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Title

From the Dead Sea Scrolls to the Digital Millennium; Recent Developments in Copyright Law

Permalink

<https://escholarship.org/uc/item/0rv156dd>

Journal

Texas Intellectual Property Law Journal, 9

Author

Netanel, Neil Weinstock

Publication Date

2000

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FROM THE DEAD SEA SCROLLS TO THE DIGITAL MILLENNIUM; RECENT DEVELOPMENTS IN COPYRIGHT LAW

Neil Weinstock Netanel*

I. INTRODUCTION

This article reviews selected developments in copyright law during the period of September 1999 through August 2000. Copyright developments during this period trace the rapid digitization and globalization of copyright markets. They also reflect new legal regimes, including the Digital Millennium Copyright Act and the Agreement on Trade-Related Aspects of Intellectual Property, designed to bolster copyright in the face of digitization and globalization. Partly because of these changes, the past year has also seen numerous constitutional challenges to copyright law. This article reviews those challenges as well as a number of cases concerning more traditional copyright issues. The article concludes with a case spanning back to the parchment millennium, the Israeli Supreme Court decision in the Dead Seas Scrolls litigation.

II. DIGITIZATION AND THE INTERNET

A. Digital Millennium Copyright Act

The period covered by this article includes the first judicial applications and interpretations of the Digital Millennium Copyright Act ("DMCA"),¹ enacted in October 1998. All are district court decisions, and most are now on appeal. Several cases involved claims that defendants had violated DMCA provisions that prohibit trafficking in technologies, products, or services "primarily designed" to circumvent technological measures that control access to copyrighted works or protect the rights of copyright owners.² Significantly, these provisions extend copyright owners' protection far beyond that which was obtained previously under the Copyright Act. The anti-trafficking provisions, as well as DMCA provisions prohibiting users from circumventing technological measures that control access,³ regulate technology rather than acts of infringement per se. In so doing, they enable copyright owners to control *access* to content, not just *uses* of content as provided in traditional copyright.

Moreover, with respect to use-control technology, the DMCA anti-trafficking provisions may well be more restrictive than the traditional standard, set forth by the Supreme Court in *Sony Corp. of America v. Universal City Studios, Inc.*,⁴ applicable to contributory infringement for the sale of devices used to infringe copyright. *Sony* held

* Arnold, White & Durkee Centennial Professor of Law, University of Texas School of Law; Of Counsel, Fulbright & Jaworski L.L.P. I wish to thank Bethanie Steensma for her research assistance. The views expressed, and any errors that persist, in this article are mine alone.

¹ Digital Millennium Copyright Act of 1998, Pub. L. No. 105-304, 112 Stat. 2860, § 1 (short title). For an excellent account of the DMCA's legislative history and ramifications, see David Nimmer, *A Riff on Fair Use in the Digital Millennium Copyright Act*, 148 U. PA. L. REV. 673 (2000).

² See 17 U.S.C. §§ 1201(a)(2) (access controls), 1201(b)(1) (rights protection) (2000).

³ 17 U.S.C. § 1201(1)(A).

⁴ 464 U.S. 417, 220 U.S.P.Q.2d (BNA) 665 (1984).

that the sale of a device used to infringe does not constitute contributory copyright infringement so long as the device is “capable of substantial noninfringing uses”.⁵ That standard appears to be more forgiving than the DMCA’s “primarily designed” standard,⁶ but as we shall presently see, much depends on judicial interpretation and gloss.

In *RealNetworks, Inc. v. Streambox, Inc.*,⁷ plaintiff’s DMCA claims concerned two of defendant’s products, the Streambox VCR and the Streambox Ripper. Plaintiff RealNetworks offers products that enable providers of audio and video content to stream that content to Internet users while securing it against downloading without the provider’s authorization. RealNetworks’ products contain encrypted security measures to ensure that content streamed from the provider’s server can be viewed or heard only through user software called RealPlayer.⁸ The Streambox VCR enables users to receive streamed content without RealPlayer and to download that content even if the content provider has included encryption that would prevent a RealPlayer user from downloading.⁹ The Streambox Ripper converts files from the RealPlayer streaming format (“RealMedia”) to other formats, including WAV and MP3.¹⁰

RealNetworks moved for a preliminary injunction prohibiting Streambox from further distribution of its products.¹¹ It argued that Streambox’s distribution violated the DMCA’s anti-trafficking provisions.¹² Streambox countered that its products have legitimate uses, including enabling users to make fair use copies of RealMedia files despite the access control and copyright protection measures placed on the files.¹³ As a result, Streambox argued, its distribution is permissible under the standard set forth in *Sony*.¹⁴

The Western District of Washington granted RealNetworks’ motion with respect to the Streambox VCR. It opined that *Sony* is inapplicable to the DMCA anti-trafficking provisions.¹⁵ Quoting *Nimmer on Copyright*, the court noted that “a given piece of machinery might qualify as a stable item of commerce, with a substantial noninfringing use, and hence be immune from attack under *Sony*’s construction of the Copyright Act—but nevertheless still be subject to suppression under Section 1201.”¹⁶

Nevertheless, the court’s decision might be construed as reading the *Sony* standard into the DMCA. The court found that the Streambox VCR had no substantial noninfringing use, so, with respect to that product, defendant would have failed the *Sony*

⁵ *Id.* at 418 (holding that the sale of a device used to infringe does not constitute contributory copyright infringement so long as the device is “capable of substantial noninfringing uses”).

⁶ The DMCA prohibits trafficking in devices that are “primarily designed” to circumvent protected control technology (17 U.S.C. § 1201(a)(2)), 1201(b)(1).

⁷ 2000 U.S. Dist. LEXIS 1889 (W.D. Wash. 2000).

⁸ *Id.* at *3-8.

⁹ *Id.* at *10-14.

¹⁰ *Id.* at *14-15.

¹¹ *Id.* at *2.

¹² *Id.* at *17.

¹³ *Id.* at *21.

¹⁴ *Id.* at *21-22.

¹⁵ *Id.* at *22-23.

¹⁶ *Id.* at *21 (quoting 1 MELVILLE NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT (1999), § 12A.05[C]). The court also ruled that, unlike the use of video cassette recorders for “time-shifting” at issue in *Sony*, consumers’ use of the Streambox VCR to “obtain and redistribute perfect digital copies of audio and video files that copyright owners have made clear they do not want copied” would not constitute fair use, and thus defendant would fail the *Sony* test as well. *Id.* at *21-22.

test even if the test did apply.¹⁷ Moreover, the court denied plaintiff's motion with respect to the Streambox Ripper on the grounds that defendant had demonstrated that the Ripper "has legitimate and commercially significant uses."¹⁸ Such legitimate uses, the court stated, include the conversion of RealMedia files to other formats by content owners and by consumers who have acquired the RealMedia file with the content owner's permission.¹⁹ The DMCA prohibits trafficking in devices that (1) are "primarily designed or produced" for circumvention, (2) have "only limited commercially significant purpose or use" other than circumvention, *or* (3) are marketed for use in circumvention.²⁰ The court's ruling with respect to the Ripper suggests that a device that has a legitimate, commercially significant use falls outside all three prongs of the DMCA trafficking prohibition and thus does not run afoul of the DMCA. Moreover, under the court's ruling, to the extent that "legitimate and commercially significant uses" are equivalent to "substantial noninfringing use," *Sony* might enter the DMCA through the back door.

In *Universal City Studios, Inc. v. Reimerdes*,²¹ plaintiff motion picture studios sued the operators of a web site for violation of the DMCA anti-trafficking provisions, arising out of defendants' posting and linking to other sites that posted software known as DeCSS. DeCSS enabled users to circumvent "CSS," a system of encrypted access and copying controls on DVDs. Defendants argued that the DMCA should not be construed to reach their conduct, principally because the DMCA, so applied, could prevent users from gaining access to technologically-protected copyrighted works in order to make fair, non-infringing uses.²²

The Southern District of New York rejected defendants' argument, holding that "[t]here is no serious question that defendants' posting of DeCSS violates the DMCA."²³ The court first determined that the DeCSS computer program is a means of circumventing a technological access control measure and is designed primarily to circumvent CSS.²⁴ It then ruled that defendants' posting violated the DMCA anti-trafficking provisions even if defendants intended for DeCSS to be used for arguably non-infringing uses, such as furthering the development of a DVD player that would run under the Linux operating system.²⁵ The anti-trafficking provisions, the court reasoned, prohibit the distribution of any device designed primarily to circumvent protected technological controls, regardless of whether the circumvention itself might be non-infringing.²⁶ The court recognized that some circumvention devices might be needed by users to engage in fair use of copyrighted material or to gain access to works in the public domain. Nevertheless, the court opined, the DMCA contains no general exception for trafficking in such devices.²⁷

¹⁷ *Id.* at *22-23.

¹⁸ *Id.* at *30.

¹⁹ *Id.* at *28.

²⁰ 17 U.S.C. §§ 1201(a)(2) (access controls), 1201(b)(1) (rights protection).

²¹ 111 F. Supp. 2d 294, 55 U.S.P.Q.2d (BNA) 1873 (S.D.N.Y. 2000).

²² *Id.* at 303-304, 55 U.S.P.Q.2d at 1875-76.

²³ *Id.*

²⁴ *Id.* at 318-19, 55 U.S.P.Q.2d at 1887-88.

²⁵ *Id.* at 319, 55 U.S.P.Q.2d at 1887-88.

²⁶ *Id.*

²⁷ *Id.* at 319, 55 U.S.P.Q.2d at 1888.

Similarly, the court rejected defendants' argument that under *Sony Corp. v. Universal City Studios, Inc.*,²⁸ the possibility that DeCSS might be used for the purpose of gaining access to copyrighted works in order to make fair use of those works defeats the claim that defendants' posting of the software violates the DMCA anti-trafficking provisions.²⁹ *Sony* holds that the sale of a device used to infringe does not constitute contributory copyright infringement if the device also enables substantial non-infringing uses.³⁰ But *Sony*, the court held, does not apply to DMCA violations. Rather, "*Sony* involved a construction of the Copyright Act that has been overruled by the later enactment of the DMCA to the extent of any inconsistency between *Sony* and the new statute."³¹

The court recognized that the anti-trafficking provisions "leave technologically unsophisticated persons who wish to make fair use of encrypted copyrighted works without the technical means of doing so."³² It concluded, however, that that "is a matter for Congress unless Congress' decision contravenes the Constitution."³³ As discussed below, defendants did indeed argue that the anti-trafficking provisions run afoul of the First Amendment, but the court rejected these arguments as well.

Likewise, in *Sony Computer Entertainment America Inc. v. GameMasters Inc.*,³⁴ Sony obtained a preliminary injunction banning defendant from marketing accessories to Sony's PlayStation video game.³⁵ In issuing the injunction, the Northern District of California held that Sony had demonstrated a strong likelihood of success on its claim that defendant's sale of its video game "enhancer" violated Section 1201(a)(2) of the DMCA, proscribing trafficking in devices primarily designed to circumvent technological measures that control access to copyrighted works.³⁶ The court found that defendant's enhancer was designed to allow users to play imported video games (those from Europe and Japan) on Sony's U.S.-version PlayStation console by circumventing the mechanism that ensures the console operates only when encrypted data is read from authorized CD-ROM.³⁷ Significantly, the court declined to hold that defendant's enhancer was implicated in traditional copyright infringement.³⁸ Rather, plaintiff Sony's sole successful copyright-related claim was based on its encrypted access controls.³⁹

Not all decisions regarding the DMCA concerned the Act's anti-trafficking provisions. In *Kelly v. Arriba Soft Corp.*,⁴⁰ defendant operated a "visual search engine" on the Internet. Like other Internet search engines, defendant's engine allowed a user to obtain a list of web content in response to a search query entered by the user. Unlike other Internet search engines, defendant's engine retrieved images instead of descriptive

²⁸ 464 U.S. 417, 220 U.S.P.Q. (BNA) 665 (1984).

²⁹ *Reimerdes*, 111 F. Supp. 2d at 323, 55 U.S.P.Q.2d at 1891.

³⁰ *Sony*, 464 U.S. at 456, 220 U.S.P.Q. at 684.

³¹ *Reimerdes*, 111 F. Supp. 2d at 323, 55 U.S.P.Q.2d at 1890.

³² *Id.* at 323, 55 U.S.P.Q.2d at 1892.

³³ *Id.*, 55 U.S.P.Q.2d at 1892.

³⁴ 87 F. Supp. 2d 976, 54 U.S.P.Q.2d (BNA) 1401 (N.D. Cal. 1999).

³⁵ *Id.* at 989-90, 54 U.S.P.Q.2d at 1412.

³⁶ *Id.* at 987, 54 U.S.P.Q.2d at 1409.

³⁷ *Id.*, 54 U.S.P.Q.2d at 1410.

³⁸ *Id.* at 986-87, 54 U.S.P.Q.2d at 1409.

³⁹ *Id.* at 987, 54 U.S.P.Q.2d at 1409.

⁴⁰ 77 F. Supp. 2d 1116, 53 U.S.P.Q.2d (BNA) 1361 (C.D. Cal. 1999).

text. It produced a list of reduced, "thumbnail" pictures related to the user's query. Defendant's engine operated by using a "web crawler" to search the web for images and then maintained an index of those images.⁴¹

Plaintiff photographer maintained two web sites displaying plaintiff's copyrighted photographic images. Plaintiff alleged that defendant infringed its copyrights by reproducing and publicly displaying plaintiff's photographic images.⁴² Defendant's fair use defense to that claim is discussed below.⁴³ Plaintiff also alleged that defendant violated provisions of the DMCA that protect the integrity of "copyright management information" by removing or altering the copyright management information associated with plaintiff's images.⁴⁴

Section 1202(a) of the DMCA prohibits falsification of "copyright management information" with the intent to aid copyright infringement.⁴⁵ "Copyright management information" principally includes the title of the work, name of the author and copyright owner, and information set forth in the copyright notice.⁴⁶ Section 1202(b) prohibits the unauthorized intentional removal or alteration of copyright management information or the distribution of copies of works knowing that the copyright management information has been removed or altered without authority, both with knowledge or reasonable grounds to know that such removal, alteration, or distribution will induce, enable, facilitate, or conceal an infringement of any right under federal copyright law.⁴⁷

In *Kelly*, plaintiff photographer argued that defendant violated Section 1202(b) by displaying thumbnails of plaintiff's images without displaying the corresponding copyright management information consisting of standard copyright notices in the text surrounding the images as displayed on plaintiff's web sites. Because these notices did not appear in the images themselves, the defendant's web crawler did not include them when it indexed the images. As a result, the images appeared in defendant's index without the copyright management information, and any users retrieving plaintiff's images while using defendant's search engine would not see the copyright management information.⁴⁸

The Central District of California held that defendant had not "removed" copyright management information within the meaning of Section 1202(b).⁴⁹ It reasoned that, "[b]ased on the language and structure of the statute," the removal or alteration prohibition applies only to "the removal of copyright management information on a plaintiff's product or original work."⁵⁰ The court further held that plaintiff had offered no

⁴¹ *Id.* at 1117, 53 U.S.P.Q.2d at 1362.

⁴² *Id.*

⁴³ See *infra* notes 86-96 and accompanying text.

⁴⁴ *Kelly*, 77 F. Supp. 2d at 1117, 53 U.S.P.Q.2d at 1362.

⁴⁵ 17 U.S.C. § 1202(a).

⁴⁶ See 17 U.S.C. § 1202(c).

⁴⁷ 17 U.S.C. § 1202(b).

⁴⁸ *Kelly*, 77 F. Supp. 2d at 1121, 53 U.S.P.Q.2d at 1366.

⁴⁹ *Id.* at 1122, 53 U.S.P.Q.2d at 1366.

⁵⁰ *Id.* The court's conclusion that defendant's display of plaintiff's images without the copyright information contained in the surrounding text on plaintiff's web pages is not unassailable. Section 1202(c) defines "copyright management information" as "information conveyed in connection with copies or phonorecords of a work or performances or displays of a work, including in digital form...." 17 U.S.C. § 1202(c). That definition would seem to include information displayed alongside an image as well as information embedded within the image itself.

evidence showing that defendant's actions were intentional rather than merely an unintended side effect of its web crawler's operation.⁵¹

Of potential applicability, the court stated, is the Section 1202(b) prohibition on distributing copies of works from which copyright management information has been removed.⁵² But the court held that plaintiff had failed to prove that defendant had violated this provision.⁵³ No violation of either the removal or the distribution prohibition will lie unless defendant knows or should know that such acts will facilitate or conceal infringement of plaintiff's copyrights.⁵⁴ The court held that defendant Arriba neither knew nor had reasonable grounds to know that its distribution without copyright management information would cause its users to infringe plaintiff's copyrights.⁵⁵ In fact, the court emphasized, defendant provides links to the web sites containing the original image, "warns its users about the possibility of use restrictions on the images in its index, and instructs them to check with the originating Web sites before copying and using those images, even in reduced thumbnail form."⁵⁶

In *A&M Records Inc. v. Napster Inc.*,⁵⁷ the Northern District of California denied defendant Napster's motion for summary judgment on the applicability of a DMCA safe harbor provision to Napster's business activities.⁵⁸ Napster's MusicShare software, which Napster makes freely available for users to download, enables users to exchange MP3-format sound recordings stored on their computer hard-drives. As described by the court, using Napster involves the following steps:

After downloading MusicShare software from the Napster website, a user can access the Napster system from her computer. The MusicShare software interacts with Napster's server-side software when the user logs on, automatically connecting her to one of some 150 servers that Napster operates. The MusicShare software reads a list of names of MP3 files that the user has elected to make available. This list is then added to a directory and index, on the Napster server, of MP3 files that users who are logged-on wish to share. If the user wants to locate a song, she enters its name or the name of the recording artist on the search page of the MusicShare program and clicks the "Find It" button. The Napster software then searches the current directory and generates a list of files responsive to the search request. To download a desired file, the user highlights it on the list and clicks the "Get Selected Songs" button. The user may also view a list of files that exist on another user's hard drive and select a file from that list. When the requesting user clicks on the name of a file, the Napster server communicates with the requesting user's and host user's MusicShare browser software to facilitate a

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.* The court also considered plaintiff's claim for copyright infringement and defendant's fair use defense to that claim. The court's treatment of that issue is discussed below. See *infra* notes 97 - 107 and accompanying text.

⁵⁷ 54 U.S.P.Q.2d (BNA) 1746 (N.D. Cal. 2000).

⁵⁸ *Id.* at 1746. In a later decision in the same case, the court granted plaintiffs' motion for preliminary injunction. That decision is discussed below. See *infra* notes 109 - 123 and accompanying text.

connection between the two users and initiate the downloading of the file without any further action on either user's part.⁵⁹

Section 512 of the DMCA provides online service providers and Internet access providers with a number of possible safe harbors from liability for copyright infringements occurring online.⁶⁰ Napster asserted that its activities fall within the safe harbor provided by subsection 512(a).⁶¹ This subsection limits liability "for infringement of copyright by reason of the [service] provider's transmitting, routing, or providing connections for, material through a system or network controlled or operated by or for the service provider, or by reason of the intermediate and transient storage of that material in the course of such transmitting, routing, or providing connections," if five conditions, designed to insure that the service provider serves merely as a passive conduit, are satisfied.⁶²

The court found that Napster did not transmit, route, or provide connections through Napster's "system."⁶³ Rather, Napster facilitated connections and routing through the Internet.⁶⁴ In reaching that result, the court rejected Napster's argument that Napster's "system" includes its users' browsers as well as its own servers.⁶⁵ As a result, the court held, Napster failed to demonstrate that it qualifies for the 512(a) safe harbor.⁶⁶

At issue as well was whether part of Napster's activities involve the provision of information location tools -- such as a search engine, directory, index, and links -- that are covered by the more stringent eligibility requirements of the safe harbor under DMCA Section 512(d).⁶⁷ However, the court declined to rule on whether Napster's functions might qualify as information location tools under Section 512(d), because Napster did not rely on subsection 512(d) as grounds for its motion for summary adjudication.⁶⁸

Finally, the court held that Napster had failed to show compliance with DMCA Section 512(i), which requires as a condition for eligibility for any of the safe harbor

⁵⁹ *Id.* at 1747 (footnote omitted).

⁶⁰ 17 U.S.C. § 512 (2000).

⁶¹ *A&M Records*, 54 U.S.P.Q.2d at 1750.

⁶² The conditions are:

- (1) the transmission of the material was initiated by or at the direction of a person other than the service provider;
- (2) the transmission, routing, provision of connections, or storage is carried out through an automatic technical process without selection of the material by the service provider;
- (3) the service provider does not select the recipients of the material except as an automatic response to the request of another person;
- (4) no copy of the material made by the service provider in the course of such intermediate or transient storage is maintained on the system or network in a manner ordinarily accessible to anyone other than the anticipated recipients, and no such copy is maintained on the system or network in a manner ordinarily accessible to such anticipated recipients for a longer period than is reasonably necessary for the transmission, routing, or provision of connections; and
- (5) the material is transmitted through the system or network without modification of its content.

17 U.S.C. § 512(a) (2000).

⁶³ *A&M Records*, 54 U.S.P.Q.2d at 1751.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.* at 1750.

⁶⁸ *Id.* (noting in footnote 6 that "Napster undoubtedly performs some information location functions . . .").

categories that the service provider “has adopted and reasonably implemented, and informs subscribers . . . of the service provider's system . . . of, a policy that provides for the termination in appropriate circumstances of subscribers . . . who are repeat infringers.”⁶⁹ Napster had instituted a policy that made compliance with copyright laws one of the “terms of use” of its service, and in accordance with that policy, it warned users that it would terminate the accounts of users who are repeat copyright infringers. The court found, however, that Napster had established its policy only after the onset of the litigation and that plaintiffs had raised a genuine issue of material fact regarding whether Napster had reasonably implemented a policy of terminating repeat infringers.⁷⁰

B. Internet and Traditional Copyright

Entities seeking to exploit digital distribution and storage technology to bring consumers new content delivery services have also run into conflict with traditional copyright law. In *UMG Recordings, Inc. v. MP3.com, Inc.*,⁷¹ the Southern District of New York held that defendant’s “My.MP3.com” service infringed the copyrights in plaintiffs’ sound recordings.⁷² Defendant’s service was designed to enable subscribers to listen to the recordings contained on CDs from any place where they have an Internet connection.⁷³ In order to provide the service, defendant purchased tens of thousands of popular CDs in which plaintiffs held the copyrights, and, without authorization, copied the recordings onto its computer servers so that it could replay the recordings for its subscribers.⁷⁴ In order to access a recording for the first time, a subscriber had to prove that he already owned the legitimate CD version of the recording.⁷⁵ Subscribers did so by either inserting CDs into their own computers or purchasing the CDs through defendant.⁷⁶ After that verification, subscribers could access the MP3.com copy via the Internet from computers anywhere in the world.⁷⁷

Defendant argued that its copying of plaintiffs’ recordings constituted fair use.⁷⁸ It maintained that the first fair use factor—the “purpose and character of the use”—should weigh in its favor because the My.MP3.com service essentially provided a transformative “space shift” by which subscribers could enjoy the sound recordings contained on their noninfringing, purchased CDs without lugging around the physical discs themselves.⁷⁹ The court rejected defendant’s characterization, labeling it “simply another way of saying that the unauthorized copies are being retransmitted in another medium—an insufficient basis for any legitimate claim of transformation.”⁸⁰

The court also ruled that the fourth fair use factor—“the effect of the use upon the potential market for or value of the copyrighted work”—weighed against a ruling of fair

⁶⁹ *Id.* at 1752–1753.

⁷⁰ *Id.* at 1753.

⁷¹ 92 F. Supp. 2d 349, 54 U.S.P.Q.2d (BNA) 1668 (S.D.N.Y. 2000).

⁷² *Id.* at 350, 54 U.S.P.Q.2d at 1678.

⁷³ *Id.* at 350, 54 U.S.P.Q.2d at 1670.

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.* at 350, 54 U.S.P.Q.2d at 1670.

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *Id.* at 351, 54 U.S.P.Q.2d. at 1671.

use.⁸¹ In so doing, it found that defendant's copying invaded plaintiffs' statutory right to license their copyrighted sound recordings to others for reproduction.⁸² In that regard, the court stated that the fourth factor would weigh against fair use even if plaintiffs had not sought to license their recordings for services similar to that provided by defendant, although the court found that plaintiffs had begun to grant such licenses.⁸³ Moreover, given the harm to the licensing market, the court reasoned, defendant's claim that its service would enhance plaintiffs' CD sales bore no relevance to fair use.⁸⁴

In *Ticketmaster Corp. v. Tickets.com, Inc.*,⁸⁵ the Central District of California denied plaintiffs' motion for a preliminary injunction enjoining defendant from "deep hyperlinking" to the interior pages of plaintiffs' event ticket sales web site.⁸⁶ Plaintiff Ticketmaster maintained a web site for selling event ticket sales. The site consisted of a home page and a separate event page for each event. Users typically first accessed Ticketmaster's home page and then were directed to the page featuring the particular event for which the user wished to purchase tickets. In addition to its revenue in selling tickets, Ticketmaster also received revenue from advertisers who paid based on the number of hits on the page where the advertisement is carried.⁸⁷

Defendant Tickets.com operated a web site through which, in addition to selling tickets for some events, it found other sites on which event tickets are available for sale. Defendants' site linked customers directly to the Ticketmaster event pages, bypassing the Ticketmaster home page, thus resulting in fewer hits for the Ticketmaster home page than if defendants' site had linked to that page. Defendants' site also contained listings of events, together with information regarding those events and their ticket prices, gleaned from the Ticketmaster web site. Defendants gathered and posted that information through the use of software that extracted electronic information from plaintiffs' web site, copied plaintiffs' event pages temporarily onto defendants' computers, extracted factual information from the copied pages, and then presented that information in defendants' own wording and format on defendants' site.⁸⁸

In denying plaintiffs' motion for a preliminary injunction, the court characterized the gravamen of plaintiffs' claim as an attempt to obtain copyright protection for factual information.⁸⁹ Citing *Feist Publications v. Rural Telephone Service Co.*,⁹⁰ the court held that "the time, place, venue, price, etc., of public events are not protected by copyright even if great care and expense is expended in gathering the information."⁹¹ While the manner of expressing those facts is protectable, the court found that defendants had not used plaintiffs' format or manner of expression in presenting the facts they had gathered from plaintiffs' site.⁹²

⁸¹ *Id.*

⁸² *Id.* at 352, 54 U.S.P.Q.2d. at 1672.

⁸³ *See id.*

⁸⁴ *Id.*

⁸⁵ No. CV99-7654-HLH, 2000 U.S. Dist. LEXIS 12987 (C.D. Cal. Aug. 11, 2000).

⁸⁶ *Id.* at *2.

⁸⁷ *Id.* at *4-5.

⁸⁸ *Id.* at *6-8.

⁸⁹ *Id.* at *9.

⁹⁰ 499 U.S. 340 (1991).

⁹¹ *Ticketmaster*, 2000 U.S. Dist. LEXIS 12987, at *10.

⁹² *Id.*

The court also dispensed with plaintiffs' argument that defendants' temporary copying of plaintiffs' pages was infringing,⁹³ finding that such temporary copying was necessary to extract unprotected facts.⁹⁴ Accordingly, the court reasoned, the copying was analogous to reverse engineering necessary to extract unprotected facts,⁹⁵ which the Ninth Circuit has held to constitute fair use.⁹⁶

In *Kelly v. Arriba Soft Corp.*,⁹⁷ discussed above in connection with the DMCA, plaintiff also claimed that defendant's "visual search engine" infringed plaintiff's copyright.⁹⁸ The Central District of California held, however, that defendant's reproduction and display of plaintiff's copyrighted images in the course of operation of defendant's visual search engine constituted fair use.⁹⁹ The court reasoned that the first fair use factor, the purpose and character of the use, was the most important factor in the case and that it favored defendant.¹⁰⁰ While defendant's use was commercial in the sense that defendant operated a commercial web site, the court found that plaintiff's images were reproduced in thumbnail form as an incidental result of defendant's "indiscriminate method of gathering images," not out of a desire to target plaintiff's work.¹⁰¹ As a result, the court concluded, defendant's use was "of a somewhat more incidental and less exploitative nature than more traditional types of 'commercial use.'"¹⁰²

The court also found that, even though defendant made exact miniature replicas of plaintiff's photographs, defendant's use was highly transformative.¹⁰³ The court arrived at this characterization on the grounds that defendant's visual search engine was designed to catalog and improve access to images on the Internet, not to create an esthetic effect.¹⁰⁴ It emphasized that defendant sought to "provide its users with a better way to find images on the Internet" and that this "broad transformative purpose... weighs more heavily than the inevitable flaws in its early stages of development."¹⁰⁵ In so ruling, the court aligned itself with authority positing that a use may be "transformative" and thus enjoy favored treatment in fair use analysis if part of an overall creative purpose.¹⁰⁶ This is in contrast to cases suggesting that defendant must have created expression that is substantially different than plaintiff's in order for the use to qualify as "transformative."¹⁰⁷ The *Kelly*

⁹³ *Id.* at *11-12.

⁹⁴ *Id.* at *13.

⁹⁵ *Id.* at *12-13.

⁹⁶ *See, e.g., Sony Computer Entm't Inc. v. Connectix Corp.*, 203 F.3d 596, 53 U.S.P.Q.2d (BNA) 1705 (9th Cir. 2000).

⁹⁷ 77 F. Supp. 2d 1116, 53 U.S.P.Q.2d (BNA) 1361 (C.D. Cal. 1999).

⁹⁸ *Id.* at 1117, 53 U.S.P.Q.2d at 1362.

⁹⁹ *Id.* at 1116-17, 53 U.S.P.Q.2d at 1362.

¹⁰⁰ *Id.* at 1121, 53 U.S.P.Q.2d at 1365.

¹⁰¹ *Id.*, 53 U.S.P.Q.2d at 1363.

¹⁰² *Id.*, 53 U.S.P.Q.2d at 1364.

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* at 1121, 53 U.S.P.Q.2d at 1365.

¹⁰⁶ *See, e.g., 1 MELVILLE NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT* (1999), § 13.05[A][1][c], at 13-161 n.85.9 (noting that even a use that "creates no new aesthetics and no new work" should constitute a transformative use if it has a "separate purpose" because in that event the use does not "merely 'supersede the objects' of the original creation" and quoting *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 579 (1994)).

¹⁰⁷ *See, e.g., Infinity Broadcast Corp. v. Kirkwood*, 150 F.3d 104, 47 U.S.P.Q.2d 1295 (2d Cir. 1998) (holding that a service allowing subscribers to listen over the telephone to contemporaneous radio

court's ruling on this issue also stands at odds with other decisions discussed in this article in which courts have refused to view new digital content delivery services as "transformative" uses.¹⁰⁸

In *A&M Records v. Napster, Inc.*,¹⁰⁹ the facts of which are discussed above,¹¹⁰ the district court granted plaintiffs' motion for a preliminary injunction enjoining defendant Napster from engaging or facilitating others in copying, downloading, uploading, transmitting, or distributing plaintiffs' copyrighted musical compositions and sound recordings without express permission of the rights owner.¹¹¹ As of this writing, the injunction has been stayed by the Ninth Circuit pending appeal,¹¹² nevertheless, I summarize the district court's reasoning below.

Napster argued that a substantial portion of its users' downloading of copyrighted MP3 music files was non-infringing. As a result, defendant contended, under the *Sony* standard, its facilitation of that downloading does not constitute contributory infringement.¹¹³ One of Napster's principal arguments for characterizing its users' downloading as noninfringing was that many users download in order to engage in "space-shifting," meaning the conversion of a CD the user already owns into MP3 format and transferring the music to a different computer under that user's control.¹¹⁴ Napster argued that such space-shifting is noninfringing whether under a provision of the Audio Home Recording Act proscribing infringement actions against consumers' noncommercial musical recordings or as a fair use.¹¹⁵ With regard to the former, Napster invoked the Ninth Circuit's statement in its 1999 decision, *Recording Industry of America v. Diamond Multimedia Systems Inc.*,¹¹⁶ that space-shifting is a "paradigmatic noncommercial personal use entirely consistent with the purposes of the [Audio Home Recording] Act," which that court described as "the facilitation of personal use."¹¹⁷ With regard to the latter, Napster argued that, for purposes of fair use analysis, space-shifting is analogous to the "time-shifting" that the Supreme Court held to be fair use in *Sony*.¹¹⁸

In rejecting Napster's arguments, the court first found that virtually all Napster users download or upload copyrighted files and that the vast majority of the music

broadcasts in remote cities is not a transformative use); *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 78, 44 U.S.P.Q.2d 1001, 1008 (2d Cir. 1997) (holding that placement of plaintiff's quilt within the context of defendant's creative television program was "in no sense . . . transformative").

¹⁰⁸ See *UMG Recordings, Inc. v. MP3.com, Inc.*, 92 F.Supp.2d 349, 54 U.S.P.Q.2d (BNA) 1668 (S.D.N.Y. 2000), discussed *supra* at text accompanying notes 71-84; *A&M Records v. Napster, Inc.*, 114 F. Supp.2d 896, 55 U.S.P.Q.2d (BNA) 1780 (N.D. Cal. 2000), discussed *infra* at text accompanying notes 109-128; *Los Angeles Times v. Free Republic*, 54 U.S.P.Q.2d (BNA) 1453 (C.D.Ca. 2000), discussed *infra* at text accompanying notes 255-260.

¹⁰⁹ 114 F. Supp. 2d 896, 55 U.S.P.Q.2d (BNA) 1780 (N.D.Cal. 2000).

¹¹⁰ See *supra* footnotes 57-70 and accompanying text.

¹¹¹ *A&M Records*, 114 F. Supp. 2d at 927, 55 U.S.P.Q.2d at 1803.

¹¹² See *A&M Records v. Napster, Inc.*, 2000 U.S. App. LEXIS 18688 (9th Cir. 2000).

¹¹³ *A&M Records*, 114 F.Supp.2d at 901, 55 U.S.P.Q.2d at 1781.

¹¹⁴ *Id.* at 904, 55 U.S.P.Q.2d at 1785.

¹¹⁵ *Id.* at 915-16, 55 U.S.P.Q.2d at 1794-95.

¹¹⁶ 180 F.3d 1072, 51 U.S.P.Q.2d (BNA) 1115 (9th Cir. 1999).

¹¹⁷ *A&M Records*, 114 F. Supp. 2d at 916 n.19, 51 U.S.P.Q.2d at 1794 n.19 (quoting *Recording Indus. Of Am. v. Diamond Multimedia Sys. Inc.*, 180 F.3d 1072, 1079, 51 U.S.P.Q.2d (BNA) 1115, 1121 (9th Cir. 1999)).

¹¹⁸ *Id.* at 904-912, 55 U.S.P.Q.2d at 1785-1791.

available on Napster is copyrighted.¹¹⁹ The court further found, in contrast to Napster's claims, that only a *de minimis* portion of Napster use constitutes "space-shifting."¹²⁰ It also held the *Diamond Multimedia* "dicta" regarding space-shifting to be of "limited relevance."¹²¹ It reasoned that because the *Napster* plaintiffs did not allege that Napster infringed provisions of the Audio Home Recording Act, the "purposes and legislative history of that Act do not govern the appropriateness of a preliminary injunction against Napster."¹²² Finally, the court found the *Sony* staple article of commerce doctrine to be inapplicable because Napster provides an ongoing service, not a product.¹²³

In *Los Angeles Times v. Free Republic*,¹²⁴ the Central District of California rejected a fair use defense concerning the posting of news articles on a web site. The court based its ruling in part on its finding that defendants could have provided links to the articles, which were available on plaintiffs' web sites, rather than copying the articles.¹²⁵ In other respects, the decision concerns more traditional First Amendment and fair use issues, and, for that reason, I discuss it below in the respective sections on the First Amendment and Fair Use.¹²⁶

III. COPYRIGHT AND THE CONSTITUTION

A. First Amendment

In the 1970s, a number of scholars noted that copyright's exclusive entitlement to copy, borrow from, and disseminate expressive works stands in tension with First Amendment guarantees of free speech.¹²⁷ Their basic conclusion, however, was that,

¹¹⁹ *Id.*

¹²⁰ *Id.* at 925, 55 U.S.P.Q.2d at 1802.

¹²¹ *Id.* at 915, 55 U.S.P.Q.2d at 1794 n.19.

¹²² *Id.* The court's supposition seems to be in error. If Napster users are in fact entitled to space-shift under the Audio Home Recording Act, then Napster's facilitation of that space-shifting cannot constitute contributory copyright infringement. On the other hand, despite the *Diamond Media* dicta, in this author's view it is highly questionable whether users actually are entitled to space-shift under the Audio Home Recording Act. Cf. Alex Allemann, Note, *Manifestation of an AHRA Misfunction: The Uncertain Status of MP3 under Recording Industry Association of America v. Diamond Multimedia Systems, Inc.*, 79 TEX. L. REV. 189 (2000) (contending that the Ninth Circuit's decision leaves uncertain whether home copying of music on computers on is permissible under the Copyright Act).

¹²³ *Id.* at 916-17, 55 U.S.P.Q.2d at 1795-96. On that point as well, the court appears to have erred. *Sony* focuses not on whether a defendant provides an ongoing service, but on whether a defendant has sufficient involvement with its customers such that it can identify and prevent infringing uses. The Napster court, however, seems to have suggested that Napster had such involvement merely by virtue of providing an ongoing service. See *id.* at 917, 55 U.S.P.Q.2d at 1796 (stating that "Napster, Inc.'s facilitation of unauthorized file-sharing smacks of the contributory infringement in ... cases [involving continuing, direct customer contact], rather than the legitimate conduct of the VCR manufacturers").

¹²⁴ 54 U.S.P.Q.2d (BNA) 1453 (C.D.Ca. 2000).

¹²⁵ *Id.* at 1470.

¹²⁶ See *infra* text accompanying notes 136 - 152 (First Amendment), 255 - 260 (fair use).

¹²⁷ See, e.g., Robert C. Denicola, *Copyright and Free Speech: Constitutional Limitations on the Protection of Expression*, 67 CAL. L. REV. 283, 289-99 (1979); Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. REV. 1180, 1186-1204 (1970); Lionel S. Sobel, *Copyright and the First Amendment: A Gathering Storm?*, in 19 COPYRIGHT L. SYMP. 43 (American Society of Composers, Authors and Publishers eds., 1971). For a less sanguine analysis, see Paul Goldstein, *Copyright and the First Amendment*, 70 COLUM. L. REV. 983 (1970).

although an overly broad scope of copyright protection might run counter to free speech concerns, that conflict largely is ameliorated within copyright doctrine. As a general rule, they posited, First Amendment values find adequate protection in the fair use privilege,¹²⁸ copyright law's distinction between copyrightable expression and uncopyrightable fact and idea,¹²⁹ and copyright's limited term.¹³⁰ Often citing this early commentary, courts consistently have rejected First Amendment defenses to copyright infringement claims.¹³¹ Like the commentators, courts have recognized a potential conflict between copyright owner entitlements and free speech.¹³² But viewing limitations on copyright's scope as an adequate safeguard for First Amendment interests, they have declined to undertake any external First Amendment analysis of copyright law's provisions or application.

Since the 1970s the limitations on copyright's scope have narrowed and dwindled, leading a new group of scholars to call for the imposition of limitations from without, as, they argue, is required under the First Amendment.¹³³ In addition, First Amendment doctrine has evolved substantially since the 1970s. In particular, recent decades have

¹²⁸ The fair use doctrine, developed by U.S. courts in the nineteenth century and now codified in the Copyright Act, provides for a broad equitable privilege to appropriate expression under circumstances that would otherwise constitute infringement. The fair use doctrine is codified in 17 U.S.C. § 107(1998).

¹²⁹ While a work's aesthetic form falls within the province of the copyright owner's exclusive rights, the ideas and facts that the work conveys are free for all to use. The idea/expression dichotomy is codified in 17 U.S.C. § 102(b) (1994).

¹³⁰ Until enactment of the Copyright Act of 1976, U.S. copyright law provided for a copyright term of far less duration than that of most other countries. Under the 1909 Copyright Act, the duration of copyright protection in the United States was a bifurcated period of 56 years (with a more common 28-year term, given the relative rarity of renewal for the second term). See Copyright Act of Mar. 4, 1909, ch. 320, 24, 35 Stat. 1075, 1080–81 (1909). A Copyright Office study of the copyright renewal, completed in 1960, found that only about 15% of subsisting copyrights were being renewed. See Barbara A. Ringer, *Renewal of Copyright*, in 1 COPYRIGHT SOCIETY OF THE UNITED STATES, STUDIES ON COPYRIGHT 503, 617 (Fisher mem. ed. 1963). The copyright term was extended to the author's life plus 50 years (with works made for hire enjoying a term of the shorter of 75 years from publication or 100 years from creation) under the 1976 Copyright Act. Copyright Act of 1976, 17 U.S.C. § 302(a) (1994). The 50 year p.m.a. term comported with that required by the Berne Convention for the Protection of Literary and Artistic Works. On October 27, 1998, President Clinton signed into law the "Sonny Bono Copyright Term Extension Act," Pub. L. No. 105-298, § 101, 112 Stat. 2827, 2827 (1998), which extends the copyright term by an additional 20 years.

¹³¹ See, e.g., *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985) (explaining that First Amendment protections are "already embodied in the Copyright Act's distinction between copyrightable expression and uncopyrightable facts and ideas"); *Roy Export Co. v. CBS*, 672 F.2d 1095, 1099 (2d Cir. 1982) ("No circuit that has considered the question...has ever held that the First Amendment provides a privilege in the copyright field distinct from the accommodation embodied in the 'fair use' doctrine."); *Sid & Marty Krofft Television Prods., Inc. v. McDonald Corp.*, 562 F.2d 1157, 1170, 215 U.S.P.Q. (BNA) 289, 292 (9th Cir. 1977) (stating that an idea/expression dichotomy serves to accommodate First Amendment concerns).

¹³² See, e.g., *New Era Publications Int'l v. Henry Holt & Co., Inc.*, 873 F.2d 576, 588, 10 U.S.P.Q.2d (BNA) 1561, 1571 (2d Cir. 1986) (Oakes, C.J., concurring) (stating that the imposition of a permanent injunction in the copyright infringement action before the court would "diminish public knowledge" and thus implicate First Amendment concerns).

¹³³ See, e.g., Yochai Benkler, *Free as the Air to Common Use: First Amendment Constraints on the Enclosure of the Public Domain*, 74 N.Y.U. L. REV. 354 (1999); Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property*, 48 DUKE L.J. 147 (1998); Jessica Litman, *Copyright and Information Policy*, 55 LAW & CONTEMP. PROBS., 185, 204–06 (1992); Neil Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283, 303–04 (1996); Alfred C. Yen, *A First Amendment Perspective on the Idea/Expression Dichotomy and Copyright in a Work's "Total Concept and Feel"*, 38 EMORY L.J. 393 (1989).

seen the emergence of a three-category approach to government regulation that burdens speech and the refinement of tests for determining whether such regulation passes First Amendment muster.¹³⁴ As a result, courts assessing First Amendment challenges to trademark law regularly apply the so-called *O'Brien* test for determining the constitutionality of government regulation that is content-neutral but that nevertheless imposes a burden on speech.¹³⁵

But despite these developments, a number of district courts considering First Amendment challenges to copyright law during the past year continued to cite early authority for the proposition that copyright doctrine adequately serves First Amendment interests and thus that no further First Amendment analysis is required. On the other hand, in a welcome and overdue development, the Southern District of New York has applied the *O'Brien* test to a challenge to the constitutionality of the anti-trafficking provisions of the Digital Millennium Copyright Act.

In *Los Angeles Times v. Free Republic*,¹³⁶ the defendants operated a web site devoted in part to criticizing the manner in which the mainstream media covers current events and politics.¹³⁷ Defendants and Free Republic web site visitors regularly posted verbatim copies of various *Los Angeles Times* and *Washington Post* news articles on the web site and then added remarks and commentary critical of the articles.¹³⁸ In addition, and indeed more often, the Central District of California found, visitor comments addressed the underlying news events covered in the articles as opposed to the manner of coverage per se.¹³⁹

The *Times* and *Post* sued to stop defendants' copying of the newspapers' copyright-protected articles. In addition to asserting a fair use privilege,¹⁴⁰ defendants proffered a First Amendment defense.¹⁴¹ They contended that copying was necessary to enable Free Republic web site visitors to express their views concerning media coverage of current events.¹⁴² They argued that the omissions and biases in plaintiffs' articles would be difficult to convey unless defendants could post the full text of each article.¹⁴³

The court rejected defendants' First Amendment defense (as well as their assertion of fair use).¹⁴⁴ Citing, *inter alia*, the Supreme Court's discussion in *Harper & Row, Publishers, Inc. v. Nation Enterprises*,¹⁴⁵ the Court stated that First Amendment concerns generally are subsumed within copyright's lack of protection of ideas and facts

¹³⁴ See, e.g., Geoffrey R. Stone, *Content-Neutral Restrictions*, 54 U. CHI. L. REV. 46 (1987); Geoffrey R. Stone, *Content Regulation and the First Amendment*, 25 WM. & MARY L. REV. 189 (1983).

¹³⁵ See, e.g., *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 3 U.S.P.Q.2d (BNA) 1145 (1987) (applying the *O'Brien* test to statute providing trademark-like protection for Olympic symbol); *L.L. Bean Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 1 U.S.P.Q.2d (BNA) 1753 (1st Cir. 1987) (trademark); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 203 U.S.P.Q. 161 (2d Cir. 1979) (trademark).

¹³⁶ 54 U.S.P.Q.2d (BNA) 1453 (C.D. Ca. 2000).

¹³⁷ *Id.* at 1460.

¹³⁸ *Id.* at 1454.

¹³⁹ *Id.* at 1473.

¹⁴⁰ See *id.* at 1454.

¹⁴¹ See *id.* at 1455.

¹⁴² *Id.* at 1460.

¹⁴³ *Id.* at 1472.

¹⁴⁴ *Id.* at 1472-73.

¹⁴⁵ 471 U.S. 539, 558-59 (1985).

and within the fair use privilege.¹⁴⁶ It held, moreover, that even if, as Nimmer posits, the First Amendment might limit copyright's application when a defendant's use of copyright-protected expression is necessary for the defendant to communicate ideas,¹⁴⁷ that argument does not apply to the Free Republic web site.¹⁴⁸ The Free Republic defendants, the court held, failed to show that copying plaintiffs' news articles verbatim was essential to communication of web site visitors' opinions and criticisms, especially given that visitors' comments more often concerned the underlying news event than the manner in which that event was covered by the media.¹⁴⁹ The court further found that even where media coverage was the subject of the critique, the gist of the comments generally could be communicated without full text copying of the article.¹⁵⁰ Finally, the court found that rather than copying plaintiffs' news articles, defendants could post links to plaintiffs' web sites, even if Internet users following links to non-current articles have to pay a fee to access plaintiffs' web site archives.¹⁵¹ The court held that the availability of the alternatives of summarizing and linking, even if less ideal for defendants than copying the articles verbatim, further undercuts any claim that the application of plaintiffs' copyrights implicates defendants' First Amendment rights.¹⁵²

In *Chicago School Reform Board of Trustees v. Substance Inc.*,¹⁵³ defendant Chicago Public School teacher published portions of plaintiff's copyrighted standardized tests as a means to generate public debate over the tests' validity.¹⁵⁴ Defendant asserted that his otherwise infringing publication was privileged under the First Amendment.¹⁵⁵ The Northern District of Illinois rejected defendant's First Amendment defense.¹⁵⁶ In so doing, it cited the Supreme Court's iteration in *Cohen v. Cowles Media Co.*,¹⁵⁷ that "generally applicable laws do not offend the First Amendment simply because their enforcement against the press has incidental effects on its ability to gather and report the news."¹⁵⁸ The court then characterized copyright law as a generally applicable law that imposes a merely incidental effect on news gathering and reporting, like laws regarding promissory estoppel, grand jury subpoenas, labor relations, anti-trust, and the payment of taxes.¹⁵⁹ The court distinguished cases cited by defendant suggesting that the First

¹⁴⁶ *Free Republic*, 54 U.S.P.Q.2d at 1472.

¹⁴⁷ See NIMMER & NIMMER, *supra* note 106, at § 1.10[D], at 1-95 (1999).

¹⁴⁸ *Free Republic*, 54 U.S.P.Q.2d at 1473.

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ 79 F. Supp. 2d 919, 53 U.S.P.Q.2d (BNA) 1623 (N.D. Ill. 2000).

¹⁵⁴ *Id.* at 920, 925, 53 U.S.P.Q.2d at 1624, 1634.

¹⁵⁵ *Id.* at 923, 53 U.S.P.Q.2d at 1625.

¹⁵⁶ *Id.* at 928, 53 U.S.P.Q.2d at 1629.

¹⁵⁷ 501 U.S. 663 (1991).

¹⁵⁸ *Chicago School Reform Board*, 79 F. Supp. 2d at 925, 53 U.S.P.Q.2d at 1627 (citing *Cohen v. Cowles Media Co.*, 501 U.S. 663, 669-70 (1991)).

¹⁵⁹ *Id.* at 925-26, 53 U.S.P.Q.2d at 1627-28 (citing *Cohen v. Cowles Media Co.*, 501 U.S. 663, 670 (1991); *Branzburg v. Hayes*, 408 U.S. 665, 684 (1972) (holding that press must respond to grand jury subpoenas); *Associated Press v. NLRB*, 301 U.S. 103 (1937) (holding that media must obey the National Labor Relations Act); *Oklahoma Press Publ'g Co. v. Walling*, 327 U.S. 186, 192-193 (1946) (holding that press must obey the Fair Labor Standards Act); *Associated Press v. United States*, 326 U.S. 1 (1945) (holding that press may not restrain trade in violation of the antitrust laws); *Citizen Publ'g Co. v. United States*, 394 U.S. 131, 139 (1969) (holding same); *Murdock v. Pa.*, 319 U.S. 105, 112 (1943) (holding that press must

Amendment nevertheless imposes limits on copyright protection.¹⁶⁰ The court did so on the grounds that those cases applied First Amendment values within the ambit of fair use analysis, whereas defendant teacher had presented no fair use analysis.¹⁶¹

In *Intellectual Reserve Inc. v. Utah Lighthouse Ministry Inc.*,¹⁶² plaintiff church moved for a preliminary injunction forbidding defendant web site operator from posting the addresses of other web sites containing plaintiff's copyrighted *Church Handbook of Instructions*. Defendant argued that even if the posting of such links constitutes contributory copyright infringement, the First Amendment precluded issuance of plaintiff's requested preliminary injunction.¹⁶³ In granting plaintiff's motion, the District of Utah summarily dismissed defendant's First Amendment argument.¹⁶⁴ It reasoned that "the First Amendment does not give defendants the right to infringe on legally recognized rights under the copyright law."¹⁶⁵ The court noted further that "injunctive relief is a common judicial response to infringement of a valid copyright"¹⁶⁶ and that a court's power to fashion the scope of injunctive relief is adequate to protect infringement of defendants' First Amendment rights.¹⁶⁷

In *Southco Inc. v. Kanebridge Corp.*,¹⁶⁸ defendant argued that it enjoyed a First Amendment privilege to copy, in comparative advertising, plaintiff's nine-digit numbering system for identifying fasteners that plaintiff manufactures.¹⁶⁹ The Eastern District of Pennsylvania enjoined defendant's copying, holding that its injunction did not implicate defendant's First Amendment rights.¹⁷⁰ The court reasoned that copyright doctrine adequately "balances the right to freedom of speech against the competing constitutional right to protection of the useful arts and sciences."¹⁷¹ In particular, the court stated, since copyright does not restrain the use of ideas or concepts, defendant would be free to include its own factual description of plaintiff's hardware in defendant's advertising.¹⁷² As the result, the court held, defendant's First Amendment rights are not

pay non-discriminatory taxes); *Minneapolis Star & Tribune Co. v. Minnesota Comm'r of Revenue*, 460 U.S. 575, 581-583 (1983) (holding same)).

¹⁶⁰ *Chicago School Reform Board*, 79 F. Supp. 2d at 927, 53 U.S.P.Q.2d at 1629 (defendant cited *Belmore v. City Pages, Inc.*, 880 F. Supp. 673, 680 (D. Minn. 1995) (holding that the fair use doctrine entitled a newspaper to publish a fable that was written by a police officer in order to critique the unique fable and the police department); *Time, Inc. v. Bernard Geis Assoc.*, 293 F. Supp. 130, 146 (1968) (finding that an author's reproduction of frames of film footage recording President Kennedy's assassination (the Zapruder film) caused little, if any, damage to copyright holder and was thus a fair use of the film)).

¹⁶¹ *Id.*

¹⁶² 75 F. Supp. 2d 1290, 53 U.S.P.Q.2d (BNA) 1425 (D. Utah 1999).

¹⁶³ *Id.* at 1295, 53 U.S.P.Q.2d at 1429.

¹⁶⁴ *Id.*

¹⁶⁵ *Id.* (citing *Cable/Home Communication Corp. v. Network Prods., Inc.*, 902 F.2d 829, 849, 15 U.S.P.Q.2d (BNA) 1001, 1015 (11th Cir. 1990)).

¹⁶⁶ *Id.* (quoting *Cable/Home Communication Corp. v. Network Prods., Inc.*, 902 F.2d 829, 849, 15 U.S.P.Q.2d (BNA) 1001, 1015 (11th Cir. 1990)).

¹⁶⁷ *Id.*

¹⁶⁸ 53 U.S.P.Q.2d (BNA) 1490 (E.D. Pa. 2000).

¹⁶⁹ *Id.* at 1494.

¹⁷⁰ *Id.*

¹⁷¹ *Id.* Contrary to the court's pronouncement, the Copyright Clause accords no one a constitutional right to the protection of the useful arts and sciences. Rather, the Clause simply empowers Congress to promote the progress of science by granting authors exclusive rights in their works for limited times. See U.S. CONST. art. I, § 8.

¹⁷² *Southco*, 53 U.S.P.Q.2d at 1494.

violated by being unable to refer to plaintiff's numbering system to compare plaintiff's and defendant's goods.¹⁷³

In *Eldred v. Reno*,¹⁷⁴ plaintiffs brought an action for a judgment declaring that the Sonny Bono Copyright Term Extension Act,¹⁷⁵ which amends the Copyright Act to extend the copyright term by twenty years, is unconstitutional. Plaintiffs claimed, *inter alia*, that the term extension constitutes an impermissible burden on their right to free speech under the First Amendment.¹⁷⁶ The District of Columbia district court ruled, without further elaboration, that the term extension does not violate the First Amendment, since "the District of Columbia Circuit has ruled definitively that there are no First Amendment rights to use the copyrighted works of others."¹⁷⁷

In *Universal City Studios Inc. v. Reimerdes*,¹⁷⁸ discussed above¹⁷⁹, defendant web site operators distributed and posted links to other web sites containing software known as DeCSS, which enables users to circumvent plaintiff motion picture studios' encrypted access and copying controls on DVDs. Plaintiffs sued defendants for violation of Digital Millennium Copyright Act anti-trafficking provisions, and defendants alleged, *inter alia*, that they had a First Amendment right to distribute and post lists to sites containing DeCSS software.¹⁸⁰ The Southern District of New York granted defendants' argument that DeCSS software contains an expressive element that constitutes protected speech under the First Amendment.¹⁸¹ Nevertheless, the court rejected defendants' First Amendment defense. It held that the DMCA is a content-neutral regulation of the functional, non-speech aspects of DeCSS.¹⁸² In enacting the DMCA anti-circumvention and anti-trafficking provisions, the court reasoned, Congress sought to suppress copyright infringement and promote the availability of copyrighted works in digital form, and not to regulate the expression of ideas that might be inherent in particular anti-circumvention devices.¹⁸³

The court then applied the *O'Brien* test for determining whether a content-neutral regulation that incidentally affects expression survives a First Amendment challenge. Under that test, such a regulation will be upheld if "it furthers an important or substantial governmental interest; if the governmental interest is unrelated to the suppression of free expression; and if the incidental restriction on alleged First Amendment freedoms is no greater than is essential to the furtherance of that interest."¹⁸⁴ Applying the test, the court held that the interests that Congress sought to further in enacting the DMCA are

¹⁷³ *Id.*

¹⁷⁴ 74 F. Supp. 2d 1, 53 U.S.P.Q.2d (BNA) 1217 (D. D.C. 1999).

¹⁷⁵ Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (codified at 17 U.S.C. § 102(d)(1)(B) (1998)).

¹⁷⁶ *Eldred*, 74 F. Supp.2d at 3, 53 U.S.P.Q.2d at 1219.

¹⁷⁷ *Id.* (citing *United Video v. F.C.C.*, 890 F.2d 1173, 1191, 12 U.S.P.Q.2d 1964, 1978 (D.C. Cir. 1989)).

¹⁷⁸ 111 F. Supp. 2d 294, 55 U.S.P.Q.2d (BNA) 1873 (S.D.N.Y. 2000).

¹⁷⁹ See *supra* note 21 and accompanying text.

¹⁸⁰ *Reimerdes*, 111 F. Supp. 2d at 325-26, 55 U.S.P.Q.2d at 1892-93.

¹⁸¹ *Id.* at 326, 55 U.S.P.Q.2d at 1893.

¹⁸² *Id.* at 329, 55 U.S.P.Q.2d at 1895.

¹⁸³ *Id.*

¹⁸⁴ *Id.* at 329-30, 55 U.S.P.Q.2d at 1895 (quoting *Turner Broadcasting Sys., Inc. v. FCC*, 512 U.S. 622, 662 (1994) (quoting *United States v. O'Brien*, 391 U.S. 367, 377 (1968))).

important and unrelated to the suppression of free expression.¹⁸⁵ The court further held that the DMCA's incidental restraint on protected expression, which the court described as "the prohibition of trafficking in means that would circumvent controls limiting access to unprotected materials or to copyrighted materials for noninfringing purposes," is not "broader than is necessary to accomplish Congress' goals of preventing infringement and promoting the availability of content in digital form."¹⁸⁶ In a footnote, however, the court seemed to qualify its holding that the DMCA's means-ends fit meets First Amendment muster. It stated that its holding was based on a finding that technology that limits access only to copyrighted materials and only for uses that would infringe the rights of the copyright holder is not yet available.¹⁸⁷

B. Copyright Clause

As noted above, in *Eldred v. Reno*,¹⁸⁸ plaintiffs brought an action for a judgment declaring that the Sonny Bono Copyright Term Extension Act,¹⁸⁹ which amends the Copyright Act to extend the copyright term by twenty years, is unconstitutional. In addition to their First Amendment claim, plaintiffs argued that the term extension runs contrary to the "limited times" and "to authors" provisions of the Copyright Clause.¹⁹⁰ The Copyright Clause of the Constitution provides that Congress has the power "[t]o 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."¹⁹¹ The Copyright Term Extension Act extends the copyright term to the life of the author plus seventy years (or for certain works, if the life of the author cannot be ascertained, for ninety-five years after publication or 120 years after the creation of the work, whichever is shorter). These rights apply to works that have already been created as well as to new works.

Plaintiffs argued that if the "limited times" provision means anything, it must set some limit in duration far short of perpetual protection and must limit Congress' discretion to grant retroactive extensions to existing works. Plaintiffs also argued that the Copyright Clause's reference to "authors" means that Congress cannot grant a retroactive extension to copyright owners who are not authors.¹⁹² The district court held, however, that the limited times period, including the Copyright Term Extension Act's twenty-year extension, is within Congress' discretion.¹⁹³ The court held further that Congress has authority to enact retroactive laws under the Copyright Clause.¹⁹⁴ The court rejected plaintiffs' "to authors" argument on the grounds that authors who have agreed in advance

¹⁸⁵ *Id.*

¹⁸⁶ *Id.* at 330, 55 U.S.P.Q.2d at 1896.

¹⁸⁷ *Id.* at 330 n.206, 55 U.S.P.Q.2d at 1896 n.206.

¹⁸⁸ 74 F. Supp. 2d 1, 53 U.S.P.Q.2d (BNA) 1217 (D. D.C. 1999).

¹⁸⁹ Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998) (codified at 17 U.S.C. §§ 302-304 (1998)).

¹⁹⁰ *Eldred*, 74 F. Supp. 2d at 3, 53 U.S.P.Q.2d at 1219.

¹⁹¹ U.S. CONST. art. I, § 8, cl. 8.

¹⁹² Memorandum in Support of Plaintiffs' Motion for Judgment on the Pleadings or, in the Alternative, for Summary Judgment and in Opposition to Defendant's Motion for Judgment on the Pleadings, *Eldred v. Reno*, Case No. 1:99CV00065 JLG, July 23, 1999, at 22.

¹⁹³ *Eldred*, 74 F. Supp. 2d at 3, 53 U.S.P.Q.2d at 1219.

¹⁹⁴ *Id.*

to transfer their copyrights are effectively presumed to have transferred their rights for the full copyright term, including any extensions thereof, absent an express temporal limitation to the contrary in the transfer deed.¹⁹⁵

C. Eleventh Amendment; States Sovereign Immunity

The Supreme Court's recent rulings on states' immunity under the Eleventh Amendment continue to reverberate through intellectual property cases. In *Chavez v. Arte Publico Press*,¹⁹⁶ plaintiff Chavez asserted that the University of Houston infringed her copyright by continuing to publish her book without her consent. Defendant University of Houston contended that because it enjoys immunity from unconsented-to suit in federal court under the Eleventh Amendment, the case must be dismissed.¹⁹⁷ On remand from the Fifth Circuit en banc, and in light of the Supreme Court's recent ruling in *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank*,¹⁹⁸ the panel dismissed the case.¹⁹⁹

In its 1996 ruling in *Seminole Tribe of Florida v. Florida*,²⁰⁰ the Supreme Court held that abrogation of a state's Eleventh Amendment immunity from unconsented-to suit in federal court turns on (1) an express statement of intent by Congress and (2) a constitutionally valid exercise of power.²⁰¹ The express statement requirement is met with respect to suit for copyright infringement, because, with the Copyright Remedy Clarification Act of 1990, Congress amended the Copyright Act explicitly to require states to submit to suit in federal court for violation of the Copyright Act's provisions.²⁰² On remand, the Fifth Circuit panel in *Chavez* was instructed to decide whether Congress' abrogation of state sovereign immunity under the Copyright Remedy Clarification Act was a constitutionally valid exercise of power.²⁰³

The Supreme Court held in *Seminole* that Congress may not abrogate state sovereign immunity through exercise of its Article I powers (which, of course, include Congress' power to enact a copyright statute).²⁰⁴ Congress may abrogate state sovereign immunity when acting to enforce constitutional rights pursuant to Section Five of the Fourteenth Amendment.²⁰⁵ In *City of Boerne v. Flores*,²⁰⁶ however, the court held that when Congress legislates pursuant to Section 5, "there must be a congruence and proportionality between the injury to be prevented or remedied and the means adopted to

¹⁹⁵ *Id.*, 53 U.S.P.Q.2d at 1219–20.

¹⁹⁶ 204 F.3d 601, 53 U.S.P.Q.2d (BNA) 2009 (5th Cir. 2000).

¹⁹⁷ *Id.* at 603, 53 U.S.P.Q.2d at 2010.

¹⁹⁸ 527 U.S. 627 (1999).

¹⁹⁹ *Chavez*, 204 F.3d at 608, 53 U.S.P.Q.2d at 2014.

²⁰⁰ 517 U.S. 44 (1996).

²⁰¹ *Id.* at 55.

²⁰² Copyright Remedy Clarification Act, Pub.L.No. 101-553, 104 Stat. 2749 (1990) (codified at 17 U.S.C. §§ 501(a), 511).

²⁰³ *Chavez v. Arte Publico Press*, 204 F.3d 601, 603, 53 U.S.P.Q.2d (BNA) 2009, 2010 (5th Cir.).

²⁰⁴ *Seminole*, 517 U.S. at 72–3.

²⁰⁵ The Fourteenth Amendment forbids states from depriving persons of life, liberty, or property without due process of law. U.S. CONST. amend. XIV. Section 5 provides that Congress shall have power to "enforce" that constitutional guarantee, by "appropriate legislation."

²⁰⁶ 521 U.S. 507 (1977).

that end.²⁰⁷ *Florida Prepaid* applied the principles of *Boerne* to the Patent and Plant Variety Protection Remedy Clarification Act,²⁰⁸ a statute analogous to the Copyright Remedy Clarification Act in the patent field.²⁰⁹ The analytical framework that *Florida Prepaid* sets forth requires examination of three aspects of the legislation: (1) the nature of the injury to be remedied; (2) Congress' consideration of the adequacy of state remedies to redress the injury; and (3) the coverage of the legislation.²¹⁰

Applying these factors, the Fifth Circuit found in *Chavez* that copyright is a property right protected against state deprivation without due process of law under the Fourteenth Amendment.²¹¹ The Fifth Circuit further found, however, that in enacting the Copyright Remedy Clarification Act, Congress made no factual finding of widespread copyright infringement by the states and barely considered the availability of state remedies for copyright infringement.²¹² In particular, the court stated that Congress rejected the idea of granting state courts concurrent jurisdiction over copyright cases, an alternative solution that would have avoided any Eleventh Amendment problems.²¹³ Congress rejected this solution, the court emphasized, “not because it was an inadequate remedy, but because Congress believed concurrent jurisdiction would undermine the uniformity of copyright law.”²¹⁴ The court granted that uniformity is undoubtedly an important goal.²¹⁵ As the court noted, however, *Florida Prepaid* held that the uniformity factor “belongs to the Article I patent-power calculus, rather than to any determination of whether a state plea of sovereign immunity deprives a patentee of property without due process of law.”²¹⁶ The Fifth Circuit held that the same principle applies with respect to copyright.²¹⁷

Finally, the court found that while state deprivations of property must be intentional to run afoul of the Fourteenth Amendment, intentionality is not a requisite element of copyright infringement.²¹⁸ As a result, the Copyright Remedy Clarification Act extends more broadly than necessary to protect individual property rights from state incursion under the Fourteenth Amendment.²¹⁹ The Act thus fails the test of providing a remedy that is proportional to Section Five ends.²²⁰

The Fifth Circuit concluded, in sum, that the Copyright Remedy Clarification Act runs afoul of the Eleventh Amendment in light of the Supreme Court's ruling in *Florida*

²⁰⁷ *Id.* at 520.

²⁰⁸ *Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 527 U.S. 627, 645–648 (1999).

²⁰⁹ 35 U.S.C. §§ 271(h), 296(a).

²¹⁰ *Chavez v. Arte Publico Press*, 204 F.3d 601, 605, 53 U.S.P.Q.2d (BNA) 2009, 2013 (5th Cir.).

²¹¹ *Id.*

²¹² *Id.* at 605–606, 53 U.S.P.Q.2d at 2015.

²¹³ *Id.* at 607, 53 U.S.P.Q.2d at 2017.

²¹⁴ *Id.*

²¹⁵ *Id.*

²¹⁶ *Id.*

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ *See id.*

²²⁰ *See id.*

Prepaid.²²¹ It remanded the case to the district court with instructions to dismiss plaintiff's damage claim.²²²

In an interesting parallel to the state sovereign immunity cases, although not a question of constitutional dimensions, *Bassett v. Mashantucket Pequot Tribe*²²³ concerned whether a Native American Tribe is immune from copyright actions brought by private parties. Indian tribes possess the common-law immunity from suit traditionally enjoyed by sovereign powers.²²⁴ Unlike the case of state sovereign immunity, however, Congress possesses plenary control over tribal sovereignty and therefore is "always . . . at liberty to dispense with . . . tribal immunity or to limit it."²²⁵ On the other hand, as with states' sovereign immunity, the Supreme Court has held that congressional abrogation of tribal immunity "cannot be implied but must be unequivocally expressed."²²⁶

In *Basset*, plaintiff entered into a letter agreement with the defendant Tribe for the development and production of a film about the 1636-38 Pequot War. The agreement stipulated that "at such time" that the Tribe approved the final draft of the screenplay, Bassett Productions would have exclusive rights to produce the film for exhibition at the Pequot Museum.²²⁷ But after plaintiff delivered her copyrighted screenplay to defendant, defendant allegedly terminated the agreement and produced and exhibited the film by itself.²²⁸

In response to plaintiff's copyright infringement action, the Tribe contended that its sovereign immunity from suit barred the court from adjudicating the claim.²²⁹ Plaintiff maintained that, to the extent the Tribe enjoys such immunity, it implicitly waived it by participating in the interstate, nongovernmental, commercial activities that gave rise to this lawsuit.²³⁰

The Second Circuit agreed with the Tribe.²³¹ In so holding, it relied on recent Supreme Court precedent clarifying that a tribe's immunity extends to its off-reservation commercial activities.²³² The Second Circuit also emphasized that "[n]othing on the face of the Copyright Act 'purports to subject tribes to the jurisdiction of the federal courts in civil actions' brought by private parties."²³³ Since congressional abrogation of tribal

²²¹ *See id.*

²²² *Id.* at 608, 53 U.S.P.Q.2d at 2014. *See also* *City of Boerne v. Flores*, 521 U.S. 507 (1977). In *Rodriguez v. Texas Commission on the Arts*, 199 F.3d 279, 53 U.S.P.Q.2d (BNA) 1383 (5th Cir. 2000), decided a month before *Chavez*, the Fifth Circuit affirmed dismissal of plaintiff's claim against a state agency on the same grounds as *Chavez*, but with only brief discussion.

²²³ 204 F.3d 343, 53 U.S.P.Q.2d (BNA) 1865 (2d Cir. 2000).

²²⁴ *See, e.g., Oklahoma Tax Comm'n v. Citizen Band Potawatomi Indian Tribe*, 498 U.S. 505, 509 (1991); *United States v. U.S. Fidelity & Guar. Co.*, 309 U.S. 506, 512 (1940).

²²⁵ *Oklahoma Tax Comm'n*, 498 U.S. at 510.

²²⁶ *Santa Clara Pueblo v. Martinez*, 436 U.S. 49 (1978).

²²⁷ *Basset*, 204 F.3d at 346, U.S.P.Q.2d at 1866.

²²⁸ *Id.*

²²⁹ *Id.* at 356, 53 U.S.P.Q.2d at 1874.

²³⁰ *Id.*

²³¹ *Id.*

²³² *Id.* at 357, 53 U.S.P.Q.2d at 1875 (citing *Kiowa Tribe v. Manufacturing Techs., Inc.*, 523 U.S. 751 (1998)).

²³³ *Id.* (citing *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 59 (1978)).

immunity cannot be implied, and since the Tribe had not waived its immunity, the Court held, the defendant Tribe remained immune from plaintiff's infringement action.²³⁴

IV. TRADITIONAL DOCTRINAL ISSUES

A. Fair Use

In *Sony Computer Entertainment Inc. v. Connectix Corp.*,²³⁵ plaintiff Sony sued for infringement of the software program that operates Sony's PlayStation console. Defendant Connectix had made intermediate copies of Sony's software during the course of reverse engineering the software so that Connectix could make its Virtual Game Station emulator function with PlayStation games.²³⁶ The Ninth Circuit held that intermediate copying for that purpose constituted fair use.²³⁷

Some background: In the 1993 case, *Sega Enterprises Ltd. v. Accolade, Inc.*,²³⁸ the Ninth Circuit held that where intermediate copying through disassembly of a computer program is the only way to gain access to the uncopyrightable ideas and functional elements embodied in the program, and where there is a legitimate reason for seeking such access (such as developing a noninfringing product), such copying constitutes fair use as a matter of law.²³⁹ In *Sony v. Connectix*, the Ninth Circuit ruled that *Sega* applies no less to intermediate copying through observation of the computer program in an emulated computer environment than through disassembly.²⁴⁰ The court also rejected the district court's distinction between copying necessary to "study" unprotected ideas and functional elements and copying necessary to "use" those elements in a noninfringing, competing product.²⁴¹ Further, the court rejected Sony's argument that Connectix had exceeded *Sega*'s scope by repeatedly observing Sony's computer program in an emulated environment, thereby making multiple RAM copies.²⁴² The court held that the requirement of "necessity" in making copies to access unprotected elements refers to the "necessity of the method, ... not the necessity of the number of times that method [is] applied."²⁴³ Finally, the court reiterated its holding in *Sega* that harm to Sony's market in its PlayStation console arising from competition with the Connectix emulator does not count as market harm for fair use analysis.²⁴⁴ To do so, the court emphasized, would be to extend copyright improperly to accord Sony a monopoly in the market for game-playing devices.²⁴⁵

²³⁴ *Id.*

²³⁵ 203 F.3d 596, 53 U.S.P.Q.2d (BNA) 1705 (9th Cir. 2000).

²³⁶ *Id.* at 600, 53 U.S.P.Q.2d at 1708.

²³⁷ *Id.* at 596, 53 U.S.P.Q.2d at 1705.

²³⁸ 977 F.2d 1510, 24 U.S.P.Q.2d 1561 (9th Cir. 1993).

²³⁹ *See id.* at 1527–28.

²⁴⁰ *Connectix*, 203 F.3d at 596, 53 U.S.P.Q.2d at 1705.

²⁴¹ *Id.* at 604, 53 U.S.P.Q.2d at 1711.

²⁴² *Id.*

²⁴³ *Id.* at 605, 53 U.S.P.Q.2d at 1711–12. (citing *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1524–26, 24 U.S.P.Q.2d 1561, 1571–72 (9th Cir. 1993)).

²⁴⁴ *Id.*

²⁴⁵ *Id.*

In *Sony Computer Entertainment America, Inc. v. Bleem, LLC*,²⁴⁶ the Ninth Circuit ruled that the use of screen shots of plaintiff Sony's PlayStation games in defendant's comparative advertising was fair use.²⁴⁷ Defendant manufactured an emulator that allowed Sony Playstation games to be played on a computer rather than on the Sony game console hooked up to a television screen. In advertising its emulator, defendant reproduced still shots of frozen moments in a copyrighted Sony video game as viewed on a television screen while playing the game with the Sony console and compared them with shots of the game viewed on a computer while using defendant's emulator.²⁴⁸

The Ninth Circuit held that the first fair use factor – the purpose and character of defendant's use – weighed in favor of fair use.²⁴⁹ It reasoned that, as noted by the Federal Trade Commission, truthful and nondeceptive comparative advertising provides important information to consumers, encourages product improvement and innovation, and can lead to lower prices in the marketplace.²⁵⁰

The court also held that the fourth factor -- the use's impact on the market for plaintiff's work -- favored fair use.²⁵¹ The court reasoned that whatever harm defendant's use causes to the market for Sony's game console is not cognizable under copyright law, because the relevant market for copyright infringement purposes is that for Sony's screen shots of Sony's video games, not for the games themselves or for Sony's console, and because Sony had shown no market for such screen shots other than as advertising for the games.²⁵² The court then proceeded to emphasize, that "[i]f sales of Sony consoles drop, it will be due to the Bleem emulator's technical superiority over the Play Station console, not because Bleem used screen shots to illustrate that comparison."²⁵³ That statement confuses the analysis. Even if defendant's use in comparative advertising were to eat into sales of Sony's copyrighted works (and, after all, that is the goal of comparative advertising), that market harm is not cognizable under the fourth fair use factor. As the Supreme Court indicated in *Campbell v. Acuff-Rose Music, Inc.*,²⁵⁴ only market substitution, not loss of sales through criticism or ridicule, properly counts as market harm in fair use analysis.

In *Los Angeles Times v. Free Republic*,²⁵⁵ discussed above, the Central District of California rejected defendants' argument that its copying of plaintiffs' news articles on its web site constituted fair use.²⁵⁶ Defendants contended that their use was transformative even though they copied plaintiffs' articles verbatim. They maintained that their copies do not substitute for the originals found on plaintiffs' web pages and that they copied no

²⁴⁶ 214 F.3d 1022, 54 U.S.P.Q.2d (BNA) 1753 (9th Cir. 2000).

²⁴⁷ *Id.* at 1022, 54 U.S.P.Q.2d at 1753.

²⁴⁸ *Id.* at 1026, 54 U.S.P.Q.2d at 1756.

²⁴⁹ *Id.* at 1026–1027, 54 U.S.P.Q.2d at 1756.

²⁵⁰ *Id.* at 1027, 54 U.S.P.Q.2d at 1757.

²⁵¹ *Id.* at 1029, 54 U.S.P.Q.2d at 1758.

²⁵² *Id.*

²⁵³ *Id.*, 54 U.S.P.Q.2d at 1758.

²⁵⁴ 510 U.S. 569, 591–92 (1994). The Ninth Circuit briefly recognized this point but then proceeded to discuss what it termed as the comparative advertising's "de minimis" impact on the market for Sony's game console. See *Sony Computer Entm't Am., Inc. v. Bleem, LLC*, 214 F.3d 1022, 1029, 54 U.S.P.Q.2d 1753, 1758 (9th Cir. 2000).

²⁵⁵ 54 U.S.P.Q.2d (BNA) 1453 (C.D. Ca. 2000).

²⁵⁶ See *id.* at 1453.

more than necessary for the purpose of criticizing the manner in which the media covers current events.²⁵⁷ The court found, however, that defendants' subscribers could view the articles on plaintiffs' web pages and could pay the fee charged by plaintiffs for viewing archived articles.²⁵⁸ The court also found that verbatim copying was unnecessary to fulfill defendants' purpose, since most users commented on the substance of the articles, not on the articles themselves, and since defendants could have included a link to plaintiffs' web sites instead of a copy of the articles.²⁵⁹ On those grounds as well, the court found that defendants' copies were a market substitute for the original articles and thus that defendants had harmed the market for the copyrighted works.²⁶⁰

B. Subject Matter Jurisdiction

In *Bassett v. Mashantucket Pequot Tribe*,²⁶¹ the Second Circuit addressed not only the issue of tribal sovereign immunity, but also whether a claim arising out of a failed agreement lies primarily in contract or copyright. The district court in that case dismissed plaintiff's action on the additional grounds that plaintiff's copyright claims were "merely incidental" to her contract claims and therefore did not "arise under" federal law.²⁶² The Second Circuit overruled the district court on this issue.²⁶³

Pursuant to 28 U.S.C. § 1338(a), federal courts have exclusive, original jurisdiction "of any civil action arising under any Act of Congress relating to . . . copyrights."²⁶⁴ As the Second Circuit noted, however, not every complaint that refers to the Copyright Act "arises under" that law for purposes of Section 1338(a).²⁶⁵ As the court further noted, whether a complaint asserting factually related copyright and contract claims "arises under" the federal copyright laws for the purposes of Section 1338(a) "poses among the knottiest procedural problems in copyright jurisprudence."²⁶⁶ The issue typically is presented when the plaintiff licenses the defendant to exploit the plaintiff's copyright but alleges that the defendant forfeited the license by breaching the terms of the licensing contract and thus infringes in any further exploitation.

In order to determine whether such a suit "arises under" the Copyright Act, most courts follow the test enunciated by Judge Friendly in *T.B. Harms Co. v. Eliscu*.²⁶⁷ Synthesizing the Supreme court precedent, Judge Friendly concluded that a suit "arises under" the Copyright Act if:

THE FOLLOWING SHOULD BE INSET BLOCK QUOTE:

(1) "[T]he complaint is for a remedy expressly granted by the Act, e.g., a suit for infringement or for the statutory royalties for record reproduction . . . ;"

²⁵⁷ *Id.* at 1465.

²⁵⁸ *Id.*

²⁵⁹ *Id.* at 1470.

²⁶⁰ *Id.* at 1471.

²⁶¹ 204 F.3d 343, 53 U.S.P.Q.2d (BNA) 1865 (2d Cir. 2000).

²⁶² *Id.* at 347, 53 U.S.P.Q.2d at 1867.

²⁶³ *Id.*

²⁶⁴ *Id.* at 348, 53 U.S.P.Q.2d at 1868.

²⁶⁵ *Id.* at 347, 53 U.S.P.Q.2d at 1867.

²⁶⁶ *Id.*

²⁶⁷ 339 F.2d 823, 144 U.S.P.Q. 46 (2d Cir. 1964).

(2) “the complaint . . . asserts a claim requiring construction of the Act . . . ;” or, “perhaps more doubtfully,”

(3) “where a distinctive policy of the Act requires that federal principles control the disposition of the claim.”²⁶⁸

However, in the 1992 case of *Schoenberg v. Shapolsky Publishers, Inc.*,²⁶⁹ a Second Circuit panel suggested that in determining the existence of Section 1338 jurisdiction in cases alleging violations of the Copyright Act resulting from breach of contract, courts should look beyond plaintiff’s allegations as stated in the complaint and determine whether the claim for copyright remedies is in fact “merely incidental” to a determination of contract rights.²⁷⁰ In *Bassett*, the Second Circuit iterated that it would follow the *T.B. Harms* test.²⁷¹ In so holding, the court noted that the *Schoenberg* test might unduly deny a copyright plaintiff access to a federal forum, thus depriving the plaintiff the benefit of Copyright Act remedies, merely because the plaintiff’s meritorious copyright claim depends upon the showing of a contractual right.²⁷² The court noted further that the *Schoenberg* test is at odds with the well-established approach to federal question jurisdiction, pursuant to which jurisdiction is determined by ascertaining whether the plaintiff’s complaint asserts a right under federal law.²⁷³

C. Publication

*Estate of Martin Luther King Jr., Inc. v. CBS Inc.*²⁷⁴ arose from a CBS documentary that used, without the authorization of the Estate of Martin Luther King, portions of civil rights leader Dr. Martin Luther King’s famous “I Have a Dream” speech. The Northern District of Georgia granted summary judgment to CBS on the ground that Dr. King had engaged in a general publication of the speech, thereby placing it into the public domain.²⁷⁵ It held that King’s “performance coupled with such wide and unlimited reproduction and dissemination as occurred concomitant to Dr. King’s speech during the March on Washington can be seen only as a general publication which thrust the speech into the public domain.”²⁷⁶ The Eleventh Circuit reversed.²⁷⁷

Under the Copyright Act of 1909, a work entered the public domain if “published” without a copyright notice.²⁷⁸ In order to soften that rule, courts narrowed the definition of “publication” for purposes of determining whether an author’s work had

²⁶⁸ *Id.* at 828, 144 U.S.P.Q. at 51.

²⁶⁹ 971 F.2d 926, 23 U.S.P.Q.2d (BNA) 1831 (2d Cir. 1992).

²⁷⁰ *Id.* at 932–33, 23 U.S.P.Q.2d at 1836.

²⁷¹ *Basset v. Mashantucket Pequot Tribe*, 204 F.3d 343, 355, 53 U.S.P.Q.2d (BNA) 1865, 1874 (2d Cir. 2000).

²⁷² *Id.* at 352–53, 53 U.S.P.Q.2d at 1871–72.

²⁷³ *Id.* at 354–55, 53 U.S.P.Q.2d at 1872–73.

²⁷⁴ 194 F.3d 1211, 52 U.S.P.Q.2d 1656 (11th Cir. 1999).

²⁷⁵ *Estate of Martin Luther King, Jr., Inc. v. CBS, Inc.*, 13 F. Supp. 2d 1347, 47 U.S.P.Q.2d 1611 (N.D. Ga. 1998).

²⁷⁶ *Id.* at 1354, 47 U.S.P.Q.2d at 1617.

²⁷⁷ *Estate of Martin Luther King, Jr., Inc., v. CBS, Inc.*, 194 F.3d 1211, 52 U.S.P.Q.2d (BNA) 1656 (11th Cir. 1999).

²⁷⁸ *See id.* at 1214, 52 U.S.P.Q. at 1658.

been divested of copyright protection.²⁷⁹ First, as the Eleventh Circuit noted, courts held copyright divested only by a “general publication,” which occurred “when a work was made available to members of the public at large without regard to their identity or what they intended to do with the work.”²⁸⁰ Second, courts held that a general publication occurs only if tangible copies of the work are distributed to the general public in such a manner as allows the public to exercise dominion and control over the work or if the work is exhibited or displayed in such a manner as to permit unrestricted copying by the general public.²⁸¹ As a number of cases hold, the Eleventh Circuit emphasized, the public performance of a work did not constitute general publication even if the work was thereby viewed or heard by millions of people.²⁸² Moreover, distribution to the news media, as opposed to the general public, for the purpose of enabling the reporting of a contemporary newsworthy event, is only a limited, not a general, publication.²⁸³

Given those principles, the Eleventh Circuit held that CBS had not demonstrated beyond any genuine issue of material fact that King, simply through his oral delivery of the speech, had engaged in a general publication of the speech.²⁸⁴ In particular, the court emphasized, the district court erred in placing undue weight on the speech’s celebrity and newsworthiness.²⁸⁵ Those features, the Eleventh Circuit stated, are without significance in the general versus limited publication analysis.²⁸⁶ The basic rule, the court reiterated, is that neither public performance nor the release of copies to the media for contemporary news coverage constitutes general publication.²⁸⁷ It held that the facts that King’s speech was broadcast live to a nationwide radio and television audience and was the subject of extensive contemporaneous news coverage, and that copies of the speech were distributed to news media, do not justify deviation from that rule.²⁸⁸

D. Collective Works

In *Tasini v. New York Times Co.*,²⁸⁹ the Second Circuit reviewed the district court’s entry of a summary judgment in favor of plaintiff freelance writers, who had brought an action against a number of periodical publishers and electronic database proprietors for unauthorized distribution of plaintiffs’ articles in electronic databases. The parties agreed that plaintiffs hold the copyright in plaintiffs’ articles and defendant publishers hold the copyrights in the collective works making up the periodicals in which plaintiffs’ articles are included.²⁹⁰ At issue was the privilege accorded to owners of the copyright in collective works, under Section 201(c) of the Copyright Act, of “reproducing

²⁷⁹ See *id.* at 1214–15, 52 U.S.P.Q.2d at 1658.

²⁸⁰ *Id.* at 1215, 52 U.S.P.Q.2d at 1658 (citing *Brown v. Tabb*, 714 F.2d 1088, 1091, 220 USPQ 21, 23 (11th Cir. 1983)).

²⁸¹ *Id.* at 1215, 52 U.S.P.Q.2d at 1659.

²⁸² See *id.* at 1215–17, 52 U.S.P.Q.2d at 1658–59.

²⁸³ *Id.* at 1217, 52 U.S.P.Q.2d at 1660.

²⁸⁴ *Id.* at 1216–17, 52 U.S.P.Q.2d at 1660.

²⁸⁵ *Id.* at 1219–20, 52 U.S.P.Q.2d at 1662–63.

²⁸⁶ *Id.* at 1216, 52 U.S.P.Q.2d at 1660.

²⁸⁷ *Id.* at 1214–17, 52 U.S.P.Q.2d at 1658–63.

²⁸⁸ *Id.* at 1216–17, 52 U.S.P.Q.2d at 1660.

²⁸⁹ 206 F.3d 161, 54 U.S.P.Q.2d (BNA) 1032 (2d Cir. 2000).

²⁹⁰ *Id.* at 165, 54 U.S.P.Q.2d at 1034.

and distributing" the individual works in "any revision of that collective work."²⁹¹ Defendants argued, and the district court agreed, that making the articles available on the databases constitutes a revision of the individual periodicals, and thus defendants' licensing arrangements for inclusion of plaintiffs' articles in electronic databases were protected under Section 201(c).²⁹²

The Second Circuit reversed, holding that Section 201(c) does not permit defendants to license individually copyrighted works for inclusion in the electronic databases. It ruled that electronic databases are not a "revision" of the collective work embodied in the hard-copy periodical within the meaning of Section 201(c), and thus that the privilege does not apply.²⁹³ In so ruling, the court emphasized that "the permitted uses set forth in Section 201(c) are an exception to the general rule that copyright vests initially in the author of the individual contribution," and that "[r]eading 'revision of that collective work' as broadly as appellees suggest would cause the exception to swallow the rule."²⁹⁴

The Second Circuit's ruling will likely not be the last word on how Section 201(c) applies in the electronic context. The Supreme Court granted cert in *Tasini* just before this article went to press.²⁹⁵

E. Security Interests

In *In re World Auxiliary Power Co.*,²⁹⁶ defendant Silicon Valley Bank had sought to perfect its security interest in a copyright of the predecessor-in-interest to the bankruptcy trustee by filing a UCC-1 financing statement with the California Secretary of State in accordance with California law. Plaintiff, a successor-in-interest to assignees of the copyright, argued that the bank's attempt to perfect its security interest was ineffective. In so arguing, plaintiff relied on *In re Peregrine Entertainment, Ltd.*,²⁹⁷ which held that a security interest in copyright can be perfected only by recording the security interest as a copyright transfer in the U.S. Copyright Office and not by filing a UCC-1 financing statement in a state UCC Office.²⁹⁸ In so holding, the *Peregrine* court reasoned that the granting of a security interest in copyright falls within the definition of a copyright "transfer" under Section 101 of the Copyright Act²⁹⁹ and that Section 205(d) of the Copyright Act sets forth a comprehensive priority system for recorded and unrecorded transfers that preempts state law.³⁰⁰

In *World Auxiliary*, however, the Northern District of California ruled that, although *Peregrine* does not say so, it applies only to works that have been registered with the Copyright Office.³⁰¹ As a result, the *World Auxiliary* court held, *Peregrine* did

²⁹¹ 17 U.S.C. § 201(c).

²⁹² *Tasini*, 206 F.3d at 165, 54 U.S.P.Q.2d at 1035.

²⁹³ *Id.* at 167–68, 54 U.S.P.Q.2d at 1036–37.

²⁹⁴ *Id.* at 168, 54 U.S.P.Q.2d at 1037 (citing *Commissioner v. Clark*, 489 U.S. 726, 739 (1989)).

²⁹⁵ *New York Times Co. v. Tasini*, 2000 LEXIS 7321 (U.S. S. Ct. 2000).

²⁹⁶ 244 B.R. 149, 54 U.S.P.Q.2d (BNA)1329 (N.D. Cal. 1999).

²⁹⁷ 116 B.R. 194, 16 U.S.P.Q.2d (BNA) 1017 (C.D.Cal.1990).

²⁹⁸ *See World Auxiliary*, 244 B.R. at 151–52, 54 U.S.P.Q.2d at 1331.

²⁹⁹ *Peregrine*, 116 B.R. at 198–99, 16 U.S.P.Q.2d at 1019.

³⁰⁰ *Id.* at 205, 54 U.S.P.Q.2d 1024.

³⁰¹ *World Auxiliary*, 244 B.R. at 152, 54 U.S.P.Q.2d at 1331.

not govern Silicon Valley's security interest filing, which concerned an unregistered work.³⁰² In so holding, the court emphasized that the Copyright Act Section 205(d) priority system does not apply to unregistered works.³⁰³ As a result, the court reasoned, the Copyright Act priority scheme is comprehensive only with respect to registered works and does not preempt state law regarding security interest perfection and priority for unregistered works.³⁰⁴

Such a dual perfection system would not create undue burdens or inconsistency, the court insisted.³⁰⁵ For registered works, creditors can limit their search for prior security interests to the Copyright Office. If the Copyright Office search reveals that a work has not been registered, the creditor must then examine UCC filings.³⁰⁶

The *World Auxiliary* court's decision is not entirely convincing. It is not implausible that leaving holders of security interests in unregistered works with no possibility for perfecting those interests serves the overall federal policy of encouraging copyright registrations and a central filing system for copyright transfers.³⁰⁷ In addition, the decision leaves open the question of who has priority when a copyright owner registers the work subsequent to a state UCC filing and prior to or simultaneously with a Copyright Office recordation. Further, the *World Auxiliary* decision is of uncertain precedential force. As the court noted, two post-*Peregrine* bankruptcy courts have applied the *Peregrine* rule to unregistered copyrights.³⁰⁸ Indeed, one such decision was affirmed on appeal, and the appellate court described the *Peregrine* decision as "well reasoned" and rejected the argument that the Berne Convention's prohibition on imposing formalities as a condition to copyright protection renders invalid the Section 205(c) registration requirement with respect to unregistered foreign works.³⁰⁹

³⁰² *Id.* at 154, 54 U.S.P.Q.2d 1333.

³⁰³ *Id.*

³⁰⁴ *Id.*

³⁰⁵ *Id.* at 154–55, 54 U.S.P.Q.2d at 1333.

³⁰⁶ *Id.* at 155, 54 U.S.P.Q.2d at 1333.

³⁰⁷ Pursuant to the Berne Convention's prohibition of imposing such formalities, the Copyright Act does not require registration as a condition of copyright protection. See 17 U.S.C. § 408(a) (providing that "registration is not a condition of copyright protection"). However, owners of works of U.S. origin must register the work before filing suit for infringement. 17 U.S.C. § 411(a). Moreover, for all works, attorneys fees and statutory damages are available only if the work was registered prior to infringement (although published works enjoy a three-month grace period to register after first publication). 17 U.S.C. § 412.

Of possible interest—and contrast—the Ninth Circuit recently ruled that the existence of a filing system in the U.S. Patent and Trademark Office for recording assignments and security interests does not preempt state law regarding perfection of security interests in patents since (1) the Patent Act does not include security interests within any of its scope or definition provisions, (2) security interests in patents are not "assignments" governed by the Patent Act's mandatory recording provisions, (3) the PTO records security interests on discretionary basis and such recording does not provide constructive notice, and (4) the Patent Act is silent regarding rights of lien claimants with competing claims to patent. As a result, the court concluded, the Patent Act is insufficiently comprehensive to exclude state methods of perfecting security interests in patents. *In re Cybernetic Services Inc.*, 52 U.S.P.Q.2d (BNA) 1683 (Bankr. 9th Cir. 1999).

³⁰⁸ See *In re AEG Acquisition Corp.*, 127 B.R. 34 n.9 (Bankr. C.D. Cal. 1991), *aff'd*, 161 B.R. 50, 58 (Bankr. 9th Cir. 1993); *In re Avalon*, 209 B.R. 517 (Bankr. D. Ariz. 1997).

³⁰⁹ *In re AEG Acquisition Corp.*, 161 B.R. at 57–58.

F. Idea/Expression Dichotomy

In *Attia v. Society of the New York Hospital*,³¹⁰ the Second Circuit affirmed a summary judgment in favor of defendant architects on the grounds that defendants had copied at most unprotectable ideas from plaintiff's design.³¹¹ Plaintiff had prepared a series of architectural drawings and sketches, which, as the court granted, "undoubtedly contain creative ideas on how to extend New York Hospital over the F.D.R. Drive in a manner that would connect the Hospital's existing buildings with the new structure."³¹² The court also noted a similarity between plaintiff's plan and that of defendant architects and assumed for purposes of summary judgment that defendant had copied from plaintiff.³¹³ The court found, however, the plaintiff's copyrighted drawings were "highly preliminary and generalized" and described plaintiff's proposed design at a very general level of abstraction.³¹⁴ The court held that defendants' much more detailed and comprehensive schematic design drawings were, at most, similar to plaintiff's work in concept and idea, not protectable expression. In so holding, the court emphasized the fundamental axiom of copyright law that "if the exclusive rights of ownership extended to ideas, the result would be to retard rather than advance the progress of knowledge."³¹⁵

G. Joint Authorship

In *Aalmuhammed v. Lee*,³¹⁶ the Ninth Circuit affirmed the granting of a summary judgment for defendant and held that plaintiff had failed to establish a genuine issue of fact regarding his claim that he was a co-author of the Spike Lee film, *Malcolm X*.³¹⁷ As the court noted, the Copyright Act provides that for a work to be a "joint work," there must be (1) a copyrightable work, (2) two or more "authors," and (3) the authors must intend their contributions be merged into inseparable or interdependent parts of a unitary whole.³¹⁸ There is a split of authority regarding whether a person's contribution must be independently copyrightable expression, as opposed to uncopyrightable idea, in order for that person to qualify as a co-author.³¹⁹ Nevertheless, the *Aalmuhammed* court indicated that, in the Ninth Circuit, a person must make an "independently copyrightable contribution" in order to be considered a co-author.³²⁰ It held that even if, as was the case regarding plaintiff, a person makes an independently copyrightable contribution that the creators of a work intend to be merged into an inseparable part of a unitary whole, that person still will not qualify as a co-author unless he meets a further requirement of

³¹⁰ 201 F.3d 50, 53 U.S.P.Q.2d (BNA) 1253 (2d Cir. 1999).

³¹¹ *Id.* at 58, 53 U.S.P.Q.2d at 1258-59.

³¹² *Id.* at 55, 53 U.S.P.Q.2d at 1257.

³¹³ *Id.* at 53, 53 U.S.P.Q.2d at 1256.

³¹⁴ *Id.* at 55, 53 U.S.P.Q.2d at 1257.

³¹⁵ *Id.* at 54, 53 U.S.P.Q.2d at 1256.

³¹⁶ 202 F.3d 1227, 53 U.S.P.Q.2d (BNA) 1661 (9th Cir. 2000).

³¹⁷ *Id.* at 1236, 53 U.S.P.Q.2d at 1667.

³¹⁸ *Id.* at 1231, 53 U.S.P.Q.2d at 1663; *see also* 17 U.S.C. § 101 (definition of "joint work").

³¹⁹ *See* *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061, 1069-71, 29 U.S.P.Q.2d (BNA) 1347, 1351-54 (7th Cir. 1994); *Childress v. Taylor*, 945 F.2d 500, 506, 20 U.S.P.Q.2d (BNA) 1191, 1195 (2d Cir. 1991).

³²⁰ *Aalmuhammed*, 202 F.3d at 1232, 53 U.S.P.Q.2d at 1663-64 (citing *Ashton-Tate Corp. v. Ross*, 916 F.2d 516, 521, 16 U.S.P.Q.2d (BNA) 1541 (9th Cir. 1990)).

“authorship.”³²¹ Plaintiff, the court ruled, established that he contributed substantially to the film and that he contributed copyrightable expression intended to be merged as an inseparable part of the film, but not that he was one of the film’s “authors.”³²²

In order to be a co-author, the court held, a person must establish that there was an objective manifestation of common intent that he be deemed a co-author or, absent such agreement, must share in artistic control over production of the work.³²³ In a movie, this standard, “in the absence of a contract to the contrary, would generally limit authorship to someone at the top of the screen credits, sometimes the producer, sometimes the director, possibly the star, or the screenwriter--someone who has artistic control.”³²⁴ In so holding, the court opined that the Second and Seventh Circuits have in practical result, though not in express holding, reached a like conclusion.³²⁵ Those circuits have looked to artistic control as one indication of whether both parties intended that a person be deemed a co-author.³²⁶ In insisting that a co-author must, absent some other manifestation of intent, share artistic control, the court invoked much the same reasoning that other courts have given for requiring an independently copyright contribution rather than mere idea: the prevention of “claim-jumping” by those who lend authors advice or assistance.³²⁷ As the *Aamammed* court noted, absent protection against claims by research assistants, editors, former spouses, and the like, authors will be reluctant to seek advice or assistance, and creativity will suffer.³²⁸

H. Originality

In *CDN Inc. v. Kapes*,³²⁹ the Ninth Circuit ruled that the wholesale prices for coins that plaintiff CDN derived from various data constitute original, copyrightable expression.³³⁰ Plaintiff published the wholesale coin prices in its Coin Dealer Newsletter. Defendant stipulated to having copied plaintiff’s prices by inputting them into a computer program, which then determined the retail prices for the coins. Defendant posted the retail prices on his web site.³³¹

At issue was not whether plaintiff’s newsletter constitutes copyrightable expression, but whether the prices themselves are sufficiently original as compilations of the underlying data from which they were derived.³³² The court rightly noted that “[d]iscoverable facts, like ideas, are not copyrightable.”³³³ It emphasized, however that original compilations of facts are copyrightable, even where the underlying facts are

³²¹ *Id.*, 53 U.S.P.Q.2d at 1663.

³²² *Id.* at 1232–35, 53 U.S.P.Q.2d at 1664–66.

³²³ *Id.* at 1234, 53 U.S.P.Q.2d at 1666.

³²⁴ *Id.* at 1233, 53 U.S.P.Q.2d at 1665.

³²⁵ *Id.* (citing *Thomson v. Larson*, 147 F.3d 195, 47 U.S.P.Q.2d 1065 (2nd Cir. 1998); *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061, 29 U.S.P.Q.2d (BNA) 1347 (7th Cir. 1994); *Childress v. Taylor*, 945 F.2d 500, 20 U.S.P.Q.2d (BNA) 1191 (2d Cir. 1991)).

³²⁶ *Id.* at 1234, 53 U.S.P.Q.2d at 1665.

³²⁷ *See, e.g.*, *Childress v. Taylor*, 945 F.2d 500, 507, 20 U.S.P.Q.2d (BNA) 1191, 1196 (2d Cir. 1991)).

³²⁸ *Aalammed*, 202 F.3d at 1235–36, 53 U.S.P.Q.2d at 1667.

³²⁹ 197 F.3d 1256, 53 U.S.P.Q.2d (BNA) 1032 (9th Cir. 1999).

³³⁰ *Id.* at 1257, 53 U.S.P.Q.2d at 1033.

³³¹ *Id.*, 53 U.S.P.Q.2d at 1032.

³³² *Id.* at 1258, 53 U.S.P.Q.2d at 1034.

³³³ *Id.* at 1259, 53 U.S.P.Q.2d at 1034.

not.³³⁴ The court then held that CDN's prices reflect the modicum of creativity required for copyrightability.³³⁵ In so holding, it reasoned that plaintiff used considerable judgment and expertise in assessing a multitude of factors to arrive at plaintiff's estimation of each wholesale price.³³⁶ Reiterating the findings of the district court, the Ninth Circuit ruled that plaintiff's prices were thus "created, not discovered."³³⁷

Significantly, the court opined that its holding that the prices are copyrightable is consistent with that of the Second Circuit in *CCC Information Services, Inc. v. Maclean Hunter Market Reports*.³³⁸ In that case, however, the Second Circuit held copyrightable a compilation of projected used car valuations.³³⁹ Although the *CCC* court did refer to the judgment and creativity involved in determining the estimated valuations, it did not hold that the valuations were themselves compilations of underlying data.³⁴⁰ Rather, the Second Circuit emphasized plaintiff's creativity in the selection and arrangement of data as presented in plaintiff's compendium of projected used car values, including dividing the valuations into various regions, selecting the number of model years for each car to include, and the like.³⁴¹ In so doing, the Second Circuit applied the standard for originality—a modicum of creativity in selection and arrangement—pertinent to compilations that the Supreme Court set forth in *Feist Publications, Inc. v. Rural Telephone Services Co.*³⁴²

In contrast, the Ninth Circuit characterized each CDN price as a compilation of data.³⁴³ In so doing, it overlooked the fact that each such price is merely a number. Prices may be the end result of plaintiff's sorting and assessment of data, but the price itself is not a compendium of data manifesting selection and arrangement. Indeed, the Ninth Circuit undertook no analysis of originality in plaintiff's expressive product, except to say that plaintiff's prices were estimations, not fact.³⁴⁴ Rather, it seemed to find originality entirely in plaintiff's exercise of creativity and judgment in the *process* of creating that product.³⁴⁵ To the extent that it did so, the Ninth Circuit has pushed copyright in the direction of a general misappropriation statute (although it still insisted, as it must after *Feist*, that mere sweat of the brow is insufficient to give rise to copyrightability). As we shall see, the Ninth Circuit is not alone in this subtle transformation; the Israeli Supreme Court has made a similar move in the case of the Dead Sea Scrolls.

³³⁴ *Id.* (citing *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 344, 18 U.S.P.Q.2d (BNA) 1275 (1991)).

³³⁵ *Id.*

³³⁶ *Id.*

³³⁷ *Id.* at 1260, 53 U.S.P.Q.2d at 1034.

³³⁸ *Id.*, 53 U.S.P.Q.2d at 1035.

³³⁹ *See CCC Information Services, Inc. v. Maclean Hunter Market Reports*, 44 F.3d 61, 63, 33 U.S.P.Q.2d 1183, 1184 (2d Cir. 1994).

³⁴⁰ *See id.* at 67, 33 U.S.P.Q.2d at 1187–1188.

³⁴¹ *See id.* at 67–68, 33 U.S.P.Q.2d 1188.

³⁴² *See id.* at 66–67, 33 U.S.P.Q.2d at 1187–88.

³⁴³ *CDN*, 197 F.3d at 1260, 53 U.S.P.Q.2d at 1033.

³⁴⁴ *See id.*

³⁴⁵ *See id.*

V. INTERNATIONAL AND FOREIGN

A. Foreign Law in U.S Courts

Given the ongoing globalization of copyright markets, the questions of when U.S. courts may and ought to hear claims for infringement of foreign copyright laws and how U.S. courts should determine foreign copyright law have arisen, and will continue to arise, with increasing frequency. *Boosey & Hawkes Music Publishers Ltd. v. Walt Disney Co.*³⁴⁶ involved multiple claims of foreign copyright infringement brought against Disney by the assignee of the copyright in Igor Stravinsky's "The Rite of Spring." The action arises from Disney's transnational distribution and sale of videos of the Disney film, "Fantasia," which incorporates a substantial part of an orchestration of Stravinsky's composition.³⁴⁷

In a 1998 decision, the Second Circuit ruled that the extensive application of foreign copyright law did not, by itself, justify a dismissal for forum non conveniens, and that on balance, the Southern District of New York was a proper venue to hear the action.³⁴⁸ As a result, the district court must proceed to determine and apply the copyright law of each country in which Disney is alleged to have infringed.³⁴⁹ In its decision of February 2000, the district court ruled that it is not bound by the Federal Rules of Evidence in determining such issues of foreign law.³⁵⁰ It also held that on matters of standing and other procedural matters, it will be bound by the Federal Rules of Civil Procedure, not foreign law.³⁵¹

Rule 44.1 of the Federal Rules of Civil Procedure provides in relevant part: "The court, in determining foreign law, may consider any relevant material or source, including testimony, whether or not submitted by a party or admissible under the Federal Rules or Evidence. The court's determination shall be treated as a ruling on a question of law."³⁵² Based on those provisions, the district court declined to consider plaintiff's evidentiary objections to defendant's expert testimony regarding foreign law.³⁵³

At the same time, the court granted defendant's motion in limine to preclude plaintiff's evidence of moral rights damages at trial. Plaintiff asserted that the performance of "The Rite of Spring" in the Fantasia videos "is a substantial mutilation and distortion of Stravinsky's original work" and thus infringes on the author's moral right of integrity in the countries that recognize that right.³⁵⁴ The court held, however, that plaintiff has no standing to bring Stravinsky's moral rights claim.³⁵⁵ As the court

³⁴⁶ 53 U.S.P.Q.2d (BNA) 2021 (S.D.N.Y. 2000).

³⁴⁷ *Boosey & Hawkes Music Publishers Ltd. v. Walt Disney Co.*, 145 F.3d 481, 484, 46 U.S.P.Q.2d 1577, 1578 (2d Cir. 1998).

³⁴⁸ *Id.* at 492, 46 U.S.P.Q.2d at 1585 (2d Cir. 1998).

³⁴⁹ *Id.* at 491, 46 U.S.P.Q.2d at 1584.

³⁵⁰ *Boosey & Hawkes*, 53 U.S.P.Q.2d at 2022.

³⁵¹ *Id.* at 2022.

³⁵² FED. R. CIV. P. 44.1.

³⁵³ *Boosey & Hawkes*, 53 U.S.P.Q.2d at 2022..

³⁵⁴ *Id.* For a comparison of moral rights under U.S. and Continental law, see Neil Netanel, *Alienability Restrictions and the Enhancement of Author Autonomy in United States and Continental Copyright Law*, 12 CARDOZO ARTS & ENT. L.J. 1 (1994).

³⁵⁵ *Boosey & Hawkes*, 53 U.S.P.Q.2d at 2023.

noted, moral rights are personal to the author and non-assignable.³⁵⁶ As a result, only the author or his heirs, not plaintiff, the successor-in-interest to the author's economic exploitation rights, may assert a claim for infringement of the author's moral rights.³⁵⁷

The court also rejected plaintiff's argument that, in line with the purported practice in many countries, it could bring a moral rights claim as a representative of the author.³⁵⁸ Citing Rule 17(a) of the Federal Rules of Civil Procedure, the court stated that the rules governing real party in interest and standing to sue are rules of procedure.³⁵⁹ The court then reiterated the "well-settled conflict-of-laws rule that the forum will apply the foreign substantive law, but will follow its own rules of procedure."³⁶⁰ As a result, the court concluded, it would follow F.R.C.P. Rule 17(a) and decline to recognize plaintiff as a real party in interest in connection with Stravinsky's purported moral rights claim.³⁶¹

B. Subject Matter Jurisdiction; Extraterritorial Activity

United States courts do not have jurisdiction to hear claims involving infringements of foreign copyright law unless the action includes a related claim for infringement of U.S. copyright law or unless diversity jurisdiction requirements are met.³⁶² Nor does U.S. copyright law generally extend to acts occurring abroad that would constitute infringement if they took place within the United States.³⁶³ A number of cases tested the limits of these rules.

In *Armstrong v. Virgin Records*,³⁶⁴ plaintiff alleged that defendant's sound recording contained an infringing sample of plaintiff's recorded musical composition. Defendant contended that, given that its allegedly infringing act took place outside the United States, the court lacked subject matter jurisdiction to hear plaintiff's claim.³⁶⁵ The court ruled that plaintiff had presented an issue of fact as to whether defendant had facilitated the infringement of plaintiff's copyright in the United States.³⁶⁶ If the defendant had done so, the court noted, it could be liable for contributory infringement under the U.S. Copyright Act even if its acts of facilitation occurred entirely outside the United States.³⁶⁷ The court then held that it had subject matter jurisdiction to hear plaintiff's claim for infringement of foreign copyright law, both as pendent to plaintiff's U.S. Copyright Act claim (assuming plaintiff could show that he did in fact have a

³⁵⁶ *Id.*

³⁵⁷ *Id.*

³⁵⁸ *Id.*

³⁵⁹ *Id.*

³⁶⁰ *Id.* (quoting *Bournias v. Atlantic Maritime Co.*, 220 F.2d 152, 154 (2d Cir. 1955)).

³⁶¹ *Id.*

³⁶² 28 U.S.C. §§ 1332 (diversity jurisdiction), 1367 (supplemental jurisdiction). *But see* 3 NIMMER & NIMMER, *supra* note 106, § 17.03 (contending that since copyright is a transitory cause of action, state courts in the United States have jurisdiction to hear claims of foreign copyright infringement).

³⁶³ *See Allarcom Pay Television, Ltd. v. General Instrument Corp.*, 69 F.3d 381, 36 USPQ2d 1654 (9th Cir. 1995).

³⁶⁴ 91 F. Supp. 2d 628, 54 U.S.P.Q.2d (BNA) 1539 (S.D.N.Y. 2000).

³⁶⁵ *Id.* at 630, 54 U.S.P.Q.2d at 1541.

³⁶⁶ *Id.* at 636, 54 U.S.P.Q.2d at 1545.

³⁶⁷ *Id.*

contributory infringement claim under the U.S. Copyright Act) and because the requirements for diversity jurisdiction were satisfied.³⁶⁸

In *National Football League v. TVRadioNow Corp.*,³⁶⁹ defendant operated the iCraveTV.com website, through which it streamed plaintiffs' copyrighted television programming. Defendant asserted that its alleged improper acts took place entirely in Canada, since its website server was located in Canada and the site was intended only for Canadian viewers. As a result, defendant contended, the court lacked subject matter jurisdiction to hear plaintiff's claim.³⁷⁰

The Western District of Pennsylvania rejected defendant's assertion, given evidence that U.S. residents could in fact access the website.³⁷¹ As a result, the court held, defendant's allegedly infringing public performance took place within the United States, thus giving rise to a claim for infringement under the U.S. Copyright Act.³⁷² Thus, the court ruled, it had subject matter jurisdiction to hear the action.³⁷³

*National Football League v. PrimeTime 24*³⁷⁴ presented a mirror image of the facts in *TVRadioNow*. In this case, defendant captured plaintiff's U.S. broadcast signals in the U.S. and then retransmitted them to Canada. The Second Circuit rejected defendant's argument that because its signals were received only in Canada, it could not have infringed the U.S. Copyright Act. The court held that a public performance or display includes "each step in the process by which a protected work wends its way to a public audience,"³⁷⁵ including defendant's uplink transmission of signals captured in the United States.³⁷⁶ In so holding, the Second Circuit discussed with approval the decision of the Seventh Circuit in *WGN Continental Broad. Co. v. United Video*,³⁷⁷ holding that an intermediate carrier had publicly performed copyrighted television signals by capturing them, altering them, and transmitting them to cable television stations. The Second Circuit explicitly rejected the contrary approach of the Ninth Circuit, which held in *Allarcom Pay Television Ltd. v. General Instrument Corp.*,³⁷⁸ that copyright infringement does not occur until the broadcast signal is received by the viewing public.³⁷⁹

While each might be correct on its facts, taken together, the two *National Football League* decisions propound a quite expansive view of U.S. territorial jurisdiction. The decisions suggest that the U.S. Copyright Act applies to both transmissions from the United States to other countries and to content originating in other countries but transmitted to or otherwise accessible from the United States. In copyright as well as other areas of the law, U.S. courts follow a presumption against extraterritorial application of U.S. law absent express Congressional intent to the contrary, in large part

³⁶⁸ *Id.* at 637–38, 54 U.S.P.Q.2d at 1546.

³⁶⁹ 53 U.S.P.Q.2d (BNA) 1831 (W.D. Pa. 2000) (consolidated with *Twentieth Century Fox Film Corp. v. iCraveTV*).

³⁷⁰ *Id.* at 1834.

³⁷¹ *Id.*

³⁷² *Id.* at 1834–35 (citing *Los Angeles News Service v. Conus Communications Company*, 969 F.Supp. 579 (C.D. Cal. 1997)).

³⁷³ *Id.*

³⁷⁴ 211 F.3d 10 (2d Cir. 2000).

³⁷⁵ *Id.* at 12.

³⁷⁶ *Id.* at 13.

³⁷⁷ 693 F.2d 622, 624–25 (7th Cir. 1982).

³⁷⁸ 69 F.3d 381, 387 (9th Cir. 1995).

³⁷⁹ *National Football League*, 211 F.3d at 13.

because of principles of comity, a desire to prevent clashes with the laws of other nations.³⁸⁰ If broadly construed, the *National Football League* rulings may well stand in tension with that presumption and those concerns.

C. TRIPS

In *United States – Section 110(5) of the U.S. Copyright Act*,³⁸¹ a World Trade Organization dispute settlement panel ruled that the U.S. Fairness in Music Licensing Act of 1998 violates the Agreement on Trade-Related Aspects of Intellectual Property (“TRIPS”).³⁸² The panel also ruled that the so-called “homestyle” exemption to the public performance right set forth in Section 110(5)(A) of the Copyright Act is consistent with the United States’ TRIPS obligations.³⁸³ The United States did not appeal the panel decision. Accordingly, it must amend its copyright law in accordance with the panel decision or face the imposition of trade sanctions. TRIPS requires that the copyright law of all WTO member countries comport with the substantive provisions of the Paris Act of the Berne Convention for the Protection of Literary and Artistic Works³⁸⁴ (except for those regarding moral rights) as well as with additional standards for copyright protection and enforcement set forth in TRIPS.³⁸⁵ Berne Convention Article 11*bis*(1) provides that authors shall have the exclusive right to broadcast their works. Article 11*bis*(1)(iii) provides that authors shall have the exclusive right of authorizing “the public communication by loudspeaker or any other analogous instrument transmitting, by signs, sounds or images, the broadcast of the work.” Berne Convention Article 11(1)(ii) provides, more generally, that authors shall have an exclusive right of public performance.

As part of the public performance right, the U.S. Copyright Act similarly accords copyright owners the exclusive right of authorizing secondary public performances of broadcasted works by loudspeaker, radio, television, or any other device through which the broadcast can be heard or viewed by the public. For that reason, as a general rule, restaurants and stores cannot play music over the radio without authorization of the owners of the musical works included in the broadcast. Since the Copyright Act Revision of 1976, however, the Act has provided for a homestyle exemption in connection with that right. As set forth in Section 110(5) of the Copyright Act, the communication of a transmission embodying a performance of a work “by the public reception of the transmission on a single receiving apparatus of a kind commonly used in

³⁸⁰ See *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088, 1095-98, 30 U.S.P.Q.2d (BNA) 1746 (9th Cir. 1994) (citing *EEOC v. Arabian American Oil Co. (Aramco)*, 499 U.S. 244 (1991)).

³⁸¹ Report of the W.T.O. Panel, *United States—Section 110(5) of the U.S. Copyright Act*, WT/DS160/R (June 15, 2000), 2000 WL 816081. See also *United States—Section 110(5) of the U.S. Copyright Act*, WT/DS160/8 (July 31, 2000), 2000 WL 1126746 (adopting the report of the W.T.O. Panel).

³⁸² TRIPS came into effect on January 1, 1995, as part of the agreement that established the WTO and substantially revamped the General Agreement on Tariffs and Trade (“GATT”). See *Agreement on Trade-Related Aspects of Intellectual Property Rights*, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization [hereinafter WTO Agreement], Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31; 33 I.L.M. 81 (1994) [hereinafter TRIPS].

³⁸³ See Report of the W.T.O. Panel, *supra* note 381, at 64.

³⁸⁴ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, *as last revised* July 24, 1971, S. TREATY DOC. NO. 99-27 (1986), 828 U.N.T.S. 221 [hereinafter Berne Convention].

³⁸⁵ See TRIPS, *supra* note 382, art. 9(1).

private home” does not infringe the public performance right so long as no charge is made to see or hear the transmission and the transmission is not further transmitted to the public.³⁸⁶ With respect to nondramatic musical works, the Fairness in Music Licensing Act expanded the single home-style apparatus portion of the Section 110(5) exemption.³⁸⁷ The Act provides a blanket exemption for any food or drinking establishment of less than 3,750 gross square feet and any other business establishments of less than 2,000 gross square feet.³⁸⁸ It also extends the exemption to larger establishments so long as audio performances are communicated by not more than six loudspeakers (of which not more than four may be in any one room) and the visual portion of audiovisual performances are communicated by not more than four audiovisual devices (of which not more than one may be in any one room and none may have a diagonal screen size greater than 55 inches).³⁸⁹

The Berne Convention contains no explicit exceptions to Articles 11*bis*(1)(iii) and 11(1)(ii). Nevertheless, the United States argued that its Section 110(5) exemptions fall within the parameters of the implied “minor exceptions” to those Articles.³⁹⁰ The panel agreed with the United States that, in incorporating the substantive provisions of the Berne Convention, TRIPS incorporates not only Berne’s express provisions, but also implied exceptions that are part of the Berne *acquis*, as evidenced by state practice, agreements of Berne member states, and other factors relevant to interpreting the Convention.³⁹¹ The panel held, however, that any express or implied exceptions or limitations to authors’ rights recognized under Berne must comport with Article 13 of TRIPS.³⁹²

TRIPS Article 13 requires that limitations and exceptions to exclusive rights (1) be confined to certain special cases, (2) do not conflict with a normal exploitation of the work, and (3) do not unreasonably prejudice the legitimate interests of the right holder.³⁹³ The panel determined that the homestyle exception meets this three-part test but that the expanded exemption under the Fairness in Music Licensing Act does not. The panel found that the expanded exemption was insufficiently limited, given that it would exempt a substantial majority of all eating and drinking establishments and close to half of all retail establishments.³⁹⁴ Following upon this finding, the panel found the exemption failed to meet any of the requirements of TRIPS Article 13.³⁹⁵

³⁸⁶ 17 U.S.C. § 110(5)(A).

³⁸⁷ Fairness In Music Licensing Act of 1998, Pub. L. No. 105-298, 202-205, 112 Stat. 2827, 2830–2834 (codified at 17 U.S.C. §§ 110, 512).

³⁸⁸ 17 U.S.C. § 110(5)(B).

³⁸⁹ *Id.*

³⁹⁰ See Report of the W.T.O. Panel, *supra* note 381, at 8.

³⁹¹ *Id.* at paras. 6.47–6.55, 6.60–6.66.

³⁹² *Id.* at para. 6.94.

³⁹³ TRIPS, *supra* note 382, art. 13.

³⁹⁴ *Id.* at para. 6.133.

³⁹⁵ *Id.* at paras. 6.133 (special case), 6.211 (normal exploitation), 6.266 (legitimate interests of the rights holder).

D. Dead Sea Scrolls

In *Shanks v. Kimron*,³⁹⁶ the Israeli Supreme Court held that a scholar's reconstructed portion of the Dead Sea Scrolls is that scholar's original work, protected by copyright.³⁹⁷ Plaintiff Kimron had worked for eleven years piecing together parchment fragments of a portion of the 2000-year old Dead Sea Scrolls. Kimron's final product reflected his judgment regarding the order of those fragments and included passages that he added to fill in gaps in the available text. Defendants reproduced Kimron's reconstruction verbatim in a book entitled "Facsimile Edition of the Dead Sea Scrolls."³⁹⁸

Defendants argued that Kimron's reconstruction, while a product of significant skill, knowledge, and labor, is not an original work and thus cannot be protected by copyright. They contended, in particular, that the passages that Kimron added were not his original creation, but rather missing portions of the ancient text that he had "discovered" through application of his scholarly expertise.³⁹⁹ The Israeli Supreme Court rejected defendants' argument. In so ruling, the Court applied Israeli copyright law,⁴⁰⁰ which, like U.S. copyright law, requires a modicum of creativity, rather than mere sweat of the brow, for a work to qualify as original, and thus copyrightable, subject matter. The court found that Kimron's reconstruction was not merely a product of his labor, but rather "the fruit of a process in which Kimron used his knowledge, expertise, and imagination, and in which he exercised his discretion in choosing between different alternatives."⁴⁰¹ Accordingly, even if Kimron intended to reconstruct the exact wording of the public domain text, and even if he might have succeeded in doing so, Kimron's reconstruction still constitutes an original work for purposes of copyright law.

The court also rejected defendants' contention that to grant Kimron a copyright in his reconstruction would effectively give him a monopoly in the public domain text.⁴⁰² The court stated that all are free to study and copy the ancient text fragments and to create reconstructed versions that do not copy Kimron's.⁴⁰³

³⁹⁶ Civil Appeal Nos. 2790/93, 2811/93 (Israel S. Ct. 2000) (as yet unpublished opinion, on file with author)

³⁹⁷ *Id.* at 14-15.

³⁹⁸ *Id.* at 3.

³⁹⁹ *Id.* at 5-6.

⁴⁰⁰ The district court had held that U.S. law governed the question of copyrightability and infringement since the acts of infringement occurred in the United States, but nevertheless applied Israeli copyright law on the evidentiary presumption that, absent evidence to the contrary, it is the essential equivalent of U.S. copyright law. *Kimron v. Shanks*, (1993) 69 (3) P.M. 10, 21-22 (District Court of Jerusalem). The Supreme court found that a number of copies of defendants' book had been sold in Israel and thus applied Israeli copyright law directly. *Shanks*, at 6-7.

⁴⁰¹ *Id.* at 14 (my translation).

⁴⁰² *Id.* at 15-16.

⁴⁰³ *Id.*