] (2015) (emphasis added); *Galiano v. Harrah’s Operating Co.*, 416 F.3d 411, 422 (5th Cir. 2005); *Poe v. Missing Persons*, 745 F.2d 1238, 1243 (9th Cir. 1984); *Magnussen Furniture, Inc. v. Collezione Europa USA, Inc.*, 43 U.S.P.Q.2d (BNA) 1218 (4th Cir. 1997). Once again, however, the Supreme Court expressly rejected this test in *Star Athletica*, stating it “threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act.”

(15) Both the District Court opinion and the dissent in *Pivot Point* endorsed yet another test, this one proposed by Professor Goldstein in his treatise. Goldstein’s test asks whether there is a pictorial, graphic, or sculptural feature that “can stand on its own as a work of art traditionally conceived,” and whether “the useful article in which it is embodied would be equally useful without it.” See *Leicester v. Warner Bros.*, 232 F.3d 1212, 1219 n.3 (9th Cir. 2000) (endorsing Goldstein test in *dicta*).

Yet again, however, the Supreme Court rejected this test in *Star Athletica*, stating that “[t]he focus of the separability inquiry is on the extracted feature and not on any

aspects of the useful article that remain after the imaginary extraction.” Does this omission threaten to grant copyright protection to any of the “utilitarian aspects” of useful articles? Or is this possibility foreclosed by the majority opinion’s caveat that “[o]f course, . . . the feature cannot itself be a useful article or ‘[a]n article that is normally a part of a useful article’ (which is itself considered a useful article)”?

(16) As the foregoing material amply demonstrates, “[c]ourts have twisted themselves into knots trying to create a test to effectively ascertain whether the artistic aspects of a useful article can be identified separately from and exist independently of the article’s utilitarian function.” *Masquerade Novelty*, 912 F.2d at 670. But are all these contortions really necessary? Justice Thomas apparently thinks not, opining in *Star Athletica* that the answer “depends solely on statutory interpretation.” How useful, however, is the two-part test that his majority opinion adopts? Try applying the majority’s test to any of the cases that preceded it. Are the answers any clearer than they were before?

Perhaps the best that can be said about *Star Athletica* is that it clears out some of the underbrush that had developed in the case law. Three of the standards that had been adopted in the Courts of Appeals are unequivocally rejected, and they are replaced by a two-part test that purports to be straightforward. It may be some years, however, before we know whether the Supreme Court succeeded in clarifying this area, or whether another intervention may be needed to straighten things out.

(17) *Additional limitations concerning useful articles.* In addition to the limitation on copyright protection for useful articles in § 101’s definition of “pictorial, graphic, and sculptural” works, the Copyright Act contains two other limitations pertinent to useful articles. First, when the design of a useful article *does* qualify for copyright protection, § 113(c) still allows others to make, distribute, and display pictures or photos of such articles in advertisements, commentaries, or news reports. Second, when a pictorial, graphic, or sculptural work “portrays a useful article as such,” then under § 113(b), the copyright owner has no greater or lesser rights in such a work than she did under the law, as interpreted by the courts, in effect on December 31, 1977. This section was intended to preserve pre-1978 case law holding that the copyright in a drawing of a useful article does not prevent others from manufacturing the useful article itself. *See, e.g., Niemi v. American Axle Mfg. & Holding, Inc.*, 2006 U.S. Dist. LEXIS 50153 (E.D. Mich. 2006).

In *Tire Engineering & Distribution, LLC v. Shandong Linglong Rubber Co.*, 682 F.3d 292 (4th Cir. 2012), both the parties and the court seem to have entirely overlooked the last of these limitations. Because the defendant had infringed the plaintiff’s blueprints, which were protected pictorial works, in the United States, the court held that the plaintiff could recover damages for the subsequent manufacture in China of the useful articles (tires) depicted in those blueprints. Putting aside the problem of the extraterritorial reach of the Copyright Act (discussed in § 8.04), this holding gave the plaintiff more relief than it was entitled to under § 113(b).

[F] Sound Recordings

USAGE: On pages 205-206, SUBSTITUTE the following for the entire section (eight paragraphs) titled *History of U.S. Protection*:

History of U.S. protection. The impetus for creation of the sound recording category was the alarming rise in record piracy in the decade or so immediately preceding passage of the 1976 Act. This is a form of “free-riding” to which record companies have always objected vigorously, and some states, such as New York and California, responded by providing some form of civil or criminal causes of action by legislation or common law. But by 1971 the problem had become acute enough that record companies were willing to accept less-than-complete copyright protection in order to achieve an effective federal remedy against the unauthorized duplication and sale of their products.

In 1971, Congress passed the Sound Recording Amendment Act, effective February 15, 1972, which was then carried over into the 1976 Act. Under § 114, the *duplication* of a sound recording fixed on or after the effective date of the 1971 Act is an infringement, not only of the rights of the songwriter and the songwriter’s publisher in the musical work, but also of all persons holding a copyright in the sounds recorded on the disc or tape (see the discussion of ownership above).

The protection accorded sound recordings under federal law differs in important respects, however, from that accorded other works listed in § 102(a). For example, while unauthorized duplication of a sound recording is an infringement, imitation of the recording — by rerecording the musical work, even using the same artists and engineers — is not. *See* § 114(b). This possibility is dealt with by recording contract provisions in which the performer agrees not to rerecord a song done for that company for a set number of years.

Another important limitation is the lack of a general public performance right. When a broadcast radio station plays a recording, it must pay a royalty to the copyright owner of the musical work; it does not pay a royalty to the copyright owner of the sound recording. This limitation was insisted upon by broadcasters and was an important part of the political compromise that made the 1971 Act possible. Not until the Digital Performance Right in Sound Recordings Act of 1995 did Congress finally enact a limited public performance right in sound recordings, applicable only to certain kinds of digital audio transmissions. The rationale offered at the time was that subscription-based and interactive services posed a special risk to recording companies, because music consumers who received them might be inclined to buy fewer CDs as a result. *See* H.R. Rep. No. 104-274, at 13 (1995). This legislation was significantly amended in 1998 by the Digital Millennium Copyright Act.

The digital audio transmission right left owners of sound recordings fixed before February 15, 1972 in a disadvantageous position. Pre-1972 sound recordings continued to be governed exclusively by state law, which generally provided common-law rights

against reproduction and distribution. *See, e.g., Capitol Records, Inc., v. Naxos of America, Inc.*, 830 N.E.2d 250 (N.Y. 2005). But pre-1972 sound recordings did not enjoy the limited public performance right accorded by federal law to sound recordings fixed on or after February 15, 1972. The disparity led to a series of state-law claims against streaming and satellite radio services, such as Sirius XM Radio, in which some plaintiffs succeeded (at least initially) in getting a public performance right recognized under state law for pre-1972 sound recordings. *See* § 7.05 below. Although state-law public performance rights were mostly rejected on appeal, *id.*, the campaign led to passage of the Classics Protection and Access Act (Title II of the Music Modernization Act of 2018), in which Congress afforded parallel federal protection to pre-1972 sound recordings (and mostly preempted state law for such recordings). *See* 7.07[C] below.

§ 3.02 DERIVATIVE WORKS AND COMPILATIONS UNDER § 103

[B] Derivative Works

USAGE: On page 233, ADD the following text to the end of Note (8) (after the illustration):

In *We Shall Overcome Foundation v. Richmond Organization*, 124 U.S.P.Q.2d (BNA) 1234 (S.D.N.Y. 2017), the court applied *Batlin* in holding that the changes made to the 1948 public domain version of the civil rights hymn (changing “will” to “shall” and “down” to “deep,” and minor alterations to the melody in two measures) were “only minor, trivial changes of the kind that any skilled musician would feel free to make.” Accordingly, the court granted partial summary judgment to the plaintiffs, holding that Verses 1 and 5 of the registered version were also in the public domain.

Compare *Batlin* with *Davidson v. United States*, 138 Fed. Cl. 159 (2018), holding that the sculptor of a replica of the Statue of Liberty in Las Vegas made “meaningful and not trivial” changes to the facial features of the statue to qualify for copyright protection. The two sculptures are shown below. Do you agree?



Statute of Liberty (left) and Davidson's replica (right)

USAGE: On page 234, ADD the following paragraph to the end of Note (10):

The Ninth Circuit applied the *ERG* standard in holding that digitally remastering a pre-1972 sound recording, including declipping and noise reduction, did not add sufficient originality to entitle the remastered recording to a federal copyright as a derivative work. *ABS Ent'mt, Inc. v. CBS Corp.*, 908 F.3d 405 (9th Cir. 2018).

USAGE: On page 235, SUBSTITUTE the following for the first paragraph of Note (13):

(13) Under § 103(a), copyright in a derivative work “does not extend to any part of the work in which [the preexisting] material has been used unlawfully.” This provision sometimes denies copyright to a derivative work that otherwise would meet the standard of sufficient originality. *See, e.g., Palladium Music, Inc. v. EatSleepMusic, Inc.*, 398 F.3d 1193 (10th Cir. 2005) (holding karaoke sound recording copyrights invalid and unenforceable for failure to obtain compulsory or consensual licenses from the copyright owners of the underlying musical works). Note, however, that permission does not have to be granted in writing; an implied nonexclusive license (discussed in § 4.02 below) will suffice. *See Latimer v. Roaring Toyz, Inc.*, 601 F.3d 1224 (11th Cir. 2010) (assuming

photos of custom-painted motorcycles were derivative works of the artwork, copyrights were nonetheless valid, because artist was aware that the motorcycles would be photographed for promotional purposes). Indeed, neither express nor implied permission is needed if statutory authorization exists. Thus, where a second author makes a “fair use” parody of an original work (see Chapter 10), the parodist can claim a copyright in the resulting derivative work. *See Keeling v. Hars*, 809 F.3d 43 (2d Cir. 2015).

[C] Compilations

USAGE: On page 246, ADD the following text to the end of Note (4):

For the full story behind *Feist*, and an analysis of its importance and its impact on the law of databases, see Joyce & Ochoa, *Reach Out and Touch Someone: Reflections on the 25th Anniversary of Feist Publications, Inc. v. Rural Telephone Service Co.*, 54 Hous. L. Rev. 257 (2016).

USAGE: On page 247, ADD the following text to the end of Note (6):

In *Experian Information Solutions, Inc. v. Nationwide Marketing Services, Inc.*, 893 F.3d 1176 (9th Cir. 2018), the Ninth Circuit held that a database consisting solely of names and addresses was sufficiently “original” because Experian collected data from numerous sources and used a “sophisticated process” (an algorithm or series of rules) to resolve conflicting data “to ensure accuracy and utility.” The court opined that the process involved “at least minimal creativity.” But section 102(b) excludes “*any* procedure, process, system, or method of operation” from copyright protection (emphasis added). How can using such a process result in “name and address pairings [that] are copyrightable as compilations”? Is this anything more than “industrious collection” (or “sweat of the brow”) by a different name? The court nonetheless held that defendant’s database did not infringe, because it contained only 200 million pairs, compared with the 250 million pairs claimed by the plaintiff.

Chapter 4

OWNERSHIP AND TRANSFERS

§ 4.01 INITIAL OWNERSHIP

[B] Works Made For Hire

USAGE: On page 279, ADD the following to the end of Note (16):

Note also that ownership of sound recordings fixed before February 15, 1972 is determined by state law, as it existed before enactment of the Music Modernization Act on October 11, 2018. § 1401(l)(2)(A). Since retroactive changes in state law would likely violate due process, this likely means that initial ownership will be determined under state law as it existed on the date of fixation — and state law may be heavily influenced by pre-1976 federal law in this regard.

[C] Joint Works

USAGE: On page 288, ADD the following to the end of Note (5):

As with works made for hire, initial ownership of sound recordings fixed before February 15, 1972 is determined by state law, as it existed before enactment of the Music Modernization Act on October 11, 2018. § 1401(l)(2)(A).

§ 4.02 TRANSFERS OF RIGHTS

[C] Decisional Law

USAGE: On pages 309-310, SUBSTITUTE the following for the text of Note (13):

(13) *Public licenses.* The free-software movement has encouraged the use of “open-source licenses,” under which the source code of a computer program is publicly disclosed, accompanied by a non-exclusive license granted to all members of the public. These licenses usually permit most uses on a royalty-free basis on condition that users give appropriate credit. The first of these, the GNU General Public License (“GPL”), has been described as a “copyleft” or “viral” license because it requires any user who

distributes GPL-licensed code in machine-readable form to also distribute the source code to enable downstream users to exercise the licensed rights to prepare derivative works. *Cf. Wallace v. Int’l Business Machines Corp.*, 467 F.3d 1104 (7th Cir. 2006) (providing software under GPL open-source license does not violate antitrust laws). For more on open-source licenses, see the Open Source Initiative at www.opensource.org.

Creative Commons similarly offers six options for granting royalty-free, nonexclusive public licenses. Until recently, a key question concerning such licenses was whether they could be enforced. In *Jacobsen v. Katzer*, 535 F.3d 1373 (Fed. Cir. 2008), the court held that the terms of an open-source license were conditions that could be enforced by an infringement action, rather than independent covenants that could only give rise to an action for breach of contract. (Nonetheless, on remand the District Court refused to issue a preliminary injunction, finding no evidence of imminent future harm. 609 F. Supp. 2d 925 (N.D. Cal. 2009).) *See also Great Minds v. FedEx Office and Print Services, Inc.*, 886 F.3d 91 (2d Cir. 2018) (schools that came within the scope of a non-commercial Creative Commons license could use a commercial photocopy shop in order to carry out the reproduction); *Drauglis v. Kappa Map Group, LLC*, 128 F.3d 46 (D.D.C. 2015) (commercial use of a photo on the cover of an atlas was within the scope of the Creative Commons Attribution-ShareAlike 2.0 License under which it was made available on Flickr).

USAGE: On page 310, ADD the following after the end of Note (14):

(14A) *Pre-1972 Sound Recordings*. Note that although initial ownership of sound recordings fixed before February 15, 1972 is determined by state law, as it existed before enactment of the Music Modernization Act, transfers occurring on or after October 11, 2018 are governed by §§ 201(d) and (e), and § 204(a) of the Copyright Act. §§ 1401(h)(1)(A), 1401(l)(2)(A),

[F] Orphan Works

USAGE: On pages 316-318, SUBSTITUTE the following for the text of this section:

In Chapter 5, you will encounter a number of developments (including automatic renewal and copyright term extension) that have increased dramatically the proportion of older works of authorship that must be presumed to enjoy copyright protection today. Whatever we may think of these developments, or about the 1976 Act’s extension of federal copyright to unpublished works generally, they exacerbate what formerly had been a relatively minor irritation into a major headache. In the past, would-be users of existing works occasionally found themselves frustrated in their efforts to ascertain these works’ true owners in order to negotiate licensing arrangements. But as copyright has grown in duration and extent, these so-called “orphan works” problems have become more and more common.

The problem has taken on greater prominence as libraries, archives, and commercial actors (such as Google) have actively engaged in projects to digitize older creative works and make them available over the Internet. At the same time, growing public awareness of the risks of copyright infringement has deterred some digitization efforts, despite possible application of the fair use doctrine (discussed in § 10.03). The result has been heightened frustration on the part of individual scholars and artists, as well as non-profit cultural institutions.

The “orphan” term addresses three kinds of uncertainty about copyright ownership: (1) whether there is an owner at all, (2) if so, who the owner is, and (3) whether the owner can be located. Works published in the United States prior to 1923 are in the public domain. The very large majority of works published without notice between January 1, 1923 and March 1, 1989 also are in the public domain, but they may not be if a foreign author’s copyright was “restored” or if the notice deficiency could have been, and was, effectively cured. Works in which federal copyright vested between 1923 and 1964 were eligible for permissive renewal, but, even after a search of Copyright Office records, it is not always clear whether a copyright was effectively renewed. *See* § 5.01[C] below.

Works unambiguously under copyright may become “orphaned” because of the absence of information identifying the author or owner or because of poor recordkeeping concerning copyright transfers. Lack of information identifying an owner is particularly an issue for older photographs that appear in books and magazines. Even if the author or publisher is known, absence of records can make establishing a chain of title impossible. One example involves publishing contracts with reversion clauses that automatically transfer rights back to the author once a book is out of print. When neither party nor the prospective user has a copy of the contract, uncertainty arises about who may grant a license to republish the work. Another involves the absence of records concerning multiple transfers of copyrights among corporate entities that no longer exist because of mergers, acquisitions or bankruptcy, as occurred as the recorded music industry became more consolidated. Recall that recording transfers with the Copyright Office is optional.

Finally, even if the author or copyright owner can be identified by name, the prospective user may be unable to locate him or her. Even where copyright records contain contact information, the Copyright Office allows such information to be removed from online records. Authors can die, leaving both legitimate and illegitimate heirs; and authors and owners can move without recording any forwarding address.

The Copyright Office has invested considerable energy in the issue. Its REPORT ON ORPHAN WORKS (2006) resulted in near-miss legislation in 2008, when an Orphan Works Act was passed by the full Senate but its companion bill in the House was not. After the orphan works issue resurfaced in class action litigation concerning Google’s digitization of books from academic libraries (*see* §10.04 below), the Office revisited the issue, recommending a limitation on liability for qualified users of orphan works and a statutory license for mass digitization projects. *See* U.S. COPYRIGHT OFFICE, ORPHAN WORKS AND MASS DIGITIZATION (2015), available at www.copyright.gov/orphan.

The Music Modernization Act of 2018 contains three provisions that attempt to address the orphan works issue in the music industry. First, Congress directed the Mechanical Licensing Collective to create and maintain a free public database of the identity and location of owners of musical works. § 115(d)(3)(E). Second, the Collective must hold unclaimed royalties from the use of musical works for at least three years, during which it must attempt to identify and locate owners of so-called “unmatched works.” If such works remain unmatched after three years, the unclaimed royalties are distributed in proportionate shares to other musical work copyright owners, which must in turn distribute 50 percent of the unclaimed royalties to songwriters. § 115(d)(3)(H)-(J). Third, a person may make a noncommercial use of a pre-1972 sound recording that is “not being commercially exploited” by its owner, if the person makes a good faith, reasonable search but does not find the owner and files a notice to that effect in the Copyright Office, unless the owner files a notice of objection within 90 days after the notice is indexed in the public records of the Office. § 1401(c)(1). If these efforts prove successful, they may serve as a model for future legislation for other types of orphan works.

Chapter 5

DURATION AND TERMINATIONS

§ 5.01 DURATION OF COPYRIGHTS

[B] Duration Basics Under the CTEA

USAGE: On pages 336, ADD the following text after the end of Note (6):

(6A) For an example of a particularly complicated conflict concerning the song “Happy Birthday,” see *Marya v. Warner/Chappell Music, Inc.*, 131 F. Supp. 3d 975 (C.D. Cal. 2015). The melody was first published in 1893, with the lyrics “Good Morning to You,” and is now in the public domain; but Warner claimed that there was no authorized publication of the “Happy Birthday” lyrics until 1934, when the lyrics were assigned to the Summy Corp., Warner’s predecessor in interest. Plaintiffs countered with evidence that the lyrics were published by Summy in 1922, and by others in 1911, 1924, and 1928. The trial court found that genuine issues of material fact precluded summary judgment on duration, but instead ruled that no reasonable jury could find that the 1934 agreement (which refers only to “piano arrangements”) transferred any copyright in the lyrics to Summy. The parties eventually settled, declaring the song to be in the public domain, with Warner agreeing to refund up to \$14 million to those who had paid licensing fees to use the lyrics.

[C] The Law of Renewal

[2] Renewal Basics

USAGE: On page 343, ADD the following paragraph at the end of the section “*Who Was Entitled to Renew?*”:

A renewal filed by the wrong claimant was ineffective and placed the work in the public domain. *Cf. TCA Television Corp. v. McCollum*, 839 F.3d 168 (2d Cir. 2016) (Abbott & Costello’s “Who’s on First” routine was a preexisting, freestanding work that was not covered by Universal’s renewal in a motion picture in which it appeared).

[D] Restored Copyrights

USAGE: On page 352, SUBSTITUTE the following paragraph for the last paragraph of the section “*When Is Restoration Effective and How Long Do Restored Rights Last?*”:

In 2018, Congress enacted new federal protection for pre-1972 sound recordings. See §7.07[C] below. How should one reconcile this new protection with the existing protection provided to restored pre-1972 sound recordings of foreign origin? To give just two examples: is the term for such recordings limited under § 104A(a)(1)(B), or is it extended for the “transition period” provided in § 1401(a)(2)? Is ownership determined under the law of the source country, as provided in § 104A(b), or under state law, as provided in § 1401(l)(2)(A)? Congress’s failure to consider these questions may lead to future litigation.

§ 5.02 TERMINATIONS OF TRANSFERS

USAGE: On pages 363–364, SUBSTITUTE the following for the paragraph that crosses the page break:

In enacting the 1909 Act, Congress considered this question and may well have thought that it had answered “yes.” If, as the dissenters in *Fisher v. Witmark* believed, see §5.01[C][1], at p. 343 above, the 1909 Act Congress meant “to reserve the renewal privilege for the personal benefit of authors and their families,” what Congress expected was that ownership of the copyright in a work would revert to the author at the beginning of the renewal term (assuming compliance with renewal formalities), notwithstanding claims by any transferee that the author had granted away all rights in the work forever by assignment during the first 28 years. The *Fisher* majority, however, precluded authors in the *Fisher* plaintiff’s circumstances from recovering exploitation rights in their creations.

[D] The Mechanics of Termination

[1] Summary

USAGE: On pages 373–374, SUBSTITUTE the following for the first four paragraphs of the section titled “*Step One — Which Statute Applies?*”:

Sections 304(c) and 304(d) apply only to transfers of the renewal period, executed before January 1, 1978, in works copyrighted before January 1, 1978. Unlike § 203, § 304(c) and § 304(d) apply not only to grants made by the author, but also to those made by the author’s widow, widower, or children, and his/her next of kin.

Because § 304(d) is limited to works in their renewal term on October 27, 1998 (the effective date of the CTEA), for which the termination right in § 304(c) had expired by such date, § 304(d) is limited to works whose copyright was first secured between January 1, 1923 and October 26, 1939. *See* 37 C.F.R. § 201.10. In addition, § 304(d) applies only if the owner of the § 304(c) termination right has not previously exercised that right. *See Baldwin v. EMI Feist Catalog, Inc.*, 989 F. Supp. 2d 344, 355 (S.D.N.Y. 2013), *rev'd on other grounds*, 805 F.3d 18, 23–24 (2d Cir. 2015) (specifically acknowledging this point).

Section 203 applies to all grants executed by the author on or after January 1, 1978. The fact that the work was created before 1978, or that copyright was secured before 1978, is irrelevant. It is the date of the transfer to be terminated that is determinative, not the date when copyright was secured. *See Baldwin*, 805 F.3d at 27–31 (where parties replaced their 1951 agreement with a new agreement in 1981, author's heirs could use § 203 to terminate 1981 transfer).

As to any particular grant, § 304 and § 203 are mutually exclusive. But an interest which was the subject of a pre-1977 grant that has been terminated under § 304(c), and was re-granted, may potentially be reclaimed once again by a termination under § 203.

USAGE: On pages 375, SUBSTITUTE the following for the second paragraph (the last paragraph of “*Step Two — Calculate the Termination Window*”):

Under § 203(a)(3), the five-year termination window generally opens 35 years after the date of the transfer to be terminated. If the transfer “covers the right of publication of the work,” however, the opening of the five-year termination window is postponed to the earlier of 35 years after publication or 40 years after the date of the transfer. *See Baldwin*, 805 F.3d at 33 (construing this phrase to mean the right of *first* publication of the work: “the publication of a work is a one-time event.”).

[2] Decisional Law

USAGE: On pages 387–388, SUBSTITUTE the following for Note (8):

(8) The subsequent history of the Superman copyright is a long and arduous one. After Shuster's sister and heir, Jean Peavy, filed a termination notice under § 304(d) to reclaim her brother's half-share, DC Comics went on the offensive, filing an action for a declaratory judgment that the notice was invalid. The Ninth Circuit agreed, holding that a 1992 agreement between the parties superseded all previous agreements; and because the 1992 agreement was entered into after 1978, it was subject to termination, if at all, only under § 203. *DC Comics v. Pacific Pictures Corp.*, 504 Fed. App'x 582 (9th Cir. 2013). (For the legal basis, *see* Note 11 below.) DC's claims that Peavy's attorney tortiously

interfered with the 1992 agreement, and with a 2001 settlement agreement with the Siegel heirs, were dismissed on statute of limitations grounds. *DC Comics v. Pacific Pictures Corp.*, 938 F. Supp. 2d 941 (C.D. Cal. 2013).

Meanwhile, the Ninth Circuit ruled that the Siegel heirs had accepted Warner Brothers' settlement offer in October 2001, thereby rendering moot all of the other issues raised on appeal. *See Larson v. Warner Bros. Ent'mt, Inc.*, 504 Fed. App'x 586 (9th Cir. 2013). After remand, the Ninth Circuit affirmed the District Court's rulings that the 2001 Agreement not only re-granted the rights to *Action Comics No. 1*, but also precluded later-filed termination notices under § 304(d) purporting to recapture the copyrights to the two promotional advertisements and to *Superboy*, *Larson v. Warner Bros. Ent'mt, Inc.*, 640 Fed. App'x 630 (9th Cir. 2016), thereby bringing "this litigation of superhero proportions ... to a close."

USAGE: On page 389, SUBSTITUTE the following for the last two paragraphs of Note (11):

By contrast, in *Classic Media, Inc. v. Mewborn*, 532 F.3d 978 (9th Cir. 2008), the court held that the daughter of author Eric Knight could terminate a 1976 agreement granting rights in her father's story *Lassie Come Home*, notwithstanding a 1978 agreement confirming and modifying the 1976 agreement. The court distinguished *Milne*, noting that although Milne used the threat of termination to negotiate a more favorable deal, Mewborn did not "intend to relinquish a known termination right" and did not receive any additional consideration. *See also Brumley v. Albert E. Brumley & Sons, Inc.*, 822 F.3d 926 (6th Cir. 2016) (1979 transfer confirmed and did not replace 1975 transfer, which remained subject to termination; distinguishing *Milne* and *Steinbeck*).

Are you persuaded that the courts reached the right results in these four cases? Which, if any, is most questionable? Congress could ameliorate the situation by amending § 203 to permit grants made by an author's heirs to be terminated. Should it do so? Would such an amendment be constitutional?

USAGE: On page 389, ADD the following after Note (12):

(13) Can foreign law override U.S. law on the non-alienation of U.S. termination rights? In *Gloucester Place Music Ltd. v. Le Bon*, [2016] EWHC 3091 (Ch.), an English judge ruled that British law governed the contracts between the band Duran Duran and its publisher, and that the contracts were breached by serving termination notices in the U.S. If this ruling is upheld on appeal, what is to prevent publishers from routinely stipulating that British law applies in the future? What happens if a U.S. judge holds that the British contracts are void and cannot be enforced in the U.S.? *See also* § 8.04 below.

Chapter 6

PUBLICATION AND FORMALITIES

§ 6.01 PUBLICATION

[B] Publication in the Courts

USAGE: On pages 406-407, SUBSTITUTE the following for the text of Note (7):

(7) *Phonorecords and sound recordings.* Before 2018, sound recordings fixed before February 15, 1972, were protected only by state law. In order to provide common-law protection to such recordings, some states resorted to the legal fiction that recordings released to the public had never been “published” within the meaning of federal copyright law. *See, e.g., Capitol Records, Inc. v. Naxos of America, Inc.*, 830 N.E.2d 250 (N.Y. 2005). The 1976 Copyright Act, however, expressly provides (in § 101) that “the distribution of copies *or phonorecords* of a work to the public” constitutes “publication.” When Congress enacted new federal protection for pre-1972 sound recordings in 2018, it expressly provided that the definition in § 101 would apply. § 1401(f)(6)(B). Thus, the terms of protection for pre-1972 sound recordings are now measured from the date on which phonorecords were first distributed to the public — an eminently sensible solution. *See* § 1401(a)(2)(A)(i)(I).

§ 6.03 DEPOSIT AND REGISTRATION

[B] Concepts and Procedures

USAGE: On page 435, SUBSTITUTE the following for the second paragraph of Note (12):

But what, exactly, is meant by “has been made”? Is it sufficient to have submitted an application, accompanied by payment of the required fee and deposit of the requisite copies, or must the Copyright Office have acted on the application? The circuits are split on the question. *See Psihoyos v. John Wiley & Sons, Inc.*, 748 F.3d 120, 125 (2d Cir. 2014) (describing the split and declining to take a position). *Compare Apple Barrel Prods., Inc. v. Beard*, 730 F.2d 384 (5th Cir. 1984); *and Cosmetic Ideas, Inc. v. IAC/Interactive Corp.*, 606 F.3d 612 (9th Cir. 2010) (application is sufficient) *with LaResolana Architects v. Clay Realtors Angel Fire*, 416 F.3d 1195 (10th Cir. 2005) (collecting cases); *Gaiman v. McFarlane*, 360 F.3d 644, 655 (7th Cir. 2004); *and Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC*, 856 F.3d 1338 (11th Cir. 2017)

(Copyright Office action is required). In 2018, the Supreme Court granted *certiorari* in *Fourth Estate* to resolve the circuit split. 138 S.Ct. 2707 (2018). The dispute may turn, in part, on § 410(d), which provides that the effective date of a copyright registration is the date on which the application and supporting materials are received by the Copyright Office, rather than the later date on which the application is determined to be acceptable for registration.

Even if Copyright Office action is required, however, many courts allow the plaintiff to file an amended complaint once the registration in fact issues, thus curing the lack of registration. *See, e.g., M.G.B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486, 1489 (11th Cir. 1990). Some courts adhering to “application is sufficient” position have taken an even more generous approach. *See, e.g., Positive Black Talk, Inc. v. Cash Money Records, Inc.*, 394 F.3d 357 (5th Cir. 2004) (finding defect cured when Copyright Office received complete application four days after action was filed, despite the fact that plaintiff never filed an amended or supplemental pleading). The dispute could make a difference if, for example, the statute of limitations expires before the amended complaint is filed. *See Morgan v. Hanna Holdings, Inc.*, 635 F. Supp. 2d 404 (W.D. Pa. 2009).

USAGE: On page 435, ADD the following citation to the end of the third paragraph of Note (12):

Cf. Roberts v. Gordy, 877 F.3d 1024 (11th Cir. 2017) (District Court erred in raising *sua sponte* issue of invalidity of copyright registrations, an affirmative defense not raised and thus waived by defendants).

USAGE: On page 440, ADD the following after the end of Note (20):

(20A) *Registration and pre-1972 sound recordings.* In 2018, Congress provided new federal protection to sound recordings fixed before February 15, 1972. In doing so, however, it emphasized that such protection was *not* full federal copyright protection. Thus, neither § 411 nor § 412 apply to pre-1972 sound recordings. *See* §§ 1401(f)(5)(C), 1401(h)(1)(B). Instead, Congress provided that owners of pre-1972 sound recordings can recover statutory damages only by filing a schedule with the Copyright Office, and only for uses occurring more than 90 days after the schedule is indexed in the Office’s public records. § 1401(f)(5)(A). Congress also provided that, for the first 180 days after enactment, a transmitting entity that was already performing a sound recording could file its contact information with the Copyright Office, and it would be exempt from statutory damages until 90 days after receiving a notice from the owner. § 1401(f)(5)(B). A congressional report called the latter a “transition measure,” although a drafting error may mean that the two provisions are actually cumulative. Why do you think Congress established these additional formalities instead of simply allowing pre-1972 recordings to be registered?

§ 6.04 THE COPYRIGHT OFFICE

[C] Combining the Copyright Office With the Patent and Trademark Office

USAGE: On page 445, SUBSTITUTE the following for the fourth full paragraph:

After Register Maria Pallante was fired in 2016 by Librarian of Congress Carla Hayden (the first time a Register had ever been terminated), the House passed a bill that would require that the Register be appointed by the President for a ten-year term, from a list of three people recommended by a committee of seven people, consisting of the Librarian and the six highest-ranking members of Congress. The Register would also be subject to removal by the President, rather than by the Librarian. The Senate held hearings in September 2018, but has not yet acted on the House bill. Would these amendments, if adopted into law, make the Register more or less susceptible to political pressure?

Chapter 7

EXCLUSIVE RIGHTS AND THEIR LIMITATIONS

§ 7.01 OVERVIEW

[D] Miscellaneous Rights: In and Beyond Copyright

[2] Copyright Management Information

USAGE: On page 456, SUBSTITUTE the following for the last paragraph of this section:

Id. Do these facts really negate a finding of the requisite “knowledge”? How important, practically, is such a disclaimer? Should it matter how easy (or difficult) it was to print or download images retrieved by the Arriba Soft service? *See also Stevens v. CoreLogic, Inc.*, 893 F.3d 648 (9th Cir. 2018) (provider of software that automatically strips metadata from photos was not liable, because there was no evidence defendants had the requisite knowledge or intent); *Gordon v. Nextel Communications*, 345 F.3d 922 (6th Cir. 2003) (even though defendant intentionally removed notice, it did not have reasonable grounds to know that it would facilitate infringement, because it believed a license had been obtained to use the work); *but see Friedman v. Live Nation Merchandise, Inc.*, 833 F.3d 1180 (9th Cir. 2016) (circumstantial evidence was sufficient to create a triable issue of fact as to defendant’s knowledge that CMI had been removed). Litigation about CMI issues has been fairly sparse to date, but it has started to increase as courts and litigants become more familiar with § 1202’s provisions.

§ 7.02 THE REPRODUCTION RIGHT

[B] Reproduction in Copies

USAGE: On page 466, SUBSTITUTE the following for the text of Note (16):

(16) Narrowly drafted special limitations on the exclusive rights continue to proliferate. In 1996, Congress added § 121 to allow certain nonprofit and governmental agencies to reproduce and distribute copies or phonorecords of a published literary work in specialized formats for use by blind persons or others with disabilities. Congress amended § 121 in 2005 to permit authorized publishers of elementary and secondary textbooks to provide electronic copies for conversion into specialized formats; and again in 2018, when it also added § 121A, to implement the Marrakesh VIP Treaty (*see* § 1.04

above). Section 121 is now limited to domestic acts, while §121A permits works in accessible formats to be imported, and to be exported to countries adhering to the Marrakesh Treaty.

[C] Reproduction in Phonorecords

USAGE: On page 468, SUBSTITUTE the following for the fifth paragraph:

Remember that initially, § 114 applied only to sound recordings fixed on or after February 15, 1972. Sound recordings fixed before that date were protected, if at all, only under state law. In 2018, however, Congress extended federal protection to pre-1972 sound recordings and preempted state law almost entirely. *See* 17 U.S.C. §§ 301(c) and 7.05[A] & 7.07[C] below.

USAGE: On pages 468-469, DELETE the fifth paragraph of the section titled “*The § 115 limitation*” and ADD the following paragraph after the end of the first paragraph of this section:

In the Music Modernization Act of 2018, Congress substantially amended § 115. It retained the traditional mechanical license for reproduction and distribution in physical media and for individual download licenses; and it added an entirely new procedure for a “digital music provider” to obtain a “blanket license” to make and distribute “digital phonorecord deliveries” of musical works. *See* § 115(b), (d)(2). The following five paragraphs discuss the traditional mechanical license, while the next subsection (briefly) summarizes the new blanket license.

USAGE: On page 470, SUBSTITUTE the following for the first full paragraph:

The § 115 blanket license. In the 2010s, musical work copyright owners became concerned that digital music providers were abusing the § 115 mechanical license by filing thousands of notices of intent with the Copyright Office without a diligent search for the owners. After prolonged negotiations, Congress responded with the Music Modernization Act of 2018, which added a new procedure for a “digital music provider” to obtain a “blanket license” to make and distribute “digital phonorecord deliveries” of musical works, defined to include permanent downloads, limited downloads, and interactive streaming. *See* § 115(b), (d)(2), (e)(10). (Note that the digital music provider still has to obtain negotiated licenses from the sound recording copyright owners in addition to the blanket license.)

The MMA authorizes the Register to designate a new nonprofit “Mechanical Licensing Collective” to collect and distribute royalties from “covered activities” (digital phonorecord deliveries and incidental reproductions). § 115(d)(3), (e)(7). Beginning on

the “license availability date” (January 1, 2021), a digital music provider simply has to file a notice with the Collective to obtain a blanket license. (A voluntary license or an individual download license under § 115 for a musical work takes precedence over the blanket license for that work.) Digital music providers and “significant nonblanket licensees” (based on number of recordings or revenue) must file monthly reports and pay royalties to the Collective, which deducts an “administrative assessment” and distributes the remaining royalties to musical work copyright owners. As with the traditional mechanical license, rates and terms are determined by voluntary negotiations between interested parties or, in the absence of a voluntary agreement, by the three Copyright Royalty Judges.

The MMA requires the Collective create and maintain a free public database of musical works, including the identity and location of their owners. § 115(d)(3)(E). The Collective must hold unclaimed royalties for at least three years, during which it must attempt to identify and locate the owners of so-called “unmatched works.” If such works remain unmatched after three years, the unclaimed royalties are distributed in proportionate shares to other musical work copyright owners, which must in turn distribute 50 percent of the unclaimed royalties to songwriters. § 115(d)(3)(H)-(J).

The amendments made by the MMA continue an unfortunate trend of Congress enacting what are essentially negotiated agreements between interested parties. While the MMA resolves certain problems raised by “streaming” technologies and new business models, it does so at the cost of absurd statutory complexity that entrenches existing market participants and (likely) deters new ones. For more on the MMA, *see* §§ 7.05 and 7.07 below.

[D] Electronic Reproduction

USAGE: On pages 481-482, SUBSTITUTE the following for the first paragraph of Note (14):

(14) *Netcom*’s holding that direct infringement requires some element of volition or causation has proven influential in subsequent cases. *See, e.g., BWP Media USA, Inc. v. T&S Software Assocs., Inc.*, 852 F.3d 436 (5th Cir. 2017); *Perfect 10, Inc. v. Giganews, Inc.*, 847 F.3d 657 (9th Cir. 2017). Thus, in *Cartoon Network*, the court relied on both *Netcom* and *CoStar* in holding that Cablevision was not directly liable for setting up a RS-DVR system for its customers, because it was the customers, and not Cablevision, who made copies for later viewing. Note that *Netcom* ordinarily does not result in a finding of no liability, but only serves to distinguish direct infringement from secondary liability. (We will consider secondary liability in Chapter 9.) In *Cartoon Network*, however, plaintiffs made a strategic decision not to plead secondary liability, because the U.S. Supreme Court had held (in the *Sony Betamax* case considered below in § 9.02) that it is a “fair use” for viewers to make copies of television programs for later viewing. Thus, once the court decided that direct liability was not appropriate in *Cartoon Network*, Cablevision was entitled to summary judgment.

§ 7.03 THE ADAPTATION RIGHT

[B] Case Law

USAGE: On page 495, ADD the following paragraph to the end of Note (17):

In *Disney Enterprises, Inc. v. VidAngel, Inc.*, 869 F.3d 848 (9th Cir. 2017), the Ninth Circuit held that § 110(11) did not apply to a service that purchased multiple DVDs, made a master digital copy, and streamed the movie to “purchasers” who selected at least one type of content to be “filtered.” The court noted that § 110(11) requires that the performance or transmission be made “from an authorized copy,” and it held that the master digital copy (which was made by circumventing and removing the encryption) was not an “authorized” copy.

USAGE: On page 496, SUBSTITUTE the following for the last paragraph of Note (18):

Some courts have shown little sympathy for unauthorized sampling. *See, e.g., Grand Upright Music Ltd. v. Warner Bros. Records, Inc.* 780 F. Supp. 182 (S.D.N.Y. 1991) (granting motion for preliminary injunction); *Jarvis v. A&M Records*, 827 F. Supp. 282 (D.N.J. 1993) (denying defendants’ motion for summary judgment in relevant part). In *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792 (6th Cir. 2005), for example, the Sixth Circuit held that because § 114(b) is limited to the manipulation of fixed sounds, *any* sampling of an existing sound recording is an infringement of copyright *per se*, without regard to whether the amount sampled was *de minimis* or whether the allegedly infringing work was “substantially similar.” The court reasoned that sampling was unnecessary because, under § 114(b), a second comer could always make a new recording that imitated the original. *Id.* at 800-02. Do you find this rationale persuasive? The Ninth Circuit has expressly rejected the Sixth Circuit’s reasoning, holding that an electronically manipulated sample of less than one second, repeated six times, was *de minimis* as a matter of law. *VMG Salsoul, LLC v. Ciccone*, 824 F.3d 871 (9th Cir. 2016). The *de minimis* doctrine and the requirement of “substantial similarity” will be examined at greater length in Chapter 8.

§ 7.04 THE PUBLIC DISTRIBUTION RIGHT

[B] Domestic Distribution

USAGE: On page 511, SUBSTITUTE the following for the text of Note (12):

(12) Note that the first-sale doctrine applies only to copies that are “lawfully made under this title,” and that according to the House Report, “the burden of proving whether

a particular copy was lawfully made or acquired should rest on the defendant.” *But see Adobe Systems, Inc. v. Christenson*, 809 F.3d 1071 (9th Cir. 2015) (once defendant produces evidence that copies were lawfully made, burden shifts back to copyright owner to show otherwise). May a copy that was *not* lawfully made ever be resold without violating the distribution right? In *Christopher Phelps & Assoc. v. Galloway*, 477 F.3d 128 (4th Cir. 2007), the plaintiff sought an injunction against the future lease or sale of a house found to be infringing. The Fourth Circuit rejected this request, initially holding that once a judgment for damages was satisfied, the house “became a lawfully made copy” for purposes of the first-sale doctrine. On rehearing, however, the court removed this language, holding instead that an injunction should not issue because it would encumber real property. The court also drew an analogy to the law of conversion, in which satisfaction of a judgment for damages gives the defendant good legal title. 492 F.3d 532 (4th Cir. 2007). Should this holding be extended to infringing copies of other copyrighted works? Or is there something special about architectural works that justifies a departure from the “plain language” of the statute?

USAGE: On pages 511-512, SUBSTITUTE the following for the last paragraph of Note (13):

Alternatively, can the fair-use doctrine effectively substitute for the first-sale doctrine in the digital environment? In 2011, a website called ReDigi, billing itself as “the first pre-owned digital marketplace,” chose to test this proposition. ReDigi Version 1 enabled users to upload copies of lawfully purchased music files to ReDigi’s servers and encouraged (but did not require) them to delete simultaneously the copies on their own computers. Users could then resell an uploaded music file by changing the ownership data associated with the file, instead of reproducing it again. One large recording company promptly sued. Affirming summary judgment for the defendant, the Second Circuit ruled that the initial uploading of the file was an unlawful reproduction and was not a fair use. *See Capitol Records, LLC v. ReDigi, Inc.*, 910 F.3d 649 (2d Cir. 2018). In Version 2, which was not at issue in the case, the *initial* copy purchased by the user is sent directly to ReDigi’s servers, so there is no unauthorized reproduction. Does Version 2 of ReDigi comply with the first-sale doctrine? What if the license agreement prohibits resale of digital music files?

USAGE: On page 514, SUBSTITUTE the following for the second paragraph of Note (19):

Is the CRRA preempted by the Copyright Act, on the ground that it directly interferes with the purchaser’s § 109 right to distribute lawfully purchased copies of a work? *See Morseburg v. Balyon*, 621 F.2d 972 (9th Cir. 1980) (holding the CRRA was *not* preempted under the 1909 Act, on the doubtful theory that California merely supplemented the federal statute by providing an additional right). More recently, the Ninth Circuit held that the CRRA violates the dormant Commerce Clause, because it

attempts to regulate transactions taking place wholly outside the state. *See Sam Francis Foundation v. Christie's, Inc.*, 784 F.3d 1320 (9th Cir. 2015) (*en banc*). The court, however, held that the unconstitutional portion of the statute was severable. With regard to transactions occurring within California, the Ninth Circuit held that the CRRA is preempted by the 1976 Act, because “both concern the distribution of copies of artwork and define artists' right (or lack thereof) to payment on downstream sales of those copies.” *Close v. Sotheby's, Inc.*, 894 F.3d 1061, 1070 (9th Cir. 2018). It nonetheless concluded that *Morseburg* was still controlling with regard to the 1909 Act, preserving those causes of action that arose between January 1, 1977 (the effective date of the CRRA) and January 1, 1978 (the effective date of the 1976 Act). It remanded the case to determine whether any of the challenged sales had occurred during that period. For more details on preemption, see Chapter 11 below.

§ 7.05 THE PUBLIC PERFORMANCE RIGHT

[A] Public Performances

[2] Case Law

USAGE: On page 539, ADD the following Note between Notes (8) and (9):

(8A) Assuming that Internet transmissions are public performances (*see Aereo* in § 7.05[B][2] below), *where* do such performances occur for purposes of applying national copyright laws? In *Spanski Enterprises, Inc. v. Telewizja Polska, S.A.*, 883 F.3d 904 (D.C. Cir. 2018), TVP, the Polish national TV broadcaster, made its own Polish-language programs available “on demand” on its own website in Poland. It was sued by Spanski, its licensee, which held the exclusive right to publicly perform those programs in North and South America. Spanski argued that when a viewer in the United States watched the programs, a “performance” occurred; while TVP argued that any such performances did not occur in the United States. Otherwise, it argued, anyone uploading a video to a website anywhere in the world could be liable for violating U.S. law. The D.C. Circuit declined to rule broadly, relying on the lower court’s finding that TVP had intentionally disabled the “geoblocking” required by an earlier settlement between the parties, thereby directing (some of) its performances to viewers in the United States. For more on extraterritoriality, see § 8.04 below.

[3] Performing Rights Societies

USAGE: On page 543, SUBSTITUTE the following for the second full paragraph:

In the Music Modernization Act of 2018, Congress provided that proceedings to

set rates would no longer be assigned to the judges with continuing jurisdiction over the ASCAP and BMI consent decrees, but would instead be randomly assigned to other judges in the Southern District of New York. The MMA also requires the Justice Department to notify Congress and to provide a report on the market impact before making any motion to terminate either of the consent decrees. Thus, despite frequent and often contentious litigation, *see, e.g., Pandora Media, Inc. v. ASCAP*, 785 F.3d 73 (2d Cir. 2015) (invalidating a purported partial “withdrawal” of certain rights from the blanket license), it appears the consent decrees are here to stay for the foreseeable future.

[6] Digital Network Transmissions

USAGE: On pages 546-547, SUBSTITUTE the following for the last five paragraphs of this section:

In the case of musical works, for example, it is relatively clear that “streaming” technologies, which permit recorded audio files to be transmitted over the Internet and listened to in “real time,” constitute public performances that must be licensed from ASCAP or BMI. But do such performances also implicate the reproduction and distribution rights? Congress partially resolved this issue in the Music Modernization Act of 2018, which provides that “interactive” streaming is treated like a digital phonorecord delivery and is subject to the § 115 compulsory licenses, which include any incidental reproductions. Incidental reproductions made in the course of non-interactive streaming are the subject of an uneasy détente, with server-side copies presumably exempt as ephemeral reproductions under § 112(a), and recipient-side “buffer” data presumably exempt under *Cartoon Network v. CSC Holdings, Inc.* (discussed in § 7.02 above).

And what about Internet music services like Apple’s iTunes, which allow users to download digital music files for later playback? Again, it is relatively clear that such services implicate the reproduction and distribution rights, and therefore are subject to the compulsory license for musical works in § 115 or require mechanical licenses from the Harry Fox Agency. But do such “digital phonorecord deliveries” also constitute “public performances” within the meaning of § 106(4)? The Second Circuit has rejected this contention, holding that a digital download is not a “performance” because “[t]he downloaded songs are not performed in any perceptible manner during the transfers.” *United States v. ASCAP*, 627 F.3d 64, 73 (2d Cir. 2010).

In addition, there is the limited public performance right in sound recordings — as distinguished from the musical works discussed to this point — to consider. *See* §§ 106(6) and 114. Such licenses currently are being administered by SoundExchange, a nonprofit collective spun off from the Recording Industry Association of America (“RIAA,” mentioned earlier in § 7.02).

Thus, the “turf” of the Internet music industry is a crowded place, occupied by three potential tiers of licensing for a would-be music distributor to deal with. Despite the

industry catch-phrase of “one-stop shopping,” such convenience does not now exist, at least in this particular corner of the copyright world. The result is that Internet music distributors must weave their way through a complicated terrain fraught with risk.

For further information regarding digital transmissions of sound recordings, see § 7.07 of this casebook.

[7] Performance Rights in Sound Recordings

USAGE: On page 548, SUBSTITUTE the following for the last two paragraphs before the Notes and Questions:

In 2011, the Register of Copyrights weighed in again, concluding that pre-1972 sound recordings should be brought under federal law, and that a general public performance right should be afforded to all sound recordings. *Federal Copyright Protection for Pre-1972 Sound Recordings* (Dec. 2011). Nothing happened, however, until Flo & Eddie, Inc., which owns the copyright in sound recordings made by the 1960s band The Turtles, began a quixotic campaign to force Sirius XM and other digital broadcasters to pay performance royalties for pre-1972 sound recordings. To everyone’s surprise, Flo & Eddie initially succeeded in getting federal courts to recognize a public performance right under state law in California and New York. Although the New York ruling was later overturned on appeal, *see Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, 70 N.E.3d 936 (N.Y. 2016), the flood of litigation promoted Congress to pass the Classics Protection and Access Act (Title II of the Music Modernization Act of 2018), which granted federal protection equivalent to copyright to sound recordings fixed before February 15, 1972. *See* § 7.07[C] below. In preempting state law, however, Congress left the door open for states to recognize public performance rights for nonsubscription broadcast transmissions that are not digital audio transmissions. *See* 17 U.S.C. § 301(c). Should a state choose to recognize such rights in the future, such a sea-change might force Congress to reconsider a general public performance right for post-1972 sound recordings as well.

[B] Secondary Transmissions

[2] Case Law

USAGE: On pages 568–569, SUBSTITUTE the following for the text of Note (11):

(11) If Aereo is sufficiently like a cable system to fall under the Transmit Clause, can it use the statutory license for cable systems in § 111? The definition of “cable system” in § 111(f)(3) is arguably broad enough:

A “cable system” is a facility ... [that] receives signals transmitted or programs broadcast by one or more television broadcast stations ... and makes secondary transmissions of such signals or programs by wires, cables, microwave, or other communications channels to subscribing members of the public who pay for such service.

Ironically, however, the Copyright Office has consistently taken the position that Internet retransmitters are not “cable systems” within the meaning of § 111 (in part because they are not regulated by the FCC), and the Courts of Appeals have agreed. *See Fox TV Stations, Inc. v. AereoKiller, LLC*, 851 F.3d 1002 (9th Cir. 2017); *CBS Broadcasting, Inc. v. FilmOn.com, Inc.*, 814 F.3d 91 (2d Cir. 2016); *WPIX, Inc. v. IVI, Inc.*, 691 F.3d 275 (2d Cir. 2012). These rulings leave Internet retransmitters in a “Catch-22”: they are sufficiently like cable systems to be liable for publicly performing copyrighted works, but they are not sufficiently like cable systems to use the statutory license. Their only recourse is to seek relief from Congress, as cable systems and satellite retransmitters previously had to. (See below.)

§ 7.06 THE PUBLIC DISPLAY RIGHT

[B] Case Law

USAGE: On page 589, SUBSTITUTE the following Note for the third paragraph of Note (3):

(3A) In *Goldman v. Breitbart News Network, LLC*, 302 F. Supp. 3d 585 (S.D.N.Y. 2018), the plaintiff’s photograph was reproduced (without authorization) in several tweets on Twitter. Plaintiff then sued various news outlets that “embedded” the tweets in their news stories by including HTML code that would cause the tweet to be displayed at a particular point in the article. The District Court rejected the “server” test in this context, holding that even if it was appropriate in a case like *Perfect 10*, where the user had to click on a link to display the full-size image, it did not apply in a case where the embedded image was displayed automatically, without any user action. *Id.* at 595-96. Instead, the news outlets were (potentially) liable for taking volitional action to cause the tweets to be displayed.

Does the Supreme Court’s decision in *Aereo* (excerpted in § 7.05[B] above) cast any doubt on the reasoning or outcome in *Perfect 10*? If *Aereo* was “publicly performing” a work when its customers logged on to view the work remotely, why isn’t Google “publicly displaying” a work when its customers view an infringing image remotely, using a link supplied by Google? In neither case do customers “own or possess” the relevant work before viewing it remotely. Is it decisive that *Aereo*’s computers transmitted the digital information representing the work, while Google’s

computers only transmit a “link” to the infringing material? In *Goldman*, the court held that *Aereo* (and its dissent) “adds credence to the notion that where, as here, defendants are choosing the content which will be displayed, ... they would” be liable. *Id.* at 595.

§ 7.07 THE DIGITAL PERFORMANCE RIGHT IN SOUND RECORDINGS

[A] Introduction

USAGE: On page 587, SUBSTITUTE the following for the third full paragraph:

In 1998, the DPRA was revisited and (in some respects) revised in the Digital Millennium Copyright Act — in part to take account of some emergent technologies that had not seemed significant, to the extent they were considered at all, in 1995. The DPRA was further extensively revised by the Music Modernization Act of 2018, which (among other things) extended equivalent federal protection to sound recordings fixed before February 15, 1972. The resulting provisions are extremely complex. We sketch below only a few of the (alleged) highlights.

[B] Highlights of the DPRA

USAGE: On page 588, SUBSTITUTE the following for the last three paragraphs:

The broadcasting exemption. § 114(d)(1) exempts various *noninteractive, nonsubscription* services. This exemption covers FCC-licensed terrestrial broadcasters of “free” (or, more accurately, advertiser-supported) radio and television programming. Secondary transmissions of exempt primary transmissions (as well as program “feeds” directed to exempt broadcasters) also are exempt. So are transmissions within and to business establishments (for use in the ordinary course of business) — to permit background music services such as MUZAK to be carried on by digital means.

The compulsory license. Section 114(d)(2) provides a compulsory license for digital transmission services that function as the digital audio equivalent of cable TV — noninteractive subscription services that are generally (though not always) commercial-free — as well as “eligible nonsubscription transmissions” such as webcasting.³ But the compulsory license is made available only under certain relatively stringent conditions, designed to minimize the impact of such services on other commercial distribution channels for recorded music. (For example, the DPRA limits the number of times a particular sound recording may be performed and prohibits a service from publishing or

³ In addition, § 112(e) provides a statutory license for the “ephemeral recordings” necessary to facilitate the digital audio performances authorized by § 114.

announcing in advance when a particular sound recording will be performed.) To make things still more complicated, the DMCA added additional conditions, resulting in two sets of requirements to qualify for the statutory license — one set for “preexisting” services that were licensed or in operation before July 31, 1998 (only two, Sirius XM (satellite radio) and MusicChoice, remain), and another, more exacting set for newer services. In 2018, however, Congress prospectively eliminated the distinction between preexisting services and new services, while extending the existing rates for preexisting services until the end of 2027.

One of the most contentious issues in the implementation of the DPRA was webcasting. Royalty rates for the initial post-DMCA statutory license period were delayed by a dispute over whether AM/FM broadcasters were exempt when simulcasting their radio broadcasts on the Internet. Eventually, the Copyright Office determined that such broadcasters were not exempt, but rather were subject to the statutory license; and its determination was upheld. *See Bonneville Int’l Corp. v. Peters*, 347 F.3d 485 (3d Cir. 2003).

USAGE: On pages 589-590, DELETE the section titled “The webcasting controversy”; and on page 589, SUBSTITUTE the following for the second, third, and fourth paragraphs:

Under § 114(f), “reasonable rates and terms of royalty payments” for the statutory license are established for five-year periods. As with other statutory licenses, the Copyright Royalty Judges first initiate “voluntary negotiation proceedings” between representatives of copyright owners and transmitting entities for the purpose of setting rates. § 803(b)(3). Only if the parties are unable to reach agreement are the rates set by the CRJs themselves. Current rates and terms can be found in 37 C.F.R. Part 380. For details on rate-setting proceedings, see www.loc.gov/crb.

Miscellaneous protective provisions. Various additional protective provisions were built into the DPRA as the result of political compromise. Section 114(g), for example, provides a formula for distributing the royalties generated by the statutory license: 50 percent goes to the sound recording copyright owner, 45 percent to featured artists, and 5 percent is split between non-featured musicians and non-featured vocalists.⁴ And § 114(h) attempts to ensure that would-be entrants into the digital audio transmission marketplace will not be blocked by existing participants and arrangements.

⁴ Under the Allocation for Music Producers Act (Title III of the Music Modernization Act of 2018), the nonprofit collective (currently SoundExchange) is authorized to accept a voluntary “letter of direction” diverting a contractually-agreed portion of the royalties to a producer, mixer, or sound engineer who made a creative contribution to a sound recording. § 114(g)(5). For recordings fixed before November 1, 1995, 2 percent of the total royalties may be deducted from the featured artist’s share and paid to producers, mixers, and sound engineers unless the featured artist objects in writing. § 114(g)(6).

USAGE: On pages 590-591, SUBSTITUTE the following for the section titled “Section 115 Amendments”:

The compulsory license for digital sound recording delivery. So far, we have examined only § 106(6), the digital audio transmission right for sound recordings, and the various limitations upon it imposed by § 114. But the DPRA also amended § 115 (the compulsory license for musical works); and further amendments were made to § 115 by the Music Modernization Act of 2018.

Recall that § 115 provides a mechanism by which record producers can secure the rights to make and distribute new “cover” versions of musical works previously recorded with the authorization of the sound recording copyright owner. Thus, if composer Able composes a song and authorizes Brown Records to make a recording of it, Crown Records can get a compulsory license to make and distribute a different recording of the song. In addition, however, § 115 dictates what is due to Able if Crown licenses from Brown the right to re-distribute Brown’s original recording. *See* § 7.02[C] above.

The 1995 amendments to § 115 were intended to facilitate the transition from traditional retail store-based distribution of sound recordings to distribution by means of “digital phonorecord delivery.” At the time, Congress anticipated two distinct business models for digital music: “streaming,” or the transmission of sound recordings so that they can be listened to in “real-time” by consumers; and digital phonorecord delivery, or the sale and downloading of sound recordings for later playback.

Two decades later, however, Congress decided that *interactive* streaming services typically necessitated “fixed” (even if temporary) reproductions. As a result, the Music Modernization Act of 2018 further amended § 115 to provide a “blanket” license for digital phonorecord delivery of musical works — defined to include permanent downloads, limited downloads, *and* interactive streaming. Congress also authorized the designation of a nonprofit Mechanical Licensing Collective to administer the blanket license. *See* § 7.02[C] above.

Thus, there are now three types of business models for digital music contemplated by the statute:

- 1) To offer permanent downloads or limited downloads (downloads limited in number or in time), the digital music provider (e.g., Apple iTunes) must obtain a negotiated license from the sound recording copyright owner. § 115 provides a compulsory license to reproduce and distribute the musical work in digital form.
- 2) For non-interactive streaming services, (e.g., Sirius XM Radio), the digital music provider must obtain a license to perform the musical work from a performing rights organization, such as ASCAP or BMI. (*See* § 7.05 above.) §

114 provides a compulsory license to publicly perform the sound recording, and § 112(e) provides a compulsory license to make incidental reproductions of the sound recording needed to facilitate the stream.

3) For interactive streaming services (e.g., Spotify), the digital music provider must obtain a negotiated license from the sound recording copyright owner *and* a license to perform the musical work from a performing rights organization. Section 115 provides a compulsory license to reproduce the musical work in digital form, including any incidental reproductions of the musical work needed to facilitate the stream.

As with § 114, § 115(c) provides that, under the umbrella of a limited antitrust exemption, affected parties may voluntarily negotiate terms and rates, subject to a decision by the Copyright Royalty Judges, if necessary, to resolve their differences.

USAGE: On page 593, ADD the following at the end of § 7.07:

[C] Federal Protection for Pre-1972 Sound Recordings

As discussed in §§ 3.01 and 7.05 above, when Congress first added sound recordings to the Copyright Act, it acted prospectively only: sound recordings fixed on or after February 15, 1972 received federal copyright protection (without a general public performance right), while sound recordings fixed before that date were protected only by state law, which typically provided common-law or statutory rights against unauthorized reproduction and distribution only. After the DPRA, however, owners of pre-1972 sound recordings were unable to share in the increasing pool of royalties generated by the digital audio transmission right. The disparity resulted in several years of litigation concerning the possible existence of public performance rights under state law.

Prompted by the flood of litigation, Congress enacted the Classics Protection and Access Act (Title II of the Music Modernization Act of 2018). Rather than providing pre-1972 sound recordings with a full federal copyright, however, Congress opted instead to provide equivalent protection outside of the Copyright Act. As explained in the legislative history, “[t]his new form of protection is not technically copyright protection, so provisions of the other chapters of title 17 apply to this new right only to the extent specifically indicated in chapter 14. For example, formalities such as the copyright notice, deposit and registration provisions ... do not apply to this new *sui generis* right but rather are replaced with different processes and provisions more applicable to pre-1972 recordings.” (See § 6.03 above.)

Chapter 14 consists of a single section, which provides:

Anyone who, on or before the last day of the applicable transition period ... , and without the consent of the rights owner, engages in covered

activity with respect to a sound recording fixed before February 15, 1972, shall be subject to the remedies provided ... to the same extent as an infringer of copyright....

§ 1401(a)(1). This subsection has four elements: “covered activity,” term of protection, lack of consent, and remedies.

Covered activity. “Covered activity” is defined as “any activity that the copyright owner of a sound recording would have the exclusive right to do or authorize under section 106 or 602, or that would violate section 1201 or 1202, if the sound recording were fixed on or after February 15, 1972.” § 1401(l)(1). Thus, the owner of a pre-1972 sound recording effectively now has the exclusive rights of reproduction, adaptation, and distribution, and public performance by means of digital audio transmission. The owner also has an exclusive right of importation and exportation right under § 602. (See § 7.04 above.) Finally, the copyright owner gets the benefit of § 1201, prohibiting circumvention of technological protection measures (see § 9.04 below), and § 1202, prohibiting removal or alteration of copyright management information (see § 7.01 above).

Term of protection. Pre-1972 sound recordings get a term of 95 years from the date of first publication (defined in § 101 as the date phonorecords were first distributed to the public), plus a “transition period” of between 3 and 15 years. § 1401(a)(2)(A). As with other copyrighted works, all terms are extended to December 31 of the year in which they otherwise would expire, except that no protection is provided after February 15, 2067. The “transition period” is 3 years after the date of enactment for sound recordings published before 1923; 5 years for sound recordings first published in 1923-1946; and 15 years for sound recordings first published in 1947-1956. All other sound recordings get a transition period that expires on February 15, 2067. § 1401(a)(2)(B).

Thus, all sound recordings first published before 1923 will enter the public domain on January 1, 2022. Sound recordings first published between 1923 and 1946 will get 100 years of protection. Sound recordings first published between 1947 and 1956 will get 110 years of protection. Sound recordings first published between 1957 and 1972 will get protection until February 15, 2067, resulting in a variable terms of protection of between 110 years and 95 years. Finally, previously unpublished pre-1972 sound recordings will be protected until February 15, 2067 (even if they are published by the rights owner in the meantime).

Lack of consent. Consent is defined as either a voluntary license, or an exemption or statutory license to the same extent as would apply to a copyrighted sound recording, provided any applicable royalty is paid. § 1401(b), (d)(1). The initial rights owner is determined by state law, as it existed before the date of enactment. § 1401(l)(2)(A). Transfers occurring on or after the date of enactment are governed by §§ 201(d) and (e) and § 204, which requires that any transfers of an exclusive right must be made in a signed writing. § 1401(h)(1)(A), (l)(2)(B).

Remedies. Violations of § 1401(a)(1) are subject to the usual civil remedies in §§ 502 (temporary and permanent injunctions), 503 (impoundment and disposition), 504 (actual damages and defendant’s profits, or statutory damages), and 505 (costs or attorney’s fees), and (for violations of anti-circumvention or CMI), in § 1203. *See* Chapter 11 below. Conspicuously, § 506 is omitted from the list, so there are no criminal penalties for the unauthorized use of a pre-1972 sound recording.

Exceptions and limitations. The new *sui generis* right is expressly subject to §§ 107 (fair use), 108 (uses by libraries and archives), 109 (first-sale doctrine), 110 (specified public performances), and 112(f) (ephemeral recordings). § 1401(f)(1)(A). Section 108(h), which ordinarily applies only in the last 20 years of a term, applies to pre-1972 sound recordings for the entire remaining term of protection. § 1401(f)(1)(B). The new right is also subject to § 114. § 1401(b), (d), (h)(2). Congress resolved a split in the lower courts by expressly making pre-1972 sound recordings subject to the four “safe harbors” for Internet service providers in § 512. § 1401(f)(3). Finally, there is a provision permitting noncommercial use of pre-1972 sound recordings if the rights owner cannot be identified or located (so-called “orphan works”). § 1401(c) (*see* § 4.02[F] above).

Preemption. Under amended § 301(c), almost all state-law causes of action are preempted for causes of actions arising after enactment. Causes of action for digital audio transmission arising before enactment are preempted if they otherwise would have been exempt, or if they would have been subject to the statutory license and royalties are paid. § 1401(e). For details, *see* § 11.02[D] below.

§ 7.08 MORAL RIGHTS

[A] A Comparative Overview

USAGE: On pages 593-594, SUBSTITUTE the following for the last paragraph of this section:

The moral rights of attribution and integrity are recognized in Article 6^{bis} of the Berne Convention, which requires all signatories to protect these moral rights in their domestic laws. But the Berne Convention Implementation Act of 1988, which restructured American law for Berne compliance, took a so-called “minimalist” approach and did not legislate in the field of moral rights. To the contrary, Congress provided in § 104(c) that “No right or interest in a work eligible for protection under this title may be claimed by virtue of, or in reliance upon, the provisions of the Berne Convention.” Thus, in *Fahmy v. Jay-Z*, 908 F.3d 383 (9th Cir. 2018), the plaintiff, who retained the inalienable right of integrity in a musical work under Egyptian law, did not have standing under U.S. law to challenge Jay-Z’s use of the work under a license from the copyright owner. (Even under Egyptian law, plaintiff could obtain only an injunction, not damages, and only on the condition that it pay compensation to the licensee of the economic right.)

Despite the omission of moral rights from the Berne Convention Implementation Act, the concept of moral rights has made its way into American law in two ways. First, outside of copyright, an author's integrity and attribution rights have been partially protected, in piecemeal fashion, by various bodies of state and federal law, and about a dozen states have passed statutes explicitly recognizing some moral rights for visual artists. Second, with the Visual Artists Rights Act of 1990, which added § 106A to Title 17, federal law followed the lead of state law — and at least partially displaced state law — in protecting the integrity and attribution rights of visual artists. This section of the book explores these developments in turn.

[C] Copyright Protection: The Visual Artists Rights Act of 1990

[1] Introduction

USAGE: On page 599, SUBSTITUTE the following for the text of Note (1):

(1) *Works protected.* VARA does not cover all possible works, but instead is limited to works of visual art. Qualifying works include paintings, drawings, prints, sculptures, and still photographic images produced for exhibition purposes only, and existing in single copies or in limited editions of 200 or fewer copies, signed by the artist. *See, e.g., Lilley v. Stout*, 384 F. Supp. 2d 83 (D.D.C. 2005) (photographic prints were not produced “for exhibition purposes only”); *Landrau v. Solis Betancourt*, 554 F. Supp. 2d 102 (D.P.R. 2007) (architectural works are not “works of visual art” under VARA). Works not covered include reproductions of qualifying works, works made for hire, and works destined for commercial purposes, *e.g.*, posters, maps, and works of applied art. *See Cheffins v. Stewart*, 825 F.3d 588 (9th Cir. 2016) (wooden replica of a Spanish galleon, constructed over the shell of a school bus, continued to serve a utilitarian function of transportation, so it was “applied art” excluded from VARA).

[2] Case Law

USAGE: On page 612, SUBSTITUTE the following for the text of Note (6):

(6) The statutory standard of “recognized stature” continues to plague the courts, as does the tension between moral rights and the removal of works of art from public places. In *Cohen v. G&M Realty, L.P.*, 320 F. Supp. 3d 421 (S.D.N.Y. 2018), for example, the defendant allowed numerous graffiti artists to use a building slated for demolition, which became known as 5Pointz. When the defendant sought to destroy the building to make way for luxury condos, the artists sued. After the District Court denied a preliminary injunction, the defendant whitewashed the art, and eventually the building was destroyed. After a trial, the District Court found that 45 of the 49 works of art were of “recognized stature” and awarded the artists \$6.75 million in statutory damages for willful infringement.

Chapter 8

INFRINGEMENT ACTIONS

§ 8.02 FRAMING THE LAWSUIT

[A] Jurisdictional Matters

USAGE: On page 627, SUBSTITUTE the following for the text of Note (6):

(6) The third prong of the *Harms* test concerns instances in which “a distinctive policy of the Act requires that federal principles control the disposition of the claim.” The principal question under this prong is whether federal preemption permits the removal of state-law claims from state court to federal court in order to dismiss them. Although the “well-pleaded complaint” rule (discussed below) may bar consideration of defenses in determining jurisdiction, the Supreme Court has upheld removal in some cases in which state-law claims are “completely preempted” by federal law. *See, e.g., Metropolitan Life Ins. Co. v. Taylor*, 481 U.S. 58 (1987) (ERISA). Several Courts of Appeals have held that this exception applies to copyright preemption as well. *See, e.g., GlobeRanger Corp. v. Software AG*, 836 F.3d 477 (5th Cir. 2016); *Ritchie v. Williams*, 395 F.3d 283 (6th Cir. 2005); *Briarpatch Ltd. v. Phoenix Pictures, Inc.*, 373 F.3d 296 (2d Cir. 2004); and *Rosciszewski v. Arete Associates, Inc.*, 1 F.3d 225 (4th Cir. 1993). *But see Dunlap v. G&L Holding Group, Inc.*, 381 F.3d 1285 (11th Cir. 2004) (exception does not apply to state-law claims for copying ideas which are not “fixed”) *see also Leto v. RCA Corp.*, 341 F. Supp. 2d 1001, *on reconsideration*, 355 F. Supp. 2d 921 (N.D. Ill. 2004) (exception does not apply to copyright claims at all).

USAGE: On page 630, ADD the following text after the end of the two lines at the top of the page:

For defendants that are not subject to jurisdiction in any one of the 50 states, Fed. R. Civ. P. 4(k)(2) permits jurisdiction for federal claims if the defendant has “minimum contacts” with the nation as a whole. *See, e.g., Nagravision S.A. v. Gotech Int’l Tech., Ltd.*, 882 F.3d 494 (5th Cir. 2018) (although plaintiff has the burden of showing “minimum contacts,” defendant challenging jurisdiction under Rule 4(k)(2) has the burden of showing it is subject to jurisdiction in a particular state).

USAGE: On pages 633-634, SUBSTITUTE the following for the text of the paragraph that crosses the page break:

By contrast, Chief Justice Rehnquist’s majority opinion in the patent case acknowledged that abrogation of state sovereign immunity might, in certain cases, be accomplished under the Fourteenth Amendment. According to the majority, however, Congress’s express attempt to subject the states to federal jurisdiction for claims of patent infringement (via the 1992 Patent and Plant Variety Protection Remedy Clarification Act) was not the type of “appropriate legislation” authorized in § 5 of the Fourteenth Amendment. The Court stressed that the legislation was not based on a finding of a pattern of patent infringement by the states, nor on a determination that such state patent infringements as did occur rose to the level of a Due Process violation. Lower courts likewise have concluded that the Copyright Remedy Clarification Act was not a valid exercise of Congress’ power to abrogate state sovereign immunity under the Fourteenth Amendment. See *Allen v. Cooper*, 895 F.3d 337 (4th Cir. 2018); *National Ass’n of Boards of Pharmacy v. Board of Regents of the University System of Georgia*, 633 F.3d 1297 (11th Cir. 2011); *Rodriguez v. Texas Comm’n on the Arts*, 199 F.3d 279 (5th Cir. 2000); *Chavez v. Arte Publico Press*, 204 F.3d 601 (5th Cir. 2000); see also *De Romero v. Institute of Puerto Rican Culture*, 466 F. Supp. 2d 410 (D.P.R. 2006) (Commonwealth of Puerto Rico is entitled to the same sovereign immunity as the states under the Eleventh Amendment).

USAGE: On page 634, SUBSTITUTE the following for the text of the second full paragraph:

Seminole Tribe holds out the possibility that the federal government could bring suit against a state government in federal court, 517 U.S. at 71 n.14, although it is unclear how this device could operate to redress private rights. See *Fed’l Maritime Comm’n v. S.C. State Ports Auth.*, 535 U.S. 743 (2002) (state sovereign immunity precluded a federal agency from adjudicating a private party’s complaint that a state agency had violated federal law). In addition, under the doctrine of *Ex parte Young*, 209 U.S. 123 (1908), Congress can authorize private suits for prospective injunctions requiring state officials to uphold federal copyright law. See *Nat’l Ass’n of Bds. of Pharm.*, 633 F.3d at 1308–12; but see *Allen v. Cooper*, 895 F.3d at 355 (allegations that state officials continued to “enforce” conflicting state law were insufficient). In addition, some courts have held that actions for damages may be maintained against state officials in their individual capacity, unless it can be shown that the judgment would inevitably be paid out of the public purse. See *National Ass’n of Boards of Pharmacy v. Bd. of Regents of the Univ. Sys. of Ga.*, 86 U.S.P.Q.2d (BNA) 1683, 1701 (M.D. Ga. 2008), *aff’d in part, vacated in part, and remanded*, 633 F. 3d 1297 (11th Cir. 2011); *Mktg. Info. Masters, Inc. v. Bd. of Trustees of the Cal. State Univ. Sys.*, 552 F. Supp. 2d 1088, 1095–96 (S.D. Cal. 2008). State officials are entitled to qualified immunity unless their actions violated “clearly established law.” See *Allen v. Cooper*, at 356–57. This may be the most meaningful option remaining after the *Florida Prepaid* cases.

[B] Other Procedural Matters

USAGE: On page 639, SUBSTITUTE the following for the text of Note (1):

(1) Section 501(b) entitles the “legal or beneficial owner of an exclusive right under a copyright” to bring an infringement action. The standards by which “legal” ownership may be proven are relatively plain and straightforward in most instances. But who is a “beneficial owner” for purposes of § 501(b)? The term is not defined in the 1976 Act, although the House Report does provide the one example cited by Judge Kane in his opinion: An author who assigns his or her copyright in exchange for a promise to pay royalties is a “beneficial owner” of the copyright and has standing to sue. *See also Smith v. Casey*, 741 F.3d 1236 (11th Cir. 2014) (citing cases); *but see Fahmy v. Jay-Z*, 908 F.3d 383 (9th Cir. 2018) (heir was not a “beneficial owner” when he retained right to royalties only for public performances and mechanical reproductions, but sued for violation of the adaptation right). What happens if the author assigns his or her rights without any promise to pay royalties? *See Maljack Prods. v. Goodtimes Home Video Corp.*, 81 F.3d 881 (9th Cir. 1996) (plaintiff was not a beneficial owner of copyright in musical works where contract assigned “any and all worldwide rights” in the music to another party).

USAGE: On page 640, SUBSTITUTE the following for the first paragraph of Note (3):

(3) The principal issue in *Wolf* is whether an accrued cause of action may be transferred by itself, without any other exclusive rights. Are you satisfied with Judge Kane’s resolution of that issue? Is it consistent with the concept of “divisibility,” which permits any exclusive right to be subdivided and transferred separately? The Ninth Circuit has agreed with the result in *Wolf*, saying: “A hypothetical possibility that Righthaven might be able to exercise exclusive rights if Stephens Media [the original copyright owner and licensor] decided to allow it at the time is not sufficient for standing.” *See Righthaven, LLC v. Hoehn*, 716 F.3d 1166, 1172 (9th Cir. 2013). *See also DRK Photo v. McGraw-Hill Global Educ. Holdings, LLC*, 870 F.3d 978 (9th Cir. 2017) (agreement to assign copyrights and accrued causes of action for purposes of registration, and then to immediately reassign copyrights back, was invalid attempt to transfer accrued claims); *John Wiley & Sons, Inc. v. DRK Photo*, 882 F.3d 394 (2d Cir. 2018) (same).

USAGE: On page 643, SUBSITUTE the following for the section titled “Pleading”:

Pleading. Like every other pleading that an attorney prepares, the complaint in a copyright infringement action requires thoughtful consideration — and, usually, a little

practice — if it is to be done properly.¹ Rule 8(a)(2) of the Federal Rules of Civil Procedure requires a short and plain statement that the pleader is entitled to relief, so as to give the opposing party fair notice of the claim. Courts typically have required the plaintiff to adequately allege the following elements: (1) identify the work at issue; (2) state that plaintiff owns the copyright in the work; (3) state that the work has been registered, (for “United States works”); and (4) specify the acts by which the defendant violated the plaintiff’s rights and during what time period. *See Elektra Entertainment Group, Inc. v. Barker*, 551 F. Supp. 2d 234, 238 (S.D.N.Y. 2008). Under the Supreme Court’s opinions in *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) and *Ashcroft v. Iqbal*, 556 U.S. 662 (2009), however, additional facts may be required when necessary to render the claim plausible. *See, e.g., Cobbler Nevada, LLC v. Gonzales*, 901 F.3d 1142 (9th Cir. 2018) (complaint that merely alleges defendant is the registered subscriber of the IP address used to infringe a movie is not sufficient to state a claim); *but see Arista Records, LLC v. Doe 3*, 604 F.3d 110 (2d Cir. 2010) (*Twombly* and *Iqbal* do not impose a heightened pleading standard); *CoStar Realty Info., Inc. v. Field*, 612 F. Supp. 2d 660 (D. Md. 2009) (plaintiff need only allege that it owns a valid copyright and that the defendant copied original expression). The answer must, of course, plead any affirmative defenses on which the defendant intends to rely. Fed. R. Civ. P. 8(c).

USAGE: On page 647, ADD the following after the end of Note (10):

(11) The Ninth Circuit has held that although animals can have standing under the U.S. Constitution, they do not have standing under the Copyright Act, which implicitly assumes that an “author” is a human. *See Naruto v. Slater* (9th Cir. 2018) (the famous “monkey selfie” case), discussed in §2.02[C] above.

§ 8.03 PROVING THE CLAIM

[A] Formulating a “General Test” for Infringement

USAGE: On page 648, SUBSTITUTE the following for the second paragraph of the section titled “Copying/Improper Appropriation vs. Access/Substantial Similarity”:

The latter approach, derived mainly from *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946), strikes the authors of this casebook as a more accurate description of the key considerations in infringement analysis and, therefore, preferable as a general formulation. *See Rentmeester v. Nike, Inc.*, 883 F.3d 1111, 1117 (9th Cir. 2018) (adopting *Arnstein*). Even opinions which articulate the issues differently from *Arnstein*, however,

¹ Note that, effective December 1, 2015, Form 19 (“Complaint for Copyright Infringement and Unfair Competition”) was abrogated, along with the other illustrative Forms.

may be trying to get at the same ultimate question: whether the defendant copied a significant amount of protected material from the plaintiff's work. *Cf. Peters*, 692 F.3d at 633 (“[d]espite all of this confusing nomenclature, this strikes us as a ‘pseudo-conflict’”). And, as we will see, inquiries into “access” and “substantial similarity” have an important role in the decisionmaking of courts that follow *Arnstein*.

[B] Copying

USAGE: On page 655, SUBSTITUTE the following for the second paragraph of Note (4):

The doctrine of subconscious copying is alive and well. *See Three Boys Music Corp. v. Bolton*, 212 F.3d 477 (9th Cir. 2000) (upholding jury verdict that a 1991 song titled “Love is a Wonderful Thing” infringed a 1964 song of the same name); *Williams v. Gaye*, 885 F.3d 1150 (9th Cir. 2018) (approving jury instruction on subconscious copying even where access was not contested). Does the theory of subconscious copying allow sufficient room for the possibility of independent creation? Is there any way a defendant could convincingly disprove subconscious copying?

USAGE: On page 655, SUBSTITUTE the following for the text of Note (5):

(5) Of course, to support a finding of access, “a plaintiff must show a reasonable possibility, not merely a bare possibility, that an alleged infringer had the chance to view the protected work.” *Art Attacks Ink, LLC v. MGA Ent’m, Inc.*, 581 F.3d 1138, 1143 (9th Cir. 2009). In *Art Attacks Ink*, evidence that the plaintiff sold its “Spoiled Brats” t-shirts at the L.A. County Fair beginning in 1998, and that one of the defendant’s employees attended the fair sometime between 1995 and 2005, was deemed insufficient to demonstrate access before the defendant began marketing its “Bratz” dolls in 2001.

Courts have also held that “evidence of corporate receipt of unsolicited work is insufficient to raise a triable issue of access where there is no evidence of any connection between the individual recipients of the protected work and the [individual] alleged infringers”). *Jorgensen v. Epic/Sony Records*, 351 F.3d 46, 48 (2d Cir. 2003). Along the same lines, *see Loomis v. Cornish*, 836 F.3d 991 (9th Cir. 2016) (Jessie J); *Jones v. Blige*, 558 F.3d 485 (6th Cir. 2009) (Mary J. Blige); and *Armour v. Knowles*, 512 F.3d 147 (5th Cir. 2007) (Beyoncé).

By contrast, evidence that the bands Spirit and Led Zeppelin performed three times at the same music festivals, including twice back-to-back, and that Spirit likely played “Taurus” at those concerts, coupled with evidence of similarity between “Taurus” and “Stairway to Heaven,” was sufficient to raise a triable issue of fact as to access and copying. *See Skidmore v. Led Zeppelin*, 905 F.3d 1116 (9th Cir. 2018) (remanding for new trial because of flawed jury instructions).

USAGE: On pages 655-656, SUBSTITUTE the following for the second paragraph of Note (6):

The showing required to prove copying need not be the same showing as will be required on the substantial similarity prong of the improper appropriation inquiry. Indeed, what is relevant for similarity that goes to proof of copying may be quite different. For example, *copying* might be suggested strongly by similarities in public domain materials that both the accused and complaining works contain; but it would not be an *improper appropriation* for the defendant to have copied such materials from the plaintiff's work, in which only matter original to the plaintiff is protected by his or her copyright. For this reason, the late Professor Latman, in the article cited in note 1, suggested that the term "probative similarity" should be employed to refer to that degree of likeness which, in connection with evidence of "access," will constitute adequate indirect proof of "copying." 90 Colum. L. Rev. at 1214. For recent Court of Appeals decisions adopting this terminology, see, e.g., *Rentmeester v. Nike, Inc.*, 883 F.3d 1111, 1117 n.1 (9th Cir. 2018); *Guzman v. Hacienda Records & Recording Studio, Inc.*, 808 F.3d 1031, 1037 (5th Cir. 2015); *Zalewski v. Cicero Builder Dev., Inc.*, 754 F.3d 95 (2d Cir. 2014); *Coquico, Inc. v. Rodriguez-Miranda*, 562 F.3d 62 (1st Cir. 2009); *La Resolana Architects, PA v. Reno, Inc.*, 555 F.3d 1171 (10th Cir. 2009).

USAGE: On page 661, SUBSTITUTE the following for the first paragraph of Note (3):

(3) Does it help to characterize the issue in terms of whether the access may be inferred from evidence of striking similarity? Would it be equally correct to say that "[i]f the two works are so strikingly similar as to preclude the possibility of independent creation, 'copying' may be proved without a showing of access"? *Ferguson v. National Broadcasting Co.*, 584 F.2d 111, 113 (5th Cir. 1978); accord *Lipton v. Nature Co.*, 71 F.3d 464, 471 (2d Cir. 1995); see also *Unicolors, Inc. v. Urban Outfitters, Inc.*, 853 F.3d 980 (9th Cir. 2017). In *Bouchat v. Baltimore Ravens, Inc.*, 241 F.3d 350 (4th Cir. 2001), the court rejected this view, stating:

[C] Improper Appropriation

[1] By Way of Overview

USAGE: On page 667, SUBSTITUTE the following for the last paragraph of the section titled "Infringement and *De Minimis* Use":

The argument that any copying was merely *de minimis* is frequently made but is only rarely successful. In addition to the cases cited in § 7.06, see *Newton v. Diamond*, 349 F.3d 591 (9th Cir. 2003) (sampling of a three-note sequence from a musical work,

where the sound recording of the work had been licensed); *VMG Salsoul, LLC v. Ciccone*, 824 F.3d 871 (9th Cir. 2016) (digital sample of less than one second, electronically manipulated and repeated six times). *VMG* expressly rejected the contrary holding of the Sixth Circuit, in *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792 (6th Cir. 2005), that *any* sampling of a sound recording is infringement *per se*, without regard to *de minimis* use or substantial similarity.

[2] Illustrative Cases

USAGE: On page 682, SUBSTITUTE the following for the third paragraph of Note (11):

Nowadays, expert testimony increasingly is used when specialized, technical subject matter, such as computer software, is at issue. Perhaps as a result, the Ninth Circuit has modified the *Krofft* test. Under the modified version, “the extrinsic test now objectively considers whether there are substantial similarities in both ideas and expression, whereas the intrinsic test continues to measure expression subjectively.” *Apple Computer Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1442 (9th Cir. 1994). As part of the objective “extrinsic” test, both “analytic dissection of a work and expert testimony” often are required. *Swirsky v. Carey*, 376 F.3d 841, 845 (9th Cir. 2004). Thus, the modified *Krofft* test apparently requires courts to discriminate between protected and unprotected material in a copyrighted work. *See, e.g., Mattel, Inc. v. MGA Entm’t, Inc.*, 616 F.3d 904 (9th Cir. 2010) (“MGA’s Bratz dolls can’t be considered substantially similar to Bryant’s preliminary sketches simply because the dolls and sketches depict young, stylish girls with big heads and an attitude.”). *But see Williams v. Gaye*, 885 F.3d 1150 (9th Cir. 2018) (denial of motion for summary judgment on grounds of protected expression cannot be reviewed after full trial on the merits; defendants waived argument by failing to move for judgment as a matter of law under Fed. R. Civ. P. 50(a)).

USAGE: On page 713, ADD the following to the end of Note (9):

For a discussion of the Federal Circuit’s opinion overturning a jury verdict of fair use in favor of Google, see § 10.04[A] below.

§ 8.04 EXTRATERRITORIALITY AND CONFLICTS OF LAW

[A] Extraterritoriality

USAGE: On page 733, SUBSTITUTE the following for the text of Note (3):

(3) *Subafilms* relied in part on *Robert Stigwood Group, Ltd. v. O’Reilly*, 530 F.2d 1096, 1100-01 (2d Cir. 1976), in which the Second Circuit excluded public performances

in Canada when calculating statutory damages, despite the argument that “the defendants assembled and arranged in the United States all the necessary elements for the performances in Canada, and then simply travelled to Canada to complete the performances.” More recently, the Fifth Circuit agreed with *Subafilms* and *Stigwood* that conduct in the U.S. that contributes to infringement outside the U.S. is not actionable under U.S. law. *Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785 (5th Cir. 2017).

For an interesting application of *Stigwood*, see *Jacobs v. Carnival Corp.*, 2009 U.S. Dist. LEXIS 31374 (S.D.N.Y. Mar. 25, 2009) (allegation that “within the United States [defendants] planned, prepared, authorized, [and] developed” public performances of Broadway shows on cruise ships were insufficient to state a claim without specifically alleging that the performances occurred in the United States’ territorial waters). Does that mean that public performances in international waters are beyond the reach of any nation’s laws?

USAGE: On page 734, SUBSTITUTE the following for the second paragraph of Note (5):

Other courts have taken the position that “a distinction should be drawn between purely extraterritorial conduct, which is itself nonactionable, and conduct that crosses borders, so that at least a part of the offense takes place within the United States. . . . U.S. courts may entertain such multiterritorial infringement claims.” *Litecubes, LLC v. Northern Light Prods., Inc.*, 523 F.3d 1353, 1371 (Fed. Cir. 2008) (quoting 4 NIMMER ON COPYRIGHT § 17.02). In *Litecubes*, a seller located outside the U.S. sold infringing goods to a U.S. buyer “f.o.b.” (“free on board”), meaning that the title and the risk of loss passes to the buyer as soon as the goods are loaded for shipping in the foreign country. The court nonetheless held that this was a public distribution of goods in the United States for purposes of applying § 106(3). See also *Geophysical Service*, 850 F.3d at 792-93 (complaint alleging that U.S. company ordered infringing materials from Canadian agency stated a claim of unlawful importation).

In *Spanski Enterprises, Inc. v. Telewizja Polska, S.A.*, 883 F.3d 904 (D.C. Cir. 2018), TVP’s exclusive licensee, Spanski, sued TVP for making its own Polish-language programs available “on demand” on its own website in Poland. TVP argued that if it was “performing” the works by transmitting them over the Internet, any such performances did not occur in the United States. Otherwise, anyone uploading a video to a website anywhere in the world could be liable for violating U.S. law. The D.C. Circuit declined to rule broadly, relying on the lower court’s finding that TVP had intentionally disabled the “geoblocking” required by an earlier settlement between the parties, thereby “directing” (some of) its performances to viewers in the United States.

[B] Conflict of Laws

USAGE: On page 742, ADD the following after the end of Note (3):

(3A) Because copyrights under the Berne Convention arise automatically, the “act of state” doctrine generally has not been applied to the validity of copyrights that arise abroad. *Cf. Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785 (5th Cir. 2017) (“act of state” doctrine does not prevent a U.S. court from determining whether copies made by a Canadian government agency were “lawfully made under this title” in determining whether importation was permitted under the first-sale doctrine).

USAGE: On page 742, ADD the following after the end of Note (4):

(4A) Moral rights are considered inalienable in most foreign countries. Does the rightholder of such a right (the author or the author’s heirs) have standing to sue for violation of the right in the United States? In *Fahmy v. Jay-Z*, 908 F.3d 383 (9th Cir. 2018), the Ninth Circuit answered “no,” noting that the Berne Convention was not self-executing, and therefore it is enforceable only to the extent implemented in domestic law. *See* 17 U.S.C. § 104(c). (The court also noted that, even under Egyptian law, the plaintiff could obtain only an injunction, not damages, and only on the condition that it pay compensation to Jay-Z, the licensee of the copyright owner.)

Chapter 9

SECONDARY LIABILITY

§ 9.01 CONTRIBUTORY INFRINGEMENT AND VICARIOUS LIABILITY

[B] Case Law

USAGE: On page 753, SUBSTITUTE the following for the second paragraph of Note (3):

What kind of knowledge suffices for contributory liability? Is it enough that the defendant knows that the infringing activity is occurring, or must he also have reason to know that the activity is infringing? The analogy to criminal conspiracy would suggest that the third party need only know of the activity; but in *BMG Rights Mgmt. (US) LLC v. Cox Comm'ns, Inc.*, 881 F.3d 293, 307 (4th Cir. 2018), the court held the defendant must know “that infringement is substantially certain to result.” “Willful blindness” can substitute for actual knowledge; but mere negligence (“should have known” or “had reason to know”) is insufficient. *Id.* at 308-10. In so holding, the court relied on *Global-Tech Appliances, Inc. v. S.E.B., S.A.*, 563 U.S. 574 (2011), in which the Supreme Court allowed “willful blindness,” but not recklessness or negligence, to substitute for actual knowledge in secondary liability in patent law.

§ 9.02 COPYING DEVICES AND SOFTWARE

[B] The Audio Home Recording Act

USAGE: On page 766, ADD the following text at the bottom of the page:

(8) In *Alliance of Artists and Recording Companies, Inc. v. General Motors Co.*, 162 F. Supp. 3d 8 (D.D.C. 2016), plaintiffs alleged that certain audio systems installed in Ford and GM cars were “digital audio recording devices” (or DARDs). The court held that in order for a device to be a DARD, it must make a “digital audio copied recording” (DACR), *and* that under the plain language of the statute, the DACR must itself also meet the definition of a “digital music recording” (DMR). In later proceedings, the court held that in-car devices that copied CDs to hard drives were *not* DARDs, because hard drives were excluded from the definition of DMRs (and thus from the definition of DACRs); and it rejected the plaintiffs’ theory that a portion (or partition) of the hard drive could be considered a separable material object. 306 F. Supp. 2d 422 (D.D.C. 2018).

[C] Peer-to-Peer File Sharing

USAGE: On page 776, SUBSTITUTE the following for the text of Note (3):

(3) The unanimous opinion by Justice Souter sidesteps the contentious issue of the proper interpretation of *Sony* entirely, finding *Sony* inapplicable where there is evidence that the defendant distributed a device “with the object of promoting its use to infringe copyright.” This new standard shifts the focus away from the characteristics of the product or device itself to the intent of the person who distributes it. Do you foresee any difficulties in applying the Court’s new inducement standard? Can you imagine any circumstances under which a future defendant could distribute similar file-sharing software without raising an inference of improper intent? Note that the creator of the BitTorrent protocol was never sued (apparently because he was simply trying to improve distribution of large files); instead, major studios have primarily sued “tracker” websites that contain “seeds” or links to infringing files.

USAGE: On page 776, ADD the following text to the end of Note (4):

In *Cobbler Nevada, LLC v. Gonzales*, 901 F.3d 1142 (9th Cir. 2018), the court relied on footnote 12 in holding that an allegation the defendant failed to “reasonably secure, police and protect” his Internet service from being used by others to infringe did not suffice to state a claim. Gonzales provided Internet service to residents and visitors at an adult foster care home. Because the service was “capable of substantial non-infringing uses,” the plaintiff would have to show that Gonzales took “affirmative steps” to encourage infringement.

§ 9.03 INTERNET SERVICE PROVIDERS

[A] Introduction

USAGE: On page 781, SUBSTITUTE the following for the first full paragraph:

Several recent cases illustrate the application of secondary liability principles to Internet service providers. In *Luvdarts, LLC v. AT&T Mobility, LLC*, 710 F.3d 1068 (9th Cir. 2013), the court held that mobile wireless carriers were *not* liable for providing messaging services over which users allegedly sent infringing material. The carriers were not contributorily liable, because they did not have knowledge of specific instances of infringement, nor did they take steps to avoid learning about infringing activity (“willful blindness”). The carriers were not vicariously liable, because the plaintiff failed to plausibly allege that the carriers could implement an effective system to supervise user activity. Similarly, in *Perfect 10, Inc. v. Giganews, Inc.*, 847 F.3d 657 (9th Cir. 2017), the court held that defendant was *not* liable for providing a Usenet service that automatically

forwarded messages posted by users, including allegedly infringing photos. Giganews did not materially contribute by failing to remove the messages, because it could not easily do so without being provided with message IDs in machine-readable form. Giganews was not vicariously liable, because “there was no evidence indicating that anyone subscribed to Giganews because of infringing Perfect 10 material.” *Id.* at 674.

[B] Limitation of Liability for Service Providers

USAGE: On pages 792-793, SUBSTITUTE the following for the text of Note (3):

(3) The court also considered the effect of § 512(m), which indicates that a service provider does not have an obligation to “monitor[] its service or affirmatively seek[] facts indicating infringing activity.” Is the “willful blindness” doctrine consistent with § 512(m)? If a service provider was “aware of a high probability” that specific infringing material was on its system, how could it respond to the obligation in § 512(c) “to remove, or disable access to, the material” without “affirmatively seeking” out the infringing activity? *See EMI Christian Music Group, Inc. v. MP3tunes, LLC*, 844 F.3d 79, 93 (2d Cir. 2016) (requiring defendant to disable access to all pre-2007 songs did not impose an affirmative duty to monitor). Is there some other way to interpret the statute to reconcile these two sections?

USAGE: On page 793, SUBSTITUTE the following for the second paragraph of Note (4):

In *Capitol Records, LLC v. Vimeo, LLC*, 826 F.3d 78 (2d Cir. 2016), the Second Circuit addressed the issue and held that although ISPs bear the burden of proving their compliance with § 512 generally, copyright owners have the burden of proving actual or red-flag knowledge; and merely showing that an employee viewed a video containing “recognizable” music was insufficient to demonstrate red-flag knowledge with respect to that video. *See also Ventura Content, Ltd. v. Motherless, Inc.*, 885 F.3d 597, 608-10 (9th Cir. 2018) (alleged professional quality of porn videos was not sufficient for “red flag” knowledge; infringement must be “apparent,” not merely suspicious); *but see EMI Christian Music Group*, 844 F.3d at 92 (defendant admitted he knew major labels had not released any songs in MP3 format before January 2007, and that there was no lawful distribution of the Beatles’ songs until 2010).

USAGE: On page 794, ADD the following text to the end of Note (7):

In *Mavrix Photographs, LLC v. LiveJournal, Inc.*, 853 F.3d 1020 (9th Cir. 2017), celebrity photos submitted by users were reviewed by a team of volunteer moderators, supervised by an employee of the defendant. Only about one in three photos were

approved for posting. The court held that the common law of agency applied in determining whether the volunteers were “agents” of the defendant; therefore, there was a triable issue of fact as to whether the photos were posted “at the direction of a user,” or by the defendant itself. Manual screening for infringement or pornography, however, would not be disqualifying. *See Motherless*, 885 F.3d at 605 (screening content to remove bestiality and child pornography did not mean that defendant “directed” the storage). Will this uncertainty encourage ISPs to avoid reviewing user-submitted material altogether? Compare *Mavrix* with *BWP Media USA, Inc. v. Clarity Digital Media, LLC*, 820 F.3d 1175 (10th Cir. 2016) (writers who were independent contractors were “users” within the meaning of § 512).

USAGE: On page 794, SUBSTITUTE the following for the text of Note (8):

(8) YouTube also recommends “related” websites to its users, relying on a software algorithm to identify “related” videos. Does this activity occur “by reason of storage at the direction of a user”? How do these “related” videos differ from the videos that YouTube “syndicated” to third parties? If the lower court finds that some of those “syndicated” videos were owned by Viacom, does that disqualify YouTube from reliance on the safe harbor at all, or only just for those specific videos? *See Capitol Records v. Vimeo*, 826 F.3d at 93-99 (adopting district court’s specific-video approach).

USAGE: On pages 794–795, SUBSTITUTE the following for the text of Note (10):

(10) Before enactment of the Music Modernization Act in 2018, there was a split in the courts as to whether the § 512 safe harbors applied to alleged infringement of pre-1972 sound recordings under state law. Compare *UMG Recordings, Inc. v. Escape Media Group, Inc.*, 107 A.D.3d 51 (N.Y. App. Div. 2013) (no) with *Capitol Records v. Vimeo*, 826 F.3d at 87-93 (yes). Congress resolved the split when it provided federal protection for pre-1972 copyrights by expressly extending the § 512 safe harbors to such claims (and pre-empting state law). *See* § 1401(f)(3).

USAGE: On pages 794–795, SUBSTITUTE the following for the text of Note (11):

(11) To qualify for the safe harbors, a service provider must have “adopted and reasonably implemented . . . a policy that provides for the termination in appropriate circumstances of subscribers . . . who are repeat infringers.” 17 U.S.C. § 512(i)(1)(A). This section already has proven to be difficult for some service providers to overcome. *See Ellison v. Robertson*, 357 F.3d 1072, 1080 (9th Cir. 2004) (finding a triable issue of fact as to whether AOL “reasonably implemented” its policy); *BMG Rights Mgmt. (US) LLC v. Cox Comm’ns, Inc.*, 881 F.3d 293 (4th Cir. 2018) (evidence that Cox ignored

certain notices and routinely reactivated accounts that had been terminated). But because Congress required only “reasonable” implementation, and not perfect implementation, individual instances of non-enforcement are not sufficient to overcome evidence of a general policy of enforcement. *See, e.g., Motherless*, 885 F.3d at 618-19 (evidence that defendant terminated between 1,320 and 1,980 repeat infringers, and missed only nine; absence of written policy was excused because defendant personally directed the terminations). In addition, a service provider has no independent duty to monitor its system to identify repeat infringers; instead, it need only respond to notices that comply with the “notice-and-take-down” provisions of § 512(c). *See Perfect 10, Inc. v. CCBill, LLC*, 488 F.3d 1102 (9th Cir. 2007).

USAGE: On page 795, SUBSTITUTE the following for the first paragraph of the section titled “Notice-and-Take-Down Provisions”:

To qualify for three of the four safe harbors, a service provider must comply with the “notice-and-take-down” provisions of § 512(c). Those provisions require that every service provider designate an agent to receive notices of alleged infringement from copyright owners, by filing with the U.S. Copyright Office *and* by posting the agent’s name and address (including an e-mail address) on a publicly accessible website. § 512(c)(2); *see BWP Media USA, Inc. v. Hollywood Fan Sites, LLC*, 115 F. Supp. 3d 397 (S.D.N.Y. 2015) (agent designation by parent company does not allow subsidiary to claim the § 512 safe harbor). The function of this agent is to receive notices of claimed infringement from copyright owners. Under § 512(c)(3)(A), such a notice must:

USAGE: On pages 796–797, SUBSTITUTE the following for the paragraph that crosses the page:

But users who receive overreaching notices are not entirely without recourse: They can seek affirmative relief under § 512(f), which imposes liability on “any person who knowingly materially misrepresents under this section ... that material or activity is infringing.” In *Lenz v. Universal Music Group*, 815 F.3d 1145 (9th Cir. 2016), for example, the plaintiff sued under 512(f) after a video of her baby dancing to a song on the radio was taken down at the behest of UMG. The Ninth Circuit held that a copyright owner must “consider fair use before sending a takedown notification, and that in this case, there is a triable issue as to whether the copyright holder formed a subjective good faith belief that the use was not authorized by law.” *Id.* at 1148.

§ 9.04 TECHNOLOGICAL PROTECTION MEASURES AND CIRCUMVENTION DEVICES

[A] Anti-Circumvention Measures

USAGE: On page 800, ADD the following citation to the end of the last paragraph:

See Disney Enterprises, Inc. v. VidAngel, Inc., 869 F.3d 848, 865 (9th Cir. 2017) (holding that a single TMP can serve both as an access control and as a use control).

[B] Case Law

USAGE: On page 812, SUBSTITUTE the following for the text of Note (2):

(2) Begin with an issue addressed in the trial court that the defendants chose *not* to appeal. Is CSS a technological measure that “effectively controls access to a work”? *See* 17 U.S.C. § 1201(a)(3)(B). Is it relevant that Johansen was able to defeat CSS so easily? If not, what is the meaning of the word “effectively”? *See Ticketmaster, LLC v. Prestige Entertainment, Inc.*, 306 F. Supp. 3d 1164 (C.D. Cal. 2018) (CAPTCHA programs designed to detect bots are technological measures that effectively control access to a copyrighted work); *but see Agfa Monotype Corp. v. Adobe Sys.*, 404 F. Supp. 2d 1030 (N.D. Ill. 2005) (embedded “bits” encoding permissions do not by themselves constitute an “effective” technological protection measure).

USAGE: On page 813, SUBSTITUTE the following for the text of Note (6):

(6) The opinion states that “[o]wners of all property rights are entitled to prohibit access to their property by unauthorized persons.” *See also Disney Enterprises, Inc. v. VidAngel, Inc.*, 869 F.3d 848, 863 (9th Cir. 2017) (“lawful purchasers have permission only to view their purchased discs with a DVD or Blu-ray player licensed to decrypt the TPMs”). If consumers have a right to make a “fair use” of a copyrighted work, are they “unauthorized” persons? If the public has an established easement over a parcel of real property, could the property owner install a fence to keep the public out?

Chapter 10

FAIR USE AND AFFIRMATIVE DEFENSES

§ 10.02 THE FUNDAMENTALS OF FAIR USE

[B] Analyzing Fair Use Today

USAGE: On pages 839–840, SUBSTITUTE the following for the text of Note (8):

(8) *Parody and satire*. The Capitol Steps, a Washington, D.C.-based political parody group, submitted an *amicus* brief in *Campbell*, arguing for a presumption in favor of political parodies. The group takes well-known songs and substitutes new lyrics targeting contemporary political events. The Capitol Steps are quite successful, selling tapes and compact discs throughout the country. How should a lower court analyze a case brought against the Capitol Steps after *Campbell*? Is Justice Souter’s distinction between *parody* and *satire* relevant here? What is the import of Justice Kennedy’s concurrence? Should a defendant be allowed to appropriate someone else’s copyrighted work solely in order to make a political statement? *See also Katz v. Google, Inc.*, 802 F.3d 1178 (11th Cir. 2015) (use of unflattering portrait of plaintiff in blog post criticizing him was a fair use); *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756 (7th Cir. 2014) (use of mayor’s official portrait on t-shirts mocking him was a fair use); *MasterCard Int’l Inc. v. Nader 2000 Primary Comm., Inc.*, 70 U.S.P.Q.2d (BNA) 1046 (S.D.N.Y. 2004) (political commercial which mimicked MasterCard’s “Priceless” ad campaign was a fair use).

USAGE: On pages 841, ADD the following paragraph to the end of Note (9):

Dr. Seuss itself has had mixed success in subsequent cases. In *Dr. Seuss Enterprises, L.P. v. ComicMix, LLC*, 256 F. Supp. 3d 1099 (S.D. Cal. 2017), *opinion after amended complaint*, 300 F. Supp. 3d 1073 (S.D. Cal. 2017), the court held that a mashup of Dr. Seuss and Star Trek titled *Oh, the Places You’ll Boldly Go!* was not a parody nor a fair use. In *Lombardo v. Dr. Seuss Enterprises, L.P.*, 279 F. Supp. 3d 497 (S.D.N.Y. 2017), however, the court held that a play in comedic rhyming verse titled *Who’s Holiday*, depicting Cindy Lou Who as a 45-year-old alcoholic, divorced from the Grinch, was a parody and a fair use. Can these decisions be reconciled, or are they simply a product of differing standards in the Ninth and Second Circuits?

§ 10.03 CONCEPTUAL ISSUES IN FAIR USE

[A] Copyright and the First Amendment

USAGE: On page 856, ADD the following Note after the end of Note (12):

(12A) *Judge or Jury?* In *Harper & Row*, the Supreme Court stated that “[f]air use is a mixed question of law and fact.” 471 U.S. at 560. Does that mean that disputed fair use questions should be sent to a jury? In *Oracle Am., Inc. v. Google, Inc.*, 750 F.3d 1339 (Fed. Cir. 2014), the Federal Circuit remanded for a jury trial on the issue of fair use. After a jury verdict in Google’s favor, however, the Federal Circuit reversed course, holding that although a jury should resolve disputed questions of historical fact, the application of the four fair use factors to those facts was a matter of law for the court, and that any jury findings on those factors must be treated as advisory only. 886 F.3d 1179, 1191-96 (Fed. Cir. 2018). Should other circuits adopt this approach? Which decisionmaker is more likely to uphold the policies underlying the fair use doctrine? Which is more likely to reach consistent results? If the answers to those questions are in conflict, which is more important?

[B] The Meaning of “Transformative Use”

USAGE: On page 867, SUBSTITUTE the following for the second paragraph of Note (6):

Two of the allegedly infringing works are available in the published opinion, and several more are available online. Do you agree with the court’s assessment? Why are the five artworks any less “transformative” than the other 25? Note that Prince fared more poorly in a subsequent case, in which he reproduced a photographer’s Instagram post in its entirety, adding only his “cryptic” comments. *Graham v. Prince*, 265 F. Supp. 3d 366 (S.D.N.Y. 2017).

USAGE: On page 867, ADD the following to the end of Note (7):

See also Penguin Random House, LLC v. Colting, 270 F. Supp. 3d 736 (S.D.N.Y. 2017), holding that a series of four KinderGuides, illustrated children’s versions of famous novels, were not a fair use. The majority of the works were devoted to re-telling the story of the novels, with only two added pages of questions and analysis. Would adding more questions and analysis have changed the result?

[C] Actual and Potential Market Effect

USAGE: On page 873, ADD the following to the end of Note (4):

See also Davidson v. United States, 138 Fed. Cl. 39 (2018) (use of photo of plaintiff’s sculpture, a modified version of the Statue of Liberty, on postage stamp was not a fair use).

[D] Reproduction Technologies and Personal Use

[1] Photocopying and Digital Reproduction

USAGE: On page 877, SUBSTITUTE the following for the second paragraph (the first full paragraph):

On the “front lines” of education, controversies regarding fair use have expanded beyond photocopying to include electronic reproduction and distribution. For example, Cambridge University Press and other publishers filed an infringement suit against Georgia State University for “pervasive, flagrant, and ongoing unauthorized distribution of copyrighted materials” by means of its “electronic course reserves service, . . . its departmental web pages[,] and hyperlinked online syllabi.” *See Cambridge University Press v. Becker*, 863 F. Supp. 2d 1190 (N.D. Ga. 2012). Although the District Court held largely in favor of Georgia State, the Court of Appeals reversed, holding that the District Court erred in 1) giving all four factors equal weight, 2) not assessing the second factor on a case-by-case basis, 3) “applying a 10 percent-or-one-chapter safe harbor” under the third factor, and 4) not affording enough weight to the fourth factor. *Cambridge University Press v. Patton*, 769 F.3d 1232 (11th Cir. 2014). After remand, where the District Court again found largely in favor of Georgia State, the Court of Appeals again reversed, because the District Court balanced the factors mathematically rather than holistically and erred in reanalyzing certain facts. *Cambridge University Press v. Albert*, 906 F.3d 1290 (11th Cir. 2018). Does this series of decisions give academic publishers and universities sufficient guidance to resolve future cases?

[2] Personal Use

USAGE: On page 880, SUBSTITUTE the following for the first full paragraph:

Revisiting the *Betamax* case itself, we see that there are now real questions about how far the principles announced in *Sony* should be extended beyond the factual context of that decision. In *Fox Broadcasting Co. v. DISH Network, LLC*, 905 F. Supp. 2d 1088 (C.D. Cal. 2012), the court held that defendant’s “Prime Time Anytime” feature, which allowed a user to record all of the primetime shows on the major television networks for

later viewing, was not infringing; but that the Quality Assurance copies that DISH made to test its “AutoHop” feature, which automatically skips commercials on playback, were not a fair use. On appeal, the Ninth Circuit assumed, without deciding, that the ruling was correct; but it nonetheless affirmed the denial of a preliminary injunction, because Fox did not demonstrate irreparable harm. 747 F.3d 1060 (9th Cir. 2014). The District Court adhered to its views on motions for summary judgment, 160 F. Supp. 3d 1139 (C.D. Cal. 2015), and the parties later settled, with DISH agreeing that “AutoHop” would not be available for Fox programming until seven days after a program aired. *See also Disney Enterprises, Inc. v. VidAngel, Inc.*, 869 F.3d 848 (9th Cir. 2017) (service that purchased multiple DVDs, made a master digital copy, and streamed the movie to “purchasers” who selected at least one type of content to be “filtered” was merely a substitute for an authorized streaming service and was not a fair use).

§ 10.04 FAIR USE AND TECHNOLOGY

[A] Fair Use and Decompilation

USAGE: On page 885, ADD the following before the last (partial) paragraph:

On remand, the jury found that Google’s use of the “declaring code” of 37 Java API packages (defining the names and functions of hundreds of classes and thousands of methods) in creating its Android operating system was a fair use. The Federal Circuit again reversed, holding that Google’s use was not fair as a matter of law. 886 F.3d 1179 (Fed. Cir. 2018). The Federal Circuit first held that, although a jury should resolve disputed questions of historical fact, the application of the four fair use factors to those facts was a matter of law for the court, and that any jury findings on those factors must be treated as advisory only. *Id.* at 1191-96. The court then systematically rejected the jury’s implicit findings (except as to factor two), holding that: (1) Google’s use was not transformative and was “overwhelmingly commercial”; (2) although the code was at least somewhat creative, “reasonable jurors could have concluded that functional considerations were both substantial and important”; (3) although Google copied only declaring code (and wrote its own implementing code), “no reasonable jury could conclude that what was copied was qualitatively insignificant,” so the third factor was, at best, neutral; and (4) no reasonable jury could have found a lack of market harm. Some commentators have criticized the Federal Circuit for its result-oriented reasoning.

[B] Fair Use and the Internet

USAGE: On page 909, SUBSTITUTE the following for the second paragraph of Note (8):

What about other searchable electronic databases? In *White v. West Pub. Group, Inc.*, 29 F. Supp. 3d 396 (S.D.N.Y. 2014), the court held that including legal briefs in

Westlaw and Lexis was a fair use. Should attorneys be paid when their briefs are disseminated to the public by a commercial service? Is “selecting, coding, linking, and identifying” the briefs sufficient to make the use “transformative”? *See also Fox News Network, LLC v. TVEyes, Inc.*, 43 F. Supp. 3d 379 (S.D.N.Y. 2014) (copying TV news shows to create an searchable, indexed transcript archive was a fair use), *aff’d in part, rev’d in part*, 883 F.3d 169 (2d Cir. 2018) (although “Search” function was not challenged on appeal, “Watch” function, which showed ten-minute clips to paying clients, deprived Fox of substantial licensing revenue and was not a fair use).

§ 10.06 AFFIRMATIVE COPYRIGHT DEFENSES

USAGE: On page 918, ADD the following text between the second and third paragraphs:

In *Disney Enterprises, Inc. v. Redbox Automated Retail, LLC*, 126 U.S.P.Q.2d (BNA) 1650 (C.D. Cal. 2018), Disney sold DVDs together with alphanumeric codes that would allow the user to download a digital copy of a movie. In violation of an express condition on the box, Redbox re-sold the DVDs and the download codes separately. The District Court initially denied a preliminary injunction, finding that the condition likely constituted copyright misuse, since it had the effect of restricting the buyer’s § 109(a) right to re-sell the DVD. After Disney rewrote the terms, however, so that the user simply had to affirm that she did not purchase the download code separately (rather than affirming that the user was the owner of the DVD), the court granted a preliminary injunction. 336 F. Supp. 3d 1146 (C.D. Cal. 2018).

USAGE: On page 924, SUBSTITUTE the following text for the second full paragraph:

The result in *Whimsicality* presumably would have been different under an amendment made to the Copyright Act in 2008, which provides that a registration certificate is valid, even if it contains inaccurate information, unless the information was both knowingly inaccurate and material to the Copyright Office’s registration decision. *See Roberts v. Gordy*, 877 F.3d 1024 (11th Cir. 2017) (District Court erred in failing to use proper standard of *scienter*). In such cases, “the court shall request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.” 17 U.S.C. § 411(b)(1). *See DeliverMed Holdings, LLC v. Schaltenbrand*, 734 F.3d 616 (7th Cir. 2013) (vacating and remanding declaratory judgment of invalidity when District Court failed to consult the Register).

Chapter 11

REMEDIES, PREEMPTION, AND RELATED BODIES OF LAW

§ 11.01 REMEDIES UNDER FEDERAL LAW

[C] Damages

[2] Statutory or “In Lieu” Damages

USAGE: On pages 963-964, SUBSTITUTE the following for the first two paragraphs of Note (7):

(7) *The number of infringements.* In addition to assessing damages for a willful infringement, the court in *Krypton* was confronted with the problem of deciding the number of infringements that would serve as the basis for statutory damages. In this regard, consider those portions of § 504(c)(1) and its legislative history that concern multiple infringements. Are they intended to govern situations in which the copyright holder joins, in a single action, a series of claims for infringements of his/her rights in multiple works? If not, what situations are governed by § 504(c)(1)? *See Bryant v. Media Right Prods.*, 603 F.3d 135 (2d Cir. 2010) (one award of statutory damages per album, as a “compilation,” rather than per song). *But see EMI Christian Music Group, Inc. v. MP3Tunes, LLC*, 844 F.3d 79 (2d Cir. 2016) (separate awards are appropriate when songs are issued as singles, even if those songs were also made available on albums); *WB Music Corp. v. RTV Communication Group, Inc.*, 445 F.3d 538 (2d Cir. 2006) (§ 504(c)(1) applies only to a compilation made by the copyright owner, and does not apply to a new compilation of 13 songs made by the defendant). What if eight registrations are obtained for eight episodes of a popular television program, where the basic plot continues throughout all eight episodes? Would your answer change if a book written as a unitary work was later adapted for television as a series of eight episodes? *See Twin Peaks Prods., Inc. v. Publ’ns Int’l, Ltd.*, 996 F.2d 1366, 1381 (2d Cir. 1993). You also may wish to consider a later episode in the *Feltner* saga itself: *MCA Television Ltd. v. Feltner*, 89 F.3d 766 (11th Cir. 1996) (TV series episodes considered as separate works for statutory damages purposes, leading to a total award of \$9 million and a vigorous dissent).

When a sound recording of a musical work is infringed, should there be one award of statutory damages, or two? Resolving a split in the district courts, the Second Circuit has held that only one award may be made, even if the two copyrights were owned by different parties. *EMI Christian Music Group*, 844 F.3d at 94-95.

[D] Costs and Attorneys Fees

USAGE: On page 967, ADD the following text after the second full paragraph, and DELETE the paragraph that begins at the end of page 967 and ends at the top of page 968:

Two decades after *Fogerty*, the Supreme Court again addressed the standard for awarding attorneys’ fees in *Kirtsaeng v. John Wiley & Sons*, 136 S. Ct. 1979 (2016) (after remand from the decision in § 7.04). The Court agreed that “objective unreasonableness” of a claim or defense was an “important factor” in awarding fees, reasoning that “it both encourages parties with strong legal positions to stand on their rights and deters those with weak ones from proceeding with litigation.” *Id.* at 1986. It also rejected Kirtsaeng’s argument that courts should consider “a lawsuit’s role in settling significant and uncertain legal issues,” largely because such an assessment “would typically reflect little more than educated guesses.” *Id.* at 1988. Nonetheless, it remanded the fee award to the District Court for reconsideration, emphasizing that trial courts should exercise discretion in awarding fees, “giving substantial weight to the reasonableness of [the parties’] litigating position, but also taking into account all other relevant factors.” *Id.* at 1989.

[F] Criminal Penalties

USAGE: On page 972, SUBSTITUTE the following for the second paragraph of the section titled “Infringing Imports and the Internet”:

Are the digital data that embody a copyrightable work or patented invention “articles” that the ITC can exclude by, for example, directing Internet service providers to block transmissions to computers in the United States from foreign web sites hosting such data? The Federal Circuit rejected the ITC’s assertion of such jurisdiction in *ClearCorrect Operating, LLC v. ITC*, 810 F.3d 1283 (Fed. Cir. 2015) (a patent case).

USAGE: On page 973, SUBSTITUTE the following for the third full paragraph:

Perhaps not coincidentally, on January 19, 2012, the U.S. Justice Department unsealed an indictment against Hong Kong-based file-hosting website megaupload.com and several individuals, including its founder, Kim Dotcom. The Justice Department “seized” the website’s domain name and posted an anti-piracy warning on the site. The next day, police in New Zealand arrested Dotcom and authorities in New Zealand and Hong Kong seized his assets. In 2018, the New Zealand Court of Appeal affirmed an order permitting Dotcom to be extradited from New Zealand to the United States in the criminal case against him; an appeal to the New Zealand Supreme Court is expected. In a separate civil forfeiture action in the United States, the Fourth Circuit ruled that, under 28 U.S.C. § 2466, Dotcom could not challenge the forfeiture of his assets because he was a criminal fugitive. *United States v. Batato*, 833 F.3d 413 (4th Cir. 2016), *cert. denied*, 138 S.Ct. 66 (2017).

Does this action suggest that the U.S. government has sufficient tools to combat foreign infringing websites, even without SOPA and PIPA? Or does the lengthy six-year extradition battle suggest that more streamlined tools are needed? Should users who lost access to legitimate material stored on megaupload.com (including several famous recording artists who were using the site to distribute content) be able to seek compensation? From whom? For more information on the seizure issue, see www.megaretrieval.com.

§ 11.02 PREEMPTION AND STATE-LAW REMEDIES

[A] Introduction

USAGE: On page 976, SUBSTITUTE the following for the fourth paragraph:

A unique and difficult problem is presented with respect to the status of sound recordings fixed before February 15, 1972, the effective date of the amendment bringing recordings fixed after that date under Federal copyright protection.... [Congress eventually decided in 2018 to preempt state-law protections for pre-1972 sound recordings. See current 17 U.S.C. § 301(c). — *Eds.*]

[C] Conflict Preemption Under the Supremacy Clause

USAGE: On pages 986-987, SUBSTITUTE the following for the text of Note (10):

(10) As discussed in § 7.04 above, the California Resale Royalties Act gives artists the right to receive a percentage of the sales price when original works of fine art are resold. In *Morseburg v. Balyon*, 621 F.2d 972 (9th Cir. 1980), the Ninth Circuit followed *Goldstein* in holding that the CRRA was not preempted by the 1909 Act. How should the case be resolved under § 301 of the 1976 Act? In *Sam Francis Foundation v. Christie's, Inc.*, 784 F.3d 1320 (9th Cir. 2015) (*en banc*), the Ninth Circuit held that the CRRA was preempted under the dormant Commerce Clause, because it impermissibly attempted to regulate commercial transactions that occur entirely outside the State. The court, however, held that the unconstitutional portion of the statute was severable. After remand, the Ninth Circuit held that the CRRA was preempted under § 301 of the 1976 Act. *Close v. Sotheby's, Inc.*, 894 F.3d 1061 (9th Cir. 2018). Consequently, only claims that accrued between January 1, 1977 (the effective date of the CRRA) and January 1, 1978 (the effective date of the 1976 Act) survive preemption.

[D] Express Preemption Under the 1976 Act

[2] The Struggle in the Courts

USAGE: On page 995, SUBSTITUTE the following for the second paragraph of Note (2):

Katz answers that question in the negative, and its analysis finds support in the House Report on the 1976 Act, which observes that otherwise the states could confer unlimited protection on subject matter that is unfit for even limited protection under federal law. *See* H.R. Rep. No. 94-1476, at 131 (1976). A lopsided majority of appellate decisions agree. In joining this majority, the Fifth Circuit noted that “[t]he Second, Fourth, Sixth, and Seventh Circuit, as well as the Ninth Circuit en banc, all recognize that, for the purpose of preemption under § 301(a), ideas fixed in tangible media fall within the subject matter of copyright. Only the Eleventh Circuit disagrees” *Spear Marketing, Inc. v. Bancorp South Bank*, 791 F.3d 586, 595–96 (5th Cir. 2015) (citations omitted). Or, more concisely, “the Copyright Act preempts more [subject matter] than it protects.” *Motion Medical Techs., LLC v. Thermotek, Inc.*, 875 F.3d 765, 773 (5th Cir. 2017). In *Ho v. Taflove*, 648 F.3d 489, 501 (7th Cir. 2011), for example, two professors allegedly copied a mathematical model simulating the behavior of electrons without attribution. The court held that the subject-matter element of preemption was met, because “Congress sought to ensure that a state will not provide copyright-like protections in materials that should remain uncopyrighted or uncopyrightable” (internal quotes omitted). *See also, e.g., Barclays Capital, Inc. v. Theflyonthewall.com, Inc.*, 650 F.3d 876, 892-93 (2d Cir. 2011); *Montz v. Pilgrim Films & Television, Inc.*, 649 F.3d 975, 979-80 (9th Cir. 2011) (en banc); and *R.W. Beck, Inc. v. E3 Consulting, LLC*, 577 F.3d 1133, 1146-47 (10th Cir. 2009).

USAGE: On pages 1011-1012, SUBSTITUTE the following for the text of Note (11):

(11) *State protection of sound recordings under § 301(c)*. Before 2018, section 301(c) provided that state record piracy laws protecting sound recordings fixed before February 15, 1972 were not preempted until February 15, 2067. This provision continued the rule of *Goldstein v. California*, 412 U.S. 546 (1973), that insulated state anti-piracy laws against preemption by the 1909 Act.

Under the Classics Protection and Access Act, all state-law causes of action for the use of pre-1972 sound recordings arising on or after October 11, 2018 are preempted, except for state-law actions “arising from the nonsubscription broadcast transmission of sound recordings” that are not digital audio transmissions. § 301(c) (as amended). Thus, if state law provides a public performance right for such transmissions, federal law will not interfere. State-law causes of action for digital audio transmissions (and incidental reproductions) arising before October 11, 2018 are preempted only if they otherwise

would have been exempt, or if they would have been subject to the statutory license and royalties are paid, as provided either by statute or a settlement agreement. § 1401(e).

§ 11.03 RELATED BODIES OF FEDERAL AND STATE LAW

[C] The Right of Publicity

USAGE: On pages 1041-1042, SUBSTITUTE the following text for the first paragraph text of Note (7):

(7) Because values of free speech and press do sometimes clash with people's desire to control the use of their names or likenesses, state courts and legislatures have tried to limit application of the publicity right to situations involving the *commercial* exploitation of an individual's persona. Thus, use of an individual's name or likeness in news reporting and similar contexts generally is permitted. Moreover, docudramas and similar communicative uses may be privileged under the First Amendment. *See Tyne v. Time Warner Ent'mt Co.*, 901 So. 2d 802 (Fla. 2005) (fact-based movie *The Perfect Storm*); *DeHavilland v. FX Networks, LLC*, 230 Cal. Rptr. 3d 625 (Cal. App. 2018) (TV miniseries *Feud*). For better or worse, the privilege may apply to some crassly commercial uses, such as the use of players' names and statistics by online fantasy sports leagues. *See, e.g., C.B.C. Distr. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818 (8th Cir. 2007) (use protected under the First Amendment); *Daniels v. FanDuel, Inc.*, 109 N.E.3d 390 (Ind. 2018) (use falls within statutory exception for "material that has newsworthy value").

USAGE: On page 1043, SUBSTITUTE the following for the text of Note (12):

(12) *Preemption*. The courts remain divided as to whether the right of publicity is preempted by the Copyright Act. Although courts finding no preemption are still in the majority, recent cases are trending in favor of preemption. *See Brown v. Ames*, 201 F.3d 654 (5th Cir. 2000); *Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619 (6th Cir. 2000); *Wendt v. Host International, Inc.*, 125 F.3d 806 (9th Cir. 1997) (actors' claims against the use of animatronic figures representing characters in the TV series *Cheers* were not preempted, despite a sharp dissent by Judge Kozinski). *But see Laws v. Sony Music Entertainment, Inc.*, 448 F.3d 1134 (9th Cir. 2006) (singer's right of publicity claim was preempted by licensed use of copyrighted sound recording); *Dryer v. National Football League*, 814 F.3d 938 (8th Cir. 2016) (former football players' claims for use of likenesses in highlight videos were preempted); *Maloney v. T3 Media, Inc.*, 853 F.3d 1004 (9th Cir. 2017) (college athletes' claims for sale of game photos to the general public were preempted).