

COPYRIGHT IN A GLOBAL INFORMATION ECONOMY

2017 Case Supplement

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Chapter 2. Requirements for Copyright Protection

A. The Elements of Copyrightable Subject Matter

Page 78. At the end of Note 2, add the following:

3. Section 102 provides that copyright protection is available for “original works of authorship.” What, exactly, constitutes a work of authorship? While section § contains a list of types of works that are protectable, is there a particular quantum of content that something must have to qualify as a work? Consider, for example, a single scene in a movie; the movie can be protected, but is the scene, itself, a separate work of authorship? How about a particular actor’s performance in that scene? The Ninth Circuit addressed the latter issue in a case involving the assertion of copyright in a five-second performance contained in a 14-minute motion picture. *Garcia v. Google, Inc.*, 786 F.3d 733 (9th Cir. 2015) (en banc). The Copyright Office had rejected an actress’ attempt to register copyright in her performance, explaining that its “longstanding practices do not allow a copyright claim by an individual actor or actress in his or her performance contained within a motion picture.” *Id.* at 741. Instead, the Copyright Office viewed the motion picture as a single integrated work. *Id.* The Ninth Circuit agreed, reasoning that “treating every acting performance as an independent work would not only be a logistical and financial nightmare, it would turn cast of thousands into a new mantra: copyright of thousands.” *Id.* at 742.

B. Two Special Cases: Derivative Works and Compilations

Page 136. At the end of Note 3, add the following:

4. Remember that while compilations are eligible for copyright protection, the compilation must meet the requirements for copyrightability, including the negative requirement of section 102(b) that “in no case does copyright protection . . . extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery . . .” Keeping that principle in mind, is a sequence of physical exercises a copyrightable compilation?

Relying on the idea/expression distinction, the Ninth Circuit rejected an assertion of copyright in a sequence of yoga poses, on the ground that the sequence was an uncopyrightable process or system. *Bikram’s Yoga Coll. of India, L.P. v. Evolation Yoga, LLC*, 803 F.3d 1032 (9th Cir. 2015). The court rejected the plaintiff’s argument that the sequence of poses was, at least in part, beautiful and aesthetically pleasing:

the beauty of the process does not permit one who describes it to gain, through copyright, the monopolistic power to exclude all others from practicing it. This is true even where, as here, the process was conceived with at least some aesthetic considerations in mind.

Id. at 1040. In addressing whether the selection and arrangement of the poses made the sequence a copyrightable compilation, the court reasoned that even though the plaintiff “could have chosen from ‘hundreds of postures’ and ‘countless arrangements of these postures,’” the sequence of poses that the plaintiff had selected were still a system or process and thus the sequence was not eligible for copyright protection. *Id.* at 1042.

Chapter 4. Form Versus Function: Useful Articles, Architectural Works, and Software

A. Useful Articles with Pictorial, Graphic, and Sculptural Dimensions

Pages 180-92. Replace the material on these pages with the following:

2. Defining Useful Articles and Determining Separability

Congress sought to codify the holding of *Mazer* in the 1976 Act. The definition of “pictorial, graphic, and sculptural works” states, in part:

Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.

17 U.S.C. §101. A “useful article,” in turn, is “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” *Id.*

Thus, Congress subjected pictorial, graphic, and sculptural elements of useful articles to an “extra” test of copyrightability beyond originality and fixation: that of separability. Why? What is the separability test intended to do? In an attempt to provide some guidance on these questions, the House Report noted:

The Committee has added language to the definition of “pictorial, graphic, and sculptural works” in an effort to make clearer the distinction between works of applied art protectable under the bill and industrial designs not subject to copyright protection.
...

In adopting this amendatory language, the Committee is seeking to draw as clear a line as possible between copyrightable works of applied art and uncopyrightable works of industrial design. A two-dimensional painting, drawing, or graphic work is still capable of being identified as such when it is printed on or applied to utilitarian articles such as textile fabrics, wallpaper, containers, and the like. The same is true when a statue or carving is used to embellish an industrial product or, as in the *Mazer* case, is incorporated into a product without losing its ability to exist independently as a work of art. On the other hand, although the shape of an industrial product may be aesthetically satisfying and valuable, the Committee’s intention is not to offer it copyright protection under the bill. Unless the shape of an automobile, airplane, ladies’ dress, food processor, television set, or any other industrial product contains some element that, physically or conceptually, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted under the bill. The test of separability and independence from “the utilitarian aspects of the article” does not depend upon the

nature of the design — that is, even if the appearance of an article is determined by esthetic (as opposed to functional) considerations, only elements, if any, which can be identified separately from the useful article as such are copyrightable. And, even if the three-dimensional design contains some such element (for example, a carving on the back of a chair or a floral relief design on silver flatware), copyright protection would extend only to that element, and would not cover the over-all configuration of the utilitarian article as such.

H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 54-55 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5667-68.

Applying the statutory definitions has proved troublesome in practice, with cases requiring courts to make difficult line-drawing decisions between an artifact's utilitarian function and its design. In 2017, the Supreme Court rendered an opinion, reproduced in part below, that swept aside decades of cases in which the lower courts had struggled to provide a workable test for identifying the copyrightability of elements of useful articles. Read the case, identify the Supreme Court's test, and consider whether it provides appropriate and useful guidance for the lower courts.

Star Athletica, L.L.C. v. Varsity Brands, Inc.

137 S. Ct. 1002 (2017)

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

We granted certiorari to resolve widespread disagreement over the proper test for implementing §101's separate-identification and independent-existence requirements. . .

I

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

Petitioner Star Athletica, L.L.C., also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs. The District Court entered summary judgment for petitioner on respondents' copyright claims on the ground that the designs did not qualify as protectable pictorial, graphic, or sculptural works. It reasoned that the designs served the useful, or “utilitarian,” function of identifying the garments as “cheerleading uniforms” and therefore could not

be “physically or conceptually” separated under §101 “from the utilitarian function” of the uniform.



[Images from Court’s opinion]

The Court of Appeals for the Sixth Circuit reversed. In its view, the “graphic designs” were “separately identifiable” because the designs “and a blank cheerleading uniform can appear ‘side by side’—one as a graphic design, and one as a cheerleading uniform.” *Id.*, at 491 (quoting Compendium of U. S. Copyright Office Practices §924.2(B) (3d ed. 2014) (Compendium)). And it determined that the designs were “capable of existing independently” because they could be incorporated onto the surface of different types of garments, or hung on the wall and framed as art. . . .

II . . .

The Copyright Act . . . establishes a special rule for copyrighting a pictorial, graphic, or sculptural work incorporated into a “useful article,” which is defined as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” [17 U.S.C. 101.] The statute does not protect useful articles as such. Rather, “the design of a useful article” is “considered a pictorial, graphical, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” *Ibid.*

Courts, the Copyright Office, and commentators have described the analysis undertaken to determine whether a feature can be separately identified from, and exist independently of, a useful article as “separability.” In this case, our task is to determine whether the arrangements of lines, chevrons, and colorful shapes appearing on the surface of respondents’ cheerleading uniforms are eligible for copyright protection as separable features of the design of those cheerleading uniforms.

A

As an initial matter, we must address whether separability analysis is necessary in this case.

1

Respondents argue that “[s]eparability is only implicated when a [pictorial, graphic, or sculptural] work is the ‘design of a useful article.’” They contend that the surface decorations in this case are “two-dimensional graphic designs that appear on

useful articles,” but are not themselves designs *of* useful articles. Consequently, the surface decorations are protected two-dimensional works of graphic art without regard to any separability analysis under §101. Under this theory, two-dimensional artistic features on the surface of useful articles are “inherently separable.”

This argument is inconsistent with the text of §101. The statute requires separability analysis for any “pictorial, graphic, or sculptural features” incorporated into the “design of a useful article.” “Design” refers here to “the combination” of “details” or “features” that “go to make up” the useful article. 3 Oxford English Dictionary 244 (def. 7, first listing) (1933) (OED). Furthermore, the words “pictorial” and “graphic” include, in this context, two-dimensional features such as pictures, paintings, or drawings. See 4 *id.*, at 359 (defining “[g]raphic” to mean “[o]f or pertaining to drawing or painting”); 7 *id.*, at 830 (defining “[p]ictorial” to mean “of or pertaining to painting or drawing”). And the statute expressly defines “[p]ictorial, graphical, and sculptural works” to include “two-dimensional . . . works of . . . art.” §101. The statute thus provides that the “design of a useful article” can include two-dimensional “pictorial” and “graphic” features, and separability analysis applies to those features just as it does to three-dimensional “sculptural” features. . . .

B

We must now decide when a feature incorporated into a useful article “can be identified separately from” and is “capable of existing independently of” “the utilitarian aspects” of the article. This is not a free-ranging search for the best copyright policy, but rather “depends solely on statutory interpretation.” *Mazer v. Stein*, 347 U. S. 201, 214 (1954). . . .

1

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

The independent-existence requirement is ordinarily more difficult to satisfy. The decisionmaker must determine that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article. See 2 OED 88 (def. 5) (defining “[c]apable” of as “[h]aving the needful capacity, power, or fitness for”). In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in §101 once it is imagined apart from the useful article. If the feature is not capable of existing as a pictorial, graphic, or sculptural work once separated from the useful article, then it was not a pictorial, graphic, or sculptural feature of that article, but rather one of its utilitarian aspects.

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

be copyrightable, it would not give rise to any rights in the useful article that inspired it.

2

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

3 . . .

. . . Consistent with *Mazer*, the approach we outline today interprets §§101 and 113 in a way that would afford copyright protection to the statuette in *Mazer* regardless of whether it was first created as a standalone sculptural work or as the base of the lamp. See 347 U. S., at 218–219.

C

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

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

The dissent argues that the designs are not separable because imaginatively removing them from the uniforms and placing them in some other medium of

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

expression—a canvas, for example—would create “pictures of cheerleader uniforms.” Petitioner similarly argues that the decorations cannot be copyrighted because, even when extracted from the useful article, they retain the outline of a cheerleading uniform.

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

To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art fixed in the tangible medium of the uniform fabric. Even if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear. They may prohibit only the reproduction of the surface designs in any tangible medium of expression—a uniform or otherwise.²

D

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

1

Petitioner first argues that our reading of the statute is missing an important step. It contends that a feature may exist independently only if it can stand alone as a copyrightable work *and* if the useful article from which it was extracted would remain equally useful. In other words, copyright extends only to “solely artistic” features of useful articles. According to petitioner, if a feature of a useful article “advance[s] the utility of the article,” then it is categorically beyond the scope of copyright. The designs here are not protected, it argues, because they are necessary to two of the uniforms’ “inherent,

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

essential, or natural functions”— identifying the wearer as a cheerleader and enhancing the wearer’s physical appearance. Because the uniforms would not be equally useful without the designs, petitioner contends that the designs are inseparable from the “utilitarian aspects” of the uniform.

The Government raises a similar argument, although it reaches a different result. It suggests that the appropriate test is whether the useful article with the artistic feature removed would “remain *similarly* useful.” In the view of the United States, however, a plain white cheerleading uniform is “similarly useful” to uniforms with respondents’ designs.

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

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

Petitioner’s argument follows from its flawed view that the statute protects only “solely artistic” features that have no effect whatsoever on a useful article’s utilitarian function. This view is inconsistent with the statutory text. The statute expressly protects two- and three-dimensional “applied art.” §101. “Applied art” is art “employed in the decoration, design, or execution of useful objects,” Webster’s Third New International Dictionary 105 (1976) (emphasis added), or “those arts or crafts that have a *primarily utilitarian function*, or . . . the designs and decorations used in these arts,” Random House Dictionary 73 (1966) (emphasis added); see also 1 OED 576 (2d ed. 1989) (defining “applied” as “[p]ut to practical use”). An artistic feature that would be eligible for copyright protection on its own cannot lose that protection simply because it was first created as a feature of the design of a useful article, even if it makes that article more useful.

Indeed, this has been the rule since *Mazer*. In holding that the statuette was protected, the Court emphasized that the 1909 Act abandoned any “distinctions between purely aesthetic articles and useful works of art.” 347 U. S., at 211. Congress did not enact such a distinction in the 1976 Act. Were we to accept petitioner’s argument that the only protectable features are those that play absolutely no role in an article’s function, we would effectively abrogate the rule of *Mazer* and read “applied art” out of the statute.

Because we reject the view that a useful article must remain after the artistic feature has been imaginatively separated from the article, we necessarily abandon the distinction between “physical” and “conceptual” separability, which some courts and commentators have adopted based on the Copyright Act’s legislative history. See H. R. Rep. No. 94–1476, p. 55 (1976). . . .

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

2

Petitioner next argues that we should incorporate two “objective” components, into our test to provide guidance to the lower courts: (1) “whether the design elements can be identified as reflecting the designer’s artistic judgment exercised independently of functional influence,” and (2) whether “there is [a] substantial likelihood that the pictorial, graphic, or sculptural feature would still be marketable to some significant segment of the community without its utilitarian function.”

We reject this argument because neither consideration is grounded in the text of the statute. The first would require the decisionmaker to consider evidence of the creator’s design methods, purposes, and reasons. The statute’s text makes clear, however, that our inquiry is limited to how the article and feature are perceived, not how or why they were designed.

The same is true of marketability. Nothing in the statute suggests that copyrightability depends on market surveys. Moreover, asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act. See *Bleistein v. Donaldson Lithographing Co.*, 188 U. S. 239, 251 (1903).

3

Finally, petitioner argues that allowing the surface decorations to qualify as a “work of authorship” is inconsistent with Congress’ intent to entirely exclude industrial design from copyright. Petitioner notes that Congress refused to pass a provision that would have provided limited copyright protection for industrial designs, including clothing, when it enacted the 1976 Act and that it has enacted laws protecting designs for specific useful articles—semiconductor chips and boat hulls, see 17 U. S. C. §§901–914, 1301–1332— while declining to enact other industrial design statutes. From this history of failed legislation petitioner reasons that Congress intends to channel intellectual property claims for industrial design into design patents. It therefore urges us to approach this question with a presumption against copyrightability.

We do not share petitioner’s concern. As an initial matter, “[c]ongressional inaction lacks persuasive significance” in most circumstances. *Pension Benefit Guaranty Corporation v. LTV Corp.*, 496 U. S. 633, 650 (1990) (internal quotation marks omitted). Moreover, we have long held that design patent and copyright are not mutually exclusive. See *Mazer*, 347 U. S., at 217. Congress has provided for limited copyright protection for certain features of industrial design, and approaching the statute with presumptive hostility toward protection for industrial design would

undermine Congress' choice. In any event, as explained above, our test does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection.

III

We hold that an artistic feature of the design of a useful article is eligible for copyright protection if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article. Because the designs on the surface of respondents' cheerleading uniforms in this case satisfy these requirements, the judgment of the Court of Appeals is affirmed.

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

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

I

The relevant statutory provision says that the "design of a useful article" is copyrightable "only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." *Ibid*. But what, we must ask, do the words "identified separately" mean? Just when is a design separate from the "utilitarian aspect of the [useful] article?" The most direct, helpful aspect of the Court's opinion answers this question by stating:

"Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it."

Exactly so. These words help explain the Court's statement that a copyrightable work of art must be "perceived as a two- or three-dimensional work of art separate from the useful article." They help clarify the concept of separateness. They are consistent with Congress' own expressed intent. 17 U. S. C. §101; H. R. Rep. No. 94-1476, pp. 55, 105 (1976) (H. R. Rep.). And they reflect long held views of the Copyright Office. See Compendium of U. S. Copyright Office Practices §924.2(B) (3d ed. 2014), online at <http://www.copyright.gov/comp3/docs/compendium.pdf> (as last visited Mar. 7, 2017) (Compendium).

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

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

These words suggest two exercises, one physical, one mental. Can the design features (the picture, the graphic, the sculpture) be physically removed from the article (and considered separately), all the while leaving the fully functioning utilitarian object in place? If not, can one nonetheless conceive of the design features separately without replicating a picture of the utilitarian object? If the answer to either of these questions is “yes,” then the design is eligible for copyright protection. Otherwise, it is not. The abstract nature of these questions makes them sound difficult to apply. But with the Court’s words in mind, the difficulty tends to disappear.

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

Now suppose there is no long brass rod; instead the cat sits in the middle of the base and the wires run up through the cat to the bulbs. The cat is not physically separate from the lamp, as the reality of the lamp’s construction is such that an effort to physically separate the cat and lamp will destroy both cat and lamp. The two are integrated into a single functional object, like the similar configuration of the ballet dancer statuettes that formed the lamp bases at issue in *Mazer v. Stein*, 347 U. S. 201 (1954). But we can easily imagine the cat on its own, as did Congress when conceptualizing the ballet dancer. See H. R. Rep., at 55 (the statuette in *Mazer* was “incorporated into a product without losing its ability to exist independently as a work of art”). In doing so, we do not create a mental picture of a lamp (or, in the Court’s words, a “replica” of the lamp), which is a useful article. We simply perceive the cat separately, as a small cat figurine that could be a copyrightable design work standing alone that does not replicate the

APPENDIX TO OPINION OF BREYER, J.



Fig. 1



Fig. 2

lamp. Hence the cat is *conceptually separate* from the utilitarian article that is the lamp.
...

Case law, particularly case law that Congress and the Copyright Office have considered, reflects the same approach. Congress cited examples of copyrightable design works, including “a carving on the back of a chair” and “a floral relief design on silver flatware.” H. R. Rep., at 55. Copyright Office guidance on copyrightable designs in useful articles include “an engraving on a vase,” “[a]rtwork printed on a t-shirt,” “[a] colorful pattern decorating the surface of a shopping bag,” “[a] drawing on the surface of wallpaper,” and “[a] floral relief decorating the handle of a spoon.” Compendium §924.2(B). Courts have found copyrightable matter in a plaster ballet dancer statuette encasing the lamp’s electric cords and forming its base, see *Mazer, supra*, as well as carvings engraved onto furniture and designs on laminated floor tiles.

By way of contrast, Van Gogh’s painting of a pair of old shoes, though beautifully executed and copyrightable as a painting, would not qualify for a shoe design copyright. 17 U. S. C. §§113(a)–(b). Courts have similarly denied copyright protection to objects that begin as three-dimensional designs, such as measuring spoons shaped like heart-tipped arrows, candleholders shaped like sailboats, and wire spokes on a wheel cover. None of these designs could qualify for copyright protection that would prevent others from selling spoons, candleholders, or wheel covers with the same design. Why not? Because in each case the design is not separable from the utilitarian aspects of the object to which it relates. The designs cannot be physically separated because they themselves make up the shape of the spoon, candleholders, or wheelcovers of which they are a part. And spoons, candleholders, and wheel covers are useful objects, as are the old shoes depicted in Van Gogh’s painting. More importantly, one cannot easily imagine or otherwise conceptualize the design of the spoons or the candleholders or the shoes *without that picture, or image, or replica being a picture of spoons, or candleholders, or wheel covers, or shoes*. The designs necessarily bring along the underlying utilitarian object. Hence each design is not conceptually separable from the physical useful object.

The upshot is that one could copyright the floral design on a soup spoon but one could not copyright the shape of the spoon itself, no matter how beautiful, artistic, or esthetically pleasing that shape might be: A picture of the shape of the spoon is also a picture of a spoon; the picture of a floral design is not. See Compendium §924.2(B).

To repeat: A separable design feature must be “capable of existing independently” of the useful article as a separate artistic work that is not itself the useful article. If the claimed feature could be extracted without replicating the useful article of which it is a part, and the result would be a copyrightable artistic work standing alone, then there is a separable design. But if extracting the claimed features would necessarily bring along the underlying useful article, the design is not separable from the useful article. In many or most cases, to decide whether a design or artistic feature of a useful article is conceptually separate from the article itself, it is enough to imagine the feature on its

APPENDIX TO OPINION OF BREYER, J.

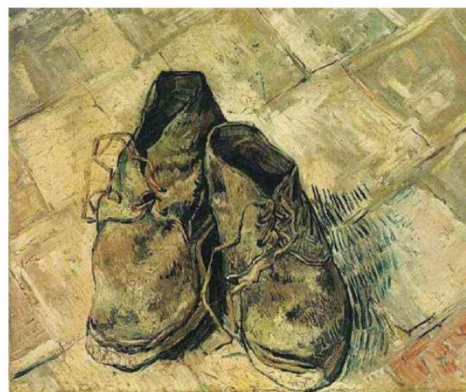


Fig. 3: Vincent Van Gogh, “Shoes”

own and ask, “Have I created a picture of a (useful part of a) useful article?” If so, the design is not separable from the useful article. If not, it is.

In referring to imagined pictures and the like, I am not speaking technically. I am simply trying to explain an intuitive idea of what separation is about, as well as how I understand the majority’s opinion. So understood, the opinion puts design copyrights in their rightful place. The law has long recognized that drawings or photographs of real world objects are copyrightable as drawings or photographs, but the copyright does not give protection against others making the underlying useful objects. See, *e.g.*, *Burrow-Giles Lithographic Co. v. Sarony*, 111 U. S. 53 (1884). That is why a copyright on Van Gogh’s painting would prevent others from reproducing that painting, but it would not prevent others from reproducing and selling the comfortable old shoes that the painting depicts. Indeed, the purpose of §113(b) was to ensure that “copyright in a pictorial, graphic, or sculptural work, portraying a useful article as such, does not extend to the manufacture of the useful article itself.” H. R. Rep., at 105.

II

To ask this kind of simple question—does the design picture the useful article?—will not provide an answer in every case, for there will be cases where it is difficult to say whether a picture of the design is, or is not, also a picture of the useful article. But the question will avoid courts focusing primarily upon what I believe is an unhelpful feature of the inquiry, namely, whether the design can be imagined as a “two- or three-dimensional work of art.” That is because virtually any industrial design can be thought of separately as a “work of art”: Just imagine a frame surrounding the design, or its being placed in a gallery. Consider Marcel Duchamp’s “ready-mades” series, the functional mass-produced objects he designated as art. What is there in the world that, viewed through an esthetic lens, cannot be seen as a good, bad, or indifferent work of art? What design features could not be imaginatively reproduced on a painter’s canvas? Indeed, great industrial design may well include design that is inseparable from the useful article—where, as Frank Lloyd Wright put it, “form and function are one.” F. Wright, *An Autobiography* 146 (1943) (reprint 2005). Where they are one, the designer may be able to obtain 15 years of protection through a design patent. 35 U. S. C. §§171, 173. But, if they are one, Congress did not intend a century or more of copyright protection. . . .

APPENDIX TO OPINION OF BREYER, J.



Fig. 4: Marcel Duchamp, “In Advance of the Broken Arm”

IV

If we ask the “separateness” question correctly, the answer here is not difficult to find. . . . Can the design features in Varsity’s pictures exist separately from the utilitarian aspects of a dress? Can we extract those features as copyrightable design works standing alone, without bringing along, via picture or design, the dresses of which they constitute a part? . . .

Were I to accept the majority’s invitation to “imaginatively remov[e]” the chevrons and stripes *as they are arranged* on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a “painter’s canvas,” *ante*, at 10, that painting would be of a cheerleader’s dress. The esthetic elements on which Varsity seeks

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

[Varsity] has . . . claimed ownership of the particular “treatment and arrangement” of the chevrons and lines of the design as they appear at the neckline, waist, skirt, sleeves, and overall cut of each uniform. The majority imagines that Varsity submitted something different—that is, only the surface decorations of chevrons and stripes, as in a textile design. As the majority sees it, Varsity’s copyright claim would be the same had it submitted a plain rectangular space depicting chevrons and stripes, like swaths from a bolt of fabric. But considered on their own, the simple stripes are plainly unoriginal. Varsity, then, seeks to do indirectly what it cannot do directly: bring along the design and cut of the dresses by seeking to protect surface decorations whose “treatment and arrangement” are *coextensive with that design and cut*. As Varsity would have it, it would prevent its competitors from making useful three-dimensional cheerleader uniforms by submitting plainly unoriginal chevrons and stripes as cut and arranged on a useful article. But with that cut and arrangement, the resulting pictures on which Varsity seeks protection do not simply depict designs. They depict clothing. They depict the useful articles of which the designs are inextricable parts. And Varsity cannot obtain copyright protection that would give them the power to prevent others from making those useful uniforms, any more than Van Gogh can copyright comfortable old shoes by painting their likeness.

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

With respect, I dissent.

NOTES AND QUESTIONS

1. What does the Court identify as the “ultimate separability question”? What is the analysis a court is to use in answering that question?

2. The Court rejected a test that would have asked, essentially, whether the separable pictorial, graphic, or sculptural elements were marketable as art because it thought such a test ran afoul of the *Bleistein* aesthetic non-discrimination doctrine that you encountered in Chapter 2.A.2.a of the casebook. Is the test the Court adopts consistent with a policy of aesthetic non-discrimination? In his dissent Justice Breyer claims that his analysis of the separability question avoids asking whether something is “art.” Does it? Is it possible to analyze conceptual separability without making some determination concerning what is, and what is not, art? Professor Alfred Yen has argued that it is not. See Alfred C. Yen, *Copyright Opinions and Aesthetic Theory*, 71 S. Cal. L. Rev. 247 (1998). He argues that judges would be better served by being conscious of the problem of “subjective censorship” and purposefully being more open-minded to alternate aesthetic sensibilities about what constitutes art. *Id.* at 300-01. Do you agree?

3. In footnote 1 of *Star Athletica*, the Court clarifies that it is not ruling on whether the separable graphic elements of the cheerleader uniforms are sufficiently original to qualify for protection. Justice Breyer also refers to the “plainly unoriginal chevrons and stripes.” Do plaintiff’s separable pictorial, graphic, or sculptural features meet the originality requirement, stated in *Feist*? Does the dissent in *Star Athletica* essentially recommend a higher standard of originality for separable pictorial, graphic, or sculptural features?

4. Remember that the threshold determination of whether something is a “useful article” is important, because something that is not a “useful article” need not be subjected to a separability analysis. Review the definition of “useful article” in §101 and then consider whether the following would qualify:

- a. A collection of blank forms in a personal organizer
- b. A Statue of Liberty foam novelty hat
- c. A slipper shaped like a bear foot

5. What significance did the Court place on the text of §113(a)? Examine §113(b)-(c) now. Why do you think those limitations are in the statute?

COMPARATIVE PERSPECTIVE

Some jurisdictions have experimented with a heightened standard of originality for industrial designs. For example, for many years German copyright law required that works of applied art significantly exceed the ordinary standard of creativity. German courts justified the heightened standard for copyright protection on the basis that protection of registered designs could be obtained for the applied arts (see discussion of industrial design protection laws on page 195 of the casebook). That changed in 2013. Bundesgerichtshof [BGH] [German Federal Supreme Court], November 13, 2013, I ZR 143/12 – Geburtstagszug (Birthday Train) (lowering the originality requirement for applied art to match that for other copyrighted works).

Practice Exercise: Advocacy

Comic book publisher DC Comics has sued Mark Towle, the owner-operator of Gotham Garage, a business that customizes cars to resemble famous television and movie vehicles. The complaint alleges that Towle and Gotham Garage have been producing and selling vehicle modification kits based on the design of the Batmobile that appeared in television shows and films based on the original Batman comic. Defendant has filed a motion to dismiss arguing that the Batmobile is a useful article and that the features in question are not copyrightable. You represent DC Comics. Prepare an outline of the arguments that you will make in opposition to the motion and draft your argument headings.



Towle Modified Vehicle



The Original Batmobile

C. Computer Software

Pages 239-40. In the Notes and Questions, insert new Question 7:

7. The Federal Circuit's *Oracle v. Google* decision appears to have prompted a number of other lawsuits between firms asserting copyright in software APIs. See Jonathan Band, *Software Copyright Litigation after Oracle v. Google*, TechDirt, Jan. 12, 2017, <https://www.techdirt.com/articles/20170110/22025936457/software-copyright-litigation-after-oracle-v-google.shtml>. As Band describes, plaintiffs in two of those cases also have asserted patent claims, presumably to ensure Federal Circuit jurisdiction over likely appeals. Meanwhile, the litigation between Oracle and Google continues. After

remand, the question of fair use was submitted to a jury, which rendered a unanimous verdict for Google. After the district court denied Oracle's motion to set aside the verdict, Oracle appealed, and the case is before the Federal Circuit again. You will learn about the fair use doctrine and its application to software interoperability in Chapter 10.

Chapter 5. The Reproduction Right and the Right to Prepare Derivative Works

C. Fictional Characters and the Reproduction and Derivative Work Rights

Page 335. *The following case may be used as a supplement or as an alternative to Warner Brothers Entertainment v. X One X Productions.*

DC Comics v. Towle

802 F.3d 1012 (9th Cir. 2015)

IKUTA, C.J.: DC Comics (DC) is the publisher and copyright owner of comic books featuring the story of the world-famous character, Batman. Since his first comic book appearance in 1939, the Caped Crusader has protected Gotham City from villains with the help of his sidekick Robin the Boy Wonder, his utility belt, and of course, the Batmobile.

. . . [T]he Batmobile is a fictional, high-tech automobile that Batman employs as his primary mode of transportation. The Batmobile has varied in appearance over the years, but its name and key characteristics as Batman's personal crime-fighting vehicle have remained consistent. Over the past eight decades, the comic books have continually depicted the Batmobile as possessing bat-like external features, ready to leap into action to assist Batman in his fight against Gotham's most dangerous villains, and equipped with futuristic weaponry and technology

Since its creation in the comic books, the Batmobile has also been depicted in numerous television programs and motion pictures. Two of these depictions are relevant to this case: the 1966 television series *Batman*, starring Adam West, and the 1989 motion picture *BATMAN*, starring Michael Keaton.

The 1966 *Batman* television series was the product of a licensing agreement between DC's predecessor, National Periodical Publications, Inc. (National Periodical) and the American Broadcasting Company (ABC). . . . Under this agreement, ABC . . . produced the 1966 television show In addition to Batman, Robin, and the use of visual onomatopoeia that flashed on screen during fight scenes . . . the television series featured the Batmobile. The design of the Batmobile did not directly copy any iterations of the Batmobile as it appeared in the comic books. As in the comic books, however, the Batmobile in the 1966 television show maintained a bat-like appearance and was equipped with state-of-the-art weaponry and technology.

In 1979, DC again licensed its rights in the Batman literary property . . . to Batman Productions, Inc. (BPI). . . .

BPI subsequently sub-licensed its rights to Warner Bros., Inc., who eventually . . . produced the 1989 motion picture *BATMAN*. . . . Like the 1966 television series, the 1989

motion picture featured a Batmobile that was physically distinct from the Batmobile portrayed in the comic books and the 1966 television series. Nonetheless, the Batmobile as portrayed in the motion picture retained a bat-like physical appearance and was again equipped with futuristic technology and crime-fighting weaponry.

Defendant Mark Towle produces replicas of the Batmobile as it appeared in both the 1966 television show and 1989 motion picture as part of his business at Gotham Garage, where he manufactures and sells replicas of automobiles featured in motion pictures or television programs. Towle concedes that these replicas copy the designs of the Batmobile as depicted on television and in the motion picture, though they do not copy every feature. Towle then sells these vehicles for approximately \$90,000 to “avid car collectors” who “know the entire history of the Batmobile.” Towle also sells kits that allow customers to modify their cars to look like the Batmobile, as it appeared in the 1966 television show and the 1989 motion picture. . . .

In May 2011, DC filed this action against Towle, alleging, among other things . . . copyright infringement . . . arising from Towle’s manufacture and sale of the Batmobile replicas. Towle . . . claimed that the Batmobile as it appeared in the 1966 television show and 1989 motion picture was not subject to copyright protection. . . . The parties subsequently filed cross motions for partial summary judgment

. . . [T]he district court granted in part and denied in part DC’s motion for summary judgment, and denied Towle’s cross motion for summary judgment. *DC Comics v. Towle*, 989 F.Supp.2d 948 (C.D.Cal.2013). . . .

After the district court issued its decision, the parties entered into a joint stipulation in which they agreed that the district court would enter a judgment against Towle on DC’s copyright infringement and other claims. . . . The district court entered a judgment consistent with this stipulation on February 22, 2013, and Towle timely appealed. . . .

II. A

We begin with the question whether the Batmobile, as it appears in the comic books, television series, and motion picture, is entitled to copyright protection. . . .

Courts have recognized that copyright protection extends not only to an original work as a whole, but also to “sufficiently distinctive” elements, like comic book characters, contained within the work. *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1224 (9th Cir.2008). Although comic book characters are not listed in the Copyright Act, we have long held that such characters are afforded copyright protection. *See Walt Disney Productions v. Air Pirates*, 581 F.2d 751 (9th Cir.1978). . . .

Not every comic book, television, or motion picture character is entitled to copyright protection. We have held that copyright protection is available only “for characters that are especially distinctive.” *Halicki*, 547 F.3d at 1224. To meet this standard, a character must be “sufficiently delineated” and display “consistent, widely identifiable traits.” *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170 (9th Cir.2003) (citing *Toho Co., Ltd. v. William Morrow & Co., Inc.*, 33 F.Supp.2d 1206, 1215 (C.D.Cal.1998) (*Godzilla*)). . . .

We have previously determined that an automotive character can be copyrightable. *See Halicki*, 547 F.3d at 1224. . . .

As indicated in *Halicki*, a character may be protectable if it has distinctive character traits and attributes, even if the character does not maintain the same physical appearance in every context. As the Eighth Circuit has recognized, “the presence of distinctive qualities apart from visual appearance can diminish or even negate the need for consistent visual appearance.” *Warner Bros. Entm’t, Inc. v. X One X Prods.*, 644 F.3d 584, 599 n. 8 (8th Cir.2011). . . .

Similarly, district courts have determined that James Bond, Batman, and Godzilla are characters protected by copyright, despite their changes in appearance. In each instance, courts have deemed the persistence of a character’s traits and attributes to be key to determining whether the character qualifies for copyright protection. The character “James Bond” qualifies for copyright protection because, no matter what the actor who portrays this character looks like, James Bond always maintains his “cold-bloodedness; his overt sexuality; his love of martinis ‘shaken, not stirred;’ his marksmanship; his ‘license to kill’ and use of guns; his physical strength; [and] his sophistication.” *Metro-Goldwyn-Mayer [v. Am. Honda Motor Co.]*, 900 F.Supp. [1287] at 1296. Similarly, while the character “Godzilla” may have a different appearance from time to time, it is entitled to copyright protection because it “is always a pre-historic, fire-breathing, gigantic dinosaur alive and well in the modern world.” *Toho Co.*, 33 F.Supp.2d at 1216. In short, although James Bond’s, Godzilla’s, and Batman’s “costume and character have evolved over the years, [they have] retained unique, protectable characteristics” and are therefore entitled to copyright protection as characters. *Sapon [v. DC Comics]*, 2002 WL 485730, at *3–4.

We read these precedents as establishing a three-part test for determining whether a character in a comic book, television program, or motion picture is entitled to copyright protection. First, the character must generally have “physical as well as conceptual qualities.” *Air Pirates*, 581 F.2d at 755. Second, the character must be “sufficiently delineated” to be recognizable as the same character whenever it appears. *See Rice*, 330 F.3d at 1175. Considering the character as it has appeared in different productions, it must display consistent, identifiable character traits and attributes, although the character need not have a consistent appearance. *See Halicki*, 547 F.3d at 1224. Third, the character must be “especially distinctive” and “contain some unique elements of expression.” *Halicki*, 547 F.3d at 1224. It cannot be a stock character such as a magician in standard magician garb. *Rice [v. Fox Broadcasting Co.]*, 330 F.3d 1170 [at 1175 [9th Cir. 2003]]. Even when a character lacks sentient attributes and does not speak (like a car), it can be a protectable character if it meets this standard. *Halicki*, 547 F.3d at 1224.

We now apply this framework to this case. . . . First, because the Batmobile has appeared graphically in comic books, and as a three-dimensional car in television series and motion pictures, it has “physical as well as conceptual qualities,” and is thus not a mere literary character. *Air Pirates*, 581 F.2d at 755.

Second, the Batmobile is “sufficiently delineated” to be recognizable as the same character whenever it appears. *See Rice*, 330 F.3d at 1175. As the district court determined, the Batmobile has maintained distinct physical and conceptual qualities since its first appearance in the comic books in 1941. In addition to its status as “a highly-interactive vehicle, equipped with high-tech gadgets and weaponry used to aid Batman in fighting crime,” the Batmobile is almost always bat-like in appearance, with a bat-themed front end, bat wings extending from the top or back of the car, exaggerated fenders, a

curved windshield, and bat emblems on the vehicle. This bat-like appearance has been a consistent theme throughout the comic books, television series, and motion picture, even though the precise nature of the bat-like characteristics have changed from time to time.

The Batmobile also has consistent character traits and attributes. No matter its specific physical appearance, the Batmobile is a “crime-fighting” car with sleek and powerful characteristics that allow Batman to maneuver quickly while he fights villains. In the comic books, the Batmobile is described as waiting “[l]ike an impatient steed straining at the reins ... shiver[ing] as its super-charged motor throbs with energy” before it “tears after the fleeing hoodlums” an instant later. Elsewhere, the Batmobile “leaps away and tears up the street like a cyclone,” and at one point “twin jets of flame flash out with thunderclap force, and the miracle car of the dynamic duo literally flies through the air!” Like its comic book counterpart, the Batmobile depicted in both the 1966 television series and the 1989 motion picture possesses “jet engine[s]” and flame-shooting tubes that undoubtedly give the Batmobile far more power than an ordinary car. Furthermore, the Batmobile has an ability to maneuver that far exceeds that of an ordinary car. In the 1966 television series, the Batmobile can perform an “emergency bat turn” via reverse thrust rockets. Likewise, in the 1989 motion picture, the Batmobile can enter “Batmissile” mode, in which the Batmobile sheds “all material outside [the] central fuselage” and reconfigures its “wheels and axles to fit through narrow openings.”

Equally important, the Batmobile always contains the most up-to-date weaponry and technology. At various points in the comic book, the Batmobile contains a “hot-line phone ... directly to Commissioner Gordon’s office” maintained within the dashboard compartment, a “special alarm” that foils the Joker’s attempt to steal the Batmobile, and even a complete “mobile crime lab” within the vehicle. Likewise, the Batmobile in the 1966 television series possesses a “Bing–Bong warning bell,” a mobile Bat-phone, a “Batscope, complete with [a] TV-like viewing screen on the dash,” and a “Bat-ray.” Similarly, the Batmobile in the 1989 motion picture is equipped with a “pair of forward-facing Browning machine guns,” “spherical bombs,” “chassis-mounted shinbreakers,” and “side-mounted disc launchers.”

Because the Batmobile, as it appears in the comic books as well as in the 1966 television show and 1989 motion picture, displays “consistent, identifiable character traits and attributes,” the second prong of the character analysis is met here.

Third, the Batmobile is “especially distinctive” and contains unique elements of expression. In addition to its status as Batman’s loyal bat-themed sidekick complete with the character traits and physical characteristics described above, the Batmobile also has its unique and highly recognizable name. It is not merely a stock character.

Accordingly, applying our three-part test, we conclude that the Batmobile is a character that qualifies for copyright protection.

Towle raises two arguments against this conclusion. First, he points out that the Batmobile has at times appeared without its signature sleek “bat-like” features. He notes that in a 1988 comic book rendition, the Batmobile appears as a heavily armored tank with large tires and a rocket launcher. The Batmobile portrayed in the 1989 motion picture could also transform into a Batmissile. As we have noted, however, a consistent appearance is not as significant in our analysis as consistent character traits and attributes. The changes in appearance cited by Towle resemble costume changes that do

not alter the Batmobile's innate characteristics, any more than James Bond's change from blue swimming trunks (in *Casino Royale*) to his classic tuxedo affects his iconic character. In context, the depictions of the Batmobile as a tank or missile promote its character as Batman's crime-fighting super car that can adapt to new situations as may be necessary to help Batman vanquish Gotham City's most notorious evildoers. See *Halicki*, 547 F.3d at 1224–25.

Second, Towle argues that a jury should decide the question whether the Batmobile displayed unique elements of expression and consistent, widely identifiable traits. We disagree. We have previously recognized that “[w]hether a particular work is subject to copyright protection is a mixed question of fact and law subject to de novo review.” *Societe Civile Succession Guino v. Renoir*, 549 F.3d 1182, 1185 (9th Cir.2008). Neither party disputes the relevant facts regarding the Batmobile here. Accordingly, we are well-equipped to determine whether, as a matter of law, these undisputed facts establish that the Batmobile is an “especially distinctive” character entitled to copyright protection. . . .

IV

As Batman so sagely told Robin, “In our well-ordered society, protection of private property is essential.” *Batman: The Penguin Goes Straight*, (Greenway Productions television broadcast March 23, 1966). Here, we conclude that the Batmobile character is the property of DC, and Towle infringed upon DC's property rights when he produced unauthorized derivative works of the Batmobile as it appeared in the 1966 television show and the 1989 motion picture. Accordingly, we affirm the district court.

NOTES AND QUESTIONS

1. Under what §102 category of work is the Batmobile copyrightable? Is it a literary work? A pictorial or graphic work? Does it matter? What arguments would you make to counter the court's assertion that the Batmobile is copyrightable “as a matter of law”? In *Garcia v. Google, Inc.*, 786 F.3d 733 (9th Cir. 2015) (en banc), the court endorsed the Copyright Office's longstanding practice of denying copyright to an actor or actress for his or her performance embodied in a motion picture, reasoning that the copyright subsists in the motion picture as a single integrated work. If a performance in a motion picture is ineligible for separate copyright, why is the Batmobile eligible?

2. Do you agree with the court that the Batmobile is a character just as much as James Bond? Review the characteristics of the Batmobile that the court identifies as consistent and sufficiently distinctive. How different is the Batmobile from modes of transportation used by other super heroes? Is the “especially distinctive” standard a higher threshold than that of originality? Is it a different standard altogether?

3. As you learned in Chapter 4, copyright protection for useful articles, architectural works and computer software is subject to certain limits. Should copyright protection for characters be subject to any limits and, if so, what should those limits be?

Chapter 6. The Right of Distribution, Public Performance, and Public Display

A. Distribution of Copies

Page 352. *At the end of Note 1, add the following:*

In February, 2016, the Register of Copyrights issued a report that stated:

While some courts have failed to find distribution in the absence of evidence of completed transfers, and therefore declined to recognize claims based solely on making copies available to the public for download, the Copyright Office concludes that the appropriate reading of Section 106(3) in the context of making available claims is that it covers offers of access.

The Making Available Right in the United States: A Report of the Register of Copyrights 4 (February 2016). http://copyright.gov/docs/making_available/making-available-right.pdf. Given the reasoning of *Capital Records*, what do you make of the Register's statement?

Page 406. *Add to the end of current Note and Question 1:*

The Digital Millennium Copyright Act (DMCA), which you will study in Chapter 14, provides protection against circumvention of measures applied by copyright owners to prevent copying of their digital content. Thus, decrypting a DVD to allow filtering of objectionable content, even where done to engage in an activity expressly permitted by §110(11), may trigger a claim under the DMCA. *See, e.g., Disney Enters. Inc. et al v. VidAngel Inc.*, No. 2:16-cv-04109 - AB (PLAx), 2016 U.S. Dist. LEXIS 183152 (C.D. Cal. Dec. 12, 2016).

Chapter 7. Copyright in Musical Works and Sound Recordings

B. Reproduction, Public Distribution, and Derivative Works

Page 416. In the Notes and Questions, insert the following:

2. Review Question 4 on p. 89 of the casebook, which discusses whether a photograph of a public domain painting contains any copyrightable originality, and Section 2.B.1 of the casebook, pp. 110-20, which discusses the standard for copyrightability of derivative works. The process of music production requires choices that are comparable in some respects to the choices that photographers make about matters such as lighting and exposure. Should the choices made by sound engineers in the process of remastering a sound recording—e.g., tempo changes, adjustments in sound equalization, and so on—be understood as creating a copyrightable derivative work? Does it matter if the original recording was a pre-1972 recording ineligible for federal copyright protection? *See ABS Entm't v. CBS Corp.*, No. CV 15-6257 PA (AGRx), 2016 U.S. Dist. LEXIS 71470 (C.D. Cal. May 30, 2016) (holding as a matter of law that remastered recordings created post-1972 were original derivative works and that defendant had not infringed plaintiff's state law copyrights by broadcasting remastered recordings that it had been licensed to prepare), *appeal filed*, No. 16-55917 (9th Cir. June 29, 2016).

C. Sampling

Page 419. Replace Chapter 7.C with the following:

In certain musical genres, such as rap, hip hop, and dubstep, “sampling” is a common practice. Sampling involves digitally copying and remixing sounds from previously recorded albums. As you now know, this practice may implicate two copyrights. When should sampling require the permission of the musical work copyright owner? When should it require the permission of the sound recording copyright owner?

VMG Salsoul, LLC v. Ciccone 2016 WL 3090780 (9th Cir. June 2, 2016)

GRABER, J.:

In the early 1990s, pop star Madonna Louise Ciccone, commonly known by her first name only, released the song *Vogue* to great commercial success. In this copyright infringement action, Plaintiff VMG Salsoul, LLC, alleges that the producer of *Vogue*, Shep Pettibone, copied a 0.23-second segment of horns from an earlier song, known as *Love Break*, and used a modified version of that snippet when recording *Vogue*. Plaintiff asserts that Defendants Madonna, Pettibone, and others thereby violated Plaintiff's copyrights to *Love Break*. . . .

FACTUAL AND PROCEDURAL HISTORY

Because this case comes to us on appeal from a grant of summary judgment to Defendants, we recount the facts in the light most favorable to Plaintiff.

In the early 1980s, Pettibone recorded the song *Ooh I Love It (Love Break)*, which we refer to as *Love Break*. In 1990, Madonna and Pettibone recorded the song *Vogue*, which would become a mega-hit dance song after its release on Madonna's albums. Plaintiff alleges that, when recording *Vogue*, Pettibone "sampled" certain sounds from the recording of *Love Break* and added those sounds to *Vogue*. "Sampling" in this context means the actual physical copying of sounds from an existing recording for use in a new recording, even if accomplished with slight modifications such as changes to pitch or tempo. See *Newton v. Diamond*, 388 F.3d 1189, 1192 (9th Cir. 2004).

Plaintiff asserts that it holds copyrights to the composition and to the sound recording of *Love Break*. Plaintiff argues that . . . [w]hen creating two commercial versions of *Vogue*, Pettibone sampled a "horn hit" from *Love Break*, violating Plaintiff's copyrights to both the composition and the sound recording of *Love Break*.

The horn hit appears in *Love Break* in two forms. A "single" horn hit in *Love Break* consists of a quarter-note chord comprised of four notes—E-flat, A, D, and F—in the key of B-flat. The single horn hit lasts for 0.23 seconds. A "double" horn hit in *Love Break* consists of an eighth-note chord of those same notes, followed immediately by a quarter-note chord of the same notes. Plaintiff's expert identified the instruments as "predominantly" trombones and trumpets.

The alleged source of the sampling is the "instrumental" version of *Love Break*, which lasts 7 minutes and 46 seconds. The single horn hit occurs 27 times, and the double horn hit occurs 23 times. The horn hits occur at intervals of approximately 2 to 4 seconds in two different segments: between 3:11 and 4:38, and from 7:01 to the end, at 7:46. The general pattern is single-double repeated, double-single repeated, single-single-double repeated, and double-single repeated. Many other instruments are playing at the same time as the horns.

The horn hit in *Vogue* appears in the same two forms as in *Love Break*: single and double. A "single" horn hit in *Vogue* consists of a quarter-note chord comprised of four notes—E, A-sharp, D-sharp, and F-sharp—in the key of B-natural.³ A double horn hit in *Vogue* consists of an eighth-note chord of those same notes, followed immediately by a quarter-note chord of the same notes.

The two commercial versions of *Vogue* that Plaintiff challenges are known as the "radio edit" version and the "compilation" version. The radio edit version of *Vogue* lasts 4 minutes and 53 seconds. The single horn hit occurs once, the double horn hit occurs three times, and a "breakdown" version of the horn hit occurs once.⁴ They occur at 0:56, 1:02, 3:41, 4:05, and 4:18. The pattern is single-double-double-double-breakdown. As with *Love Break*, many other instruments are playing at the same time as the horns.

The compilation version of *Vogue* lasts 5 minutes and 17 seconds. The single horn hit occurs once, and the double horn hit occurs five times. They occur at 1:14, 1:20, 3:59,

³ In musical terms, assuming that the composition was copied, Pettibone "transposed" the horn hit in *Love Break* by one-half step, resulting in notes that are half a step higher in *Vogue*.

⁴ The record does not appear to disclose the meaning of a "breakdown" version of the horn hit, and neither party attributes any significance to this form of the horn hit.

4:24, 4:40, and 4:57. The pattern is single-double-double-double-double-double. Again, many other instruments are playing as well.

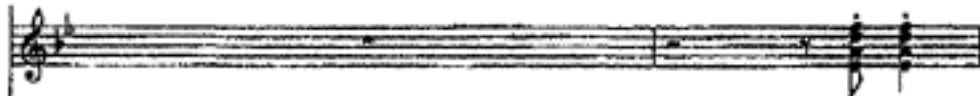
One of Plaintiff's experts transcribed the composition of the horn hits in the two songs as follows. *Love Break's* single horn hit:



Vogue's single horn hit:



Love Break's double horn hit:



Vogue's double horn hit:



In a written order, the district court granted summary judgment to Defendants on two alternative grounds. First, neither the composition nor the sound recording of the horn hit was “original” for purposes of copyright law. Second, the court ruled that, even if the horn hit was original, any sampling of the horn hit was “de minimis or trivial.” . . .

DISCUSSION

Plaintiff has submitted evidence of actual copying. In particular, Tony Shimkin has sworn that he, as Pettibone's personal assistant, helped with the creation of *Vogue* and that, in Shimkin's presence, Pettibone directed an engineer to introduce sounds from *Love Break* into the recording of *Vogue*. Additionally, Plaintiff submitted reports from music experts who concluded that the horn hits in *Vogue* were sampled from *Love Break*. Defendants do not concede that sampling occurred, and they have introduced much evidence to the contrary.⁵ But for purposes of summary judgment, Plaintiff has introduced sufficient evidence (including direct evidence) to create a genuine issue of material fact as to whether copying in fact occurred. . . .

Our leading authority on actual copying is *Newton*, 388 F.3d 1189. We explained in *Newton* that proof of actual copying is insufficient to establish copyright infringement:

For an unauthorized use of a copyrighted work to be actionable, the use must be significant enough to constitute infringement. See *Ringgold v. Black Entm't Television, Inc.*, 126 F.3d 70, 74–75 (2d Cir. 1997). This means that even where the fact of copying is

⁵ For example, Plaintiff hired Shimkin and then brought this action, raising doubts about Shimkin's credibility; Pettibone and others testified that Shimkin was not present during the creation of *Vogue* and was not even employed by Pettibone at that time; and Defendants' experts dispute the analysis and conclusions of Plaintiff's experts.

conceded, no legal consequences will follow from that fact unless the copying is substantial.

...

Newton, 388 F.3d at 1192–93. In other words, to establish its infringement claim, Plaintiff must show that the copying was greater than de minimis.

Plaintiff’s claim encompasses two distinct alleged infringements: infringement of the copyright to the *composition* of *Love Break* and infringement of the copyright to the *sound recording* of *Love Break*. . . . We squarely held in *Newton*, 388 F.3d at 1193, that the de minimis exception applies to claims of infringement of a copyrighted composition. But it is an open question in this circuit whether the exception applies to claims of infringement of a copyrighted sound recording.

Below, we address (A) whether the alleged copying of the composition or the sound recording was de minimis, [and] (B) whether the de minimis exception applies to alleged infringement of copyrighted sound recordings⁶

A. Application of the De Minimis Exception

A “use is de minimis only if the average audience would not recognize the appropriation.” *Newton*, 388 F.3d at 1193; see *id.* at 1196 (affirming the grant of summary judgment because “an average audience would not discern Newton’s hand as a composer ... from Beastie Boys’ use of the sample”). Accordingly, we must determine whether a reasonable juror could conclude that the average audience would recognize the appropriation. We will consider the composition and the sound recording copyrights in turn.

1. Alleged Infringement of the Composition Copyright

When considering an infringement claim of a copyrighted musical composition, what matters is not how the musicians actually played the notes but, rather, a “generic rendition of the composition.” *Newton*, 388 F.3d at 1194; see *id.* at 1193 (holding that, when considering infringement of the composition copyright, one “must remove from consideration all the elements unique to [the musician’s] performance”). That is, we must compare the written compositions of the two pieces.

Viewing the evidence in the light most favorable to Plaintiff, Defendants copied two distinct passages in the horn part of the score for *Love Break*. First, Defendants copied the quarter-note single horn hit. But no additional part of the score concerning the single horn hit is the same, because the single horn hit appears at a different place in the measure. In *Love Break*, the notes for the measure are: half-note rest, quarter-note rest, single horn hit. In *Vogue*, however, the notes for the measure are: half-note rest, eighth-note rest, single horn hit, eighth-note rest. Second, Defendants copied a full measure that contains the double horn hit. In both songs, the notes for the measure are: half-note rest, eighth-note rest, eighth-note horn hit, quarter-note horn hit. In sum, Defendants copied, at most, a quarter-note single horn hit and a full measure containing rests and a double horn hit.

After listening to the recordings, we conclude that a reasonable jury could *not* conclude that an average audience would recognize the appropriation of the composition. Our decision in *Newton* is instructive. That case involved a copyrighted composition of “a

⁶ Because we affirm the judgment on the ground that any copying was de minimis, we do not reach Defendants’ alternative arguments. Accordingly, we assume without deciding that the horn hits are “original.” See *Newton*, 388 F.3d at 1192 (assuming originality). . . .

piece for flute and voice.” *Newton*, 388 F.3d at 1191. The defendants used a six-second sample that “consist[ed] of three notes, C—D flat—C, sung over a background C note played on the flute.” *Id.* The composition also “require[d] overblowing the background C note that is played on the flute.” *Id.* The defendants repeated a six-second sample “throughout [the song], so that it appears over forty times in various renditions of the song.” *Id.* at 1192. After listening to the recordings, we affirmed the grant of summary judgment because “an average audience would not discern [the composer’s] hand as a composer.” *Id.* at 1196.

The snippets of the composition that were (as we must assume) taken here are much smaller than the sample at issue in *Newton*. The copied elements from the *Love Break* composition are very short, much shorter than the six-second sample in *Newton*. The single horn hit lasts less than a quarter-second, and the double horn hit lasts—even counting the rests at the beginning of the measure—less than a second. Similarly, the horn hits appear only five or six times in *Vogue*, rather than the dozens of times that the sampled material in *Newton* occurred in the challenged song in that case. Moreover, unlike in *Newton*, in which the challenged song copied *the entire composition* of the original work for the given temporal segment, the sampling at issue here involves only *one instrument group* out of many. As noted above, listening to the audio recordings confirms what the foregoing analysis of the composition strongly suggests: A reasonable jury could not conclude that an average audience would recognize an appropriation of the *Love Break* composition.

2. Alleged Infringement of the Sound Recording Copyright

When considering a claimed infringement of a copyrighted sound recording, what matters is how the musicians *played* the notes, that is, how their rendition distinguishes the recording from a generic rendition of the same composition. *See Newton*, 388 F.3d at 1193 (describing the protected elements of a copyrighted sound recording as “the elements unique to [the musician’s] performance”). Viewing the evidence in the light most favorable to Plaintiff, by accepting its experts’ reports, Pettibone sampled one single horn hit, which occurred at 3:35 in *Love Break*. Pettibone then used that sampled single horn hit to create the double horn hit used in *Vogue*.

The horn hit itself was not copied precisely. According to Plaintiff’s expert, the chord “was modified by transposing it upward, cleaning up the attack slightly in order to make it punchier [by truncating the horn hit] and overlaying it with other sounds and effects. One such effect mimicked the reverse cymbal crash.... The reverb/delay ‘tail’ ... was prolonged and heightened.” Moreover, as with the composition, the horn hits are not isolated sounds. Many other instruments are playing at the same time in both *Love Break* and *Vogue*.

In sum, viewing the evidence in the light most favorable to Plaintiff, Pettibone copied one quarter-note of a four-note chord, lasting 0.23 seconds; he isolated the horns by filtering out the other instruments playing at the same time; he transposed it to a different key; he truncated it; and he added effects and other sounds to the chord itself. For the double horn hit, he used the same process, except that he duplicated the single horn hit and shortened one of the duplicates to create the eighth-note chord from the quarter-note chord. Finally, he overlaid the resulting horn hits with sounds from many other instruments to create the song *Vogue*.

After listening to the audio recordings submitted by the parties, we conclude that a reasonable juror could *not* conclude that an average audience would recognize the appropriation of the horn hit. That common-sense conclusion is borne out by dry analysis. The horn hit is very short—less than a second. The horn hit occurs only a few times in *Vogue*. Without careful attention, the horn hits are easy to miss. Moreover, the horn hits in *Vogue* do not sound identical to the horn hits from *Love Break*. . . .

B. The De Minimis Exception and Sound Recordings

Plaintiff argues, in the alternative, that even if the copying here is trivial, that fact is irrelevant because the de minimis exception does not apply to infringements of copyrighted sound recordings. Plaintiff urges us to follow the Sixth Circuit’s decision in *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792 (6th Cir. 2005), which adopted a bright-line rule: For copyrighted sound recordings, any unauthorized copying—no matter how trivial—constitutes infringement.

The rule that infringement occurs only when a substantial portion is copied is firmly established in the law. The leading copyright treatise traces the rule to the mid-1800s. 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.03[A][2][a], at 13-56 to 13-57, 13-57 n.102 (2013) (citing *Folsom v. Marsh*, 9 F.Cas. 342, No. 4901 (C.C. Mass. 1841)); *id.* § 13.03[E][2], at 13-100 & n.208 (citing *Daly v. Palmer*, 6 F.Cas. 1132, No. 3,552 (C.C.S.D.N.Y. 1868)) The reason for the rule is that the “plaintiff’s legally protected interest [is] the potential financial return from his compositions which derive from the lay public’s approbation of his efforts.” [Sid & Marty Krofft Television Prods., Inc. v. McDonald’s Corp., 562 F.2d 1157, 1165 (9th Cir. 1977)]. If the public does not recognize the appropriation, then the copier has not benefitted from the original artist’s expressive content. Accordingly, there is no infringement.

Other than *Bridgeport* and the district courts following that decision, we are aware of no case that has held that the de minimis doctrine does not apply in a copyright infringement case. Instead, courts consistently have applied the rule in *all* cases alleging copyright infringement. . . .

Plaintiff nevertheless argues that Congress intended to create a special rule for copyrighted sound recordings, eliminating the de minimis exception. We begin our analysis with the statutory text.

Title 17 U.S.C. § 102, titled “Subject matter of copyright: In general,” . . . treats sound recordings identically to all other types of protected works; nothing in the text suggests differential treatment, for any purpose, of sound recordings compared to, say, literary works. Similarly, nothing in the neutrally worded statutory definition of “sound recordings” suggests that Congress intended to eliminate the de minimis exception. . . .

Title 17 U.S.C. § 106, titled “Exclusive rights in copyrighted works,” . . . [does not] suggest[] differential treatment of de minimis copying of sound recordings compared to, say, sculptures. Although subsection (6) deals exclusively with sound recordings, that subsection concerns public performances; nothing in its text bears on de minimis copying.

Instead, Plaintiff’s statutory argument hinges on the third sentence of 17 U.S.C. § 114(b), which states:

The exclusive rights of the owner of copyright in a sound recording under clauses (1) and (2) of section 106 do not extend to the making or duplication of another sound recording that consists entirely of an independent fixation of other sounds,

even though such sounds imitate or simulate those in the copyrighted sound recording.

Like all the other sentences in § 114(b), the third sentence imposes an express *limitation* on the rights of a copyright holder: “The exclusive rights of the owner of a copyright in a sound recording ... *do not extend* to the making or duplication of another sound recording [with certain qualities].” *Id.* (emphasis added); *see id.* (first sentence: “exclusive rights ... do not extend” to certain circumstances; second sentence: “exclusive rights ... do not extend” to certain circumstances; fourth sentence: “exclusive rights ... do not apply” in certain circumstances). We ordinarily would hesitate to read an *implicit expansion* of rights into Congress’ statement of an *express limitation* on rights. Given the considerable background of consistent application of the de minimis exception across centuries of jurisprudence, we are particularly hesitant to read the statutory text as an unstated, implicit elimination of that steadfast rule. . . .

Even if there were some ambiguity as to congressional intent with respect to § 114(b), the legislative history clearly confirms our analysis on each of the above points. Congress intended § 114 to limit, not to expand, the rights of copyright holders: “The approach of the bill is to set forth the copyright owner’s exclusive rights in broad terms in section 106, and then to provide various limitations, qualifications, or exemptions in the 12 sections that follow. Thus, everything in section 106 is made ‘subject to sections 107 through 118,’ and must be read in conjunction with those provisions.” H.R. Rep. No. 94-1476, at 61 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5674.

With respect to § 114(b) specifically, a House Report stated:

Subsection (b) of section 114 makes clear that statutory protection for sound recordings extends only to the particular sounds of which the recording consists, and would not prevent a separate recording of another performance in which those sounds are imitated. Thus, infringement takes place whenever all *or any substantial portion* of the actual sounds that go to make up a copyrighted sound recording are reproduced in phonorecords by repressing, transcribing, recapturing off the air, or any other method, or by reproducing them in the soundtrack or audio portion of a motion picture or other audiovisual work. Mere imitation of a recorded performance would not constitute a copyright infringement even where one performer deliberately sets out to simulate another’s performance as exactly as possible.

Id. at 106, *reprinted in* 1976 U.S.C.C.A.N. at 5721 (emphasis added). That passage strongly supports the natural reading of § 114(b), discussed above. . . .

Perhaps more importantly, the quoted passage articulates the principle that “infringement takes place whenever all *or any substantial portion* of the actual sounds ... are reproduced.” *Id.* (emphasis added). That is, when enacting this specific statutory provision, Congress clearly understood that the de minimis exception applies to copyrighted sound recordings, just as it applies to all other copyrighted works. . . .

In coming to a different conclusion, the Sixth Circuit reasoned as follows:

[T]he rights of sound recording copyright holders under clauses (1) and (2) of section 106 “do not extend to the making or duplication of another sound recording that consists *entirely* of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording.” 17 U.S.C. § 114(b) (emphasis added). The significance of this provision is amplified by the fact

that the Copyright Act of 1976 added the word “entirely” to this language. *Compare* Sound Recording Act of 1971, Pub. L. 92-140, 85 Stat. 391 (Oct. 15, 1971) (adding subsection (f) to former 17 U.S.C. § 1) (“does not extend to the making or duplication of another sound recording that is an independent fixation of other sounds”). In other words, a sound recording owner has the exclusive right to “sample” his own recording.

Bridgeport, 410 F.3d at 800–01.

We reject that interpretation of § 114(b). *Bridgeport* ignored the statutory structure and § 114(b)’s express *limitation* on the rights of a copyright holder. *Bridgeport* also declined to consider legislative history on the ground that “digital sampling wasn’t being done in 1971.” 410 F.3d at 805. But the state of technology is irrelevant to interpreting Congress’ intent as to statutory structure. Moreover, as Nimmer points out, *Bridgeport*’s reasoning fails on its own terms because contemporary technology plainly allowed the copying of small portions of a protected sound recording. Nimmer § 13.03[A][2][b], at 13-62 n.114.16.

Close examination of *Bridgeport*’s interpretive method further exposes its illogic. In effect, *Bridgeport* inferred from the fact that “exclusive rights ... *do not extend* to the making or duplication of another sound recording that *consists* entirely of an independent fixation of other sounds,” 17 U.S.C. § 114(b) (emphases added), the conclusion that exclusive rights *do extend* to the making of another sound recording that *does not consist* entirely of an independent fixation of other sounds. As pointed out by Nimmer, *Bridgeport*’s interpretive method “rests on a logical fallacy.” Nimmer § 13.03[A][2][b], at 13-61. A statement that rights do not extend to a particular circumstance does not automatically mean that the rights extend to all other circumstances. In logical terms, it is a fallacy to infer the inverse of a conditional from the conditional. *E.g.*, Joseph G. Brennan, *A Handbook of Logic* 79–80 (2d ed. 1961).

For example, take as a given the proposition that “if it has rained, then the grass is not dry.” It does not necessarily follow that “if it has not rained, then the grass is dry.” Someone may have watered the lawn, for instance. We cannot infer the second if-then statement from the first. The first if-then statement does not tell us *anything* about the condition of the grass if it has not rained. Accordingly, even though it is true that, “if the recording consists entirely of independent sounds, then the copyright does not extend to it,” that statement does not necessarily mean that “if the recording does not consist entirely of independent sounds, then the copyright does extend to it.”

The Sixth Circuit also looked beyond the statutory text, to the nature of a sound recording, and reasoned:

[E]ven when a small part of a sound recording is sampled, the part taken is something of value. No further proof of that is necessary than the fact that the producer of the record or the artist on the record intentionally sampled because it would (1) save costs, or (2) add something to the new recording, or (3) both. For the sound recording copyright holder, it is not the “song” but the sounds that are fixed in the medium of his choice. When those sounds are sampled they are taken directly from that fixed medium. It is a physical taking rather than an intellectual one.

Bridgeport, 410 F.3d at 801–02 (footnote omitted).

We disagree for three reasons. *First*, the possibility of a “physical taking” exists with respect to other kinds of artistic works as well, such as photographs, as to which the

usual de minimis rule applies. *See, e.g., Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 216 (2d Cir. 1998) (affirming summary judgment to the defendant because the defendant’s use of the plaintiff’s photographs in a movie was de minimis). A computer program can, for instance, “sample” a piece of one photograph and insert it into another photograph or work of art. We are aware of no copyright case carving out an exception to the de minimis requirement in that context, and we can think of no principled reason to differentiate one kind of “physical taking” from another. *Second*, even accepting the premise that sound recordings differ qualitatively from other copyrighted works and therefore *could warrant* a different infringement rule, that theoretical difference does not mean that Congress *actually adopted* a different rule. *Third*, the distinction between a “physical taking” and an “intellectual one,” premised in part on “sav[ing] costs” by not having to hire musicians, does not advance the Sixth Circuit’s view. The Supreme Court has held unequivocally that the Copyright Act protects only the expressive aspects of a copyrighted work, and *not* the “fruit of the [author’s] labor.” *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991). . . .

Because we conclude that Congress intended to maintain the “de minimis” exception for copyrights to sound recordings, we take the unusual step of creating a circuit split by disagreeing with the Sixth Circuit’s contrary holding in *Bridgeport*. . . . We acknowledge that our decision has consequences. But the goal of avoiding a circuit split cannot override our independent duty to determine congressional intent. Otherwise, we would have no choice but to blindly follow the rule announced by whichever circuit court decided an issue first, even if we were convinced, as we are here, that our sister circuit erred. . . .

Additionally, as a practical matter, a deep split among the federal courts *already exists*. Since the Sixth Circuit decided *Bridgeport*, almost every district court not bound by that decision has declined to apply *Bridgeport*’s rule. Although we are the first circuit court to follow a different path than *Bridgeport*’s, we are in well-charted territory. . . .

Finally, Plaintiff advances several reasons why *Bridgeport*’s rule is superior *as a matter of policy*. For example, the Sixth Circuit opined that its bright-line rule was easy to enforce; that “the market will control the license price and keep it within bounds”; and that “sampling is never accidental” and is therefore easy to avoid. *Bridgeport*, 410 F.3d at 801. Those arguments are for a legislature, not a court. They speak to what Congress *could decide*; they do not inform what Congress *actually decided*.¹¹

We hold that the “de minimis” exception applies to actions alleging infringement of a copyright to sound recordings. . . .

¹¹ It also is not clear that the cited policy reasons are necessarily persuasive. For example, this particular case presents an example in which there is uncertainty as to enforcement—musical experts disagree as to whether sampling occurred. As another example, it is not necessarily true that the market will keep license prices “within bounds”—it is possible that a bright-line rule against sampling would unduly stifle creativity in certain segments of the music industry because the licensing costs would be too expensive for the amateur musician. In any event, even raising these counter-points demonstrates that the arguments, as Plaintiff concedes, rest on policy considerations, not on statutory interpretation. One cannot answer questions such as how much licensing cost is too much without exercising value judgments—matters generally assigned to the legislature.

SILVERMAN, J., dissenting:

The plaintiff is the owner of a copyright in a fixed sound recording. This is a valuable property right, the stock-in-trade of artists who make their living recording music and selling records. The plaintiff alleges that the defendants, without a license or any sort of permission, physically copied a small part of the plaintiff's sound recording—which, to repeat, is property belonging to the plaintiff—and, having appropriated it, inserted into their *own* recording. If the plaintiff's allegations are to be believed, the defendants deemed this maneuver preferable to paying for a license to use the material, or to hiring their own musicians to record it. In any other context, this would be called theft. It is no defense to theft that the thief made off with only a “de minimis” part of the victim's property. . . .

. . . [B]y statute, sound recording copyright holders have an *exclusive* right to sample their *own* recordings. It's an exclusive right; the statute does not give that right to others. [*Bridgeport*,] 410 F.3d at 800–01. Under 17 U.S.C. §§ 106 and 114, the holder of a copyright in a sound recording (but not others) has the exclusive right to reproduce the work in copies or records “that directly or indirectly recapture the actual sounds fixed in the recording,” as well as the exclusive right to prepare derivative works “in which the actual sounds fixed in the sound recording are rearranged, remixed, or otherwise altered in sequence or quality.” 17 U.S.C. §§ 106(1) and (2); 114(b). Congress clearly qualified these exclusive rights, writing that “another sound recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording” are not within the scope of the copyright holder's exclusive rights. 17 U.S.C. § 114(b). In other words, the world at large is free to imitate or simulate the creative work fixed in the recording (like a tribute band, for example) so long as an actual copy of the sound recording itself is not made.

The majority rejects this straightforward reading, explaining by way of a rhetorical exercise that *Bridgeport*'s reading of § 114(b) is a logical fallacy, expanding the rights of copyright holders beyond that allowed under the judicial de minimis rule. As I see it, it is the majority that tortures the natural reading of these provisions. Bear in mind that § 114(b) simply explains the scope of exclusive rights already granted to copyright holders under § 106. These two provisions must be read together, as the Sixth Circuit did. . . .

The second reason the Sixth Circuit gave for not adopting the de minimis rule is that sound recordings are different than their compositional counterparts: when a defendant copies a recording, he or she takes not the song but the sounds as they are fixed in the medium of the copyright holders' choice. [*Bridgeport*, 410 F.3d] at 801–02. In other words, the very nature of digital sampling makes a de minimis analysis inapplicable, since sampling or pirating necessarily involves copying a fixed performance. *See id.* at 801 n.13. The defendants wanted horns to punctuate their song, so they took the plaintiff's copyrighted recording of horns. The horn hit is brief, but clearly perceptible and does its job. This is unlike indiscernible photographs used, not for their content (which cannot be made out), but to dress a movie set. *See Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 218 (2d Cir. 1998).

This is a physical taking, not an intellectual one. [*Bridgeport*, 410 F.3d] at 802. Sampling is never accidental. *Id.* at 801. As the Sixth Circuit observed, it is not like the case of a composer who has a melody in his head, perhaps not even realizing that the reason he hears this melody is that it is the work of another that he has heard before. *Id.* When you sample a sound recording you know you are taking another's work product. *Id.*

Accordingly, the pertinent inquiry in a sampling case is not whether a defendant sampled a little or a lot, but whether a defendant sampled at all. *Id.* at 798 n.6, 801–02 and n.13. . .

. . . *Bridgeport* provides in the case of a fixed sound recording a bright-line rule, and I quote: “Get a license or do not sample.” 410 F.3d at 801. True, *Get a license or do not sample* doesn’t carry the same divine force as *Thou Shalt Not Steal*, but it’s the same basic idea. I would hold that the de minimis exception does not apply to the sampling, copying, stealing, pirating, misappropriation—call it what you will—of copyrighted fixed sound recordings. Once the sound is fixed, it is tangible property belonging to the copyright holder, and no one else has the right to take even a little of it without permission. I therefore respectfully dissent.

NOTES AND QUESTIONS

1. The *VMG Salsoul* court’s articulation of the “de minimis use” standard incorporates its prior description of that standard in *Newton v. Diamond*, 388 F.3d 1189 (9th Cir. 2004), *cert. denied*, 545 U.S. 1114 (2005). How well did the *Newton* court define the line between permissible copying and improper appropriation? (If you would like to review *Newton* in greater detail, it is excerpted at pp. 419-25 of the casebook.)

2. Do you agree with the *VMG Salsoul* court’s conclusion that the sampled portions of the *Love Break* musical composition were de minimis as a matter of law?

3. The owners of the two copyrights implicated by sampling usually will be different entities. Sometimes, the defendant will have licensed one copyright but not the other. *Newton* is an example: defendants had licensed the sound recording from Newton’s record label but had neglected to license the composition from Newton himself. In *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792 (6th Cir. 2005), the defendant had licensed the musical composition but had not obtained authorization for the sound recording. Should that fact one copyright was licensed but the other was not affect resolution of the dispute as to the unlicensed copyright? How? Should it matter which of the two layers of music copyright was the licensed one, and which was the unlicensed one?

4. Was the court right to conclude that the sampled portions of the *Love Break* sound recording also were de minimis as a matter of law? As the court notes, in *Bridgeport*, the Sixth Circuit interpreted §114 to preclude application of the de minimis use standard to sound recording sampling. Which reading of the statute do you find more persuasive? Is §114 meant to limit or expand the rights granted in §106? (If you would like to review the Sixth Circuit’s opinion in *Bridgeport*, it is excerpted at pp. 425-29 of the casebook.)

5. As you learned in Chapters 5 (pp. 253-57) and 6 (pp. 396-98), the de minimis use standard is well established in copyright law—but, there is also a well established practice in certain industries of clearing rights in recognizable content. (See Question 4, p. 257.) Is explicit recognition of a “de minimis use” shelter for sampling a good idea? Why, or why not?

The *Bridgeport* court concluded that the bright-line rule it derived from the statute, “[g]et a license or do not sample,” was also sound policy. What are the costs and benefits of that bright-line rule?

6. In deciding the policy questions that surround sampling, would it be important to understand why recording artists sample when, as the court notes, they are free to make sound-alike recordings? Consider the following excerpt:

Cultural judgments about borrowing, repetition and originality are central to understanding legal evaluations of both sampling and hip hop. Repetition expressed through sampling and looping has been, for much of the history of hip hop, an inherent part of what makes hip hop music identifiably hip hop. Consequently, the question of whether and how sampling should be permitted is in some measure an inquiry about how and to what extent hip hop can and should continue to exist as a musical form. Copyright standards, particularly in the music area, must have greater flexibility to accommodate varying styles and types of musical production, whether based on an African American aesthetic of repetition and revision, a postmodern style, transformative imitation and borrowing in the manner of Handel, allusion as practiced by Brahms or another aesthetic that fails to conform to the Romantic author ideal that has to this point been integral to copyright.

Musical borrowing is not necessarily antithetical to originality or creativity. The conceptions of creativity and originality that pervade copyright discussions are incomplete or inaccurate models of actual musical production, particularly the collaborative aspects of musical practice evident in borrowing. Similarly, views of past musical composition should be tempered with a recognition of the operation of invented traditions and cultural ideals that play a powerful role in shaping both representations and contemporary beliefs and attitudes.

Olufunmilayo B. Arewa, *From J.C. Bach to Hip Hop: Musical Borrowing, Copyright, and Cultural Context*, 84 N.C. L. Rev. 547, 630-31 (2006); see also K. J. Greene, *Copyright, Culture & Black Music: A Legacy of Unequal Protection*, 21 Hastings Comm. & Ent. L.J. 339 (1999) (arguing that copyright rules have routinely functioned to deny protection to African American music artists). Should Professor Arewa’s analysis inform the legal treatment of sampling? If so, in what way?

D. Public Performance

Page 445. In the Notes and Questions, add the following at the end of Question 3:

Reportedly, the major labels were reluctant to renew their initial deals with Spotify, and the contracts lapsed. In spring 2017, it was widely reported that Spotify and Universal had reached a new, global, multi-year licensing agreement that, among other things, allows Universal artists to withhold new releases from Spotify’s free, advertising-supported service for the first two weeks after release.

Chapter 8. Moral Rights and Performers' Rights

A. Moral Rights in the United States

Page 467. Insert the following at the bottom of the page:

Practice Exercise: Advocacy

Charging Bull is a bronze statue created by sculptor Arturo Di Modica. The oversize sculpture depicts a bull, the symbol of aggressive financial optimism and prosperity, leaning back on its haunches and with its head lowered as if ready to charge. Now considered an iconic image of New York, *Charging Bull* was placed in front of the New York Stock Exchange (NYSE) on December 15, 1989, without a permit from the city of New York. NYSE officials called police later that day, and the NYPD seized the sculpture and placed it into an impound lot. The ensuing public outcry led the New York City Department of Parks and Recreation to reinstall *Charging Bull* two blocks south. The city extended a temporary permit for the sculpture and it has remained in that location.



Image by Sebastian Alvarez. Licensed under the [Creative Commons Attribution-ShareAlike 4.0](#) License

In 2017, State Street Global Advisors commissioned artist Kristen Visbal to create a sculpture titled *Fearless Girl*. *Fearless Girl* measures approximately 50 inches tall and weighs about 250 pounds. It faces *Charging Bull*, a much larger and heavier bronze statue that is 11 feet tall and weighs 7,100 pounds. State Street Global has stated that *Fearless Girl*, which was installed the day before International Women's Day, was meant to "send a message" about workplace gender diversity and encourage companies to recruit women to their boards. The plaque below the statue states, "Know the power of women in leadership. SHE makes a difference." SHE refers to both the gender of the statute and State Street's NASDAQ ticker symbol. Visbal commented that she "made sure to keep her features soft; she's not defiant, she's brave, proud, and strong, not belligerent." *Fearless Girl* was originally given a one-week City Hall permit that was later extended to 30 days. Later, it was announced that the statue would remain in place through February 2018.



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Arturo Di Modica objected to the placement of Fearless Girl. His lawyers sent [this letter](#) to the Mayor of New York, Bill de Blasio. You are counsel in the city attorney's office. Draft the portions of a letter in response that address the copyright related assertions contained in the letter. Be sure to review the text of §106A, including the exceptions in subsection (c) of that section.

Page 472. Add the following in the “Comparative Perspective” box:

A court has ruled that the California Resale Royalty Act conflicts with the first sale doctrine, *see* Chapter 6.A.2, and is therefore preempted by the Copyright Act. *Estate of Graham v. Sotheby's Inc.*, 178 F. Supp. 3d 974 (C.D. Cal. 2016), *appeal filed* August 29, 2016. We discuss preemption in Chapter 15 of the casebook.

B. Performers' Rights and Related Treaty Obligations

Page 480. At the end of Note 2, add the following:

In *Garcia v. Google, Inc.*, 786 F.3d 733 (9th Cir. 2015) (en banc), the Ninth Circuit rejected a claim of copyright in a performance by an actress in a motion picture. The majority found inapposite the dissent's reliance on a report issued by the United States Patent and Trademark Office that asserted U.S. law is “generally compatible” with the Beijing Treaty, as “actors and musicians are considered to be ‘authors’ of their performances providing them with copyright rights.” U.S. Patent & Trademark Office, Background and Summary of the 2012 WIPO Audiovisual Performances Treaty 2 (2012). The majority noted that the “Patent and Trademark Office, . . . unlike the Copyright Office[,] lacks legal authority to interpret and administer the Copyright Act.” *Garcia*, 786 F.3d. at 742. The Copyright Office does “not allow a copyright claim by an individual actor or actress in his or her performance contained within a motion picture.” *Id.* at 741.

Chapter 9. The Different Faces of Infringement

C. Online Service Provider Liability

Pages 524-25. In the Notes and Questions, add the following:

a. Replace Question 2 with the following:

2. Should YouTube's manipulation of the files uploaded by users be deemed "volitional" and therefore subject to a claim of direct infringement under *Netcom's* reasoning? In *CoStar Group, Inc. v. LoopNet, Inc.*, 373 F.3d 544 (4th Cir. 2004), defendant LoopNet operated a commercial real estate listing system. All photographs uploaded to the system were reviewed by a LoopNet employee "for two purposes: (1) to block photographs that do not depict commercial real estate, and (2) to block photographs with obvious signs that they are copyrighted by a third party." *Id.* at 556. The court ruled that such conduct could not supply the basis for a direct infringement claim: "LoopNet can be compared to an owner of a copy machine who has stationed a guard by the door to turn away customers who are attempting to duplicate clearly copyrighted works. LoopNet has not by this screening process become engaged as a 'copier' of copyrighted works." *Id.* at 556.

By comparison, in *Mavrix Photographs, LLC v. LiveJournal*, 853 F.3d 1020 (9th Cir. 2017), defendant LiveJournal operated a celebrity gossip blog that relied on volunteer moderators to approve content submitted for posting. LiveJournal instructed moderators to review content for a variety of purposes, including timeliness and juiciness, and also to screen for copyright infringement, pornography, and harassment. Citing common law principles of agency, plaintiff Mavrix argued that, because the moderators had real or apparent authority to act on LiveJournal's behalf, approved postings were effectively made by LiveJournal itself. Reversing a grant of summary judgment to LiveJournal on availability of the §512(c) safe harbor, the Ninth Circuit instructed the district court to conduct fact-finding on this issue. It cautioned, however, that even if the moderators were found to be agents of LiveJournal, that conclusion would not defeat availability of the safe harbor if they performed only "activities that were 'narrowly directed' towards enhancing the accessibility of the posts." *Id.* at 1031.

What do you think of the reasoning in each case? Which approach do you prefer, and why? (How easy or hard should it be to obtain a grant of summary judgment on the threshold question of the availability of the §512(c) safe harbor?) Does the reasoning of either case translate to the context of services like YouTube's? Notably, the *Mavrix* court cited its earlier *Shelter Capital* decision for the proposition that "[a]ccessibility-enhancing activities include automatic processes, for example, to reformat posts or perform some technological change." *Id.*

b. Insert new Question 6:

6. Recall from Chapter 7 that sound recordings fixed before Feb. 15, 1972 are ineligible for federal copyright protection. Does the safe harbor regime in §512 shield OSPs from liability for infringement of state law copyrights in those sound recordings? In *Capitol Records, LLC v. Vimeo LLC*, 826 F.3d 78 (2d Cir. 2016), *cert. denied*, 137 S. Ct. 1374 (2017), the court concluded that it does:

A literal and natural reading of the text of §512(c) leads to the conclusion that its use of the phrase “infringement of copyright” *does* include infringement of state laws of copyright. One who has been found liable for infringement of copyright under state laws has indisputably been found “liable for infringement of copyright.” In this instance, Congress did not qualify the phrase “infringement of copyright” by adding, as it did in other circumstances, the words, “under this title.” *See, e.g.*, §106 (“Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following”); §201(a) (“Copyright in a work protected under this title vests initially in the author or authors of the work.”). To interpret §512(c)’s guarantee that service providers “shall not be liable ... for infringement of copyright” to mean that they may nonetheless be liable for infringement of copyright under state laws would be, at the very least, a strained interpretation—one that could be justified only by concluding that Congress must have meant something different from what it said.

In contrast, there is every reason to believe that Congress meant exactly what it said. As explained above, what Congress intended in passing §512(c) was to strike a compromise under which, in return for the obligation to take down infringing works promptly on receipt of notice of infringement from the owner, Internet service providers would be relieved of liability for user-posted infringements of which they were unaware, as well as of the obligation to scour matter posted on their services to ensure against copyright infringement. The purpose of the compromise was to make economically feasible the provision of valuable Internet services while expanding protections of the interests of copyright owners through the new notice-and-takedown provision. To construe §512(c) as leaving service providers subject to liability under state copyright laws for postings by users of infringements of which the service providers were unaware would defeat the very purpose Congress sought to achieve in passing the statute. . . .

Id. at 89-90. What do you think of that reasoning? The Copyright Office had issued a report concluding that “infringement of copyright” as used in §512(c) refers only to rights protected under the federal Copyright Act. The court noted that “we do recognize the Copyright Office’s intimate familiarity with the copyright statute and would certainly give appropriate deference to its reasonably persuasive interpretations of the Copyright Act,” *id.* at 93 (citing *Skidmore v Swift & Co.*, 323 U.S. 134, 140 (1944)); it concluded, however, that this particular interpretation misread the statutory language. Do you agree? Did the court read too much into the absence of the “under this title” language?

Page 527. Replace *Lenz v. Universal Music Corp. and the Notes and Questions on page 532, with the following:*

Lenz v. Universal Music Corp.

815 F.3d 1145 (9th Cir. 2016)

TALLMAN, J.: Stephanie Lenz filed suit under 17 U.S.C. § 512(f)—part of the Digital Millennium Copyright Act (“DMCA”)—against Universal Music Corp., Universal Music Publishing, Inc., and Universal Music Publishing Group (collectively “Universal”). She alleges Universal misrepresented in a takedown notification that her 29-second home video (the “video”) constituted an infringing use of a portion of a composition by the Artist known as Prince, which Universal insists was unauthorized by the law. Her claim boils down to a question of whether copyright holders have been abusing the extrajudicial takedown procedures provided for in the DMCA by declining to first evaluate whether the content qualifies as fair use. We hold that the statute requires copyright holders to consider fair use before sending a takedown notification, and that in this case, there is a triable issue as to whether the copyright holder formed a subjective good faith belief that the use was not authorized by law. We affirm the denial of the parties’ cross-motions for summary judgment.

I

. . . On February 7, 2007, Lenz uploaded to YouTube a 29-second home video of her two young children in the family kitchen dancing to the song *Let’s Go Crazy* by Prince. Available at <https://www.youtube.com/watch?v=N1KfJHFWlhQ> (last visited September 4, 2015). She titled the video “ ‘Let’s Go Crazy’ # 1.” About four seconds into the video, Lenz asks her thirteen month-old son “what do you think of the music?” after which he bobs up and down while holding a push toy.

At the time Lenz posted the video, Universal was Prince’s publishing administrator responsible for enforcing his copyrights. To accomplish this objective with respect to YouTube, Robert Allen, Universal’s head of business affairs, assigned Sean Johnson, an assistant in the legal department, to monitor YouTube on a daily basis. Johnson searched YouTube for Prince’s songs and reviewed the video postings returned by his online search query. When reviewing such videos, he evaluated whether they “embodied a Prince composition” by making “significant use of . . . the composition, specifically if the song was recognizable, was in a significant portion of the video or was the focus of the video.” According to Allen, “[t]he general guidelines are that . . . we review the video to ensure that the composition was the focus and if it was we then notify YouTube that the video should be removed.”

Johnson contrasted videos that met this criteria to those “that may have had a second or less of a Prince song, literally a one line, half line of Prince song” or “were shot in incredibly noisy environments, such as bars, where there could be a Prince song playing deep in the background . . . to the point where if there was any Prince composition embodied . . . in those videos that it was distorted beyond reasonable recognition.” None of the video evaluation guidelines explicitly include consideration of the fair use doctrine.

When Johnson reviewed Lenz’s video, he recognized *Let’s Go Crazy* immediately. He noted that it played loudly in the background throughout the entire video. Based on

these details, the video's title, and Lenz's query during the video asking if her son liked the song, he concluded that Prince's song "was very much the focus of the video." As a result, Johnson decided the video should be included in a takedown notification sent to YouTube that listed more than 200 YouTube videos Universal believed to be making unauthorized use of Prince's songs. The notice included a "good faith belief" statement as required by 17 U.S.C. § 512(c)(3)(A)(v): "We have a good faith belief that the above-described activity is not authorized by the copyright owner, its agent, or the law."

After receiving the takedown notification, YouTube removed the video and sent Lenz an email on June 5, 2007, notifying her of the removal. On June 7, 2007, Lenz attempted to restore the video by sending a counter-notification to YouTube pursuant to § 512(g)(3). After YouTube provided this counter-notification to Universal per § 512(g)(2)(B), Universal protested the video's reinstatement because Lenz failed to properly acknowledge that her statement was made under penalty of perjury, as required by § 512(g)(3)(C). Universal's protest reiterated that the video constituted infringement because there was no record that "either she or YouTube were ever granted licenses to reproduce, distribute, publicly perform or otherwise exploit the Composition." The protest made no mention of fair use. After obtaining *pro bono* counsel, Lenz sent a second counter-notification on June 27, 2007, which resulted in YouTube's reinstatement of the video in mid-July. . . .

IV . . .

A . . .

If an entity abuses the DMCA, it may be subject to liability under § 512(f). That section provides: "Any person who knowingly materially misrepresents under this section—(1) that material or activity is infringing, or (2) that material or activity was removed or disabled by mistake or misidentification, shall be liable for any damages. . . ." *Id.* § 512(f). Subsection (1) generally applies to copyright holders and subsection (2) generally applies to users. Only subsection (1) is at issue here.

B

We must first determine whether 17 U.S.C. § 512(c)(3)(A)(v) requires copyright holders to consider whether the potentially infringing material is a fair use of a copyright under 17 U.S.C. § 107 before issuing a takedown notification. Section 512(c)(3)(A)(v) requires a takedown notification to include a "statement that the complaining party has a good faith belief that the use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law." The parties dispute whether fair use is an authorization under the law as contemplated by the statute—which is so far as we know an issue of first impression in any circuit across the nation. . . . We agree with the district court and hold that the statute unambiguously contemplates fair use as a use authorized by the law.

Fair use is not just excused by the law, it is wholly authorized by the law. . . . The statute explains that the fair use of a copyrighted work is permissible because it is a non-infringing use.

. . . Black's Law Dictionary defines "authorize" as "1. To give legal authority; to empower" and "2. To formally approve; to sanction." *Authorize*, Black's Law Dictionary (10th ed.2014). Because 17 U.S.C. § 107 both "empowers" and "formally approves" the use of copyrighted material if the use constitutes fair use, fair use is "authorized by the law"

within the meaning of § 512(c). *See also* 17 U.S.C. § 108(f)(4) (“Nothing in this section in any way affects the *right* of fair use as provided by section 107. . . .” (emphasis added)).

Universal’s sole textual argument is that fair use is not “authorized by the law” because it is an affirmative defense that excuses otherwise infringing conduct. Universal’s interpretation is incorrect as it conflates two different concepts: an affirmative defense that is labeled as such due to the procedural posture of the case, and an affirmative defense that excuses impermissible conduct. Supreme Court precedent squarely supports the conclusion that fair use does not fall into the latter camp: “[A]nyone who . . . makes a fair use of the work is not an infringer of the copyright with respect to such use.” *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 433, 104 S.Ct. 774 (1984). . . .

Given that 17 U.S.C. § 107 expressly authorizes fair use, labeling it as an affirmative defense that excuses conduct is a misnomer:

Although the traditional approach is to view “fair use” as an affirmative defense, this writer, speaking only for himself, is of the opinion that it is better viewed as a right granted by the Copyright Act of 1976. Originally, as a judicial doctrine without any statutory basis, fair use was an infringement that was excused—this is presumably why it was treated as a defense. As a statutory doctrine, however, fair use is not an infringement. Thus, since the passage of the 1976 Act, fair use should no longer be considered an infringement to be excused; instead, it is logical to view fair use as a right. Regardless of how fair use is viewed, it is clear that the burden of proving fair use is always on the putative infringer.

Bateman v. Mnemonics, Inc., 79 F.3d 1532, 1542 n. 22 (11th Cir. 1996) (Birch, J.). We agree. *Cf.* Lydia Pallas Loren, *Fair Use: An Affirmative Defense?*, 90 Wash. L.Rev. 685, 688 (2015) (“Congress did not intend fair use to be an affirmative defense—a defense, yes, but not an affirmative defense.”). Fair use is therefore distinct from affirmative defenses where a use infringes a copyright, but there is no liability due to a valid excuse, e.g., misuse of a copyright.

Universal concedes it must give due consideration to other uses authorized by law such as compulsory licenses. The introductory language in 17 U.S.C. § 112 for compulsory licenses closely mirrors that in the fair use statute. *Compare* 17 U.S.C. § 112(a)(1) (“Notwithstanding the provisions of section 106, . . . it is not an infringement of copyright for a transmitting organization entitled to transmit to the public a performance or display of a work . . . to make no more than one copy or phonorecord of a particular transmission program embodying the performance or display. . . .”), *with id.* § 107 (“Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work . . . is not an infringement of copyright.”). That fair use may be labeled as an affirmative defense due to the procedural posture of the case is no different than labeling a license an affirmative defense for the same reason. . . .

. . . We conclude that because 17 U.S.C. § 107 created a type of non-infringing use, fair use is “authorized by the law” and a copyright holder must consider the existence of fair use before sending a takedown notification under § 512(c).

C

We must next determine if a genuine issue of material fact exists as to whether Universal knowingly misrepresented that it had formed a good faith belief the video did not constitute fair use. This inquiry lies not in whether a court would adjudge the video

as a fair use, but whether Universal formed a good faith belief that it was not. Contrary to the district court's holding, Lenz may proceed under an actual knowledge theory, but not under a willful blindness theory.

1

Though Lenz argues Universal should have known the video qualifies for fair use as a matter of law, we have already decided a copyright holder need only form a subjective good faith belief that a use is not authorized. *Rossi v. Motion Picture Ass'n of Am. Inc.*, 391 F.3d 1000 (9th Cir.2004). In *Rossi*, we explicitly held that “the ‘good faith belief’ requirement in § 512(c)(3)(A)(v) encompasses a subjective, rather than objective standard,” and we observed that “Congress understands this distinction.” *Id.* at 1004. We further held:

When enacting the DMCA, Congress could have easily incorporated an objective standard of reasonableness. The fact that it did not do so indicates an intent to adhere to the subjective standard traditionally associated with a good faith requirement. . . .

In § 512(f), Congress included an expressly limited cause of action for improper infringement notifications, imposing liability only if the copyright owner's notification is a knowing misrepresentation. A copyright owner cannot be liable simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake. Rather, there must be a demonstration of some actual knowledge of misrepresentation on the part of the copyright owner.

Id. at 1004–05 (citations omitted). . . . We therefore judge Universal's actions by the subjective beliefs it formed about the video.

2

Universal faces liability if it knowingly misrepresented in the takedown notification that it had formed a good faith belief the video was not authorized by the law, i.e., did not constitute fair use. Here, Lenz presented evidence that Universal did not form any subjective belief about the video's fair use—one way or another—because it failed to consider fair use at all, and knew that it failed to do so. Universal nevertheless contends that its procedures, while not formally labeled consideration of fair use, were tantamount to such consideration. Because the DMCA requires consideration of fair use prior to sending a takedown notification, a jury must determine whether Universal's actions were sufficient to form a subjective good faith belief about the video's fair use or lack thereof.³

To be clear, if a copyright holder ignores or neglects our unequivocal holding that it must consider fair use before sending a takedown notification, it is liable for damages under § 512(f). If, however, a copyright holder forms a subjective *good faith* belief the

³ Although the panel agrees on the legal principles we discuss herein, we part company with our dissenting colleague over the propriety of resolving on summary judgment Universal's claim to subjective belief that the copyright was infringed. The dissent would find that no triable issue of fact exists because Universal did not specifically and expressly consider the fair-use elements of 17 U.S.C. § 107. But the question is whether the analysis Universal did conduct of the video was sufficient, not to conclusively establish as a matter of law that the video's use of *Let's Go Crazy* was fair, but to form a subjective good faith belief that the video was infringing on Prince's copyright. And under the circumstances of this case, that question is for the jury, not this court, to decide.

allegedly infringing material does not constitute fair use, we are in no position to dispute the copyright holder's belief even if we would have reached the opposite conclusion. A copyright holder who pays lip service to the consideration of fair use by claiming it formed a good faith belief when there is evidence to the contrary is still subject to § 512(f) liability. *Cf. Online Policy Grp. v. Diebold, Inc.*, 337 F. Supp. 2d 1995, 1204-05 (N.D. Cal. 2004) . . .

3

We hold the willful blindness doctrine may be used to determine whether a copyright holder “knowingly materially misrepresent[ed]” that it held a “good faith belief” the offending activity was not a fair use. . . . But, based on the specific facts presented during summary judgment, we reject the district court's conclusion that Lenz may proceed to trial under a willful blindness theory.

To demonstrate willful blindness a plaintiff must establish two factors: “(1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact.” *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 131 S.Ct. 2060, 2070 (2011). “Under this formulation, a willfully blind defendant is one who takes deliberate actions to avoid confirming a high probability of wrongdoing and who can almost be said to have actually known the critical facts.” *Id.* at 2070–71. . . .

On summary judgment Lenz failed to meet a threshold showing of the first factor. To make such a showing, Lenz must provide evidence from which a juror could infer that Universal was aware of a high probability the video constituted fair use. But she failed to provide any such evidence. . . . Yet the district court improperly denied Universal's motion for summary judgment on the willful blindness theory because Universal “has not shown that it *lacked* a subjective belief.” By finding blame with Universal's inability to show that it “*lacked* a subjective belief,” the district court improperly required Universal to meet its burden of persuasion, even though Lenz had failed to counter the initial burden of production that Universal successfully carried. Lenz may not therefore proceed to trial on a willful blindness theory. . . .

SMITH, J., concurring in part and dissenting in part:

I concur in all but Part IV.C of the majority opinion. However, I disagree with the majority's conclusion that “whether Universal's actions were sufficient to form a subjective good faith belief about the video's fair use or lack thereof” presents a triable issue of fact. Universal admittedly did not consider fair use before notifying YouTube to take down Lenz's video. It therefore could not have formed a good faith belief that Lenz's video was infringing, and its notification to the contrary was a knowing material misrepresentation. Accordingly, I would hold that Lenz is entitled to summary judgment. . . .

. . . I part ways with the majority on two issues. First, I would clarify that § 512(f)'s requirement that a misrepresentation be “knowing []” is satisfied when the party knows that it is ignorant of the truth or falsity of its representation. Second, I would hold that Universal's actions were insufficient as a matter of law to form a subjective good-faith belief that Lenz's video was not a fair use.

I

Section 512(f) requires that a misrepresentation be “knowing[]” to incur liability. In my view, when the misrepresentation concerns § 512(c)(3)(A)(v), the knowledge requirement is satisfied when the party knows that it has not considered fair use. That is, Universal need not have known that the video was a fair use, or that its actions were insufficient to form a good-faith belief about fair use. It need only have known that it had not considered fair use as such.¹

As the majority explains, we have previously held in *Rossi v. Motion Picture Ass’n of Am. Inc.* that “the ‘good faith belief’ requirement in § 512(c)(3)(A)(v) encompasses a subjective, rather than objective, standard.” 391 F.3d 1000, 1004 (9th Cir. 2004). *Rossi* reasoned that a subjective standard comported with § 512(f)’s requirement that actionable misrepresentations be “knowing[]”, and ultimately held that liability under § 512(f) requires “a demonstration of some actual knowledge of misrepresentation on the part of the copyright owner.” 391 F.3d at 1005.

Universal urges us to construe *Rossi* to mean that liability attaches under § 512(f) only if a party subjectively believes that its assertion is false. But under long-settled principles of deceit and fraudulent misrepresentation, a party need only know that it is ignorant of the truth or falsity of its representation for its misrepresentation to be knowing. For example, in *Cooper v. Schlesinger*, 111 U.S. 148, 155 (1884), the Supreme Court explained that “a statement recklessly made, without knowledge of its truth, [is] a false statement knowingly made, within the settled rule.” Similarly, under the common law, “[a] misrepresentation is fraudulent if the maker . . . knows or believes that the matter is not as he represents it to be, . . . [or] *knows that he does not have the basis for his representation that he states or implies.*” Restatement (Second) of Torts § 526 (emphasis added).

One who asserts a belief that a work is infringing without considering fair use lacks a basis for that belief. It follows that one who *knows* that he has not considered fair use *knows* that he lacks a basis for that belief. That is sufficient “actual knowledge of misrepresentation” to meet the scienter requirement of § 512(f). . . .

II

It is undisputed that Universal’s policy was to issue a takedown notice where a copyrighted work was used as “the focus of the video” or “prominently featured in the video.” By Universal’s own admission, its agents were not instructed to consider whether the use was fair. Instead, Universal directed its agents to spare videos that had “a second or less of a Prince song” or where the song was “distorted beyond reasonable recognition.” And yet, from this, the majority concludes that “whether Universal’s actions were sufficient to form a subjective good faith belief about the video’s fair use or lack thereof” presents a triable issue of fact.

I respectfully disagree. The Copyright Act explicitly enumerates the factors to be considered in assessing whether use of copyrighted material is fair. 17 U.S.C. § 107.

¹ I do not believe that, in this regard, my construction conflicts with that of the majority. Although the majority does not squarely address § 512(f)’s scienter requirement, it leaves for the jury only the question “whether Universal’s actions were sufficient to form a subjective good faith belief about the video’s fair use or lack thereof.”

Universal's policy was expressly to determine whether a video made "significant use"—not *fair* use—of the work. Nothing in Universal's methodology considered the purpose and character of the use, the commercial or noncommercial nature of the use, or whether the use would have a significant impact on the market for the copyrighted work.⁴ See § 107. There is therefore no disputed issue of fact: Universal did *not* consider fair use before issuing a takedown notice.

Moreover, Universal *knew* it had not considered fair use, because § 107 explicitly supplies the factors that "shall" be considered in determining whether a use is fair. *Id.* I see no reason in law or logic to excuse copyright holders from the general principle that knowledge of the law is presumed. . . .

Based on *Rossi's* holding that a subjective good-faith belief in infringement is sufficient to satisfy § 512(c)(3)(A)(v), 391 F.3d at 1005, the majority disagrees. But the majority's reading of *Rossi* would insulate from liability *any* subjective belief in infringement, no matter how poorly formed. *Rossi* did not abrogate the statutory requirement that the belief be held in good faith. I would therefore hold that a belief in infringement formed consciously without considering fair use is no good-faith belief at all. See *Cooper*, 111 U.S. at 155 (holding that such a belief is a knowing misrepresentation).

...

The majority's unfortunate interpretation of § 512(f) would permit a party to avoid liability with only the most perfunctory attention to fair use. Such a construction eviscerates § 512(f) and leaves it toothless against frivolous takedown notices. And, in an era when a significant proportion of media distribution and consumption takes place on third-party safe harbors such as YouTube, if a creative work can be taken down without meaningfully considering fair use, then the viability of the concept of fair use itself is in jeopardy. Such a construction of § 512(f) cannot comport with the intention of Congress.

...

NOTES AND QUESTIONS

1. *Lenz* involves the intersection of §512(c)(3)(A)(v)'s requirement of "good faith belief" that material is infringing with §512(f)'s requirement that a user seeking damages must show that the copyright owner "knowingly materially misrepresent[ed]" the material's infringing status. The court indicates that the standard for "good faith belief" is a subjective one. Does §512(f) similarly indicate a subjective standard of knowledge?

Recall that, according to both the Second Circuit (in *Viacom v. YouTube*, pp. 513-24 in the casebook) and the Ninth Circuit (in *UMG Recordings v. Shelter Capital Partners*, discussed by the Second Circuit), §512(c)(1)(A)(i)'s requirement that an OSP not have "actual knowledge of infringing conduct" calls for a subjective standard of knowledge, while §512(c)(1)(A)(ii)'s requirement that the OSP also "is not aware of facts or circumstances from which infringing activity is apparent" calls for an objective assessment of what the OSP reasonably should have known based on the facts available to it. Do those interpretations shed any light on the proper approach to §512(f)?

⁴ Had Universal properly considered the statutory elements of fair use, there is no doubt that it would have concluded that *Lenz's* use of *Let's Go Crazy* was fair. . . .

2. An earlier decision by a district court in the Ninth Circuit, *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195 (N.D. Cal. 2004), had concluded that §512(f) calls for an objective interpretation. *See id.* at 1204-05. Diebold, a manufacturer of electronic voting machines, had invoked §512(c) to demand takedown of copied portions of an archive of email exchanged among its employees that revealed serious technical problems with Diebold's machines. In concluding that Diebold had violated §512(f), the court reasoned that "[n]o reasonable copyright holder could have believed that [the material] was protected by copyright" and that "Diebold sought to use [§512] . . . as a sword to suppress publication of embarrassing content rather than as a shield to protect its intellectual property." *Id.* The *Lenz* majority cites *Diebold* as indirect support for the proposition that "A copyright holder who pays lip service to the consideration of fair use by claiming it formed a good faith belief when there is evidence to the contrary is still subject to § 512(f) liability" under the willful blindness doctrine. Does that characterization satisfactorily address the *Diebold* fact pattern? How does the willful blindness doctrine differ from a more general reasonableness standard?

3. According to Judge Smith, a party that knows it has not considered fair use is ineligible to assert good faith, and therefore, on these facts, the question of Universal's good faith can be decided as a matter of law. Is that resolution preferable? How does Judge Smith's articulation of the "knowing ignorance" standard differ from the majority's articulation of the willful blindness standard?

4. The parties in *Lenz* have been mired in discovery, pretrial motions, and interlocutory appeals for years. If the case ever proceeds to trial, where a preponderance-of-the-evidence standard applies, who should prevail on the question of subjective bad faith?

5. Note that YouTube took six weeks to restore Lenz's video, rather than the statutorily provided 10 to 14 business days. What do you think explains the delay? From the perspective of an Internet user, what do you make of the notification and counternotification procedures established by §512? Do they reflect an appropriate balancing of the various interests affected? If not, what changes would you recommend?

D. Device Manufacturers and Liability for Inducing Infringement

Pages 554-62. Read the following alongside Columbia Pictures v. Fung and the Notes and Questions:

COMPARATIVE PERSPECTIVE

Recall from Chapter 6.A.1 that the WCT obligates signatory nations to give copyright owners certain exclusive rights to make their works available to the public. After a Dutch copyright owner requested an order directing two OSPs to block domain names and IP addresses associated with The Pirate Bay (TPB), a well-known BitTorrent indexing platform, the Dutch Supreme Court requested an opinion from the European Court of Justice on the meaning of the "making available" provisions as incorporated in the EU Copyright Directive. In *Stichting Brein v Ziggo BV, XS4ALL Internet BV*, Case C-610/15 (14 June, 2017), the court concluded that TPB did not simply provide physical facilities for making a communication to the public, but rather was itself engaged in communication to the public of copyrighted works. As support for that conclusion, it

noted that TPB “generates considerable advertising revenues” and that TPB’s operators had indicated a purpose to make protected works available, had encouraged users to make copies of such works, and “could not be unaware” of the large amounts of unauthorized copying occurring via their site. *Id.* at ¶¶45-46. That interpretation of the “making available” right produces a theory of direct infringement liability whose coverage overlaps that provided by U.S. theories of indirect infringement liability.

Chapter 10. Fair Use

B. Transformative Use Revisited

Pages 608-09. In the Notes and Questions, insert new Question 6:

6. Review the facts of *Oracle v. Google*, at pp. 229-39 in the casebook, noting particularly the sidebar on p. 232 about the role of regional circuit law in the Federal Circuit. In light of the *Sega* and *Connectix* decisions, how should the Federal Circuit rule on whether Google's copying was fair use? Note also that Oracle's appeal follows a unanimous jury verdict in Google's favor on the fair use question. How does that procedural posture affect the Federal Circuit's review?

Page 622. Replace Note 5 with the following:

5. As part of the program described in the *HathiTrust* opinion, Google scanned more than 20 million books and created its own publicly available, searchable database, Google Books. There are two main differences between the HathiTrust book search service and that offered by Google Books. First, when a user inputs a search term, Google Books, unlike the HathiTrust search engine, returns snippets of texts from copyrighted works in which the term appears. Second, although Google provides the public access to the database without charge and without advertising, Google is a for-profit company that derives revenue from its other search engine activities.

The Authors Guild filed a class action against Google in 2004. After a failed settlement and protracted battle over class certification, the district court ruled Google's use fair and the Second Circuit upheld that decision. *Authors Guild v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015), *cert. denied*, 2016 WL 1551263 (U.S. Apr. 18, 2016) (No. 15-849). The Second Circuit emphasized limitations Google had placed on the snippets:

These include the small size of the snippets (normally one eighth of a page), the blacklisting of one snippet per page and of one page in every ten, the fact that no more than three snippets are shown – and no more than one per page – for each term searched, and the fact that the same snippets are shown for a searched term no matter how many times, or from how many different computers, the term is searched. In addition, Google does not provide snippet view for types of books, such as dictionaries and cookbooks, for which viewing a small segment is likely to satisfy the searcher's need. . . .

Id. at 222.

The plaintiffs argued that Google's use should not be considered fair in part because "Google is profit-motivated and seeks to use its dominance of book search to fortify its overall dominance of the Internet search market, . . . thereby . . . indirectly reap[ing] profits . . ." *Id.* at 218. The court, however, saw "no reason why Google's overall profit motivation should prevail as a reason for denying fair use over its highly convincing transformative purpose, together with the absence of significant substitutive competition,

as reasons for granting fair use.” *Id.* at 219. It noted that given the limitations on snippet view, rights holders were not threatened with “any significant harm to the value of their copyrights or diminish[ment of] their harvest of copyright revenue.” *Id.* at 224. Finally, the court held that the plaintiffs’ copyrights do “not include an exclusive right to furnish the kind of information about the[ir] works that Google’s programs provide to the public. [Thus,] the copyright that protects [p]laintiffs’ works does not include an exclusive derivative right to supply such information through query of a digitized copy.” *Id.* at 225.

Do you agree that Google’s use was fair? Would your answer change if the book search function were directly supported by sales of advertising?

Page 643. Add a new Note and Question 6.

6. Limitations and exceptions for educational purposes have historically been controversial in national and international copyright law. As you learned in this Chapter, the U.S. relies largely on the fair use doctrine to permit certain types of educational copying. Other countries, however, utilize specific exceptions for educational uses in addition to whatever general exceptions to copyright may exist in national law. This so-called ‘hybrid’ approach was recently tested in the case of *Chancellor, Masters & Scholars of the University of Oxford v. Rameshwari Photocopy Services*, CS(OS) 2439/2012, 2016 SCC OnLine Del. 5128 (Sept. 16, 2016). Plaintiffs Oxford University Press, Cambridge University Press and Taylor & Francis brought a copyright infringement action against an on-campus photocopying shop that copied anywhere from 5% to 33% of certain copyrighted works for inclusion in course-packs for students at the University of Delhi School of Economics in Delhi, India. The photocopying shop was licensed by the University specifically to copy materials for purchase by students. Section 52(1)(i) of the Indian Copyright Act provides that “the reproduction of any work (i) by a teacher or a pupil in the course of instruction; . . .” is not an infringement.

In holding for the photocopying shop, a learned Single Judge of the Delhi High Court construed ‘in the course of instruction’ as

reproduction of any work while the process of imparting instruction by the teacher and receiving instruction by the pupil continues i.e., during the entire academic session for which the pupil is under the tutelage of the teacher [I]mparting and receiving of instruction is not limited to personal interface between teacher and pupil but is a process commencing from the teacher readying herself/himself for imparting instruction, setting syllabus, prescribing text books, readings and ensuring, whether by interface in classroom/tutorials or otherwise by holding tests from time to time or clarifying doubts of students, that the pupil stands instructed in what he/she has approached the teacher to learn.

See Chancellor, Masters & Scholars of the University of Oxford v. Rameshwari Photocopy Services, CS(OS) 2439/2012, 2016 SCC OnLine Del. 5128 (Sept. 16, 2016), at para. 72, <http://lobis.nic.in/ddir/dhc/RSE/judgement/16-09-2016/RSE16092016S24392012.pdf>.

On appeal, a panel of two judges of the Delhi High Court largely agreed, holding that the key question is:

whether the inclusion of the copyrighted work in the course pack was justified by the purpose of the course pack i.e. for instructional use by the teacher to the class and this

would warrant an analysis of the course pack with reference to the objective of the course, the course content and the list of suggested readings given by the teacher to the students.

See Chancellor, Masters & Scholars of the University of Oxford v. Rameshwari Photocopy Services, RFA(OS) 81/2016, 2016 SCC OnLine Del. 6229 (Dec. 9, 2016), at para. 56, <http://lobis.nic.in/ddir/dhc/PNJ/judgement/09-12-2016/PNJ09122016RFAO S812016.pdf>.

Read Articles 9 and 10 of the Berne Convention and Article 13 of the TRIPS Agreement. Is Section 52(1)(i) of the Indian Copyright Act consistent with India's international obligations? Is a specific exception a better way than the fair use doctrine to address the interests of educational institutions? Note that the court held it irrelevant under the statute whether the University did the photocopying directly or outsourced it to a photocopy shop. Moreover, the availability of a licensing market in India did not affect the courts' reasoning given the statutory provision at issue. How do you think this case would have been decided under a fair use analysis? Which approach – the U.S. or India's – is more faithful to the underlying justifications for copyright law?

Chapter 13. Copyright Litigation

F. Civil Remedies

Page 810. *At the end of Note 2, add the following:*

3. The Ninth Circuit has held that when analyzing irreparable harm, the “harm must stem from copyright—namely, harm to [the putative author’s] legal interests *as an author*.” *Garcia v. Google, Inc.*, 786 F.3d 733, 744 (9th Cir. 2015) (en banc). *Garcia* involved an actress’ performance in what, unbeknownst to her, was an anti-Muslim film. Once the film was posted to YouTube and translated into Arabic, the actress, Cindy Lee Garcia, received multiple death threats. *Id.* at 738. Garcia sought an injunction requiring YouTube to remove the film. With respect to irreparable harm, Garcia argued that “[t]he injuries she seeks to avoid—damage to her reputation, unfair[,] forced promotion of a hateful film, and death—will be avoided if any injunction issues.” *Id.* at 744. The court concluded:

This relief is not easily achieved under copyright law. Although we do not take lightly threats to life or the emotional turmoil Garcia has endured, her harms are untethered from—and incompatible with—copyright and copyright’s function as the engine of expression.

In broad terms, “the protection of privacy is not a function of the copyright law. . . . To the contrary, the copyright law offers a limited monopoly to encourage ultimate *public access* to the creative work of the author.” *Bond v. Blum*, 317 F.3d 385, 395 (4th Cir. 2003).

Likewise, authors cannot seek emotional distress damages under the Copyright Act, because such damages are unrelated to the value and marketability of their works. . . .

Privacy laws, not copyright, may offer remedies tailored to Garcia’s personal and reputational harms. On that point, we offer no substantive view. Ultimately, Garcia would like to have her connection to the film forgotten and stripped from YouTube. Unfortunately for Garcia, such a “right to be forgotten,” although recently affirmed by the Court of Justice for the European Union, is not recognized in the United States. *See* Case C–131/12, *Google Spain SL v. Agencia Española de Protección de Datos* (AEPD), ECLI:EU:C:2014:616 (May 13, 2014) (requiring Google to consider individual requests to remove personal information from its search engine); *Internet Law—Protection of Personal Data—Court of Justice of the European Union Creates Presumption that Google Must Remove Links to Personal Data Upon Request*, 128 Harv. L.Rev. 735 (2014).

Nor is Garcia protected by the benefits found in many European countries, where authors have “moral rights” to control the integrity of their works and to guard against distortion, manipulation, or misappropriation. Except for a limited universe of works of visual art, such as paintings and drawings protected under the Visual Artists Rights Act

of 1990, United States copyright law generally does not recognize moral rights. 17 U.S.C. § 106A. Motion pictures specifically are excluded from moral rights protection.

In short, Garcia's harms are too attenuated from the purpose of copyright. We do not foreclose that in a different circumstance with a strong copyright claim, a court could consider collateral consequences as part of its irreparable harm analysis and remedy. 17 U.S.C. § 502 (providing that the court may grant injunctions "as it may deem reasonable to prevent or restrain infringement of a copyright"). But such a case is not before us.

Should an injunction under copyright law be available to protect an author from dignitary harms?

Pages 840-47. Replace the cases and Notes and Questions with the following:

Kirtsaeng v. John Wiley & Sons, Inc.

136 S.Ct. 1979 (2016)

KAGAN, J.: Section 505 of the Copyright Act provides that a district court "may . . . award a reasonable attorney's fee to the prevailing party." 17 U. S. C. §505. The question presented here is whether a court, in exercising that authority, should give substantial weight to the objective reasonableness of the losing party's position. The answer, as both decisions below held, is yes--the court should. But the court must also give due consideration to all other circumstances relevant to granting fees; and it retains discretion, in light of those factors, to make an award even when the losing party advanced a reasonable claim or defense. Because we are not certain that the lower courts here understood the full scope of that discretion, we return the case for further consideration of the prevailing party's fee application.

I

[Review the facts on pp. 366-67 of the casebook from the earlier Supreme Court decision in this case.]

At the time [Wiley sued Kirtsaeng for copyright infringement], courts were in conflict on th[e] issue [of the proper interpretation of the first-sale doctrine. *See* 17 U.S.C. §§106(3), 602(a)(1)]. Some thought, as Kirtsaeng did, that the first-sale doctrine permitted the resale of foreign-made books; others maintained, along with Wiley, that it did not. And this Court, in its first pass at the issue, divided 4 to 4. *See Costco Wholesale Corp. v. Omega, S. A.*, 562 U. S. 40 (2010) (*per curiam*). In this case, the District Court sided with Wiley; so too did a divided panel of the Court of Appeals for the Second Circuit. *See* 654 F. 3d 210, 214, 222 (2011). To settle the continuing conflict, this Court granted Kirtsaeng's petition for certiorari and reversed the Second Circuit in a 6-to-3 decision, thus establishing that the first-sale doctrine allows the resale of foreign-made books, just as it does domestic ones. *See Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U. S. ____, ____ (2013).

Returning victorious to the District Court, Kirtsaeng invoked §505 to seek more than \$2 million in attorney's fees from Wiley. The court denied his motion. Relying on Second Circuit precedent, the court gave "substantial weight" to the "objective

reasonableness” of Wiley’s infringement claim. In explanation of that approach, the court stated that “the imposition of a fee award against a copyright holder with an objectively reasonable”—although unsuccessful—“litigation position will generally not promote the purposes of the Copyright Act.” Here, Wiley’s position was reasonable: After all, several Courts of Appeals and three Justices of the Supreme Court had agreed with it. And according to the District Court, no other circumstance “overr[o]de” that objective reasonableness, so as to warrant fee-shifting. The Court of Appeals affirmed, concluding in a brief summary order that “the district court properly placed “substantial weight” on the reasonableness of [Wiley’s] position” and committed no abuse of discretion in deciding that other “factors did not outweigh” the reasonableness finding. 605 Fed. Appx. 48, 49, 50 (CA2 2015).

We granted certiorari, 577 U. S. ____ (2016), to resolve disagreement in the lower courts about how to address an application for attorney’s fees in a copyright case.

II

Section 505 states that a district court “may . . . award a reasonable attorney’s fee to the prevailing party.” It thus authorizes fee-shifting, but without specifying standards that courts should adopt, or guideposts they should use, in determining when such awards are appropriate.

In *Fogerty v. Fantasy, Inc.*, 510 U. S. 517 (1994), this Court recognized the broad leeway §505 gives to district courts—but also established several principles and criteria to guide their decisions. The statutory language, we stated, “clearly connotes discretion,” and eschews any “precise rule or formula” for awarding fees. *Id.*, at 533, 534. Still, we established a pair of restrictions. First, a district court may not “award [] attorney’s fees as a matter of course”; rather, a court must make a more particularized, case-by-case assessment. *Id.*, at 533. Second, a court may not treat prevailing plaintiffs and prevailing defendants any differently; defendants should be “encouraged to litigate [meritorious copyright defenses] to the same extent that plaintiffs are encouraged to litigate meritorious claims of infringement.” *Id.*, at 527. In addition, we noted with approval “several nonexclusive factors” to inform a court’s fee-shifting decisions: “frivolousness, motivation, objective unreasonableness[,] and the need in particular circumstances to advance considerations of compensation and deterrence.” *Id.*, at 534, n. 19. And we left open the possibility of providing further guidance in the future, in response to (and grounded on) lower courts’ evolving experience.

The parties here, though sharing some common ground, now dispute what else we should say to district courts. Both Kirtsaeng and Wiley agree—as they must-- that §505 grants courts wide latitude to award attorney’s fees based on the totality of circumstances in a case. Yet both reject the position . . . that *Fogerty* spelled out the only appropriate limits on judicial discretion—in other words, that each district court should otherwise proceed as it sees fit, assigning whatever weight to whatever factors it chooses. Rather, Kirtsaeng and Wiley both call, in almost identical language, for “[c]hanneling district court discretion towards the purposes of the Copyright Act.” Brief for Petitioner 16; see Brief for Respondent 21. But at that point, the two part ways. Wiley argues that giving substantial weight to the reasonableness of a losing party’s position will best serve the Act’s objectives. By contrast, Kirtsaeng favors giving special consideration to whether a

lawsuit resolved an important and close legal issue and thus “meaningfully clarifie[d]” copyright law.

We join both parties in seeing a need for some additional guidance respecting the application of §505. In addressing other open-ended fee-shifting statutes, this Court has emphasized that “in a system of laws discretion is rarely without limits.” *Flight Attendants v. Zipes*, 491 U. S. 754, 758 (1989). Without governing standards or principles, such provisions threaten to condone judicial “whim” or predilection. *Martin[v. Franklin Capital Corp.]*, 546 U.S. 132, 139 (2005)]. At the least, utterly freewheeling inquiries often deprive litigants of “the basic principle of justice that like cases should be decided alike,” [*id.*]--as when, for example, one judge thinks the parties’ “motivation[s]” determinative and another believes the need for “compensation” trumps all else. And so too, such unconstrained discretion prevents individuals from predicting how fee decisions will turn out, and thus from making properly informed judgments about whether to litigate. For those reasons, when applying fee-shifting laws with “no explicit limit or condition,” *Halo [Elecs. v. Pulse Elecs.]*, 136 S. Ct. ___, 2016 WL 3221515 (June 13, 2016)], we have nonetheless “found limits” in them--and we have done so, just as both parties urge, by looking to “the large objectives of the relevant Act,” *Zipes*, 491 U. S., at 759.

In accord with such precedents, we must consider if either Wiley’s or Kirtsaeng’s proposal well advances the Copyright Act’s goals. Those objectives are well settled. As *Fogerty* explained, “copyright law ultimately serves the purpose of enriching the general public through access to creative works.” 510 U. S., at 527; see U. S. Const., Art. I, §8, cl. 8 (“To promote the Progress of Science and useful Arts”). The statute achieves that end by striking a balance between two subsidiary aims: encouraging and rewarding authors’ creations while also enabling others to build on that work. Accordingly, fee awards under §505 should encourage the types of lawsuits that promote those purposes. (That is why, for example, *Fogerty* insisted on treating prevailing plaintiffs and prevailing defendants alike--because the one could “further the policies of the Copyright Act every bit as much as” the other. 510 U. S., at 527.) On that much, both parties agree. The contested issue is whether giving substantial weight to the objective (un)reasonableness of a losing party’s litigating position--or, alternatively, to a lawsuit’s role in settling significant and uncertain legal issues--will predictably encourage such useful copyright litigation.

The objective-reasonableness approach that Wiley favors passes that test because it both encourages parties with strong legal positions to stand on their rights and deters those with weak ones from proceeding with litigation. When a litigant--whether plaintiff or defendant--is clearly correct, the likelihood that he will recover fees from the opposing (*i.e.*, unreasonable) party gives him an incentive to litigate the case all the way to the end. The holder of a copyright that has obviously been infringed has good reason to bring and maintain a suit even if the damages at stake are small; and likewise, a person defending against a patently meritless copyright claim has every incentive to keep fighting, no matter that attorney’s fees in a protracted suit might be as or more costly than a settlement. Conversely, when a person (again, whether plaintiff or defendant) has an unreasonable litigating position, the likelihood that he will have to pay two sets of fees discourages legal action. The copyright holder with no reasonable infringement claim has good reason not to bring suit in the first instance (knowing he cannot force a settlement and will have to proceed to judgment); and the infringer with no reasonable defense has every reason to give in quickly, before each side’s litigation costs mount. All of those results promote the

Copyright Act's purposes, by enhancing the probability that both creators and users (*i.e.*, potential plaintiffs and defendants) will enjoy the substantive rights the statute provides.

By contrast, Kirtsaeng's proposal would not produce any sure benefits. We accept his premise that litigation of close cases can help ensure that "the boundaries of copyright law [are] demarcated as clearly as possible," thus advancing the public interest in creative work. Brief for Petitioner 19 (quoting *Fogerty*, 510 U. S., at 527). But we cannot agree that fee-shifting will necessarily, or even usually, encourage parties to litigate those cases to judgment. Fee awards are a double-edged sword: They increase the reward for a victory--but also enhance the penalty for a defeat. And the hallmark of hard cases is that no party can be confident if he will win or lose. That means Kirtsaeng's approach could just as easily discourage as encourage parties to pursue the kinds of suits that "meaningfully clarif[y]" copyright law. It would (by definition) raise the stakes of such suits; but whether those higher stakes would provide an incentive--or instead a disincentive--to litigate hinges on a party's attitude toward risk. Is the person risk-preferring or risk-averse--a high-roller or a penny-ante type? Only the former would litigate more in Kirtsaeng's world. See Posner, *An Economic Approach to Legal Procedure and Judicial Administration*, 2 J. Legal Studies 399, 428 (1973) (fees "make[] the expected value of litigation less for risk-averse litigants, which will encourage [them to] settle[]"). And Kirtsaeng offers no reason to think that serious gamblers predominate. So the value of his standard, unlike Wiley's, is entirely speculative.²

What is more, Wiley's approach is more administrable than Kirtsaeng's. A district court that has ruled on the merits of a copyright case can easily assess whether the losing party advanced an unreasonable claim or defense. That is closely related to what the court has already done: In deciding any case, a judge cannot help but consider the strength and weakness of each side's arguments. By contrast, a judge may not know at the conclusion of a suit whether a newly decided issue will have, as Kirtsaeng thinks critical, broad legal significance. The precedent-setting, law-clarifying value of a decision may become apparent only in retrospect--sometimes, not until many years later. And so too a decision's practical impact (to the extent Kirtsaeng would have courts separately consider that factor). District courts are not accustomed to evaluating in real time either the jurisprudential or the on-the-ground import of their rulings. Exactly how they would do so is uncertain (Kirtsaeng points to no other context in which courts undertake such an analysis), but we fear that the inquiry would implicate our oft-stated concern that an application for attorney's fees "should not result in a second major litigation." *Zipes*, 491

² This case serves as a good illustration. Imagine you are Kirtsaeng at a key moment in his case--say, when deciding whether to petition this Court for certiorari. And suppose (as Kirtsaeng now wishes) that the prevailing party in a hard and important case--like this one--will probably get a fee award. Does that make you more likely to file, because you will recoup your own fees if you win? Or less likely to file, because you will foot Wiley's bills if you lose? Here are some answers to choose from (recalling that you cannot confidently predict which way the Court will rule): (A) Six of one, half a dozen of the other. (B) Depends if I'm feeling lucky that day. (C) Less likely--this is getting scary; who knows how much money Wiley will spend on Supreme Court lawyers? (D) More likely--the higher the stakes, the greater the rush. Only if lots of people answer (D) will Kirtsaeng's standard work in the way advertised. Maybe. But then again, maybe not.

U. S., at 766. And we suspect that even at the end of that post-lawsuit lawsuit, the results would typically reflect little more than educated guesses.

Contrary to Kirtsaeng's view, placing substantial weight on objective reasonableness also treats plaintiffs and defendants even-handedly, as *Fogerty* commands. No matter which side wins a case, the court must assess whether the other side's position was (un)reasonable. And of course, both plaintiffs and defendants can (and sometimes do) make unreasonable arguments. Kirtsaeng claims that the reasonableness inquiry systematically favors plaintiffs because a losing defendant "will virtually *always* be found to have done something culpable." But that conflates two different questions: whether a defendant in fact infringed a copyright and whether he made serious arguments in defense of his conduct. Courts every day see reasonable defenses that ultimately fail (just as they see reasonable claims that come to nothing); in this context, as in any other, they are capable of distinguishing between those defenses (or claims) and the objectively unreasonable variety. And if some court confuses the issue of liability with that of reasonableness, its fee award should be reversed for abuse of discretion.

All of that said, objective reasonableness can be only an important factor in assessing fee applications--not the controlling one. As we recognized in *Fogerty*, §505 confers broad discretion on district courts and, in deciding whether to fee-shift, they must take into account a range of considerations beyond the reasonableness of litigating positions. That means in any given case a court may award fees even though the losing party offered reasonable arguments (or, conversely, deny fees even though the losing party made unreasonable ones). For example, a court may order fee-shifting because of a party's litigation misconduct, whatever the reasonableness of his claims or defenses. Or a court may do so to deter repeated instances of copyright infringement or overaggressive assertions of copyright claims, again even if the losing position was reasonable in a particular case. Although objective reasonableness carries significant weight, courts must view all the circumstances of a case on their own terms, in light of the Copyright Act's essential goals.

And on that score, Kirtsaeng has raised serious questions about how fee-shifting actually operates in the Second Circuit. To be sure, the Court of Appeals' framing of the inquiry resembles our own: It calls for a district court to give "substantial weight" to the reasonableness of a losing party's litigating positions while also considering other relevant circumstances. But the Court of Appeals' language at times suggests that a finding of reasonableness raises a presumption against granting fees--and that goes too far in cabinining how a district court must structure its analysis and what it may conclude from its review of relevant factors. Still more, district courts in the Second Circuit appear to have overly learned the Court of Appeals' lesson, turning "substantial" into more nearly "dispositive" weight. . . . For these reasons, we vacate the decision below so that the District Court can take another look at Kirtsaeng's fee application. In sending back the case for this purpose, we do not at all intimate that the District Court should reach a different conclusion. Rather, we merely ensure that the court will evaluate the motion consistent with the analysis we have set out--giving substantial weight to the reasonableness of Wiley's litigating position, but also taking into account all other relevant factors. . . .

NOTES AND QUESTIONS

1. In *Kirtsaeng*, the Court discusses the factors relevant to an award of attorneys' fees under its earlier ruling in *Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994). What does *Kirtsaeng* add to *Fogerty*? If you were the district court judge ruling on *Kirtsaeng* on remand, how would you analyze the case, and what sorts of evidence would you expect the attorneys to provide?

2. Given the Court's insistence on a unitary standard for awards to both prevailing plaintiffs and prevailing defendants, how much guidance do its factors really provide? Which rule seems best calculated to encourage investment in and access to creative works: supporting good faith claims of infringement by awarding attorneys' fees to the prevailing plaintiff; refusing to award attorneys' fees to either party when there is a bona fide dispute about the legitimacy of the defendant's conduct; or supporting good faith defenses by awarding attorneys' fees to the prevailing defendant? Should lack of good faith also play a role in the decision whether to award attorneys' fees?

3. Does the Court's decision achieve predictability (and constraints on judicial discretion) regarding the award of attorneys' fees? How would you advise clients involved in copyright infringement disputes?

4. Prior to *Kirtsaeng*, the Seventh Circuit had attempted to craft a set of presumptive rules to structure disposition of claims for attorneys' fees. *See Gonzales v. Transfer Techs., Inc.*, 301 F.3d 608, 610 (7th Cir. 2002) ("[T]he smaller the damages, provided there is a real, and especially a willful, infringement, the stronger the case for an award of attorneys' fees. . . . [T]he prevailing party in a copyright case in which the monetary stakes are small should have a presumptive entitlement of an award of attorneys' fees."); *Assessment Techs. of WI, LLC v. WIREDATA, Inc.*, 361 F.3d 434, 436-37 (7th Cir. 2004) ("If the case was a toss-up and the prevailing party obtained generous damages, or injunctive relief of substantial monetary value, there is no urgent need to add an award of attorneys' fees. . . . But if at the other extreme the claim or defense was frivolous and the prevailing party obtained no relief at all, the case for awarding him attorneys' fees is compelling.").

Do these cases survive *Kirtsaeng*?

5. The TRIPS Agreement requires judicial authorities in Member States to have the authority to indemnify a defendant wrongfully enjoined or restrained by a plaintiff "who has abused enforcement procedures." TRIPS Agreement, art. 48 (1). Indemnification in this setting means that the plaintiff is ordered to pay "adequate compensation" for the injury suffered because of the abuse of process. Article 48 (1) also requires judicial authorities to have the authority to order payment of the defendant's expenses, which may include attorneys' fees.

Chapter 14. Technological Protections

B. The Digital Millennium Copyright Act and Circumvention of Technological Protections

Page 876. Add to the end of current Note and Question 1:

Recall from Chapter 6 that the Family Movie Act of 2005, codified in §110(11), provides an exception that permits playback of movies with portions omitted. Would a service that purchases copies of CSS-protected DVDs, decrypts them to filter objectionable content, and then streams the remaining content to customers (who must have purchased a copy of the DVD in order to view the stream) be in violation of §1201? *See Disney Enters. Inc. et al v. VidAngel Inc.*, No. 2:16-cv-04109 - AB (PLAx), 2016 U.S. Dist. LEXIS 183152 (C.D. Cal. Dec. 12, 2016) (yes). Would sales of a remote control programmed to allow consumers to identify and fast-forward over or entirely skip objectionable content violate §1201(a) (2)?

Page 882. In the chart summarizing Library of Congress Rulemakings Under §1201, insert a new row at the end:

Year	Exemptions Granted
2015	Audiovisual works via screen-capture technology or on DVD or Blu-Ray disc when screen-capture technology can't produce the required level of high-quality content, for use in documentary filmmaking, noncommercial videos, and nonfiction ebooks offering film analysis, and by college and university faculty and students, faculty in MOOCs, K-12 educators, and educators at libraries and museums, subject to additional requirements; Literary works when ebook editions prevent enabling of accessibility for visually-impaired users; Computer programs that enable mobile phones, tablets, portable hotspots, and wearable devices to connect to wireless telecommunications networks, for the sole purpose of making an authorized connection; Computer programs on mobile phones and "portable all-purpose mobile computing devices," for the sole purpose of enabling interoperability with third-party software applications or to permit removal of such applications; Computer programs on smart televisions, for the sole purpose of enabling interoperability with lawfully obtained software applications; Computer programs that control the functioning of a motorized land vehicle, for the sole purpose of enabling diagnosis, repair, or lawful modification;

	Computer programs on voting machines, motorized land vehicles, or medical devices, for the sole purpose of good faith security research; Video games lawfully acquired as complete games when the copyright owner has ceased to provide server access for authentication, for the sole purpose of enabling personal gameplay or preservation in playable form by an eligible library, museum, or archive; Computer programs that operate 3D printers, for the sole purpose of using alternative feedstock; Literary works consisting of compilations of data generated by medical devices that are wholly or partially implanted in the body or by their monitoring systems, for the sole purpose of enabling a patient to access his or her own data.
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Chapter 15. State Law Theories of Protection and Their Limits

C. More Difficult Preemption Problems

Pages 930-31. Replace the carry-over paragraph with the following and add new Questions 3 and 4 to the Notes and Questions:

Moreover, §301 expressly permits state law protection for sound recordings fixed before February 15, 1972, the date on which federal copyright protection for sound recordings became available. In recent years, state law protection for pre-1972 sound recordings has generated a fair amount of litigation. In 2014, a federal district court ruled that California's statute granting a right of "exclusive ownership" to authors of pre-1972 sound recordings, Cal. Civ. Code § 980(a)(2), included the right to control the public performance of those sound recordings. *Flo & Eddie Inc. v. Sirius XM Radio Inc.*, 2014 WL 4725382 (C.D. Cal. 2014). In contrast, on certification from the Second Circuit in a case involving the same parties, the New York Court of Appeals held that New York's common law does not provide a right of public performance for sound recordings. *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, 70 N.E. 3d 936 (2016). The court noted that ". . . [T]he consequences of [recognizing] such a right could be extensive and far-reaching . . . Under [such] circumstances, the recognition of such a right should be left to the legislature." *Id.* at 949. On the other hand, in an earlier case, the New York Court of Appeals held that protection for sound recordings under New York's common law may extend to a work that did not originate in New York and that had passed into the public domain in its country of origin. *See Capitol Records, Inc. v. Naxos of America, Inc.*, 830 N.E.2d 250, 265 (N.Y. 2005) (holding that UK recordings were entitled to protection under New York common law, notwithstanding expiration of the statutory copyrights in the United Kingdom).

3. Recall from Chapter 7 of the casebook that the Copyright Act does not grant copyright owners of sound recordings a general public performance right, but rather grants only a limited right to control public performances by means of digital audio transmissions. Authors of pre-1972 sound recording therefore have broader rights under California law than they would if their sound recordings were eligible for federal copyright protection. Is this appropriate?

4. The California Resale Royalties Act (CRRRA) requires the seller of fine art to pay the artist a five percent royalty as long as "the seller resides in California or the sale takes place in California." Cal. Civ. Code § 986(a). Resale royalty rights are considered a type of moral right. *See* Chapter 8, page 472 of the casebook. Does the Copyright Act preempt such a state law? What if the law operated only after the artist's death, creating a right for the heirs to obtain a royalty – would §301(f) "save" such a law from express preemption? What about implied preemption?

Relying on both implied/conflict preemption and express preemption, one court held that the CRRA is preempted because it “restricts transactions that § 109(a) intended to leave unrestricted.” *Estate of Graham v. Sotheby's, Inc.*, 178 F. Supp. 3d 974, 984 (C.D. Cal. 2016), *appeal filed* August 29, 2016. The court noted that “the CRRA disrupts Congress’s efforts to balance the interests of copyright holders and downstream consumers.” *Id.* at 988. It held that the separate provisions of §301 concerning moral rights did not change the result.

Pages 938-41. Replace Laws v. Sony Music Entertainment, the Notes and Questions and the Practice Exercise with the following:

Maloney v. T3Media, Inc.

853 F.3d 1004 (9th Cir. 2017)

M. SMITH, J.: . . .

FACTUAL AND PROCEDURAL BACKGROUND . . .

T3Media provides storage, hosting, and licensing services for a wide variety of digital content. In 2012, it contracted with the NCAA to store, host, and license the images in the NCAA Photo Library. The NCAA Photo Library itself contains thousands of photographs chronicling seventy years of NCAA sports history [, including photographs of the plaintiffs, Patrick Maloney and Tim Judge, when they played for the Catholic University men’s basketball team]. Until 2014, T3Media made the photographs available to the public through its website, Paya.com.

Consumers could view digital thumbnails of the images contained in the NCAA Photo Library on Paya.com, and obtain for \$20 to \$30 a non-exclusive license permitting them to download a copy of a chosen photograph. Brief descriptions of the events depicted in the images accompanied the digital thumbnails. Users were also required to assent to a “Content License Agreement” in order to download one of the photographs. Pursuant to that agreement, consumers could “use a single copy of the image for non-commercial art use.” Consumers did not obtain “any right or license to use the name or likeness of any individual (including any athlete, announcer, or coach) appearing in the Content in connection with or as an express or implied endorsement of any product or service.” . . .

Plaintiffs commenced this action in the Central District of California in June 2014. They allege that T3Media exploited their names and likenesses commercially by selling photographs on Paya.com The complaint asserts claims for violation of California’s statutory right of publicity, Cal. Civ. Code § 3344, common law right of publicity, and Unfair Competition Law (UCL), Cal. Bus. & Prof. Code § 17200 *et seq.*

. . . The district court granted T3Media’s motion to strike [under Cal. Civ. Proc. Code § 425.16] on March 6, 2015, holding that the Copyright Act preempts plaintiffs’ claims, and declining to reach the other defenses. [We affirm.] . . .

Preemption under Section 301 of the Copyright Act . . .

Step One—The subject matter of the state law claims falls within the subject matter of copyright.

a. The statutory text and our precedents. . . .

Plaintiffs resist th[e] conclusion [that the photographs fall within the subject matter of copyright under §§101-102] by drilling down on the *content* of a publicity-right claim. Plaintiffs maintain that the right of publicity—as it pertains to photographs—protects against exploitation of an individual’s “likeness” or “persona.” Since those attributes “exist independent of any single photograph,” plaintiffs argue that photograph-based publicity-right claims categorically fall outside the “subject matter of copyright.” In other words, plaintiffs insist they do not assert any right in the particular photographic “works of authorship” at issue here. Instead, they claim that “the personal attributes protected by the right of publicity . . . cannot be ‘fixed’ in copyrightable form in the same way as an actor’s performance or an author’s writings.”

Plaintiffs draw support for their position primarily from *Downing v. Abercrombie & Fitch*, 265 F.3d 994 (9th Cir. 2001). There, clothing retailer Abercrombie & Fitch developed a surfing theme for its catalog, which was the company’s “largest advertising vehicle.” *Id.* at 999. As part of the campaign, Abercrombie purchased photographs depicting the plaintiffs taking part in the 1965 Makaha International Surf Championship in Hawaii. *Id.* at 1000. Abercrombie used the photographs in a section of the catalog entitled “Surf Nekkid.” *Id.* It also “decided to create t-shirts, exactly like those worn by the [plaintiffs] in the photograph, for sale in the upcoming issue.” *Id.* These “Final Heat Tees” appeared in the catalog for sale two pages after the pictures of the plaintiffs. *Id.* Abercrombie did not obtain at any time the plaintiffs’ permission to use the photographs in the catalog. *Id.*

We held that section 301 of the Copyright Act did not preempt plaintiffs’ publicity-right claims. *Id.* at 1005. . . . We observed that “[a] person’s name or likeness is not a work of authorship within the meaning of 17 U.S.C. § 102.” *Id.* at 1004. “This is true,” we said, “notwithstanding the fact that [plaintiffs’] names and likenesses are embodied in a copyrightable photograph.” *Id.* . . .

. . . [P]laintiffs rely almost entirely on the idea that a theoretical line should separate publicity-right claims based on photographs from other works protected by the Copyright Act. They insist that “[a] different preemption rule applies to right-of-publicity claims arising from performances in film and sound recordings as opposed to those arising from a mere likeness in a photograph,” and that the latter type of claim is not subject to preemption because “[u]nlike a performance, a person’s mere likeness is not a copyrightable contribution to a photograph.”

The text of the Copyright Act does not support plaintiffs’ construction. Section 301 draws no distinction among different types of copyrighted works when it comes to federal preemption. *See* 17 U.S.C. § 301(a). It directs attention to sections 102 and 103, which list the categories of works in which copyright protection subsists, suggesting that the same preemption rule applies to all works that are contained within the “subject matter of copyright.” *Id.* § 102. Given that “pictorial” works appear on that list alongside “motion pictures” and “sound recordings,” *id.* § 102(a)(5)–(7), there is no textual basis to carve out a preemption rule that applies solely to photographs. . . .

. . . [I]n *Downing*, the publicity-right claim was not permitted to proceed simply because an individual's likeness was fixed in a photograph. Indeed, it was "not the publication of the photograph itself, as a creative work of authorship," that formed the basis of the publicity-right claim. 265 F.3d at 1003. Instead, it was the unauthorized "use of the [plaintiffs'] likenesses" to advertise Abercrombie products, and the creation of "t-shirts, exactly like those worn by the [plaintiffs] in the photograph, for sale" in Abercrombie's catalog. *Id.* The plaintiffs sustained injury to their individual "personas" because their likenesses were exploited commercially without their consent. The plaintiffs were not seeking to use the right of publicity simply to prevent "publication" of an artistic, visual work.

Laws [*v. Sony Music Entm't, Inc.*, 448 F.3d 1134 (9th Cir. 2006)] bolsters the interpretation that preemption turns on *how* a copyrighted photograph is used. In particular, *Laws* distinguished *Downing* as a case "involv[ing] photographs *used in advertising*." *Id.* at 1141 (emphasis added). . . . Importantly, we said that "[Abercrombie] had suggested that the surfers had *endorsed* Abercrombie's t-shirts. Accordingly, [*Downing*] concluded that 'it is not the publication of the photograph itself . . . that is the basis for [plaintiffs'] claims, but rather, it is the use of the [plaintiffs'] likenesses and their names pictured in the published photographs.'" *Id.* (quoting *Downing*, 265 F.3d at 1003) (emphasis added). *Laws* strongly implies that misuse of an individual's likeness is the "basis" of a publicity-right claim when the name or image is exploited in advertising or on merchandise. It correspondingly implies that one's likeness does *not* form the basis of a publicity-right claim when "the tort action challenges control of the artistic work itself," *id.* at 1142, or involves "the mere republication of the photograph," *id.* at 1141.

In further support of this interpretation, *Laws* appears to reject plaintiffs' reading of *Fleet v. CBS Inc.*, 50 Cal.App.4th 1911, 58 Cal.Rptr.2d 645 (1996). In *Fleet*, the plaintiffs were actors in a film, *White Dragon*, to which the defendant, CBS, Inc., owned the copyright. *Id.* at 1914, 58 Cal.Rptr.2d 645. . . . [P]laintiffs sued CBS alleging that CBS "did not have permission to utilize their names, pictures, or likenesses in conjunction with any exploitation of the film." *Id.* CBS released the film anyway and included a picture of one of the plaintiffs "on the packaging and [in] advertising materials." *Id.* at 1915, 58 Cal.Rptr.2d 645. The court held that section 301 of the Copyright Act preempted the plaintiffs' publicity-right claims. *Id.* at 1919, 58 Cal.Rptr.2d 645. . . . [I]t found that the "[plaintiffs'] analysis crumbles in the face of one obvious fact: their individual performances in the film *White Dragon* were copyrightable." *Id.* Once the "performances were put on film, they became 'dramatic work[s]' 'fixed in [a] tangible medium of expression.'" *Id.* (quoting 17 U.S.C. § 102(a)). "At that point," the court said, "the performances came within the scope or subject matter of copyright law protection." *Id.* at 1919–20, 58 Cal.Rptr.2d 645. Given that the publicity-right claims sought "only to prevent CBS from reproducing and distributing [plaintiffs'] performances in the film," the court concluded that "the [] claims must be preempted by federal copyright law." *Id.* at 1919, 58 Cal.Rptr.2d 645.

Maloney and Judge . . . believe *Fleet* supports their line between photographs and dramatic performances because *Fleet* adds "*if not for state law*, [the celebrity who had his picture taken] would have no remedy against those who would misappropriate his image for their own gain." *Id.* (emphasis added). The "state law," of course, is the right of publicity, so plaintiffs read *Fleet* to support a dichotomy between likenesses in photographs and likenesses in other copyrightable works.

Laws explains that in *Fleet*, however, “[s]ince CBS’s use of plaintiffs’ likenesses did not extend beyond the use of the copyrighted material it held, there was no right of publicity at issue, aside from the actors’ performances.” *Id.* at 1143 (emphasis added). *Laws* does not read *Fleet*, as plaintiffs contend, to draw a line between photographs and performances. Instead, it endorses the practice of looking at how one’s likeness is affected by “the use of the copyrighted material”—whether that material is a photograph or something else.

Laws itself illustrates the same point. There, Debra Laws recorded a song, “Very Special,” to which Elektra obtained the copyright. *Id.* at 1136. Sony then obtained a license from Elektra to sample Laws’ recording of “Very Special” in a song by Jennifer Lopez and L.L. Cool J. *Id.* After the song became a hit, Laws brought publicity-right claims alleging that Sony’s use of “Very Special” misappropriated her name and voice. *Id.* We held that section 301 of the Copyright Act preempted the publicity-right claims. *Id.* . . .

Laws is significant in another respect—it considered the argument “that the subject matter of a copyright claim and a right of publicity claim are substantively different.” *Id.* at 1139. Like plaintiffs here, Laws argued “that a copyright claim protects ownership rights to a work of art, while a right of publicity claim concerns the right to protect one’s persona and likeness.” *Id.* Sony responded that “the subject matter of a right of publicity [claim] in one’s voice is not different from a copyright claim when the voice is embodied within a copyrighted sound recording.” *Id.* Sony added that “once a voice becomes part of a sound recording in a fixed tangible medium it comes within the subject matter of copyright.” *Id.*

We sided with Sony. We acknowledged that “California law recognizes an assertable interest in the publicity associated with one’s voice.” *Id.* at 1141. But again, we held “that federal copyright law preempts a claim alleging misappropriation of one’s voice when the entirety of the allegedly misappropriated vocal performance is contained within a copyrighted medium.” *Id.* . . .

b. Persuasive authority. . . .

. . . [I]n *Dryer v. National Football League*, 814 F.3d 938 (8th Cir. 2016)[,] three NFL players argued that their publicity rights were violated by use of their game footage in various NFL films, which subsequently were licensed and broadcast to the public. *Id.* at 941. They maintained that their “performances in football games” were “part of their identities rather than ‘fixed’ works eligible for copyright protection.” *Id.* at 942. The court acknowledged that athletic performances are not copyrightable, but found “the Copyright Act specifically includes within its purview fixed recordings of such live performances.”¹¹ *Id.* Continuing, the court observed that “a right-of-publicity suit challenging the use of a copyrighted work in a *commercial advertisement* could have purposes unrelated to the aims of copyright law.” *Id.* at 943 (emphasis added). But it said that “[w]hen a right-of-publicity suit challenges the expressive, non-commercial use of a copyrighted work, . . . that suit seeks to subordinate the copyright holder’s right to exploit the value of that work to the plaintiff’s interest in controlling the work’s dissemination.” *Id.* Because the plaintiffs “d[id] not challenge the NFL’s use of their likenesses or identities in any context other than the publication of th[e] game footage,” the court held that the right-of-publicity claims fell within the subject matter of copyright. *Id.* at 942. . . .

c. Application

As noted, Maloney and Judge do not allege that their names and likenesses were ever used in connection with the sale of any merchandise. Nor do they contend that their likenesses were ever used in any advertising. Instead, the copyrighted images themselves were licensed to individuals for “non-commercial art use.” Moreover, the licensees of the Maloney and Judge photos did not obtain “any right or license to use the name or likeness of any individual . . . in connection with or as an express or implied endorsement of any product or service.”

Plaintiffs’ publicity-right claims and the derivative UCL claim challenge “control of the artistic work itself.” *Laws*, 448 F.3d at 1142. Pursuant to *Laws*, the subject matter of the state law claims therefore falls within the subject matter of copyright.

We believe that our holding strikes the right balance by permitting athletes to control the use of their names or likenesses on merchandise or in advertising, while permitting photographers, the visual content licensing industry, art print services, the media, and the public, to use these culturally important images for expressive purposes. Plaintiffs’ position, by contrast, would give the subject of every photograph a de facto veto over the artist’s rights under the Copyright Act, and destroy the *exclusivity* of rights that Congress sought to protect by enacting the Copyright Act.

2. Step Two—The rights plaintiffs assert are equivalent to rights within the general scope of copyright. . . .

The complaint asserts statutory and common law publicity-right claims, and a claim for a violation of the UCL. Plaintiffs, however, do not identify any use of their likenesses independent of the display, reproduction, and distribution of the copyrighted material in which they are depicted. We have held that under those circumstances, *none* of plaintiffs’ claims is qualitatively different from a copyright claim. *See Laws*, 448 F.3d at 1144 (holding that “[t]he mere presence of an additional element (‘commercial use’) in section 3344 is not enough to qualitatively distinguish [a] right of publicity claim from a claim in copyright”); *see also id.* at 1143–44 (“squarely reject[ing]” the argument that a UCL claim is qualitatively different than a copyright claim under circumstances analogous to here).

CONCLUSION

Under the circumstances presented here, the “ ‘subject matter’ of the state law claim[s] falls within the subject matter of copyright” and “the rights asserted under state law are equivalent to the rights contained in 17 U.S.C. § 106.” *Laws*, 448 F.3d at 1137, 1138. The federal Copyright Act therefore preempts the plaintiffs’ publicity-right claims and the derivative UCL claim. . . .

NOTES AND QUESTIONS

1. Are *Maloney* and the cases you read in the casebook consistent with each other in interpreting the two requirements for preemption?

2. Both *Brown* and *Toney* refer to the *Baltimore Orioles* case. There, major league baseball players had claimed that broadcasts of major league games made without their express consent violated their rights of publicity in their performances. The court held the claim preempted:

. . . The Players' performances are embodied in a copy, *viz*[], the videotape of the telecast, from which the performances can be perceived, reproduced, and otherwise communicated indefinitely. Hence, their performances are fixed in tangible form, and any property rights in the performances that are equivalent to any of the rights encompassed in a copyright are preempted. . . .

. . . Because the [allegation is that] the exercise of the Clubs' right to broadcast telecasts of the games infringes the Players' rights of publicity in their performances, the Players' rights of publicity are equivalent to at least one of the rights encompassed by copyright, *viz.*, the right to perform an audiovisual work. Since the works in which the Players claim rights are fixed in tangible form and come within the subject matter of copyright, the Players' rights of publicity in their performance are preempted.

Baltimore Orioles, Inc. v. Major League Baseball Players Ass'n, 805 F.2d 663, 675, 677 (7th Cir. 1986).

Do you agree with the *Baltimore Orioles* court? Why, or why not?

3. How would the *Brown* court have analyzed the claims made in *Maloney*? In *Maloney*, the defendants had a license to "store, host, and license" the photographs. In *Brown*, the defendants never had any copyright rights in the recordings or photographs to begin with. Should this matter to the analysis? Did it matter in the *Toney* case that the defendants owned the copyright in the photograph?

4. The *Maloney* court considers the relevant focus to be how the copyrighted work is being used under the circumstances in which a right of publicity action is alleged. How does this emphasis relate to §301(a)? Could the NCAA have used the photographs to promote ticket sales for its annual tournament without violating the players' rights of publicity? Could it use the images in a 12-month wall calendar or coffee table book?

5. Can you reconcile the *Laws* and *Fleet* cases as described in *Maloney*? Could CBS, in the *Fleet* case, use images from plaintiffs' performances on, e.g., T-shirts without violating their rights of publicity? Would it matter whether the T-shirts were advertising the film?

6. *Maloney* briefly discusses *Dryer v. NFL*, 814 F.3d 938 (8th Cir. 2016). There, former players sued the NFL based on its creation of films that used game footage and player interviews. The court focused on the nature of the speech involved:

The appellant[players] argue that their claims lie outside the scope of copyright law because the films represent commercial speech that states have a legitimate interest in regulating.

. . . [W]e agree with the district court's conclusion that the films are expressive, rather than commercial, speech and that the Copyright Act therefore preempts the appellants' claims. First, the films are not advertisements because they do not "propose[] a commercial transaction." As the district court observed, at no point do the films encourage consumers to purchase any product or service. Second, although the films "refer[] to" the NFL, they do not reference the league as "a specific product." The films tell stories of past contests featuring NFL teams and players, and they reference the league as part of those historical events rather than as a present-day product. Moreover, consumer demand for the films demonstrates that they exist as "products" in their own right. As the district court recognized, the NFL does not pay media outlets to show the films to potential NFL customers. To the contrary, consumers pay to view the films, either by purchasing copies or through subscriptions to broadcasters like ESPN, which

licenses the films to show on its various television networks. Because the films represent speech of independent value and public interest rather than advertisements for a specific product, the NFL's economic motivations alone cannot convert these productions into commercial speech. As a result, the films are expressive speech The Copyright Act therefore preempts the appellants' attempt to control dissemination of the films and thereby exercise a right equivalent to "exclusive rights" granted by copyright.

Id. at 943-44. Is this analysis appropriate in considering express preemption under §301(a)? As a matter of constitutional preemption? Would this approach change the result in any of the cases you have read in this section?

Practice Exercises – Counsel a Client

1. Ted has a very distinctive voice, and several years ago a local TV station hired him to narrate an annual show featuring the highlights from the area's high school football games. The arrangement between Ted and the station is quite casual, with no contract between them. The station later partnered with a software firm to develop software that high schools can use to simulate football plays. The station believes that there is a large market for the software, and has begun advertising, using some of the clips narrated by Ted. Ted has sued for violation of his right of publicity, and the station consults you to determine how to respond. Is Ted's claim preempted? Assume that the TV station decides it no longer wishes to deal with Ted and has hired Marty to do its narration. What advice would you give the station as it deals with Marty?

2. Karen has a very distinctive voice and is identified with a particular song she recorded with a record label. A new and used car seller licensed the song from the label and produced a commercial with another singer imitating Karen's voice as the soundtrack to the commercial. What advice would you give Karen?