

COPYRIGHT LAW

SIXTH EDITION

By

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Chapter 1

INTRODUCTION:

THE LANDSCAPE OF COPYRIGHT

Once a relatively esoteric subject taught in only a few law schools, today copyright law is a key component of the regular curriculum. Both the legal academy and the practicing bar now recognize that copyright, and the industries it affects, are vitally important to the United States economy. But apart from this practical interest, copyright law is a challenging and theoretically intricate subject. As Justice Story put it, copyright law (along with patent law) "approaches nearer than any other class of cases . . . to what may be called the metaphysics of the law, where the distinctions are, or at least may be, very subtle and refined, and sometimes, almost evanescent." *Folsom v. Marsh*, 9 F. Cas. 342, 344 (C.C.D. Mass. 1841) (No. 4,901). Marked by both historical peculiarities and difficult policy dilemmas, copyright touches our artistic, cultural, and moral sensibilities.

This chapter introduces the concept of copyright and places it in historical, philosophical, and legal context. In addition, it differentiates copyright law from other bodies of law that confer intellectual property rights, such as patent law, trademark law, and related state causes of action.

Copyright is an exceptionally dynamic body of law. A major theme running through this introductory chapter (and the entire casebook) is that the law of copyright is a form of legal adaptation, a response to new technologies in the reproduction and distribution of human expression — or, more precisely, to the social, cultural, and economic trends unleashed by these technologies. We can observe the beginnings of this process in the pre-statutory antecedents of the law in the 16th Century. It is ongoing still. The changes wrought in our society by digital technology are forcing us to confront, once again, the most basic of questions: Should the law confer property rights in products of the mind? If so, to what extent? And how should intangible property rights be balanced against the public interest in access to knowledge? These questions have perplexed generations of legislators, judges, philosophers, economists, and law students. They are the subject of this casebook.

§ 1.01 The Importance of Copyright

In a surprisingly short period of time, the United States has evolved from an industrial to an information- and services-based society. Our post-industrial era is marked by rapid technological change in which our ability to reproduce and receive information grows exponentially. It is hard to believe that many of our grandparents can remember a time when television was a suspect novelty, and cable and satellite communications belonged to a hazy future. Today, we are increasingly linked by digital networks, including the Internet, which defy physical distance to carry texts, images and sounds with

startling ease and rapidity. Who can predict what new information-based technologies lie ahead? From all indications, the communications revolution will only continue to gather speed as each year — each week! — goes by.

As the value of communicative expression grows, so does the legal structure that governs the rules concerning its ownership. Products of the mind are protected under three branches of federal law, known collectively as “intellectual property.” *Patent law* provides a limited monopoly for new and inventive products, processes and designs. *Trademark law* prohibits product imitators from passing off their goods or services as the products of others. *Copyright law* protects “original works of authorship.” A separate body of state-created law provides additional protections.

From the first English copyright act, the Statute of Anne in 1710, the law of “copyright” has protected the exclusive right of authors to reproduce copies of their books and, by extension, other writings. Today, copyright covers much broader ground, including not only most literary, artistic, and musical works, but architectural works and computer software and some kinds of databases as well.

The information industries are critically important to the American economy in its post-industrial state. The numbers are staggering, as a report issued in late 2002 demonstrates.¹ In 2002, the core copyright industries (including pre-recorded music, TV programs, motion pictures, home videos, books, periodicals, newspapers, and computer software) accounted for 5.24% of the U.S. Gross Domestic Product, or \$348.4 billion. Between 1977 and 2001, the core copyright industries grew more than twice as fast as the rest of the U.S. economy (7.0% to 3.0%), and created new jobs more than three times as fast as the economy as a whole (4.93% to 1.50%). The increase in their share of American trade has been similarly dramatic. In 2001, the U.S. core copyright industries achieved estimated foreign sales and exports of \$88.97 billion, again leading all major industry sectors, including chemicals and allied products, motor vehicles, equipment and parts, aircraft and aircraft parts, and the agricultural sector. Today, U.S.-produced software alone constitutes more than half of the world market. These figures will only grow in coming years.

Such developments indicate clearly the growing international importance of intellectual property. The transfer of information has become an ever greater component of international trade and is the centerpiece of U.S. competitiveness. Unlike other sectors of the economy, in the area of intellectual property the United States is a net exporter — indeed, the world’s largest exporter by far. Whether old media (motion pictures, music, and the like) or new (computer software, for example), this nation is preeminent in the production and distribution of copyrighted works.

There is, however, a downside to this success. As their exports have increased, American copyright owners have become increasingly vulnerable to piracy abroad and to inadequate protection of their interests under foreign laws. Accordingly, the international aspects of copyright law no longer can be given secondary consideration in a serious study of the subject. They will receive full, integrated treatment in the pages that follow.

¹ Economists, Incorporated, *Copyright Industries in the U.S. Economy: The 2002 Report*

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§ 1.02 Copyright and Related Bodies of Law

[A] An Introduction to Copyright

The term “copyright” is, or at least once was, a highly descriptive term: At the time of the Statute of Anne (1710), ownership of “copie” in a book amounted to the exclusive right to print and publish it. Today’s copyright goes much farther than the copyright of centuries past, which protected only against reproducing the work — usually, by printing or reprinting it — and vending the copies so made. Much of what we protect in copyright law today — through derivative works rights, performance rights, and display rights — is really the right to *use* (and to *authorize* the use of) copyrighted works in a variety of ways.¹

Conventional accounts of United States copyright law generally start with the proposition that, from the beginning, our statutes have reflected an assumption that unimpeded copying of those intangible products of the mind whose production we as a society wish to encourage would produce undesirable social consequences. According to this understanding, the focus of American copyright law is primarily on the benefits derived by the public from the labors of authors, and only secondarily on the desirability, in the abstract, of providing a reward to the author or copyright owner (often, but not always, the same person) in recognition of his or her creative accomplishment. If so, then the basic philosophy of our copyright law would stand in tidy opposition to the underlying vision of the “authors’ rights” statutes of civil law countries, in Europe and elsewhere, at least as that vision is usually described.

As we will see in the succeeding sections of this chapter, however, the situation is, in actuality, considerably more complicated. In fact, there exist, in the legal materials both of the United States and of other countries with a developed jurisprudence on the subject, *many* theories about how and why copyright works — *all* of them rooted, to a greater or lesser extent, in the rich, untidy history of this curious body of law.

For the moment, however, our focus is on aspects of the American legal system that complement, reinforce or supplement copyright. Recently, federal law has begun to experiment cautiously with “neighboring” or “related” rights, which provide copyright-like protection for nontraditional subject matter, sometimes in an attempt to avoid the constitutional limitations which the courts have recognized with respect to protection based on the Copyright Clause itself. We will explore these developments in due course. For today, as always, anyone who seeks a thorough understanding of U.S. copyright law should become familiar also with *other* federal law protections for interests in intellectual property: specifically, the laws of patent and trademark.

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copyright today protects kinds of works — photographs, motion pictures, sound recordings, computer programs — not even imagined when the early statutes were enacted.

[B] Federal Intellectual Property Law

[1] In General

Copyright, patent and trademark law share certain basic similarities. First, by their nature, all three major areas of intellectual property law recognize property rights in intangible products of the mind: copyright (artistic and literary expression), patent (technological and other innovations), and trademark (symbolic information). Second, because these bodies of law concern federally recognized rights, they are governed by federal statutes and administered by federal agencies. (The federal role is exclusive as to the first two, while state law also has a role to play as to trademark.) Third, from an international perspective, intellectual property law is most developed in Western industrialized countries, and rights in such property frequently are the subject of international treaties.

On the other hand, copyright, patent and trademark law differ both theoretically and operationally, as the accompanying chart attempts to make clear.

[2] Patent Law

Generally

Contrasted with copyright, patent is a form of intellectual property protection which is harder both to secure and to maintain, and shorter in duration, but relatively more robust while it lasts.² Generally speaking, the patent grant encourages investment in research and development to produce valuable technological products. It creates a limited "monopoly" (more properly described, a limited right to exclude) in return for public disclosure of the patentee's discovery. The patent becomes a public record upon issuance, and sometimes before issuance as an application, accessible to those wishing to use the information disclosed.

Patent law is the only branch of intellectual property law in which a claimant's rights are wholly dependent on a government grant — one made by the U.S. Patent and Trademark Office. In extreme contrast, a copyright does not spring into existence as the result of an official decision, but originates rather in the creative act of an author, which itself gives rise to the legal interest. Subsequent registration of a copyright with the Copyright Office enhances the value of an owner's right, but is not a source of it.

Likewise, trademark rights are based on use. They can spring directly from the claimant's qualifying use of a mark on a product, with or without the later confirmation of an official registration with the Patent and Trademark Office — and/or with an appropriate state government office. And even though

² Critics of the patent system sometimes argue that such robust protection is not needed to the degree currently provided by Title 35, or not needed at all, as an incentive to invention. More narrowly, others contend that patent law is too technology-specific (resulting, for exam-

ple, in over-application of certain rules of patentability in biotechnology cases and under-application in software cases). See Burk & Lemley, *Is Patent Law Technology-Specific?*, 17 Berkeley Tech. L.J. 1155 (2002).

COMPARISON:
COPYRIGHT, PATENT, AND TRADEMARK

	COPYRIGHT	PATENT ¹	TRADEMARK
SUBJECT MATTER	Literary, dramatic, and musical works; pantomimes and choreography; pictorial, graphic, and sculptural works; audiovisual works; sound recordings; architectural works	<u>Utility patent:</u> Functional features of products and processes <u>Design patent:</u> Ornamental designs for manufactured goods	Words, names, symbols, or devices
STANDARDS FOR VALIDITY	Originality and fixation in a tangible medium of expression	<u>Utility patent:</u> Novelty, nonobviousness, and utility <u>Design patent:</u> What is obvious to ordinary designer	Use of mark to distinguish one's goods or services
WHEN PROTECTION BEGINS	Upon fixation of original expression	When granted by U.S. Patent and Trademark Office	Upon use of mark
DURATION OF PROTECTION	Life of the author (or longest-lived joint author), plus 50 years; or 75 years from publication or 100 years from creation, whichever expires first	<u>Utility patent:</u> Until 20 years from date filed <u>Design patent:</u> 14 years from date issued	So long as properly used as trademark
STANDARDS FOR INFRINGEMENT	Copying and improper appropriation	<u>Utility patent:</u> Mainly by making, using, or selling something covered by the claim language <u>Design patent:</u> Similarity of the designs to the ordinary observer	Likelihood of confusion
¹ Summary omits patents for distinct and new plant varieties asexually reproduced (i.e., without using seeds) (same term of protection as utility patents). See 35 U.S.C. §§ 161-164.			

certain procedural ramifications may follow initially from acceptance of an application for trademark registration prior to actual use, the substantive right to preclude others from using the mark vests only when use has been demonstrated.

Not surprisingly, the differing roles of the various federal and state bureaucracies in the creation and confirmation of intellectual property rights can be a source of confusion to the non-specialist.

Procedures for Obtaining a Patent

As already noted, a patent is granted by a governmental agency: the U.S. Patent and Trademark Office.³ To handle patent applications before the PTO, a practitioner must have a technical background and must pass a special PTO examination administered twice a year. These special qualifications help to ensure that the patent application is drafted properly, and that its prosecution will be guided competently through the PTO's administrative procedures.

Generally, the term of a patent is 20 years from the date on which the application for the patent was filed in the United States, or, in special cases, from the date an earlier related application was filed, subject to the payment of maintenance fees. The decision to grant the patent is made after the patent examiner evaluates the claims contained in the application to determine whether it meets the standards of patentability. The numbered claims, found at the end of the patent application document, determine the scope of the patent and are critical in deciding whether the patent has been infringed.

The administrative process leading to issuance of the patent can take years and cost thousands of dollars in legal fees. Thus, a patent should be sought only after careful consideration of the chances for successful issuance of commercially meaningful claim scope and the eventual validity of such scope if challenged in a court of law.

Kinds of Patents

A patent confers a legal right to exclude others for a limited time from making, using, selling, offering to sell, or importing the patented invention within or into the United States. There are three kinds of patents: a utility patent with a term running from the grant date until a date 20 years after filing, a plant patent with the same term, and a design patent with a 14-year term from the grant date.

Utility patents are granted for *new, useful, and nonobvious products and processes*. Plant patents may be given for discovering and asexually reproducing new and distinct plant varieties. Design patents are granted for new, original, and ornamental designs for articles of manufacture. Utility patents are those most often discussed and, overall, the most important economically.

³ The "United States Patent and Trademark Office" is now an agency within the Department of Commerce, and the Office's former

Commissioner is now its "Director" – and "Under Secretary of Commerce for Intellectual Property." Pub. L. No. 106-113 (Nov. 29, 1999).

Utility Patents: Requirements for Validity

The patent statute establishes the requirements for patentability in § 101 of Title 35. A patent is conferred on one who “invents or discovers any new and useful process, machine, manufacture or composition of matter, or any new improvement thereof.” 35 U.S.C. § 101. To obtain a patent, one must show eligible subject matter, novelty, nonobviousness, and usefulness — and must meet statutory invention disclosure requirements.

Eligible subject matter covers nearly the full range of technological innovations that can be physically implemented in a product or process. Products are things: machines, chemical compounds, or objects. A process is a method of achieving a result. In addition to the more familiar patents covering mechanical, electrical and chemical products or processes, patents have been granted for inventions in biotechnology (e.g., man-made microbes), see *Diamond v. Chakrabarty*, 447 U.S. 303 (1980), and some processes involving computer software. See *Diamond v. Diehr*, 450 U.S. 175 (1981); and Samuelson, *Benson Revisited: The Case Against Patent Protection for Algorithms and Other Computer Program-Related Inventions*, 39 Emory L.J. 1025 (1990). Generally speaking, the subject matter of utility patents and that of copyrights do not overlap, but (as we shall see) copyright law also has extended significant protection to software, creating the potential that a given program may be protected under both intellectual property schemes.

Not all products or processes are patentable. Thanks to the *novelty* requirement — that the invention be something truly new, above and beyond what already exists — one cannot patent a preexisting natural or man-made substance, although one may be able to claim rights in an improved version of such a substance or in a process for its extraction. Above and beyond the novelty requirement, there are limits on the patentability of fundamental relationships or “laws of nature” — even if newly discovered.

The novelty requirement also reveals a fundamental difference between patent law and the law of copyright, which requires only that a protected work be “original” — the author’s own, not something copied from another work. Theoretically at least, two people who independently created identical works could both hold copyrights, and neither’s use would infringe the other’s rights. Thus, in order to recover for copyright infringement, a plaintiff always must prove that the defendant actually copied. By contrast, independent origination is not a defense in a patent infringement action: One who obtains a valid patent is entitled to enforce it against all who make, sell, or use the invention, whether or not they know about the work or the patent, or even if they independently developed the same technology. See 35 U.S.C. § 271(a).

By the same token, however, an invention also may be found to lack novelty if its inventor (or someone else) publicly used it before filing for a patent on it. See 35 U.S.C. § 102(a). The law, however, allows a grace period: An application must be filed within a year from the time the invention is publicly used or placed on sale in the United States, or described in a printed publication or patent anywhere in the world. See 35 U.S.C. § 102(b). In this way, the patent statute encourages early filing and the resultant early disclosure of the invention to the public.

In the Patent Office, examiners search the record of "prior art" to assess an invention's novelty. But the statute requires them to look to this source for other determinations as well. Even if the subject matter is new, patentability is precluded if the invention would have been *obvious* to one with ordinary skill in the art. See 35 U.S.C. § 103. Applying the obviousness standard is one of the most troublesome tasks in patent law. Determination of obviousness is ultimately a question of law based on underlying factual conclusions. The leading case on the issue, *Graham v. John Deere Co.*, 383 U.S. 1 (1966), sets out the first three parts of the inquiry to determine nonobviousness. First, the scope and content of the prior art must be determined. Next, the differences between the prior art and the claim must be ascertained. Then, the level of ordinary skill of the worker in the pertinent discipline must be resolved. As the obviousness inquiry has developed in the Federal Circuit, secondary considerations — such as commercial success, long-felt needs, and failure of others to make the discovery — also are taken into account and add a fourth step to the inquiry. It is easy to see why obviousness determinations in courtroom settings frequently are lengthy proceedings involving battles of technical experts testifying why a certain invention was obvious or not.

Nothing in copyright or trademark approximates the obviousness standard. The same can be said for the *utility* requirement in patent law, requiring that the invention be useful. See 35 U.S.C. § 101. "Utility" means that the invention must work as described in the patent application. It also means that the invention must confer some sort of technological benefit upon humankind. See *Brenner v. Manson*, 383 U.S. 519 (1966).

Patent Infringement

The Patent Act allows for injunctions and up to three times actual damages for certain infringements. See 35 U.S.C. §§ 271–73, 281–94. Patent infringement suits brought in federal district court can be appealed to the Court of Appeals for the Federal Circuit, a special appeals court created in 1982 in large part to handle the technicalities of patent litigation and to add a rational uniformity to patent law. Although the patentee enjoys a legislative presumption of validity of her claims, courts can strike down patent claims as invalid if the presumption is overcome by clear and convincing evidence. Thus, in litigation, the patentee runs the risk of having the patent invalidated after incurring the expense of obtaining the patent and defending it in the litigation. The effect can be economically devastating for someone who made substantial expenditures in the expectation that the patent would be enforceable.

[3] Trademark Law

Generally

Unlike copyright and patent law, which are exclusively creatures of statute, the origins of trademark are in the common law. Indeed, the earliest British trademark decisions seem very distant from our modern notions of intellectual property: At its origins, trademark was a kind of "consumer protection" law, designed to prevent merchants from "passing off" inferior goods by using well-established signs or labels.

Today, trademark law has come a long way from its beginnings, and federal statutes confer on proprietors of marks a broad range of rights to exclude others from using confusingly similar marks in association with the same or similar products or services or in ways that harm the mark.⁴ A mark can be a word, a symbol, or a device used as a brand for a product or service, so long as it is used by a business to distinguish its goods or services from those of others. See 35 U.S.C. § 1127. Product and service brands surround us: Coca-Cola, the Pillsbury Dough Boy, and the Golden Arches of McDonald's are examples. These trade symbols are valuable to businesses as marketing devices and to consumers as aids to choice, not only nationally but worldwide.

As noted earlier, the essence of a trademark right is in use of the mark. Thus, while the design of a trademark may be the subject matter of a copyright, the basic theories of the two forms of protection are fundamentally different. Trademarks, unlike copyrights or patents, have an indefinite duration, enduring so long as they continue to be used and to effectively distinguish goods or services. Trademarks can be abandoned by non-use or can fall into the public domain if they no longer distinguish the goods or services, thereby becoming the generic name of a product (e.g., cellophane, aspirin, escalator).

Unlike copyright and patent, trademark is not the exclusive domain of federal law. The first trademark statutes in the United States were state laws, and even today the federal role is a coordinate (and theoretically limited) one. See *The Trademark Cases*, 100 U.S. 82 (1879). Specifically, Congress's power to legislate is limited to marks used in interstate or foreign-trade transactions — although this restriction on federal authority has not proved particularly constraining. Meanwhile, the states continue to apply their own independent trademark systems locally. Where appropriate, of course, federal courts may consider state law-based trademark claims along with federal ones, under the principle of pendent jurisdiction.

Protection for Unregistered Marks

Under both federal and state law, the first user of a distinctive mark may have an action against one who offers goods or services marked in a confusingly similar manner. Section 43(a) of the Federal Lanham Act, codified in Title 15 of the United States Code, specifically provides for relief in cases where there has been a so-called "false designation of origin"; and state laws provide general relief against "passing off" as a form of "unfair competition." In addition, the states and the federal government both offer facilities for trademark registration, and these (especially the latter) are important from a practical standpoint.

⁴ Critics of trademark law, however, believe that trade symbols create irrational brand loyalty, permitting the owner of a well-known mark to set its price for the product above the competitive price of production, and that overly

strong trademark law creates barriers to the entry of new competition from lower-priced products and more efficient competitors. See, e.g., Lunney, *Trademark Monopolies*, 48 Emory L.J. 367 (1999).

Federal Registration of Trademarks

The Lanham Act establishes a registration system in the U.S. Patent and Trademark Office for trademarks, and confers substantial procedural advantages, as well as access to enhanced remedies, in cases of infringement. These advantages are powerful inducements to register.

Federal registration of trademark is obtained by filing an application in the USPTO. Once filed, an application is reviewed by a trademark examiner who verifies, among other things, that: (1) the mark is not deceptive, (2) the mark is not confusingly similar to another mark, and (3) the mark is not merely descriptive of the goods or deceptively misdescriptive of them. See 15 U.S.C. § 1052(a),(d),(e). Although an applicant can base his application on an *intent to use* the mark in commerce as well as on *actual use*, registration will not issue until actual use of the mark is proved. See 15 U.S.C. § 1051(b)(1)(A).

The examination process for a trademark is usually neither as lengthy nor as costly as for a patent. The trademark application is relatively simple to draw up, as compared with the patent application. And although there are lawyers who have expertise in trademark registration, no special qualifications are required for trademark practice. Nevertheless, the trademark registration process can be much more intricate and costly than filing for registration of copyright — at least in part because, as we shall see, there is often more at stake!

Trademark Infringement

A trademark is infringed when a third party, without authorization, uses a confusingly similar mark on similar goods or services. The ultimate test is whether the concurrent use of the two marks would be likely to cause consumers to be mistaken or confused about the source of origin or sponsorship of the goods or services. Thus, the marks do not have to be identical, nor need they be used on identical products, to be confusingly similar.

Trademark Dilution

Generally speaking, a successful action for trademark infringement requires that the plaintiff and the defendant be in competition. But the laws of some states have long provided the owners of protected marks with limited remedies against the non-competitive use of similar marks which “dilute” the distinctive quality (and, hence, the value) of the originals. In 1995, Congress also passed a provision (in the form of an amendment adding a new § 43(c) to the Lanham Act) to safeguard so-called “famous” marks against dilution. The statute contains some criteria for courts to use in assessing whether a mark is “famous,” although the issue is by no means clear-cut. Only injunctive relief is available — unless the wrongful use was a “willful” one.⁵

⁵ For an interesting case construing § 43(c), see *Moseley v. V Secret Catalogue, Inc.*, 123 S.Ct. 1115 (2003), requiring proof of harm in

a case claiming that the mark “Victoria’s Secret” was diluted by an adult-oriented shop using the name “Victor’s Little Secret.”

[C] State Intellectual Property Law

[1] Unfair Competition and Trade Secrets

In addition to federal law, a diverse system of state intellectual property law also plays a significant role in protecting intangible property. As already noted, state “unfair competition” laws are (among other things) a complement to 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. In this sense, 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, federal patent law is complemented by state trade secret laws. As defined by the original Restatement of Torts, a trade secret is:

any formula, pattern, device, or compilation of information which is used in one's business, which gives [that person] an opportunity to obtain an advantage over competitors who do not know or use it. [A trade secret] may be a formula for a chemical compound; a process of manufacturing, treating or preserving materials; a pattern for a machine or other device; or a list of customers.

Restatement of Torts § 757, Comment *b* (1939). *See also* the Restatement, Third, of Unfair Competition (1995), and the Uniform Trade Secrets Act (1939).

In other words, trade secret law protects much the same technological information as does patent law, but trade secret subject matter is even broader, 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 for lack of patent-eligible subject matter or inventiveness is substantial, and where, accordingly, the time and expense of the patent application process do not seem merited. In addition, trade secrets are a particularly appropriate form of protection for processes. By its nature, a process, such as the formula for making Coca-Cola, can be practiced secretly by a few people and often is difficult to determine by reverse engineering. Compared with the 20-year patent monopoly, a trade secret may exist indefinitely, so long as substantial secrecy is maintained.

Trade secrecy is, however, no general substitute for patent protection. One crucial limitation is that a valid trade secret exists only if its proprietor takes steps to maintain its secrecy, and if, in fact, it is substantially secret within the trade secret owner's industry.⁶ In addition, both independent invention and reverse engineering are defenses to a trade secret claim.

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

⁶ *See* R. Milgrim, MILGRIM ON TRADE SECRETS § 2.01 (2002).

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 improper appropriation, such as theft by an industrial spy or breach of a contractual commitment not to divulge the trade secret. This is why it is often said that trade secret law protects a relationship rather than a property interest.

[2] Other State Law Theories

Unlike trade secrecy, which thrives despite the proximity of its subject matter to that of patent, so-called common law copyright is now almost entirely preempted by federal law. In addition to such traditional forms of state law protection, the right of publicity is a relatively new body of law, with similarities to copyright and trademark law. Finally, misappropriation, an older and theoretically more dubious area of state law, remains available, at least in certain limited factual situations. State protection of intangible property interests may supplement federal protection and fill gaps not addressed by federal law. On occasion, too, it may conflict with the purposes and particulars of federal intellectual property law — a topic dealt with in detail in Chapter 11.

“Common Law Copyright”

Under the 1909 Act, federal copyright protection generally began when an author *published* her work. With the exception of motion pictures and other works not intended for reproduction, *see* § 12 of the 1909 Act, unpublished works were given protection, if at all, under state law-based “common law copyright” (which, despite the somewhat misleading label, was codified in some jurisdictions). The 1976 Act now protects works as of their *creation* — that is, from the moment that original expression becomes fixed in a tangible medium (paper, audiotape, etc.). *See* 17 U.S.C. § 102(a). In so doing, the 1976 Act specifically preempts equivalent state common law copyright. *See* 17 U.S.C. § 301.

State common law copyright still may play a role if a work is not fixed in a tangible medium of expression. An example of such a work would be an extemporaneous speech or jazz improvisation. The states are not precluded from protecting these non-fixed works under their own copyright laws. In practice, few courts have even considered copyright protection for oral works, but some have recognized its possibility. *See, e.g., Estate of Hemingway v. Random House, Inc.*, 244 N.E.2d 250 (1968) (discussed in § 2.01 below).

The Right of Publicity

In 1953, a court recognized for the first time an intangible property right called the “right of publicity.” *See Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866 (2d Cir. 1953), *cert. denied*, 346 U.S. 816 (1953). A body of law already had developed around the right of privacy, prohibiting appropriation for commercial benefit of a plaintiff’s name or likeness. If a private person’s name or likeness is used to advertise a commercial product,

for example, the law allows issuance of an injunction and awards appropriate damages for this invasion of a private citizen's right to be let alone. When the persona of an athlete, movie star, or other celebrity is exploited in this way, the argument that a privacy interest has been invaded is less persuasive. By implication, celebrities have waived many aspects of their privacy. The harm occurs because the celebrity has been deprived of a property right in the fruit of her labors: Specifically, the ability to exploit her name or likeness commercially. While the right to privacy relates to dignitary harm, the right to publicity involves commercial harm.

Some states have statutes protecting the right to publicity, e.g., Cal. Civ. Code § 3344 (2003); in other states, the right is protected under common law. See, e.g., *Hirsch v. S.C. Johnson & Son, Inc.*, 280 N.W.2d 129 (1979). The law of the right of publicity is not uniform from state to state. Jurisdictions take varying approaches to questions such as the availability of the right to non-celebrities, or the descendibility of the right after the death of the individual to whose persona it originally attached. See, e.g., *Martin Luther King, Jr., Center for Social Change, Inc. v. American Heritage Products, Inc.*, 694 F.2d 674 (11th Cir. 1983) (publicity right survives death); *Southeast Bank v. Lawrence*, 489 N.E.2d 744 (Ct. App. 1985) (publicity right does not survive death under Florida law); Cal. Civ. Code § 3344.1 (2003) (statutory right of publicity limited to life of "personality" and 50 years after his or her death). Whatever its precise form and content, however, the right of publicity is a more absolute right than either trademark or general unfair competition rights, and is based on a theory of unjust enrichment. An action for invasion of the right of publicity does not require proof of confusion of source or sponsorship, or falsity — only proof of theft of good will by the defendant's unauthorized use of the plaintiff's name or likeness.

The policy favoring the right of publicity is debatable. Supporters maintain that recognition encourages artistic creativity, much as federal copyright law does. Those who oppose the right argue that, even if recognition does encourage commercial exploitation of celebrity personae, other branches of intellectual property, such as trademark and unfair competition, rest on sounder assumptions and adequately promote many of the same objectives.⁷

Such debates aside, the right of publicity continues to be a growth area in the law. Important recent decisions have extended protection under the right well beyond the core interests — name and likeness — to various traits, attributes, and even texts associated with a celebrity's "image." Interesting examples are *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (1983) (rights in the phrase "Here's Johnny!"), and *White v. Samsung Electronics America, Inc.*, 971 F.2d 1395 (9th Cir. 1992) (involving aspects of the "image" of Wheel of Fortune's Vanna White) (reprinted in § 11.03 of this casebook, along with a remarkable dissent from the denial of rehearing *en banc* by Judge Alex Kozinski).

⁷ See generally Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 Cal. L. Rev. 127 (1993); Eder, *When Imitation Is Not the Sincerest Form of Flattery: The Search for a Standard for Performers' Rights*, 37 J. Copyright Soc'y 407 (1990);

Coombe, *Authorizing the Celebrity: Publicity Rights, Postmodern Politics, and Unauthorized Genders*, 10 Cardozo Arts & Ent. L.J. 365 (1992). Cf. Lange, *Recognizing the Public Domain*, 44 Law & Contemp. Probs. 147 (1981).

Misappropriation

The misappropriation doctrine is the broadest, and also the vaguest, theory protecting intangible property under state law. The doctrine traces its name to the Supreme Court's decision in *International News Service v. Associated Press*, 248 U.S. 215 (1918), a case involving two competing news services. There, INS systematically pirated the substance of "hot news" stories from the AP service and shipped them to INS's West Coast affiliates, sometimes actually beating AP newspapers there to publication. INS's activities did not fall within the prohibitions of traditional bodies of intellectual property law. AP, for example, had not copyrighted its stories; and, insofar as INS had gathered the news from public sources, there was no breach of trust on which to base an action for theft of trade secrets. Despite this lack of traditional intellectual property protection, the Supreme Court held that INS's activities constituted a new variety of unfair competition called "misappropriation." The Court enjoined INS from using AP news reports until the commercial value of the news (its "hotness," so to speak) had dissipated.

The decision in *Erie Railroad Co. v. Tompkins*, 304 U.S. 64 (1938), effectively invalidated many prior exercises in federal judicial law-making, including that in *INS*. But the misappropriation doctrine continues to exist on the fringes of state intellectual property law. Applied equitably, the doctrine has made possible successful actions in many reported instances. The strong cases typically have arisen when (1) the plaintiff, by substantial investment, has created a valuable intangible not protected by patent, trademark, copyright, or the law relating to breach of confidence, which property is (2) appropriated by the defendant, a free rider, at little cost, thereby (3) injuring the plaintiff and jeopardizing her continued production of the intangible.⁸ Under this theory, the Metropolitan Opera sought to enjoin the unauthorized recording of its broadcasts, *Metropolitan Opera Association v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S.2d 483 (Sup. Ct. 1950), *aff'd*, 107 N.Y.S.2d 795 (1951); and, before sound recordings were given protection by federal law in 1971, record companies attacked pandemic tape piracy in the state courts. *See Goldstein v. California*, 412 U.S. 546 (1973). In both situations, although the plaintiffs were unable to base their claims on traditional bodies of intellectual property law, they succeeded under the misappropriation doctrine.

Some courts have expressed hostility toward the misappropriation doctrine, believing that it conflicts with the policy underlying federal patent and copyright law and therefore is preempted under the Supremacy Clause of the Constitution. In 1929, for example, Judge Learned Hand refused to apply the doctrine to dress-design piracy on this ground, *Cheney Bros. v. Dorris Silk Corp.*, 35 F.2d 279 (2d Cir. 1929); and, in two 1964 decisions, the Supreme Court struck down Illinois unfair competition laws as clashing with the policies of federal patent law. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964); and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964). The impact of § 301 of the 1976 Copyright Act on misappropriation is discussed below, in § 11.02.

⁸ See 2 J.T. McCarthy, TRADEMARKS AND UNFAIR COMPETITION § 10.51 (2002).

The more recent history of the doctrine in the courts is mixed. Compare *Board of Trade v. Dow Jones & Co.*, 456 N.E.2d 84 (Ill. 1983) (plaintiff's investment in stock index misappropriated), with *U.S. Golf Association v. St. Andrews Systems, Inc.*, 749 F.2d 1028 (3d Cir. 1984) (no misappropriation of formula for calculating golf handicaps). The continued vitality of the misappropriation doctrine apparently has been confirmed in *National Basketball Association, Inc. v. Motorola*, 105 F.3d 841 (2d Cir. 1997) (discussion misappropriation at length, although ultimately finding preemption on specific facts).⁹

More significantly, misappropriation recently has experienced something of a revival in the legislative arena, being pressed into service as a basis for proposals in Congress to confer protection on subject matter incapable of protection under the standards of copyright law (e.g., computer databases). The future development of misappropriation, in Congress as in the courts, remains to be seen.

§ 1.03 History of Anglo-American Copyright Law

[A] The Beginnings to *Donaldson v. Beckett* (1774)

The development of copyright law has been a continuing response to the challenge posed by new technologies for the reproduction and distribution of human expression. Since the late 19th Century, for example, copyright in the United States has adapted to assimilate photography, motion pictures, and sound recordings. Today, at both the national and international levels, we are debating how best to modify copyright law to regulate use of digital information technology in general, and digital networks (such as the Internet) in particular. The connection between technological change and copyright is nothing new. Indeed, the first copyright statute was a reaction (albeit one delayed more than 200 years) to a new technology of the 15th Century: printing with movable type.

Here, it is important to stress that the relationship between technological stimulus and legal response is a complex one, intermediated by many other factors. Although we sometimes hear it said that developments in new information technology "demand" or "require" particular modifications in intellectual property doctrine, it is probably more accurate to say that such developments alter economic, cultural, and social relationships to create the conditions for change in copyright law. What form that change actually takes, in turn, is strongly influenced by both political and ideological considerations.

Introduced into England in 1476 by William Caxton, the modern printing press allowed large-scale reproduction of books for the first time. This new technology enriched printers and booksellers (although not necessarily authors). It also created, for the first time, significant competition among such publishers. "Competition over the right to publish a given text," it has been noted, "also introduced controversy over new issues involving monopoly and piracy."¹ And, not so incidentally, the new technology threatened the Crown,

⁹ For on-going judicial criticism of the doctrine, albeit in an academic forum, see Posner, *Misappropriation: A Dirge*, 40 Hous. L. Rev. — (2003).

¹ E. Eisenstein, *THE PRINTING REVOLUTION IN EARLY MODERN EUROPE* 84 (Canto ed. 1993).

which shuddered at the thought of widespread dissemination of works advocating religious heresy and political dissent. The Crown's solution to the problem was a system of regulation designed to control this "dangerous" art. In 1534, a royal decree prohibited anyone from publishing without a license and approval by official censors. In 1557, the Crown conferred a publishing monopoly on the Stationers' Company — a group of London printers and booksellers who could be relied upon to do the Crown's bidding while lining their own pockets.²

After a controversial and checkered career, during which the stationers' rights were used as an instrument of both monopoly and press control, official licensing to publish expired in 1694, leaving the Company unsheltered by regulation and vulnerable to competition from "upstart" publishers. Parliament heeded the Company's predictions of economic disaster and anarchy and, in response to these lobbying efforts, passed the first copyright act, the Statute of Anne, 8 Anne, ch. 19, in 1710.³

The Statute of Anne, as even the stationers could see was inevitable, provided them lesser rights than had the late (and little-lamented) licensing acts. The new legislation maintained until 1731 the stationers' rights in works already printed. For new works, however, it granted protection to *authors themselves*, thereby seeming to break the stationers' historic monopoly. Prior to 1710, the stationers might have lobbied for a new statutory scheme which vested legal rights in, for example, the first individual to publish a given work. But they did not. For a variety of strategic and tactical reasons, they grudgingly put their weight behind a different approach, under which rights in new works would belong, in the first instance, to the "authors" who created them.

The printers' and booksellers' petitions to Parliament emphasized the attractively public-spirited argument that to thus secure authors' rights would serve the general good, because it would tend toward the "encouragement of learning." Moreover, because authors' copyrights, along with their manuscripts, could then be purchased by stationers, such legislation would provide the latter with a legal basis for combatting the outsiders whose activities threatened the economic health of the book trade. Once again, the public interest in receiving a steady flow of new printed materials would be advanced. In short, the stationers asked "that 'literary property' be secured to the writer or his assignee, or to the purchaser of the copy [that is, the exclusive right of reproduction]," and in doing so "managed to give prominence to the protection of authors without undermining their own position."⁴

That Parliament took the public interest justifications for copyright seriously in adopting the Statute of Anne is evidenced by the language of the enactment clause, stating that the purpose of the new legislation was "the Encouragement of Learned Men to Compose and Write useful Books." It is apparent, as well, in the fact that the Statute, while rewarding authors for

² B. Kaplan, AN UNHURRIED VIEW OF COPYRIGHT IN HISTORICAL PERSPECTIVE (1968).
RIGHT 23 n. 5 (1967).

³ For an overview of the early development of copyright law, see L.R. Patterson, COPYRIGHT
⁴ Feather, *The Book Trade in Politics: The Making of the Copyright Act of 1710*, 8 Pub. Hist. 19, 30 (1980).

Anno Octavo
Annæ Reginae.

An Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors or Purchasers of such Copies, during the Times therein mentioned.



Whereas Printers, Booksellers, and other Persons have of late frequently taken the Liberty of Printing, Reprinting, and Publishing, or causing to be Printed, Reprinted, and Published Books, and other Writings, without the Consent of the Authors or Proprietors of such Books and Writings, to their very great Detriment, and too often to the Ruin of them and their Families: For Preventing therefore such Practices for the future, and for the Encouragement of Learned Men to Compose and Write useful Books; May it please Your Majesty, that it may be Enacted, and be it Enacted by the Queens most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons in this present Parliament Assembled, and by the Authority of the same, That from and after the Tenth Day of April, One thousand seven hundred and ten, the Author of any Book or Books already Printed, who hath not Transferred to any other the Copy or Copies of such Book or Books, Share or Shares thereof, or the Bookseller or Booksellers, Printer or Printers, or other Person or Persons, who hath or have Purchased or Acquired the Copy or Copies of any Book or Books, in order to Print or Reprint the same, shall have the sole Right and Liberty of Printing such Book and Books for the Term of One and twenty Years, to Commence from the said Tenth Day of April, and no longer; and that the Author of any Book or Books already Composed and not Printed and Published, or that shall hereafter be Composed, and his Assignee, or Assigns, shall have the sole Liberty of Printing and Reprinting such Book and Books for the Term of Four-

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their creations, temporally limited their rights.⁵ New books were given a first term of protection of 14 years for authors and their assigns, measured from the date of first publication, plus a second term of 14 years available to the author if he lived to its commencement. After that, the work fell into what we know today as the "public domain" — a matter of no small consequence for learning and liberty.⁶ The Act defined the "copyright" as including the liberties of printing, reprinting, and selling a book. Infringement occurred when a third party printed, reprinted, or imported the book without consent. The protection granted was basically no more than a prohibition against literal copying. To enforce these rights, a copyright owner (the author or — more likely — his or her assignee) had to register the title of the book with the Stationers' Company before its publication.

Notwithstanding the public interest features (like price controls on books, which proved short-lived, and mandatory library deposit, which did not), the Statute of Anne proved to be a boon to the stationers — at least in the short run. In the decades that followed, they continued to do business much as before, purchasing authors' new statutory rights for lump-sum payments and reaping whatever profits the success of those works in the marketplace might generate. One development that the stationers/publishers could not easily have foreseen, however, was that the powerful genie of "authorship," which they had conjured up in the years prior to 1710, ultimately might prove difficult to control and impossible to rebottle.

In fact, the stationers summoned that genie once again, later in the 18th Century, in their effort to defeat the limitations on copyright term which were a prominent feature of the Statute of Anne. The case was *Donaldson v. Beckett*, 2 Bro. P.C. 129, 1 Eng. Rep. 837, 4 Burr. 2408, 98 Eng. Rep. 257, decided in 1774. The plaintiff was an authorized publisher who argued to the House of Lords that he was entitled to relief on account of the defendant's unauthorized reprints — even though the statutory term of copyright in the work in question had expired. The plaintiff's theory was that, before the Statute of Anne, authors had enjoyed a perpetual copyright, and that, as the assignee of all the author's rights, he should enjoy a right of action at common law notwithstanding the terms of the Statute. Although the idea of a perpetual common law right found little support in history, it resonated sympathetically with the developing notion of "authorship" as a privileged category of human activity — and with the concomitant vision of authors' rights as "natural rights." See § 1.04 below. Although the plaintiff in *Donaldson* ultimately failed to carry the day,⁷ the widely reported arguments about the "question of literary property" influenced future thinking about copyright and "authorship" on both sides of the Atlantic — as did the sympathetic treatment of the "natural rights" of "authors" in Blackstone's COMMENTARIES, arguably the

⁵ See M. Rose, *AUTHORS AND OWNERS: THE INVENTION OF COPYRIGHT* 45–46 (1993); J. Feather, *PUBLISHING, PIRACY AND POLITICS: AN HISTORICAL STUDY OF COPYRIGHT IN BRITAIN* (1994).

⁶ See generally Part IV of Patterson & Joyce, *Monopolizing the Law: The Scope of Copyright*

Protection for Law Reports and Statutory Compilations, 36 UCLA L. Rev. 719 (1989); Ochoa, *Origins and Meanings of the Public Domain*, 28 U. Dayton L. Rev. 215 (2003).

⁷ See Rose, *The Author as Proprietor: Donaldson v. Beckett and the Genealogy of Modern Authorship*, 23 Representations 51, 69 & n. 63 (1988).

most influential legal treatise of all time.⁸ This was a notion which, if carried far enough, could prove inimical both to the interests of publishers and to the interests of the consuming public at large in “the encouragement of learning.”

[B] From the Constitution to the Copyright Act of 1909

Not surprisingly, in light of the background just outlined, the development of copyright law in the United States has been marked by a considerable measure of conceptual diversity. From Great Britain, the new republic had inherited a set of mixed messages about the purposes of copyright.⁹ On the one hand, copyright was viewed as an instrument in the service of the public interest. On the other hand, it could be considered the natural due of those who engage in artistic creation.

Egged on, in part, by a resolution of the Continental Congress,¹⁰ twelve of the new American states (excluding only Delaware) adopted copyright statutes shortly after the American Revolution. Many of these “pre-Constitutional” statutes placed heavy emphasis on the personal claims of “authors.”¹¹

Soon thereafter, the Framers of the Constitution recognized the need for a uniform *federal* law for copyright and patents.¹² The result was Article I, Section 8, Clause 8, which creates the Federal Government’s right to legislate regarding copyright and patent: “Congress shall have Power . . . To Promote the Progress of Science and useful Arts, by securing for limited Times, to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries.”

Little is known about what precisely the Framers had in mind in adopting this provision, which was approved in final form without debate in a secret proceeding on September 5, 1787.¹³ The constitutional language — which does not even employ the term “copyright” — seems to suggest that the dominant purpose of the Framers was to promote the creation (and, by implication, the dissemination) of knowledge, so as to enhance public welfare. This goal is to be achieved through provision of an *economic* incentive: a monopoly right given for “limited Times,” whose direct beneficiary is the “Author.” But it would be perilous to conclude that the Framers rejected entirely the ideology of “authorship.” Why, for example, does the Copyright Clause speak of “securing” the rights of authors, unless those rights might be deemed, in some

⁸ See W. Blackstone, 2 COMMENTARIES ON THE LAWS OF ENGLAND 405–06 (1766, facs. ed. 1979).

⁹ See generally Jaszi, *Towards a Theory of Copyright: The Metamorphoses of Authorship*, 1991 Duke L.J. 455 (1992).

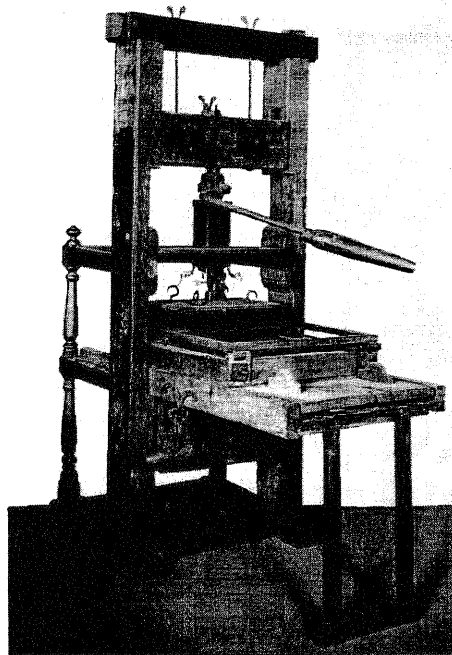
¹⁰ Resolution passed by the Continental Congress, recommending the several States to secure to the Authors or Publishers of New Books the Copyright of such Books, May 2, 1783, reprinted in U.S. COPYRIGHT OFFICE, COPYRIGHT ENACTMENTS: LAWS PASSED IN THE UNITED STATES SINCE 1783 RELATING TO COPYRIGHTS, BULL. NO. 3 (rev. ed. 1973).

¹¹ Ginsburg, *A Tale of Two Copyrights: Literary Property in Revolutionary France and America*, 64 Tul. L. Rev. 991, 1001 & n. 44 (1990) (recounting, *inter alia*, the efforts of Noah Webster to secure effective protection for authors).

¹² See generally Crawford, *Pre-Constitutional Copyright Statutes*, 23 Bull. Copyright Soc’y 11 (1975).

¹³ See Oman, *The Copyright Clause: “A Charter For A Living People,”* 17 U. Balt. L. Rev. 99, 103 (1987); see generally Ochoa & Rose, *The Anti-Monopoly Origins of the Patent and Copyright Clause*, 49 J. Copyright Soc’y 675 (2002).

sense, preexistent?¹⁴ And what are we to make of the statements of various of the Framers, seeming to endorse notions of “authors’ rights”? In the end, the ambiguity of the constitutional language may be nothing more than a reflection of the divided character of American thought — from the earliest times to the present day — about the purposes of the copyright system.



The First American Printing Press (Harvard 1640)

Bettmann / CORBIS

In any event, the first federal copyright act was passed, pursuant to the new constitutional authority, in 1790. Its provisions, modeled on the Statute of Anne, set the tone for future statutes, securing to authors and their assigns the rights to exploit maps, charts, and books for two 14-year terms — an original and a renewal term. Finally, in 1791, the several states ratified the Bill of Rights, including the free press (and speech) provisions drafted in the First Congress by many of the same foundering generation who had participated in drafting the 1783 resolution of the Continental Congress, the Copyright Clause of the Constitution, and the 1790 Acts. All of these matters have received recent scholarly consideration.¹⁵

¹⁴ See generally Walterscheid, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE: A STUDY IN HISTORICAL PERSPECTIVE* 133-39 (2002) (discussing *THE FEDERALIST* No. 143).

¹⁵ See, e.g., Lemley & Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 *Duke L.J.* 147 (1998); Netanel, *Locat-*

ing Copyright Within the First Amendment Skein, 54 *Stan. L. Rev.* 1 (2001); and Patterson & Joyce, *Copyright in 1791: An Essay Concerning the Founders' View of the Copyright Power Granted to Congress in Article I, Section 8, Clause 8 of the U.S. Constitution*, 52 *Emory L.J.* 101 (2003).

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Judicial construction of the new American copyright law, including most notably in *Wheaton v. Peters* in 1834,¹⁶ followed *Donaldson v. Beckett* in insisting upon the primacy of federal law, and punctilious compliance with its formalities, in the scheme of American copyright. General revisions of the applicable statutes in 1831 and 1870, as well as other important piecemeal amendments prior to the first comprehensive recodification of U.S. copyright law in 1909, greatly elaborated subject matter, rights, remedies and administration.¹⁷

[C] The 1909 Act

[1] General Provisions of the 1909 Act

In December 1905, President Theodore Roosevelt called for a complete revision of the copyright law to meet modern conditions. The result was the Copyright Act of 1909, which remained in effect until January 1, 1978, the effective date of the current law, the Copyright Act of 1976.

Despite the four-year revision process, the 1909 Act was hardly a model of clarity, coherence, or precision. But it did contain important new features. For instance, copyrightable subject matter was expanded to include "all the writings of an author." See 17 U.S.C. § 4 (1909 Act). The Act included a bifurcated durational system — a first term of 28 years from publication, plus a second 28-year renewal term — allowing copyright protection for a possible 56 years. See 17 U.S.C. § 24 (1909 Act). Under the Act, federal copyright protection began at the moment of publication (assuming affixation of a proper copyright notice), see 17 U.S.C. § 10 (1909 Act), rather than from the time the title of the work was filed for registration, as had previously been true. Except for works not intended for reproduction (such as speeches), unpublished works were not covered by the Act, resulting in a dual system of state common law copyright for unpublished works and federal protection for published works.

[2] The 1909 Act and the Berne Convention

From one point of view, a particular shortcoming of the 1909 Act was its failure to amend U.S. law to conform to the terms of the then relatively new Berne Convention for the Protection of Literary and Artistic Works. Concluded in 1886, the Berne Convention was the first, and for well more than a century now has remained, the premier treaty governing international copyright relations. By the mid-1980s, the parties to the treaty included every major producer and/or consumer of copyright works except China, the then-Soviet Union, and the United States. By its continuation of traditional American insistence on compliance with certain statutory formalities for copyright protection, its shorter term of protection, and other provisions, the 1909 Act delayed U.S. entry into the Berne Convention for an additional 80 years.¹⁸

¹⁶ The case is discussed at length in Part III of Joyce, *The Rise of the Supreme Court Reporter: An Institutional Perspective on Marshall Court Ascendancy*, 83 Mich. L. Rev. 1291 (1985).

¹⁷ For a more detailed history of the various statutory revisions to U.S. copyright law, see

Chapter 1 of W. Patry, *COPYRIGHT LAW AND PRACTICE* (1994 & 1999 Supp.).

¹⁸ For a comprehensive study of the Berne Convention's origins, development, and provisions, see S. Ricketson, *THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986* (1987).

The eventual adherence of the U.S. to the Berne Union is discussed further in § 1.04 below.

[3] Legislative Attempts to Revise the 1909 Act

From 1909 until the passage of the 1976 Act, changing times and technologies forced Congress to amend the 1909 Act in major ways — a task Congress carried out sporadically. For example, motion pictures were added as a subject matter category in 1912; and, in 1952, a right to authorize performance for profit was provided for nondramatic literary works. Also, in 1954, the United States ratified the Universal Copyright Convention (the "U.C.C."). The U.C.C. provides nondiscriminatory protection in all member nations for works created by nationals of other treaty countries or first published within their borders. The minimum rights protected under the U.C.C. are less extensive than those of the Berne Convention. And the U.C.C., in contrast with the Berne Convention, permits signatories to require that published works bear a prescribed notice — a provision included to accommodate the United States.

After some years, it became apparent that the 1909 Act was beyond repair and should be replaced by new legislation. In 1955, Congress authorized a copyright revision project. Twenty-one years of reports and extensive hearings culminated in the passage of the Copyright Act of 1976. Act of October 19, 1976, Pub. L. No. 94-553, 94th Cong., 2d Sess., 90 Stat. 2541. *See also* H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 47-50 (1976); S. Rep. 94-473, 94th Cong., 1st Sess. (1975); H.R. Rep. No. 94-1733, 94th Cong. 2d Sess. (1976) (Conference Report).

[4] The Continuing Importance of the 1909 Act

Although the Copyright Act of 1976 became effective on January 1, 1978, and the Berne Convention Implementation Act on March 1, 1989, the 1909 Act remains relevant for several reasons. Most important, neither the 1976 Act nor any subsequent copyright legislation extends retroactive protection to domestic works. Copyright in a U.S. work which entered the public domain under the 1909 Act is not revived by these later acts. In addition, the 1976 Act specifically incorporated provisions of the prior law and retained standards developed in 1909 Act case law for important issues such as originality and infringement.

[D] The Copyright Act of 1976

[1] Important Changes Made by the 1976 Act

The 1976 Act made a number of innovative changes, in addition to clarifying various aspects of existing law.¹⁹ Subsequently, certain of these innovations have themselves been subjected to modification. As enacted, however, the more important changes made by the Act included:

(1) *Attachment of protection.* Under the 1909 Act, most works which qualified for federal copyright protection did so on the basis of a publication

¹⁹ For a provocative discussion of the innovations of the 1976 Act, see L.R. Patterson & S.

Lindberg, *THE NATURE OF COPYRIGHT: A LAW OF USERS' RIGHTS* (1991).

in connection with which statutory requirements, such as the use of copyright notice, were observed. Under the 1976 Act, the event which qualifies a work for protection is its "fixation" in tangible form. One effect of this change was to expand dramatically the scope of federal law: only a minority of all works are ever published, but most (by far) are "fixed." The concomitant effect was to diminish dramatically the scope of "common law copyright" under state law. As already noted, § 301 of the 1976 Act preempts common law copyright, which had bedeviled administration of the 1909 Act. *See* 17 U.S.C. § 301.

(2) *Subject matter*. The 1976 Act protects "original works of authorship" — a rubric that we will consider in detail in Chapter 2. What constitutes sufficient originality for a valid copyright is governed, in the first instance, by precedent carried over from prior case law. For the first time, the Act established broad illustrative categories of copyrightable subject matter. These were (as of the date of enactment): (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). The last of these categories recapitulated a statutory innovation dating back to 1971, when, for the first time, sound recordings themselves were recognized as copyrightable works distinct from, and in addition to, the musical or literary works they embodied. The scope of protection provided for such works, however, was narrower than that afforded to works in the six preceding categories, excluding as it did any right against unauthorized broadcasting or other public performance. *See* 17 U.S.C. §§ 106 and 114. Although, according to the legislative history of the 1976 Act, all these categories are to be construed liberally, Congress has deliberately declined to use the 1909 Act formulation — "all the writings of an author" — in order to avoid any suggestion that it has exhausted its constitutional authority.

(3) *Ownership*. The 1976 Act abolished any notion of the "indivisibility" of rights under copyright which had survived in the jurisprudence of the 1909 Act. Today, it is clear that an author or other owner can grant less than all of its whole "bundle of rights" to third parties who, in turn, can exploit those rights themselves, resell them, register claims of copyright in the work, and bring suits in their own names for infringement by others of the rights granted to them. *See* 17 U.S.C. §§ 201(d) and 408(a). The Act also makes explicit that ownership of the material object in which the work is fixed does not constitute ownership of copyright in the work itself, *see* 17 U.S.C. § 202, and adds new, statutory definition to the so-called "work for hire" doctrine. *See* 17 U.S.C. § 101.

(4) *Duration*. For works created after it took effect, the Act eliminated the prior statute's dual 28-year terms for copyright, commencing from the date of publication, and replaced them with a basic single term of the life of the author plus 50 years. *See* 17 U.S.C. § 302(a). An alternate term of 75 years from publication or 100 years from creation, whichever was less, was provided for anonymous and pseudonymous works, and works made for hire. *See* 17 U.S.C. § 302(c).

(5) *Termination rights*. Individual authors, and in some instances their survivors, were given an inalienable option to terminate transfers of interest after specified periods of time. *See* 17 U.S.C. §§ 203, 304(c).

(6) *Formalities*. Formalities remained significant under the 1976 Act, as originally enacted, although less so than under previous statutes. Notice continued to be required for all published works, and it was possible to forfeit copyright by failure to affix notice. Registration of copyright and recordation of transfers of copyright ownership remained conditions to bringing suit for infringement. A requirement mandating the domestic manufacture of copies of copyrighted works — the so-called “Manufacturing Clause,” a feature of American law since 1891 — was maintained in the 1976 Act (but expired in 1986).

(7) *The “exclusive rights” and their limitations*. Section 106 of the 1976 Act, as enacted, enumerated five exclusive rights of copyright ownership: the rights to reproduce and adapt the copyrighted work, and to distribute, perform and display it publicly. The sections following § 106 imposed various limitations on the exclusive rights. See 17 U.S.C. §§ 107–22.

(8) *Fair use*. For the first time, § 107 of the 1976 Act codified the broadest exception to the § 106 exclusive rights: the fair use privilege, which had been developed in case law under previous statutes.

(9) *Statutory licenses*. The 1976 Act increased the number of compulsory (which Congress now has taken to calling “statutory”) licenses, which allow access to copyrighted works upon payment of the statutory fees and compliance with formalities. As originally enacted, the Act contained four such licenses: the cable television license (§ 111), the mechanical recording license (§ 115), the jukebox license (§ 116), and the public broadcasting license (§ 118). The Act provided for administration of the compulsory licenses by an administrative agency, since abolished, called the Copyright Royalty Tribunal.

[2] Subsequent Developments Under the 1976 Act

Technology, and copyright law, have continued to develop since 1978. Revisions to the newly enacted law began as early as 1980, when a completely amended § 117 was added to the Act, establishing protection for, and the scope of rights in, computer programs. Congress has created a new exclusive right under § 106 (*viz.*, the right to perform publicly a sound recording by means of a digital transmission), as well as enacting new limitations, in favor of such worthy enterprises as educational and nonprofit organizations, on rights already recognized. Existing statutory licenses have been revised, and new ones added. New technologies have been accommodated. Renewals, to the extent that they remain relevant under the present law of duration, have been made automatic. Copyright infringement has been criminalized to a degree heretofore unknown. And Congress has busied itself legislating *outside the Copyright Act* (*i.e.*, Chapters 1–8 of 17 U.S.C.) but still *within Title 17*, in an area that has come to be called “paracopyright” in acknowledgment of the reality that it is based on practical concerns and constitutional powers other than those found in Art. I, § 8, cl. 8. These, and many more highlights (and “lowlights”) of copyright law revision, will receive detailed treatment in the chapters that follow.

Three sets of developments, however, deserve special mention here.

The first is adherence to the Berne Convention, effective March 1, 1989, by virtue of the Berne Convention Implementation Act of 1988 (“B.C.I.A.”).

Under that legislation, required to place U.S. law in compliance with Berne treaty obligations, the United States dramatically weakened its historic regime of strict statutory formalities as an impediment to copyright protection while, on the other hand, not fully implementing all of the rights, particularly “moral rights,” contemplated by Berne itself. (In 1990, Congress did further amend the Copyright Act to grant a limited moral right to visual artists and to provide more extensive protection for architectural works as an eighth subject matter category; and in 1994, as noted immediately below, Congress dealt statutorily with the problem of “restoring” copyright to foreign works that had fallen into the U.S. public domain through failure to comply with such formalities.) Besides the specific changes brought about by Berne Convention implementing legislation, U.S. adherence to that agreement has had other, more subtle, effects, as the author-centered “culture” of the Berne Union gradually becomes absorbed into American legal consciousness.²⁰

Second, Congress has proceeded apace in revising U.S. copyright law the better to serve the nation’s international trade interests. Early in 1994, as part of the implementation of the North American Free Trade Agreement (“NAFTA”), Congress added to Title 17 a new § 104A, permitting foreign copyright owners to obtain “restoration” of their copyrights in certain Mexican and Canadian films which had fallen into the public domain in the United States for failure to comply with the notice provisions of the 1976 Act. This modest experiment in retroactivity soon was subsumed in the more dramatic developments which followed the conclusion of the Final Act of the Uruguay Round of the General Agreement on Tariffs and Trade (“GATT”). In December 1994, Congress enacted the Uruguay Round Agreements Act (“URAA”), which — in the midst of much, much more (including the creation of new rights and remedies against the “bootlegging” of live performances) — provides retroactive protection for large numbers of works of foreign origin in the U.S. public domain under a wide range of circumstances.

Finally, on consecutive days in late 1998 — “the apotheosis of American copyright law” or “two days that will live in infamy,” depending on one’s point of view — Congress enacted two landmark pieces of legislation. The first, the “Sonny Bono Copyright Term Extension Act” or “CTEA” (October 27, 1998), extended the term of copyright protection by 20 years (including, for works created by an individual on or after January 1, 1978, a term measured by the life of the author plus 70 years). The second, the “Digital Millennium Copyright Act” or “DMCA” (October 28, 1998), enacted an astonishing host of disparate measures. Most importantly, however, the DMCA implemented the two treaties — on copyright, and on performances and phonograms — adopted by the World Intellectual Property Organization in 1996 (and discussed in the following section of the casebook). The result is a schema of “technological protections” for digitized information to which we will devote considerable attention in § 1.05 and in Chapter 9. The importance of this development, viewed from the perspective of traditional copyright law, would be difficult to overstate.

²⁰ See Jaszi, *A Garland of Reflections on Three Copyright Topics*, 8 Cardozo Arts & Ent. L.J. 47, 58 (1989).

All in all, it can be said, without fear of contradiction, that Congress has not been idle since enacting the Copyright Act of 1976.

[3] Trends in Copyright Legislation

We mention here only two trends in all of the foregoing activity, secure in the knowledge that we have an entire book in which to explore the subject in further detail.

One trend already is obvious to you. The pressures of operating in an increasingly interconnected world — particularly as regards exchanges of intellectual property and information generally, whether or not such information technically is protected by copyright law — has forced upon U.S. lawmakers the necessity of making rapid, and quite fundamental, changes in this ancient body of law. Berne. NAFTA. TRIPS. The 1996 WIPO treaties. All of these have impinged forcefully upon copyright as Anglo-American law has known it for five centuries. We will have more to say on all of this “internationalization” of the law in the very next section of this book.

The other trend on which we will remark here is the “complexification” of U.S. copyright law over the last 30 years. In the supplement accompanying this casebook, the Copyright Act of 1909 takes up barely 25 pages, while the 1976 Act, as amended to date, sprawls over 200. In part, this dramatic difference in the length of the two statutes is attributable to the fact that the 1976 Act goes into significantly more detail than its predecessor on almost every topic it covers. In fact, there seems to be some risk that if this trend continues, the Copyright Act eventually will collapse under its own weight. Significantly, an important fraction of the additional bulk can be traced to the various sets of provisions dealing with cable television, secondary transmissions by satellite carriers, and secondary transmissions by superstations and network stations (all of which are lodged within the body of the Copyright Act), and to the provisions governing such matters as statutory royalties for digital audio recordings, copyright management information systems, and protection of certain original designs (each of which, although not within the Act itself, lies in the “neighboring provisions” of Title 17).

The approach taken in the six sets of provisions just mentioned differs significantly from that which characterizes the rest of copyright law, past and present. Whereas copyright traditionally has responded to the social, economic and cultural stresses resulting from new information technology by elaborating and refining rules of general applicability, these provisions, in contrast, seek to legislate particular regulatory solutions to the short-term problems posed by particular technologies in minute (if not exquisite) detail. These solutions, in turn, are based not so much on any exercise of plenary legislative authority by Congress as they are on Congressional ratification of extra-legislative compromises struck between representatives of “stakeholders” or “interested parties” — meaning, in general, the various industries with financial stakes in the outcome.²¹

²¹ See generally Litman, *Copyright Legislation and Technological Change*, 68 Or. L. Rev. 275 (1989).